

**EFFECT OF RENEWABLE ENERGY CONSUMPTION AND FINANCIAL DEVELOPMENT
ON THE NIGERIAN ECONOMY
(1960 – 2019)**

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(19PAG01904)**

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(1960 – 2019)**

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A DISSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION (MBA) FINANCE DEGREE IN THE DEPARTMENT OF BUSINESS MANAGEMENT, COLLEGE OF MANAGEMENT AND SOCIAL SCIENCES, COVENANT UNIVERSITY, OTA, NIGERIA.

SEPTEMBER, 2021

ACCEPTANCE

This is to attest that this dissertation is accepted in partial fulfilment of the requirements for the award of the degree of Master of Business Administration in the Department of Banking and Finance, College of Management and Social Sciences, Covenant University, Ota, Nigeria

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DECLARATION

I, FASHEYITAN, OLUWATOBI DAVID (19PAG01904) hereby declares that this masters' degree dissertation to the Department of Business Management, College of Management and Social Sciences, Covenant University, Ota, Ogun State was undertaken by me under the supervision of Dr. Alexander E. Omankhanlen. The originality of this dissertation is secure as proper citations acknowledging the intellectual sources of concepts haven been made. Also, this research work has not been submitted either in whole or in part for the requirement of another degree in this or any other university.

FASHEYITAN, OLUWATOBI DAVID

Signature and Date

CERTIFICATION

We certify that this dissertation titled ‘**EFFECT OF RENEWABLE ENERGY CONSUMPTION AND FINANCIAL DEVELOPMENT ON THE NIGERIAN ECONOMY (1960-2019)**’ is an original research work carried out by **FASHEYITAN, OLUWATOBI DAVID (19PAG01904)** in the Department of Banking and Finance, College of Management and Social Sciences, Covenant University, Ota, Ogun State, Nigeria under the supervision of Dr. Alexander E. Omarkhanlen. We have examined and found this work acceptable as part of the requirements for the award of Master of Business Administration (MBA Finance).

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DEDICATION

This dissertation is dedicated firstly to God Almighty.

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LIST OF ABBREVIATIONS

ARDL	Autoregressive Distributed Lag
FDI	Foreign Direct Investment
REC	Renewable Energy Consumption
FD	Financial Development
EU	European Union
RGDP	Real Gross Domestic Product
PWC	Price Waterhouse Coopers
CBN	Central Bank of Nigeria
NREEEP	Nigerian Renewable Energy and Energy Efficiency Policy
PPAs	Power Purchasing Agreements
PAYG	Pay As You Go
NBET	Nigerian Bulk Electricity Trading

ABSTRACT

Renewable energy is an important tool, with the aid of development in the financial sector that will help foster economic growth and spur sustainable development in Nigeria. Different sectors rely on different types of energy which has given a new trend to the initiating of new as known as the new normal. This is to achieve the Sustainable Development Goal (SDG 7) (clean and affordable energy) and (SDG 2) (no poverty) as developed by the United Nations. The country's over dependence on fossil fuel has contributed to changes in climate condition, corruption, poverty, unemployment, and reduction in life expectancy. This has evidently shown much more work needs

to be done in order to properly position the economy to a level that brings about sustainable growth and development. This has prompted the need to investigate the effect of renewable energy consumption and financial development on the Nigeria economy, from the period of 1960 to 2019. This study adopted the Auto Regressive Distributed Lag which is used to test for the long and short-run effect from the periods covered. The empirical findings from this study is in line with the objective stated on the interaction of renewable energy consumption and financial development has a long run significant relationship, but in the short run had no significant relationship with economic growth in Nigeria, also financial development has a significant and positive relationship in the long run on renewable energy consumption in Nigeria. As a recommendation the study emphasize the need to bolster renewable energy investment through informed and deliberate policies, this has a significant implication on the eco-system which will improve the eco-system, increase employment, and give incentives to providers of energy infrastructure, and increase infrastructure investment.

Keywords: Renewable energy consumption, energy demand, financial development, financial sector, Auto regressive distributed lag (ARDL) bounds cointegration