

CENTRAL BANK GOVERNORS' TENURE, FINANCIAL REPRESSION AND THE NIGERIAN ECONOMY

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Abstract

The study analyzed effect of central bank governors' tenure and financial repression on Nigerian economy. The correlation and ordinary least squares techniques were applied on data collected from Central Bank of Nigerian statistical database covering 1975 to 2018. The findings revealed that Central Bank Governors' Policy decisions while in office caused financial repression which significantly affects Nigerian economy. Specifically, prescribed cash reserve for public sector funds negatively account for growth thus constituting financial repression affecting Nigerian economy. This study concludes that policy decisions of the governors of central bank significantly affect the economy and recommends that central bank governors should exercise caution in taking policy decisions that will have adverse financial repression effects on the economy.

Keywords: Central Bank Governors' Tenure, Financial Repression, Nigerian Economy, Financial System.

JEL Classification: E58, G18, G21, N27, O55

1. INTRODUCTION

An effective financial system is an antidote for the survival of any national economy, and for any financial system to be effective and minimize the risks that can impair financial and economic stability, the financial system is regulated. Banking institution's regulation is critical for ensuring efficiency, safety and soundness in operations, and to prevents general systemic collapse. The Central Bank of Nigeria (CBN) is the apex body responsible for the regulation of financial institutions in Nigeria. The central bank governor is the Chief Executive Officer (CEO) of the apex monetary

institution/authority of the economy. The success or failure of national economy depends to a large extent on the policies of central bank as the apex monetary authority. Central bank governor has a specified period in office and during this period, he initiates reforms and policies which can impact on the performance of the financial system and the economy as a whole. Indeed, the tenure of CEO is related either directly or indirectly to performance of the business the CEO presides over. CEOs tenure is the period an officer occupied in the apex decision making position of an organization. Hambrick and Mason (1984) viewed CEO tenure as a major observable feature which forecasts both the “givens and behaviors” of CEOs while still occupying the highest management position.

Dikolli *et al* (2014) observed that the longer a CEO stays in an office, the weaker the firm governance becomes, and this ultimately affects performance. Offor (2010) posed the question whether Central Bank of Nigeria should be involved in the mandatory fixing of tenure for Bank CEOs? He argued that the shareholders and the board of directors are those with the power to change CEOs or not the regulatory agency. This was in rebuttal to the claim that CBN interferences through policy strengthen corporate governance in the banking system. Ozili (2020) found that developed countries financial systems are more stable with central bank governor that have a high social capital, cognitive abilities, and technical competencies in economics. However, for developing nations, the financial systems are less stable with these attributes. Wirsching (2018) discovered that central bank governors with past experiences in the financial sector deregulate significantly. According to OECD (2009) bureaucrats and regulators globally do not serve public interest and currently favor special interests that they are to regulate. This explains the ‘revolving door hypothesis’ which described the flow of personnel from government offices to financial entities and from financial entities to government offices.

Moser and Dreher (2010) examined reactions of foreign exchange markets, domestic stock markets and sovereign bond spreads to central bank governor changes and found that replacement of central bank governor adversely affects financial markets. Arguably, policies or actions that affect the financial system, will ultimately have impact on the general economy.

Central Bank employed monetary policy instruments to regulate the financial system. According to Chigbu and Okonkwo (2014) monetary policy is a cautious effort by government to achieve targeted level of macroeconomic stability in the economy by using interest rate, the amount of loans, changes in the quantity of money to affect the level of economic activities. Interest rate regulations, control of credit allocation are signs of financial repression (Xu & Gui, 2013) which can impact the health of national economy, because it hinders job creation and result in economic inefficiency. Financial regression includes rules, regulations and policies imposed by government which interferes with the efficient functioning of the financial markets systems. Hayes (2021) described financial repression as means through which government corners private sector funds for its use to reduce debt. Macaulay and Kasimu (2015) posits that countries with interventions and interferences in the financial systems suffer from poor

performance in respect of saving, investment and growth. It is on this backdrop, that this study seeks to examine tenure of central bank governors and the effects their policy actions may have on the Nigerian economy.

