

Competition in the Financial Sectors: Identifying Sectoral and Systemic Fallows for the Financial Sector of the Economy

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List of Abbreviation

SMEs – Small and Medium Enterprises, **GDP** – Gross Domestic Product, **NBFI**s – Non-bank Financial Institutions, **UNDP** – United Nations Development Programmes**, LDCs –** Less Developed Countries, **UNICEF –** The United Nations Children's Fund**, FSS –** Financial System Strategy, **CBN** – Central Bank of Nigeria**, NAPEP –** National Poverty Eradication Programme.

Abstract

The global financial system has witnessed rapid growth and substantial structural change during the last ten years leading to globalization of financial markets. The integration of financial markets has accentuated the rapid flow of capital across borders as well as magnified the contagious effects of financial crisis with wide implications for transmission of financial policies on the domestic economy and internationally, which is evident in Nigeria's financial system. Consequently, the Nigerian financial sector has to be abreast of reforms that should be sustained in an orderly manner, for appropriate channeling of resources for investment and productive purposes.

Keywords: Financial sector, Financial development, Policy measure, Economic growth, Economic performance, Business performance.

Introduction

In a developing economy, such as Nigeria, financial sector development has been accompanied by structural and institutional changes. Financial sector generally has long been recognized to play a crucial role in economic development of an economy. According to Mc-kinnon (1973) and Shaw (1973), the financial sector could be a catalyst for economic growth. Nonetheless, the present link between the financial sector and the real sectors of the economy still remain very weak. To an extent, Nigeria's financial sector is a bit complex, but sophisticated in terms of breadth and depth. However, relative to the size of the economy and the financial needs, the financial sector can be said to be underdeveloped and still facing enormous challenges. Commercial lending to SMEs are virtually in non-existence; prudential regulation and enforcement are still lagging behind international best practice; banks are apparently under-capitalized, while their risk management, lending practices, and internal controls remain inadequate; the stock of non-performing loans is becoming very large.

For more than two decades after independence, the Nigerian financial system was repressed, as evidenced by ceilings on interest rates and credit expansion, selective credit policies, high reserve requirements, and restriction on entry into the banking industry. This situation inhibited the functioning of the financial system and especially, constrained its ability to mobilize savings and facilitate productive investment (Sylvanus I. & Abayomi A., 2001)). In the process, it plays an important role in reducing risks and in the transformation of maturities in the saving-investment nexus. Financial institutions lower the cost of investment when they evaluate, monitor and provide financial services to entrepreneurs. They promote productivity and growth through improved efficiency of intermediation, a rise in the marginal product of capital and or an increase in the savings rate (Kanayo etal, 2011).

Financial liberalization is one of the key pillars of reforms in most countries of Africa. A lot of work has been done on the relationship between financial deepening and economic performance. Many studies find a close link between financial deepening, productivity and economic growth and conclude that policies affecting the financial sector have substantial effects on the space and pattern of economic development (Goldsmith 1969; King and Levine 1993). For example, it is estimated that policies that would raise the M2/GDP ratio by 10% would increase the long-term per capita growth rate by 0.2 – 0.4% points (World Bank, 1994). Callier (1991), maintained that the performance of the financial sector in Sub-Saharan Africa has an important bearing on the overall economic performance because: (i) the region continues to be in economic crisis and the financial system is relatively underdeveloped compared to any other developing region; (ii) structural adjustment programs would require more reliance on the private sector and hence its financing; (iii) the debt crisis and reduction in external savings translates to the need to increase the mobilization of domestic savings for investment; (iv) reform is needed if the financial system is to overcome and avoid the problems of financial distress and restore confidence; and (v) the need for international competitiveness requires that the financial system be as adaptable and flexible as possible. It is postulated that the financial sectors in many African countries (i) are segmented, fragmented and dualistic; (ii) are mainly bank-based, with few NBFIs; (iii) serve the short end of the market; (iv) are heavily regulated, with much of their services geared towards servicing the public sector deficits, leading to a crowding-out of the private sector; and (v) they face limited competition or innovations, with many of them dominated by oligopolies (Soyibo, 1994).

