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Financial Deepening And Economic Growth In Nigeria An

The Formula For Economic Growth | Intellections Finance and Growth Chapter 14 summary - Financial system and economic growth Understanding economic growth | AP Macroeconomics | Khan Academy Financial Deepening, Part 1/6 Productivity and Growth: Crash Course Economics #6 Lecture : 05 Financial Development and Economic Growth Chapter 25: Production and Growth Financial Deepening and Financial Inclusion by Dr Ratna Sahay Economic Growth explained (explainity® explainer video) Why do we need a framework for financial development? Financial Markets and Economic Development I A Level and IB Economics Can the economy grow forever? 1. Finance, Growth, and Volatility How Governments Can Support Economic Growth The Financial System Hundreds More Banks Risk Failing This Summer: Nothing Was Fixed Warns Top Economist ECONOMICS - ECONOMIC GROWTH,ECONOMIC DEVELOPMENT AND DEVELOPMENT PLANNING - LESSON 1 The Most Important Economic Schools of Thought | Economics Explained Limitless Growth Is Possible If We Run Our Economies Correctly | Economics Explained
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Financial Deepening and Economic Growth in the Pacific Basin Economies International Monetary Fund
Weighing up the costs and benefits of economic interdependence in a finance-driven world, this book argues that globalization, understood and promoted as absolute freedom for all forms of capital, has been oversold to the Global South, and that the South should be as selective about globalization as the North. 'Liberalization, Financial Instability and Economic Development' challenges the orthodoxy on the link between financial deepening and economic growth, as well as that between the efficiency of financial markets and the benefits of liberalization. Ultimately, the author urges developing countries to control capital flows and asset bubbles, preventing financial fragility and crises, and recommends regional policy options for managing capital flows and exchange rates.
With Special Reference to Indian Economy Cambridge University Press
Impacts of financial deepening on economic growth are examined with conventional financial asset GDP ratios, Shapley-Shubik core and general equilibrium modelling. It focuses on simultaneity between them rather than one way causation as found in the traditional McKinnon-Shaw analyses. General equilibrium results approximate the allocations for market with incomplete information though separating rather than pooling equilibrium generates efficient market outcome in presence of asymmetric information, particularly when the financial system operates under imperfect competition. Empirical evidences from Germany, France and UK show how enhanced financial liberalisations can contribute towards growth in the 21st century.
Core in Shapley-Shubik Game and General Equilibrium Models International Monetary Fund
This paper contributes to the literature by looking at the possible relevance of the structure of the financial system—whether financial intermediation is performed through banks or markets—for macroeconomic volatility, against the backdrop of increased policy attention on strengthening growth resilience. With low-income countries (LICs) being the most vulnerable to large and frequent terms of trade shocks, the paper focuses on a sample of 38 LICs over the period 1978-2012 and finds that banking sector development acts as a shock-absorber in poor countries, dampening the transmission of terms of trade shocks to growth volatility. Expanding the sample to 121 developing countries confirms this result, although this role of shock-absorber fades away as economies grow richer. Stock market development, by contrast, appears neither to be a shock-absorber nor a shock-amplifier for most economies. These findings are consistent across a range of econometric estimators, including fixed effect, system GMM and local projection estimates.
Financial Deepening to Support Monetary Stability and Sustainable Economic Growth Ebooks2go Incorporated
The paper investigates the relationship between the underground economy and financial deepening. Entrepreneurs can only access external finance by disclosing credible information in formal documentation. This may be impossible for many informal producers, who lack proper accounting records. Similarly, irregular workers may have difficulty borrowing to finance consumption and house purchases. Using panel data on local credit markets in Italy, we find that the share of irregular employment has a strong negative impact on outstanding credit to the private sector. According to our estimates, a shift of 1 per cent of employees from regular to irregular work corresponds to a decline of 1-2 percentage points of GDP in the volume of business lending and of 0.3 percentage points in outstanding credit to households. By contrast, the feedback effects of financial deepening on the size of the informal sector are weak and statistically not significant. Applying a difference-in-difference approach that exploits the exogenous variation induced by the regularization program for immigrant workers launched in 2002, we also find that irregular labour has a negative effect on banks' decisions to enter local credit markets.
A Time Series Appraisal (1986-2018). Anthem Press