The main objective of the study is to examine the effect of the Central Bank's financial policy decisions while in office on Nigerian economy. The specific objectives are as follows:

1. To analyze the effect of Central Bank Governors Policy decisions during tenure in office on the Nigerian economy
2. To examine whether central bank governor's policy decisions constitute financial repression affecting Nigerian economy

1.1 HYPOTHESES DEVELOPMENT

Central Bank governors introduced one form of reforms or another during their period in office in a bit to ensure financial system stability or the stability of national economy. However, some of these policy actions may have adverse effect on domestic economy directly or indirectly. Hence, this study posits that:

Hypothesis 1: Central Bank Governors' tenure policies does not significantly affect the Nigerian economy.

Financial repression in form of restrictive interest rate regulation through the use of cash reserve ratio or prescribed cash reserve ratio, capping of interest rate among others may denies investors access to investment funds, thus depressing investment and ultimately national economy. Also, exchange rate regulations and capital controls which restrict repatriation of investment profit by foreigners discourages foreign investment and inflow of funds, and this affect the rate of employment and national financial liquidity which are antidotes for development. It on this backdrop, this study postulate that:

Hypothesis 2: Central Bank Governors Policies does not cause financial repression influencing the Nigerian economy.

2. LITERATURE REVIEW

2.1 CONCEPTUAL REVIEW

2.1.1 CENTRAL BANK GOVERNOR'S TENURE

A central bank is a financial institution owned by the government of a country and run by a board of directors. The board of directors of Central Bank of Nigeria (CBN) is made of twelve officers: one governor, four deputy governors, six directors and a secretary to the board. The board of directors takes responsibilities for the day to day management of the bank. The governor and deputy governors of the CBN are appointed by the president/head of state for a five years' period. From the establishment of the Central Bank of Nigeria (CBN) in 1958 till date, the CBN governors are either from the deposit money bank (DMO) or the academics. Below are the governors:

1. Roy Pentelow Fenton from 24/7/1958 to 24/7/1963.
2. Alhaji Aliyu Mai-Bornu first indigenous governor of the Central Bank of Nigeria from 25/7/1963 to 22/6/1967.
3. Dr. Clement Nyong Isong from 15/8/1967 to 22/9/1975.
4. Mallam Adamu Chiroma from 24/9/1975 to 28/6/1977.
5. Mr Ola Vincent from 28/6/1977 to 28/6/1982.
6. Alhaji Abdulkadir Ahmed from 28/6/1982 to 30/9/1993.
7. Dr. Paul Agbai Ogwuma, OFR from 1/10/1993 to 29/5/1999.
8. Chief (Dr.) Joseph Oladele Sanusi, CON from 29/5/1999 to 29/5/2004.
9. Prof. Chukwuma Charles Soludo, CFR from 29/5/2004 to 29/5/2009.
10. Mr. Sanusi Lamido Aminu Sanusi from 3/6/2009 to 3/6/2014.
11. Mr. Godwin Emefiele from 3/6/2014 to date.

2.1.2 FINANCIAL REPRESSION

Financial repression comprises of rules, regulations and policies imposed by government which interferes with the efficient functioning of the financial markets system. Moran (1986) viewed regulation as an activity which imposes rules that restrict the discretion of individuals or institutions. Hayes (2021) described financial repression as means through which government corners private sector funds for its used to reduce debt. This, the government do by increasing both the implicit and explicit taxes that private sector is expose to which in-turn increase their cost of doing business and increases revenue to the government with a side effect of high mortality rate for firms. Financial control is the direct opposite of financial openness; however, to maximize the benefit of liberalization, it should be complemented by financial reforms (Orji et al, 2015). Financial repression policies have been in existence since the World War II. It was particularly noticeable during the Bretton wood era, which permitted capital control and give national government the opportunity to regulate allocation and pricing of investment funds. With the recent (2007 to 2008) financial crisis and the outbreak of Covid-19, monetary authorities are applying monetary policy measures to stimulate their economy. For instance, the US government introduced the liquidity coverage ratio in 2014, and this raised the level of government debt held by banks, thereby contributing to the low interest rate being observed in the country recently (Mullin, 2021). The reduction of interest rates is a form of intervention by government and it promote the efficiency by which capital is allocated.