Researchers have argued that financial fragility should be addressed immediately as signs shown up. The classic explanation for financial fragility is given by Irving Fisher (1933). He argued that fragility is closely correlated with macroeconomic cycles, and highlights, in particular, debt liquidation. A downturn triggered by over-indebtedness in the real economy requires, at some point, liquidation of this debt in order to bring the economy back to equilibrium. Debt liquidation would result in a contraction of monetary liabilities and a slowdown of velocity. These changes have several economic implications-reductions in prices, output, and market confidence, and increases in bankruptcies and unemployment. According to Fisher, therefore, financial fragility is largely based on deterioration in economic fundamentals. Other theories highlight factors affecting depositor confidence in the financial sector. Diamond and Dybvig (1983) discussed the potential existence of multiple equilibria in financial equilibrium, and that the banking sector finds itself in "bank run" equilibrium.

They assumed that these equilibria are a function of random events known to all agents. Therefore, a bank run occurs when agents have deposited funds into a bank at a time of low probability of a bank run, and then later observe negative events that increase their anticipation of a bank run.

Several studies of financial problems appeared in the wake of the Mexican crisis in 1994, and before the emergence of the Asian crisis in 1997. These studies investigated the vulnerability of financial institutions in the face of exogenous shocks. Financial intermediaries are generally highly leveraged, engage in maturity transformation, transactions in markets with asymmetric information, and are subject to moral hazard through explicit or implicit deposit insurance. Sources of financial fragility explored in the studies include a falling growth rate, deterioration in the balance of payments, high inflation, volatile exchange rates, surges in stock market activity and prices, credit booms, weakening performance of export sectors, and deterioration in the terms of trade. In addition, these studies highlight non-quantifiable indicators of financial fragility, such as deficient banking supervision, inadequate instruments of monetary control, overly generous deposit insurance, inadequacies in the operation of the legal system, overexposure in international financial markets, lack of adequate accounting standards and practices, insufficient financial disclosure, and perverse incentive structures.

Purpose of the Study

The purpose of this study was to determine the sectoral and systemic fallows for the financial sector of the economy.

Research Questions

1. Is there any prevailing socio-economic condition of operators in the informal sector as result of the neo-liberal policy measures?
2. To what extent have the neo-liberal policy measures undermined informal sector operators' capacity to achieve improvements in their well-being?

Research Hypothesis

Ho: There is no significant relationship between economic growth and financial development.

Hi: There is significant relationship between economic growth and financial development.

Methodology

The researcher employed ex-post facto design and the quantitative data were generated results of the occupational sectors used. From this, univariate analyses were carried out describing the trends and patterns of the variables in percentages. The quantitative data derived were analysed using Chi-Square tests with a total population of 575 which was randomly selected to establish the relationship between neo-liberal economic policy and human development imperatives.

Data Analysis

Table1. Distribution of respondents by occupation

Occupation	**Number**	**Percentage (%)**
Traders	234	41
Artisans	204	35
Taxi/bus Driver	35	6
Motor Cycle rider	45	8
Service Providers	53	9
Others	4	1
Total	**575**	**100%**

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Table 2. Age distribution of respondents

AGE CATEGORY	PERCENTAGE (%)
20 – 30 years	47.8
31 – 40 years	36.7
41 – 50 years	12.6
51 – 60 years	2.9
Total	**100**

Table 3. Distribution of respondents by weather conditions of living have improved or not in the last seven years

	Occupation													
Responses	**Trader**		**M-Cycle Rider**		**Taxi/bus Driver**		**Artisan**		**Service Providers**		**Others**		**Total**	
	f	%	f	%	f	%	f	%	f	%	f	%	f	%
Yes	92	40	17	40	13	37	76	39	24	46	1	25	223	40
No	129	56	26	60	22	63	109	56	26	50	2	50	314	56
Don't know	8	3	-	-	-	-	6	3	2	4	1	25	17	3
N /A	2	1	-	-	-	-	4	2	-	-	-	-	6	1
Total	**231**	**100**	**43**	**100**	**35**	**100**	**195**	**100**	**52**	**100**	**4**	**100**	**560**	**100%**

X^2 = 29.95, DF=15; P < 0.05.

