

Title of Article: Is There a Link between Financial Sector Development and Economic Growth in Nigeria?

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Abstract: There is no consensus in the empirical literature on the causal links between financial sector development and economic growth. This paper investigates the long run and causal relationship between financial sector development and economic growth in Nigeria for the period 1981 and 2011 using time series data. Results from a multivariate VAR and vector error correction model support evidence of long run relationship between financial sector development and economic growth in Nigeria. Granger causality test results also confirm the co integration results indicating there exist causality between financial sector development and economic growth in Nigeria. The nature of the causality however depends on the variable used to measure financial development. The results demand that government should implement appropriate regulatory and macroeconomic policies to consolidate on the gains of previous financial sector reforms.