Similarly, direct credit is government interventionist program which help to channel credits to sectors hitherto neglected by credit providers. However, interest rate regulation, control of credit allocation are signs of financial repression (Xu & Gui, 2013) which poses threat to the health of national economy because it hinders job creation and result in economic inefficiency. Macaulay and Kasimu (2015:76) states that “countries with intervention and interferences in their financial systems suffer from poor performance in respect of saving, investment and growth due to financial control, regulation and repression by authorities. The indicators of financial repression are: (a) The existence of indiscriminate distortions in financial prices such as interest rates and exchange rates (b) Imposition of interest rates ceiling or fixing nominal interest

administratively resulting in low or negative real interest rate (c) Prescribing high reserve ratios (d) Instituting direct credit programs (e) Inefficient quantitative (non-price) credit (loanable funds) rationing. All this lower the volume and quality of investment because financial institutions ration available funds or allocate credit not in the light of expected marginal productivity of investment but by using their discretion or in the light of transaction costs, perceived default risk, quality of collateral, political pressures, loan size and convert benefit to loan officers.”

2.2 REVIEW OF THEORETICAL LITERATURE

2.2.1 PUBLIC INTEREST THEORY OF REGULATION

Public interest theory stipulates that regulation arise from demand by the public for the correction of unfair practices in the marketplace (Posner, 1974). The theory assumed that exchange process is characterized by inefficiency; hence regulation should be instituted to enforce efficiency. Indeed, regulation is introduced when there is market failure. Market failure occur when scarce resources are not efficiently allocated to the highest valued projects (Hertog, 2010). It has been identified that government regulation is one of the ways to efficiently allocate resources when market failure occurred (Arrow, 1970; Shubik, 1970). Government intervention is predicated on the fact that it knows what is good for the public (Ajefu & Barde, 2015). Greenwald and Stiglitz (1986) asserted that problems in economic spheres can be tackled through policy intervention in such a way that is beneficial to all. Stieglitz (1989) opined that government should produce regulatory intervention when the investments of the people are at risk.

2.2.2 AGENCY THEORY

Agency theory as pioneered by Jensen (1986) submitted that agency crisis occurred in an organization if the principal-owner is distinct from those managing the organization. This is because the manager has the incentive to pursue risky venture and this may be detrimental to the principal and stakeholders. Therefore, government should intervene through policy action when the investments of the citizens are threatened due to the risky activities of institutions’ managers (Stieglitz, 1989). Certainly, when financial institutions like banks are not adequately regulated, they may have the effrontery to engage in risky activities capable of endangering depositors’ funds. Thus, to ensure financial system stability and boost confidence government should come in with policies. Currie (2003) posited that banking industry need to be regulated to mitigate the risk level for stakeholders because of the volatile nature of their operations.

2.2.3 REGULATORY CAPTURE AND THE REVOLVING DOOR HYPOTHESIS IN FINANCE

This hypothesis is hitched on the fact that movement in and out of government by officials have influence on regulatory policy. Revolving door effects mirrored the substantial way by which financial industry influences financial policy decisions (Baker, 2010; Gadinis, 2013) because movement of professionals from industry to public sector and the other way around, have effect on policy reforms. This influence is

captured through the connection between financial industry and central bank governor as enunciated by Stigler (1971). For instance, those coming into public offices from private sector may show empathy for industry because of their previous affiliation. Similarly, those leaving government and intending to enter industry may be compassionate to potential employers in order to be attractive to them (Agrell & Gautier, 2012). In a null shell, revolving door phenomenon has strong effect on public policy and financial reform. Thus, Central Bank Governors and Finance Ministers as economic policymakers have revolving door effect capable of shaping financial regulation and policy reforms. Indeed, central bank governors with previous experience in financial industry are predisposed towards financial deregulation (Mishra & Reshef, 2019).