There have been profound changes in both political and economic institutions in China over the last twenty years. Moreover, the pace of transition has led to variation across the country in the level of development. In this paper, we use panel data for the Chinese provinces to study the role of legal institutions, financial deepening and political pluralism on growth rates. The most important institutional developments for a transition economy are the emergence and legalization of the market economy, the establishment of secure property rights, the growth of a private sector, the developmentof financial sector institutions and markets, and the liberalization of political institutions. We develop measures of these phenomena, which are used as explanatory variables in regression models to explainprovincial GDP growth rates. Our evidence suggests that the development of financial markets, legal environment, awareness of property rights and political pluralism are associated with stronger growth.
Institutional Development, Financial Deepening and Economic Growth Springer
Although the finance-growth relationship is now firmly entrenched in the empirical literature, we show that it is not as strong in more recent data as it was in the original studies with data for the period from 1960 to 1989. We consider two related explanations. First, excessive financial deepening or too rapid growth of credit may have led to both inflation and weakened banking systems which in turn gave rise to growth-inhibiting financial crises. Second, excessive financial deepening may be a result of widespread financial liberalizations in the late 1980s and early 1990s in countries that lacked the legal or regulatory infrastructure to exploit financial development successfully. We find that the increased incidence of financial crises since the 1990s is primarily responsible for the recent weakening of the finance-growth link, but find no direct evidence that liberalizations played an important supporting role.
Theory, Evidence and Policy University of Hawaii Press
This book explores country case studies and works that detail the exact transmission mechanisms through which financial development can enhance pro-poor development in order to derive best practices in this field. This is an important companion for professionals and policymakers, and also a vital reference source for students.
A Prescription for Financial Sector Development Policy in Emerging Economies Cambridge University Press
Financial Deepening and Economic GrowthTheory, Evidence and PolicyFinancial Deepening for Economic GrowthA Prescription for Financial Sector Development Policy in Emerging EconomiesFinancial Deepening in Economic DevelopmentNew York : Oxford University PressInstitutional Development, Financial Deepening and Economic GrowthEvidence from China
Causuality Between Finance and Growth DIANE Publishing
The global financial crisis experience shone a spotlight on the dangers of financial systems that have grown too big too fast. This note reexamines financial deepening, focusing on what emerging markets can learn from the advanced economy experience. It finds that gains for growth and stability from financial deepening remain large for most emerging markets, but there are limits on size and speed. When financial deepening outpaces the strength of the supervisory framework, it leads to excessive risk taking and instability. Encouragingly, the set of regulatory reforms that promote financial depth is essentially the same as those that contribute to greater stability. Better regulation—not necessarily more regulation—thus leads to greater possibilities both for development and stability.
Evidence from China Springer
The influence of financial deepening on the economic growth of any nation cannot be underestimated. To this end, the study evaluated the effect of financial deepening on economic growth in Nigeria over a period of thirty three (33) years: 1986 to 2018. Data were collected from statistical bulletins of the Central Bank of Nigeria (CBN) and factbooks of the Nigerian Stock Exchange (NSE). The model estimation followed the Auto-regressive Distributive Lag (ARDL) approach with the effect estimated in line with the Granger Causality analysis. We found that economic growth in Nigeria is not affected by financial deepening. The study also stated that the level of growth in the economy is what influences the level of development in the banking sector. The implication is that the Central Bank of Nigeria and the Security and Exchange Commission (SEC) should formulate and implement policies geared toward the deepening of the banking sector and the capital markets to help in the efficient and effective mobilization of resources to accelerate the growth of the Nigerian economy. The insurance sector should not be left out in this regard even though citizens seem not to embrace the need for insurance policies. Impediments to the competition in the banking, insurance and capital market activities should be removed by strict legislation in line with international best practices and participants in the markets be protected as well.
Financial Deepening, Inequality, and Growth International Monetary Fund
How important is financial development for economic development? A costly state verification model of financial intermediation is presented to address this question. The model is calibrated to match facts about the U.S. economy, such as intermediation spreads and the firm-size distribution for the years 1974 and 2004. It is then used to study the international data, using cross-country interest-rate spreads and per-capita GDP. The analysis suggests that a country like Uganda could increase its output by 140 to 180 percent if it could adopt the world's best practice in the financial sector. Still, this amounts to only 34 to 40 percent of the gap between Uganda's potential and actual output. Charts and tables.