Table 4. Distribution of respondents by capacity to meet their personal and family needs given their earnings

	Occupation													
Responses	**Trader**		**M-cycle Rider**		**Taxi/bus Driver**		**Artisan**		**Service Provider**		**Others**		**Total**	**%**
	F	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*
Yes	37	16	6	14	5	14	26	13	3	6	0	-	77	14
No	182	78	36	82	29	83	170	84	48	90	3	75	468	81
Don't Know	14	6	0	-	1	3	4	2	1	2	1	25	21	4
N/A	0	-	2	4	0	-	2	1	1	2	0	-	5	1
Total	**233**	**100**	**44**	**100**	**35**	**100**	**202**	**100**	**53**	**100**	**4**	**100**	**571**	**100%**

X2 = 26.95, DF=15; P < 0.05

Table 5. Distribution of respondents experiences regarding their business performance

	Occupation													
Responses	**Trader**		**M-cycle Rider**		**Taxi/bus Driver**		**Artisan**		**Service Provider**		**Others**		**Total**	**%**
	F	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*
Yes (Satisfied)	38	25	5	17	7	27	25	18	2	8	2	100	79	76
No(Not Satisfied)	114	74	23	79	16	62	109	77	24	92	-	-	286	21
Don't Know	1	0.64	1	3.44	1	4	6	4	-	-	-	-	9	2
N/A	1	0.64	-	-	2	8	1	0.7	-	-	-	-	4	1
Total	**154**	**100**	**29**	**100**	**26**	**100**	**141**	**100**	**26**	**100**	**2**	**100**	**387**	**100%**

Table 6. Distribution of respondents by whether they be Satisfied with their living conditions

	Occupation													
Responses	**Trader**		**M-cycle Rider**		**Taxi/ bus Driver**		**Artisan**		**Service Provider**		**Others**		**Total**	
	F	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*
Yes	33	14	3	7	2	6	16	8	4	8	0	-	58	10
No	191	82	37	82	33	94	187	92	49	92	4	100	501	87
Don't Know	9	4	4	9	0	-	0	-	0	-	0	-	13	2.3
N/A	0	-	1	2	0	-	0	-	0	-	0	-	1	0.2
Total	**233**	**100**	**45**	**100**	**35**	**100**	**203**	**100**	**53**	**100**	**4**	**100**	**573**	**100%**

X^2 =39.50, DF=15; P< 0.05

Table 7. Distribution of respondents by whether the implementation of neo- liberal policy was designed to improve their living conditions

	Occupation													
Responses	**Trader**		**M-cycle Rider**		**Taxi/bus Driver**		**Artisan**		**Service Provider**		**Others**		**Total**	**%**
	F	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*
Yes	49	21	15	34	12	34.3	49	24	5	10	0	-	130	23
No	156	67	27	61	19	54.3	135	66	46	88	4	100	387	67
Don't Know	28	12	2	5	4	11.4	20	10	1	2	0	-	55	10
Total	**233**	**100**	**44**	**100**	**35**	**100**	**204**	**100**	**52**	**100**	**4**	**100**	**572**	**100%**

X^2 = 281.41, DF=10; P < 0.05.

Nigeria operates a mono-economy by its dependence on petroleum. This has become a very fundamental factor especially when artisan takes financial decisions with respect to costing and pricing table 8 below provides a profile of fuel coverage in Nigeria from 1982 to 2012.

Table 8. Fuel price increases for petrol (1982-2012)

Date	**Price Per Litre**	**Regime/Administration**	**% Increase**
April 20 1982	20k	Alhaji Shehu Shagari	31%
March 31, 1986	39 ½	General Ibrahim Babangida	97.5%
April 10, 1988	42	General Ibrahim Babangida	6%
Jan 1, 1989	42k public, 62k private	General Ibrahim Babangida	
Dec 19, 1989	60k for all	General Ibrahim Babangida	43%
March 6, 1991	70k	General Ibrahim Babangida	16.6%
Nov. 8, 1993	N5.00	Chief Earnest Shonekan	614%
Nov. 22, 1993	N3.23	General Sanni Abacha	
Oct. 2, 1994	N15.00	General Sanni Abacha	361.5%
Oct. 4, 1994	N11.00	General Sanni Abacha	
Dec. 20, 1998	N25.00	General Abdulsalami Abubakar	127%
Jan. 6, 1999	N20.00	General Abdulsalami Abubakar	
June. 1, 2000	N30.00	Chief Olusegun Obasanjo	50%
June. 8, 2000	N25.00	Chief Olusegun Obasanjo	
June. 13, 2000	N22.00	Chief Olusegun Obasanjo	
Jan. 1, 2002	N26.00	Chief Olusegun Obasanjo	18.2%
June 20, 2003	From N26 to N40	Chief Olusegun Obasanjo	54%
July 9, 2003	From N40 to N34	Chief Olusegun Obasanjo	17%
Oct 1, 2003	From 34 to N42	Chief Olusegun Obasanjo	23%
May 29, 2004	From 42 to N49.90	Chief Olusegun Obasanjo	19%
Jan 2005	From N49.90 to 50.50	Chief Olusegun Obasanjo	1%
August 25, 2005	From N50.50 to N65	Chief Olusegun Obasanjo	28%
May 27, 2007	From N65 to N75	Chief Olusegun Obasanjo	15%
June 2007	N70	Alhaji Umuru Musa Yaradua	7%
July 2012	From N70-190	Goodluck Jonathan	