2.2.4 UPPER ECHELONS THEORY

This theory was brought to the fore by Hambrick and Mason (1984), it posits that the performance of an organization depends on the background characteristics of those at the helm of affairs. Finkelstein and Hambrick (1990) discovered that the tenure of top executives' influence organizations' strategy and performance. Specifically, those with longer tenure present with organizational performance close to industry's average performance. Henderson, Miller and Hambrick (2006) revealed that CEOs tenure performance varies with organization. In some firms, performance grows with CEO tenure, while in others performance improves only at the initial period on the job. However, Blettner *et al* (2012) demonstrated that strong empirical evidence is not enough to establish the effect of top executive on organization's performance. Challenges such as the nature and performance indicators measurement, environmental factors likely to cause distractions and complexities of the period, transfer of experience as CEO from firm to another often referred to as misperception need to be taken into consideration.

2.3 REVIEW OF EMPIRICAL LITERATURE

Gidigbi (2017) examined the effect of financial reforms on economic performance in Nigeria from 1981 through 2015 with the aid of stepwise regression and found that financial restructuring positively influences economic growth. Alesina and Summers (1993) investigated the link between the independence of the central bank and economic outcomes such as economic growth and determine that central bank autonomy stimulate price stability but have no remarkable impact on economic performance. In an attempt to know whether central bank governors' characteristics affect financial regulatory reforms, Mishra and Reshef (2019) discovered that central bank governors with previous experience in financial industry are predisposed towards financial deregulation. Anwar and Nicholas (2020) considered the link between central bank and inflation in developing countries covering about 40 years, using structure break and none-causality Granger procedures. The result shows a causal association between central bank policy reforms and inflation.

Ishioro (2017) applied autoregressive distributive lag procedures to examine the impact of reforms in the banking industry on Nigerian economy from 1970 to 2013. It was revealed that interest rate margin significantly determines economic growth, while

private sector credits by banks has negative but not significant impact on the growth of the economy. Ikubor (2019) needed to know if the restructuring in banking sector affect economic growth in Nigeria for the period 1970 to 2014, utilizing ARDL technique. The impact of reform was measured using cash reserve ratios, interest rate, ratio of credit to private sector, loan to deposit ratio among others and found out that reforms in the banking industry does not have significant influence on economic growth. Ezeocha (2020) considered the impact of banking reforms on the Nigerian economy, using regression tool and reveals that reforms affect economic performance. Specifically, it discovered an inverse but not significant relationship between loan and advance and economic growth. Omankhanlen (2012) examined the effect of financial sector reforms on Nigerian economy, using ordinary regression covering 1980 to 2008. Result shows that the developments in the financial sector have impact on the economy. Importantly, loan and advance, credits to private sector and investment rate significantly account for economic growth. Yu, *et al* (2014) investigated the effect of reforms in financial sector on economic growth in Morocco, using both pool regression and variance decomposition techniques. The study could not find significant link between financial developmental reform and economic growth, particularly in East Asia and Pacific in the short run. Rehman *et al* (2011) studied the impact of financial sector reforms on Pakistani economy covering 1973 to 2008, utilizing both correlation and regression methods. Reform instruments such as deposits, lending rate and interest rate are correlated with economic growth. The regression result shows that financial sector reforms positively determines economic growth.

Orji *et al* (2015) examined the impact of financial liberalization reform on Nigerian economy for the period 1981 to 2012 using OLS regression and found out that financial liberalization positively account for economic growth, while lending rate negatively drive growth. Hye and Wizarat (2013) explored the connection between financial sector liberalization and Pakistani's economic growth, applying autoregressive distributive lag (ARDL) procedure for the period 1971 to 2007 and found a non-significant impact of liberalization on growth in the long run, while interest rate significantly and negatively influences national economic growth. Owusu and Odhiambo (2013) inspected whether financial liberalization policies influence Nigerian economy during the period 1969 to 2008, using ARDL method. The outcome of the investigation exposed that liberalization has short and long run significant impact on growth. Ilugbusi *et al* (2020) studied the effect of financial liberalization (proxy by lending rate, deposit rate, exchange rate, a ratio of private sector credit to GDP) on Nigerian economy from 1986 to 2018, using ARDL. It was documented that credit to private sector positively and significantly drive growth, while deposit rate and exchange rate have negative but not significant impact on growth in Nigeria. Selvaragan *et al* (2018) considered the effects of liberalization of financial sector on economic growth in six ASEAN countries from 1990 to 2015, utilizing pooled mean regression measures. The result reveals that proxies for financial liberalization (such as credit to private sector, market capitalization) influences economic growth.