Evidence from Selected Sub-Saharan African Countries

International Monetary Fund
A large theoretical and empirical literature has focused on the impact of financial deepening on economic growth throughout the world. This paper contributes to the literature by investigating

whether this impact differs across regions, income levels, and types of economy. Using a rich dataset for 150 countries for the period 1975–2005, dynamic panel estimation results suggest that the beneficial effect of financial deepening on economic growth in fact displays measurable heterogeneity; it is generally smaller in oil exporting countries; in certain regions, such as the Middle East and North Africa (MENA); and in lower-income countries. Further analysis suggests that these differences might be driven by regulatory/supervisory characteristics and related to differences in the ability to provide widespread access to financial services.
Do All Countries Benefit Equally? New York : Oxford University Press
Tiivistelmä.
Financial Development and Source of Growth Springer Science & Business Media
Although the finance-growth relationship is now firmly entrenched in the empirical literature, we show that it is not as strong in more recent data as it was in the original studies with data for the period from 1960 to 1989. We consider two related explanations. First, excessive financial deepening or too rapid growth of credit may have led to both inflation and weakened banking systems which in turn gave rise to growth-inhibiting financial crises. Second, excessive financial deepening may be a result of widespread financial liberalizations in the late 1980s and early 1990s in countries that lacked the legal or regulatory infrastructure to exploit financial development successfully. We find that the increased incidence of financial crises since the 1990s is primarily responsible for the recent weakening of the finance-growth link, but find no direct evidence that liberalizations played an important supporting role.

'Financial Repression', Financial Deepening and Economic Growth

International Monetary Fund
This paper examines how financial development affects the sources of growth—productivity and investment—using a sample of 145 countries for the period 1960-2011. We employ a range of econometric approaches, focusing on the CCA and MENA countries. The analysis looks beyond financial depth to capture the access, efficiency, stability, and openness dimensions of financial development. Yet even in this broad interpretation, financial development does not appear to be a magic bullet for economic growth. We cannot confirm earlier findings of an unambiguously positive relationship between financial development, investment, and productivity. The relationship is more complex. The influence of the different dimensions of financial development on the sources of growth varies across income levels and regions.
Financial Deepening, Terms of Trade Shocks, and Growth Volatility in Low-Income Countries
Financial Deepening and Economic GrowthTheory, Evidence and PolicyFinancial Deepening for Economic GrowthA Prescription for Financial Sector Development Policy in Emerging EconomiesFinancial Deepening in Economic Development
We propose a coherent unified approach to the study of the linkages among economic growth, financial structure, and inequality, bringing together disparate theoretical and empirical literature. That is, we show how to conduct model-based quantitative research on transitional paths. With analytical and numerical methods, we calibrate and make tractable a prototype canonical model and take it to an application, namely, Thailand 1976-1996, an emerging economy in a phase of economic expansion with uneven financial deepening and increasing inequality. We broadly replicate the actual data, test the model formally, and identify anomalies.