Source: Fawehinmi 2002; Daily Times, June 23, 2003; The Punch, May 28, 2007 P6.

Table 9. Distribution of respondents by whether neo-liberal policy addresses the provision of basic social needs

	Occupation													
Responses	**Trader**		**M-cycle Rider**		**Taxi/bus Driver**		**Artisan**		**Service Provider**		**Others**		**Total**	**%**
	F	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*
Yes	10	7	4	14	3	12	18	13	1	4	0	-	36	10
No	113	76	22	76	17	65	103	73	22	85	2	100	279	75
Don't Know	24	16	3	10	6	23	20	14	3	11	0	-	56	15
No Answer	2	1	0	-	0	-	0	-	0	-	0	-	2	0.5
Total	**149**	**100**	**29**	**100**	**26**	**100**	**141**	**100**	**26**	**100**	**2**	**100**	**373**	**100%**

X^2 = 39.50, DF=15; P < 0.05

Table 10. Distribution of respondents by whether neo-liberal policy promotes improvement in informal sector activities

	Occupation													
Responses	**Trader**		**M-cycle Rider**		**Taxi/bus Driver**		**Artisan**		**Service Provider**		**Others**		**Total**	**%**
	F	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*
Yes	47	20	12	27	5	14	50	25	21	40	2	50	137	24
No	133	57	27	60	19	54	109	54	25	47	2	50	315	55
Don't Know	44	19	6	3	9	26	32	16	6	11	0	-	97	17
No Answer	9	4	0	-	2	6	10	5	1	2	0	-	22	4
Total	**233**	**100**	**45**	**100**	**35**	**100**	**201**	**100**	**53**	**100**	**4**	**100**	**571**	**100%**

$$X^2 = 75.3, DF=15; P < 0.05$$

Table 11. Federal government recurrent expenditure (=n='million) 1999-2004

Year	**Education**	**Health**	**Defence**	**Debt Serving**	**% of Total Expenditure for Education**	**% of Total Expenditure for health**	**% of Total Expend for Defence**	**% of Total Expenditure for Debt services**
1997	12,136.0	3,179.2	11,607.2	56,000.0	7.5	1.9	7.2	34.8
1998	13,928.3	4,860.5	15,130.8	66,000.0	7.6	2.6	8.2	36.1
1999	23,047.2	8,793.2	28,019.4	16, 300.0	10.4	3.9	7.7	7.3
2000	44,225.5	11,612.6	33,119.4	100,000.0	12.5	3.2	9.3	28.3
2001	39,884.6	24,523.5	47,071.6	155,424.0	6.8	4.2	8.1	26.8
2002	100,240.2	50,563.2	86,053.8	203,902.9	11.5	5.8	9.9	23.5
2003	64,755.9	33,254.5	51,043.6	363,363.0	6.5	3.3	5.1	36.9
2004	76,527.7	34,198.5	76,324.4	397,315.2	7.2	3.2	7.1	37.3

Source: Central Bank of Nigeria Statistical Bulletin 2004.

Table 12. Distribution of respondents by their present living conditions due to government implementation of neo-liberal policy.