Kamal (2012) proxy financial depression with money not in the banks and examined its impact on the growth of national economies in 32 developing countries,

using regression. The outcome of the investigation shows that depression has negative effect on growth for countries who are evolving regarding financial liberalization, and positively drive growth in financially liberal countries. Bakr (2017) could not find any significant link between financial repression and growth when regression technique was applied on economic growth model in Russia. Khan *et al* (2021) inspected the impact of capital flow and capital control on the growth of developed and developing countries from 1995 to 2017, using pool mean regression. The outcome of the investigation exposed that restrictions on capital flows limit the influence of capital indicators (such as external debt, FDI) on economic growth. Huang and You (2018) utilized system GMM for the period 1995 to 2009 to examine the effect of capital on economic growth and reported that capital control policies significantly affect economic growth. However, different capital measures present different effects.

Jagadeesh (2015) investigated the effect of savings on economic growth in Botswana from 1980 to 2013 with the help of ARDL technique and found that savings significantly drive economic growth. Abubakar (2013) examined the nexus between the indicators of financial development (such as trade openness, interest spread, private sector credits) and the growth of Nigerian economy covering 1970 to 2010, applying vector error correction model. The study found that interest rate spread and private sector credits inversely account for growth, while bank liabilities and trade liberalization impact it positively. Emecheta and Ibe (2014) studied the influence of bank credits to private sector and money supply on Nigerian economy for the period spanning 1960 to 2011, utilizing vector autoregressive tool. The study reveals that these financial deepening indicators positively and significantly drive economic growth. Korkmaz (2015) revealed that credits to private entities by banks account for economic growth in Europe for the period 2006 to 2012. Ojiegbe *et al* (2016) explored the effect of banks liquidity creation on economic growth in Nigeria for the period 1980 to 2013, applying ordinary least squares. It was revealed that total deposits as well as total bank credits positively and significantly determine the growth of Nigerian economy. Fidrmuc *et al* (2015) inspected the effect of bank liquidity creation on the growth of Russian Economy from 2004 to 2012, and with the help of Generalized Method of Moments. It was evidence in the study that bank liquidity creation stimulates the economy.

3. METHODOLOGY

The population for this study is made up of all CBN governors from the year 1963 to date. the number of CBN governors from inception till date is 11 with Mr. Godwin Emiefele as the current serving CBN governor. The secondary data used is collected from CBN statistical database from 1975 to 2018 for which the researcher could access cognate data. The method of analysis upon which inferences are based is the correlation analysis and the regression analysis. However, group unit root test and descriptive statistics are used to examine the characteristics of the series used in the study. Correlation analysis was used to particularly examine the tenure of the governors. To measure the relationship between the independent and explanatory variables, a regression model is specified as follows

$$GDP = f(DPR, LDR, FDP, FDN, CRR, PCR, NSB, NSF, SAV) \dots\dots\dots(1)$$

Where

- GDP= Gross Domestic Product (constant LCU)
- DPR= Weighted Average Deposit Rates of Deposit Money Banks (Per Cent)
- LDR = Weighted Average Lending Rates of Deposit Money Banks (Per Cent)
- FDP = Financial deepening (M2/GDP) (%)
- FDN = financial deepening (CPS/GDP) (%)
- CRR = Prescribed Cash Reserve Ratio (private sector funds)
- PCR = Cash Reserve Ratio (Prescribed for Public Sector Funds)
- NSB= Number of Specialized Banks
- NSF = Number of Specialised Financial Institutions
- SAV = Savings Statistics - Cumulative (₦' Billion)

The model is presented econometrically thus:

$$GDP_t = \alpha_0 + \beta_1 DPR_t + \beta_2 LDR_t + \beta_3 FDP_t + \beta_4 FDN_t + \beta_5 CRR_t + \beta_6 PCR_t + \beta_7 NSB_t + \beta_8 NSF_t + \beta_9 SAV_t + \varepsilon_t \dots\dots\dots(2)$$

- β_0 = Constant
- $\beta_1 - \beta_9$ = coefficients to be estimated
- ε_t = Error Term

The definition and operationalization of the variables used in this study is displayed in table 1 below.

