FINANCIAL SECTOR REFORMS AND ECONOMIC GROWTH: A COMPARATIVE ANALYSIS OF NIGERIA AND CAMEROON

BY

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BEING

A DISSERTATION SUBMITTED TO THE DEPARTMENT OF BANKING AND FINANCE

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Acceptance

This is to attest that this Dissertation is accepted in partial fulfilment of the requirements for the award of the degree of a master of science in Finance from the department of Banking and Finance, College of Business and Social Sciences, Covenant University, Ota.

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Declaration

I, Mengot Esangaya hereby declare that this research work was carried out by me under the supervision of Dr Omankhanlen Alex Ehimare of the department of Banking and Finance, Covenant University Ota, Ogun State. I attest that no portion of this work either wholly or partially has been submitted in support of the award of another degree elsewhere. All sources of data and scholarly information used in this dissertation are duly acknowledged.

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Certification

This is to certify that this research work, written by MENGOT Esangaya was supervised and approved in partial fulfilment of the requirements for the award of Master of Science (M.Sc.) Degree in Finance of the Department of Banking and Finance, Covenant University, Ota, Ogun State, Nigeria.

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Dedication

I dedicate this research work to the glory of the all wise and gracious loving God who had brought my humble self this far in my academic pursuit and also to my loving and highly efficient parents, Mr Emmanuel Egbe Mengot and Mrs Frida Ebot Oben-Etchi.

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ESANGAYA MENGOT

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Abbreviations

CBN	Central Bank of Nigeria
BEAC	Bank of Central African states/ Banque des Etats de L;afrique Central
CEMAC	Central African Economic and Monetary Community
FMF	Federal Ministry of Finance
SEC	Security and Exchange Commission
NDIC	Nigeria Deposit Insurance Corporation
COBAC	Central African Bank Commission
VECM	Vector Error Correction Model
SAP	Structural Adjustment Program
GDP	Gross Domestic Product

Abstract

Financial sector reforms are an essential part of every economic reform package. This reforms involve putting together the liberalization of interest rates, promotion of market-bases system of credit allocation, enhancing competition, and efficiency of the regulatory and supervisory framework. This study seeks to examine the influence of financial sector reforms on economic growth: A comparative analysis of Nigeria and Cameroon. Secondary data was extracted from World development indicators 2016 and the Central Bank of Nigeria Statistical Bulletin 2017 for a period of 35years (1981-2016). The Johansen co-integration tests, the Vector Error Correction Model and Granger causality tests were used to analyse the data based on the various specific objectives. Results revealed that, both in the case of the Cameroonian and Nigerian financial sectors, the economy's growth had a long run relationship both before and after reforms were introduced to build a more vibrant financial sector. It is therefore recommended that, monetary policies that encourage credit expansion in the country is required for the increase of economic growth in Nigeria. However, in the case of Cameroon, monetary easing is required to increase the supply of money and availability of capital which will drive economic growth