	Occupation													
Responses	**Trader**		**M-cycle Rider**		**Taxi/bus Driver**		**Artisan**		**Service Provider**		**Others**		**Total**	**%**
	F	%	F	%	F	%	F	%	F	%	F	%	F	%
Yes (Positive)	34	21	8	28	8	32	47	32	5	18	0	-	102	26
No (Negative)	108	66	21	72	17	72	90	61	18	64	2	100	56	65
Don't Know	18	11	0	-	0	-	9	6	2	7	0	-	29	7
No Answer	4	2	0	-	0	-	2	1	3	11	0	-	9	2
Total	**164**	**100**	**29**	**100**	**25**	**100**	**148**	**100**	**28**	**100**	**2**	**100**	**396**	**100%**

Table 13. Nigeria's real GDP growth rates (2001-2005)

Year	**2001**	**2002**	**2003**	**2004**	**2005**
Real GDP Growth Rates %	4.7	4.6	9.6	6.6	6.2
Oil sector	5.2	5.7	23.9	3.3	0.5
Non-Oil Sector	4.5	8.3	5.2	7.8	8.2

Source: Central Bank of Nigeria Annual Report, 2005.

Table 14. Nnigeria's GDP per capita (us$) 1980-2006

1980	**1990**	**1999**	**2003**	**2004**	**2006**
2,262.68	699.59	463.23	621.15	673.01	1,011.73

Source: Central Bank of Nigeria, 2007.

Table 15. Nigeria's real GDP average growth rates (1980-2006)

Year	1980-83	1984-85	1986-93	1994-99	2000-02	2003-2006
Total GDP Growth Rate	4.17	4.99	6.23	2.33	4.75	7.07
Oil GDP Growth Rate	-9.76	10.18	7.84	0.51	3.55	5.76
Non-Oil Growth Rate	-1.94	3.30	5.77	3.00	5.23	7.61

Source: Central Bank of Nigeria, 2007.

Table 16. Comparison of Nigeria, Singapore, Malaysia and China on the human development index (1975-2004)

Year	1975	1980	1985	1990	1995	2000	2004
Nigeria	0.317	0.376	0.387	0.407	0.419	0.433	0.448
Singapore	0.727	0.763	0.786	0.823	0.862	0.897	0.916
China	0.527	0.560	0.596	0.628	0.685	0.730	0.768
Malaysia	0.616	0.659	0.696	0.723	0.761	0.791	0.805

Source: UNDP, Human Development Report, 2006.

Table 17. Distribution of respondents by whether their businesses have improved following government implementation of neo-liberal policy

	Occupation													
Responses	**Trader**		**M-cycle Rider**		**Taxi/bus Driver**		**Artisan**		**Service Provider**		**Others**		**Total**	**%**
	F	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*
Yes	28	19	5	17	2	8	20	14	6	23	0	-	61	16
No	115	77	24	80	22	88	117	84	18	69	2	100	298	80
Don't Know	4	3	1	3	1	4	3	2	2	8	0	-	11	2.9
No Answer	2	1	0	-	0	-	0	-	0	-	0	-	2	0.5
Total	**149**	**100**	**30**	**100**	**25**	**100**	**140**	**100**	**26**	**100**	**2**	**100**	**372**	**100%**

X^2 =171.47, DF=15; P < 0.05

Table 18. Distribution of respondents by whether they received any governmental assistance to start their business.

	Occupation													
Responses	**Trader**		**M-cycle Rider**		**Taxi/bus Driver**		**Artisan**		**Service Provider**		**Other**		**Total**	**%**
	F	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*	*F*	*%*
Yes	2	1.32	1	3.44	1	4	4	3	1	4	0	-	9	2
No	145	96	27	93	22	92	126	97	25	96	2	100	347	96
Don't Know	2	1.32	0	-	1	4	0	-	0	-	0	-	3	1
No Answer	2	1.32	1	3.44	0	-	0	-	0	-	0	-	3	1
Total	**151**	**100**	**29**	**100**	**24**	**100**	**130**	**100**	**26**	**100**	**2**	**100**	**362**	**100%**

X^2 = 310.00, DF=15; P <0.05.

Discussion of findings

From the data presented and analyzed, we have brought to the fore the fact that the neo-liberal policy cannot succeed in Less Developed Countries (LDCs) like Nigeria whose economy is not based on the exportation of manufactured goods, but primary products (agricultural and natural resources) orientation whose objectives are not guided by a development process that is internally generated and sustained from within. With particular reference to the neo-liberal policy implemented by the Nigerian government, it is obvious from the findings of the study that its social costs implications on the socio-economic conditions of the people working in the informal sector worsened over the last two decades. This is profoundly so as the economic reform programmes of government have failed to address the myriad of social problems confronting the nation, especially poverty and unemployment which has resulted in the proliferation of the sector.