How Land Registration Affects Financial Development and Economic Growth in Thailand

International Monetary Fund
This book attempts to study causal relationships between several measures of financial sector growth and deepening and economic growth in the Indian context, using annual data from 1950-51 to 2008-09. The relationship between financial sector development and economic growth can be analyzed from three angles: financial deepening leading to economic growth, economic growth leading to financial deepening and a bi-directional relationship between the two. The book gives a detailed description of the data used in this study, book further describes the empirical methodology, the main tool of analysis are the method of Granger causality, Error correction Mechanism, Impulse Response Function (IRF) and Co-integration explained. The data used are annual data from Handbook of Statistics on the Indian Economy; Statistical Tables Relating To Banks in India, Banking Statistics, NSE News (Private Circulation), Fact Book of NSE, BSE annual reports, and Handbook of Statistics on The Indian Security Market by SEBI. All the variables were tested for unit roots using the Dickey-Fuller test (1979) which have been referred from the Enders (2003) to find out stationarity and study considers critical values at 5 per cent significance level. Unit root test is performed by using the R software and difference operators have been indicated with the numerical value. This study applied Granger causality test to verify causality between various variables of financial deepening and Gross Domestic Product and Per Capita Income as indicators of economic growth. It is shown that for a wide range of financial variables, financial deepening does indeed cause economic growth. However, the causality is not unidirectional; in a feedback relationship, economic growth too causes financial sector deepening. The study supports the claims of all three schools.
Financial Deepening and Economic Growth in Nigeria World Bank Publications
This paper reviews the evolving literature that links financial development, financial crises, and economic growth in the past 20 years. The initial disconnect -- with one literature focusing on the effect of financial deepening on long-run growth and another studying its impact on volatility and crisis -- has given way to a more nuanced approach that analyzes the two phenomena in an integrated framework. The main finding of this literature is that financial deepening leads to a trade-off between higher economic growth and higher crisis risk; and its main conclusion is that, for at least middle-income countries, the positive growth effects outweigh the negative crisis risk impact. This balanced view has been revisited recently for advanced economies, where an emerging and controversial literature supports the notion of "too much finance," suggesting that there might be a threshold beyond which financial depth becomes detrimental for economic growth by crowding out other productive activities and misallocating resources. Nevertheless, the growth/crisis trade-off is alive and strong for a large share of the world economy. Recognizing the intrinsic trade-offs of financial development can provide a useful framework to design policies targeting financial deepening, diversity, and inclusion. In particular, acknowledging the trade-offs can highlight the need for complementary policies to mitigate the risks, from financial macroprudential policies to monetary policy frameworks that monitor the growth of credit and asset prices.
Financial Deepening and Post-Crisis Development in Emerging Markets
This paper examines the state of financial development in the Latin America and Caribbean (LAC) region as well as potential growth and stability implications from further development. The analysis suggests that access to financial institutions has expanded notably in the past decade, and the region compares favorably with other emerging market regions on this dimension. The region, however, continues to lag behind peers on broader financial development, especially with respect to markets, though there is substantial heterogeneity across countries. Financial systems in many LAC countries are also underdeveloped relative to their macroeconomic fundamentals. Further financial development could convey net benefits to the region, provided there is adequate regulatory oversight to prevent excesses.
Rethinking Financial Deepening
This collection empirically and conceptually advances our understanding of the intricacies of emerging markets' financial and macroeconomic development in the post-2008 crisis context. Covering a vast geography and a broad range of economic viewpoints, this study serves as an informed guide in the unchartered waters of fundamental uncertainty as it has been redefined in the post-crisis period. Contributors to the collection go beyond risks-opportunities analyses, looking deeper into the nuanced interpretations of data and economic categories as interplay of developing world characteristics in the context of redefined fundamental uncertainty. Those concerns relate to the issues of small country finance, the industrialization of the developing world, the role of commodity cycles in the global economy, sovereign debt, speculative financial flows and currency pressures, and connections between financial markets and real markets. Compact and comprehensive, this collection offers unique perspectives into contemporary issues of financial deepening and real macroeconomic development in small developing economies that rarely surface in the larger policy and development debates.