The problems of unemployment and underemployment have not abated, while the poverty incidence among Nigerians has been on the increase with the young people (aged 20-44 years) mostly affected. A look at the demographic characteristics of respondents reveal that composition of operators in the informal sector are made up of mostly persons within the ages of 20-40 years which amounts to 85 percent. This fact indicates that the number of dependants in each operators households would have increased, thus placing greater demand on their incomes for the maintenance of expenditure required by their household members. The resultant consequence of this condition is a drop in the standards of living of this class of persons. As such, many of the respondents (over 90 percent) live in either one room or one room and parlour accommodation without the requisite social facilities

to match, thus resulting in the poor quality of life and individual dignity.
These conditions thus explain the persistence of poverty in the country as revealed by Nigeria's ranking in the UNDP human development index reports which has been on the increase over the last two decades, rising from 27 percent in 1980 to over 54 percent in 2006. Besides, UNICEF (2007) report indicated that over 70 percent of the population living below the 1 US$ dollar per day, which is an increase from 27.2 percent in 1980, 43.6 percent in 1985 and 42 percent for 1992. This data shows that the effects of the neo-liberal policy on the poorest groups, many of whom belong to the informal sector have been hurting and deplorable. This was confirmed by the survey data in Table 4.6 which showed that majority of the respondents were not satisfied with their living conditions which have been further aggravated with the implementation of SAP measures. For instance, the general emphasis of the neo-liberal policy measures on drastic devaluation, removal of subsidy on essential goods, particularly petroleum products have been decried for having too many negative effects, including inflation, high cost of goods/ services and inputs and the decline in the purchasing power of the operators. These conditions have resulted in many of them operators (75 percent) lacking access to society's productive resources, particularly human capital assets like education, healthcare and skill acquisition/training. This fact substantiates the major criticism against the World Bank/IMF neo-liberal development agenda in sub-Saharan Africa which have shifted the burdens of the economic reforms to the poorest and vulnerable groups in society. This stance is often viewed as an irony of fate given the Bretton Woods institutions involvement in sponsoring researches on poverty and its reduction strategies aggravated by its neo-liberal policy approach.

Conclusion

For many years, macro-economic policies and planning in Nigeria have emphasized growth rather than development. We have not paused to ask "growth for whom"? The time has come to focus development efforts on what happens to poverty, unemployment, societal attitudes, institutional structures, infrastructures, basic needs and general social welfare of the populace. Following the major findings from this study, it is imperative to state that any credible development strategy aimed at reducing urban poverty and promoting human development in Nigeria must pay due attention to the human needs of operators in the informal sector. This is so as experience from national economies such as South Korea, Malaysia and Indonesia that has made successes in developing the informal sector shows that micro-enterprises are a major catalyst in stimulating industrial and commercial development. Besides, the informal sector businesses also contribute important connecting points between the various sectors of the economy.
The financial sector has been identified as the DRIVER needed to pull other sectors of the economy towards the Vision. Consequently, the Central Bank of Nigeria (CBN), in conjunction with other regulatory bodies initiated the Financial System Strategy (FSS) 2020, to synchronize and integrate the on-going economic reforms and harness the gains to ensure that Nigeria becomes Africa's Financial Hub and to promote her to join the league of the top 20 economies on or before the year 2020.

Recommendations

Based on the above findings the following recommendations were made:

1. The Federal Government of Nigeria must create a ministry of informal sector development to specifically see to the needs and requirement of the sector like it did for issues that bother on women affairs rather than lump it with the activities of the National Poverty Eradication Programme (NAPEP).
2. Government must put in place legislation that will channel at least 20 percent (20%) of her budgetary expenditures to the funding of the social sectors and provision of infrastructure specifically targeted at improving the quality of life of the greatest majority of the people.
3. Government must come to terms with the truth that engaging in a thorough evaluation of any of its economic policy, weighing the social cost on the welfare of the people and taking decisions in the overall interests of the populace will go a long way to ensure the success of such policy.
4. Various sub-groups in the informal sector must be properly structured and organized into viable bodies by the operators.

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