Table 1: Operationalization of Variables

S/N	VARIABLES	MEASUREMENT	APRIORI SIGN
1	Gross Domestic Product (constant LCU)	the total amount of goods produced in an economy often a year	
2	Weighted Average Deposit Rates of Deposit Money Banks (Per Cent)	interest earning for deposit left in a bank account for certain period	+
3	Weighted Average Lending Rates of Deposit Money Banks (Per Cent)	the rate for lending to customer by financial institutions.	-
4	Financial deepening (M2/GDP) (%)	ratio of money supply to GDP	+
5	Financial Deepening (CPS/GDP) (%)	ratio of credit to private sector to GDP	+
6	Prescribed Cash Reserve Ratio	the ratio required by CBN from deposit money banks to be kept from private financial assets.	-
7	Cash Reserve Ratio (Prescribed Public Sector Funds)	the ratio required by CBN from deposit money banks to be kept from financial assets of public entities.	-
8	Number of Specialized Banks	Number of banks other than deposit money banks	+
9	Savings Statistics - Cumulative (₦' Billion)	savings in the economy which shows the level of capital accumulation	+

Source: Authors' Compilation, 2022.

3.1 RESULTS AND DISCUSSION

3.1.1 DESCRIPTIVE STATISTIC

The summary statistic of the indicators used in this study to examine the effect of the CBN Governor’s policies on the Nigerian economy is presented in table 2. Table 2 reveals that the mean of GDP, NSB, NSF, and SAV have relatively high average value while other variables exhibit relatively low mean value which is considered appropriate for a normal data sample distribution. On the average, the median value follows the distribution of the mean values with only few exceptions which may not be significant enough to cause spuriousness in the estimation results for inferences. The values of the standard deviation are also moderately distributed showing oscillation around the mean point except for GDP, NSB, NSF and SAV. This is a pointer to the fact that some of the series may fail the normality test while other may be normally distributed. Of all the variables, LDR and PCR exhibit negative skewness in the distribution. This is reflective of the strict credit condition borrowers are meant to face by lenders which is a product of the CBN policy and regulatory activities. This negative skewness shows that policies from the CBN only favor the players of the industry and not the consumers of the products offered by the industry players. The other variables show positive skewness in the distribution of the data. The skewness of a symmetric distribution, such as the normal distribution, is zero. Positive skewness means that the distribution has a long right tail and negative skewness implies that the distribution has a long left tail. The value of the Kurtosis revealed that the series were Mesokurtic on the average showing that the series were relatively normally distributed. The Jarque-Bera statistic results show that only LDR and NSB pass the Jarque-Bera test. The other variables failed the Jarque – Bera test. With this, there is need for a unit root test to determine the level of stationarity in the series. The study used the group summary unit root test to affirm the stationarity of the series for further analysis using the data for inferences in the study. The result of the descriptive statistics is presented in table 2.

Table 2: Descriptive Statistics on CBN Governor’s Policies and the Nigerian Economy

	GDP	DPR	LDR	FDP	FDN	CRR	PCR	NSB	NSF	SAV
Mean	8.25E+13	7.091673	16.34727	13.74549	10.57763	5.540000	48.75000	686.4600	280.6000	2637.628
Median	2.21E+13	5.490000	17.09875	12.26014	8.130034	3.000000	50.00000	755.0000	248.0000	188.8569
Maximum	6.98E+14	18.80000	29.80000	21.30726	20.77330	22.50000	75.00000	1646.000	872.0000	15067.12
Minimum	1.52E+13	1.410541	7.750000	9.151674	5.917270	1.000000	20.00000	169.0000	84.00000	6.562600
Std. Dev.	1.81E+14	4.725705	5.291446	3.926198	5.358572	6.197918	9.411917	441.4435	205.7903	4367.062
Skewness	3.057943	1.014588	-0.025199	0.775782	1.000370	2.024881	1.032703	0.194673	0.972462	1.549810
Kurtosis	10.44366	2.789952	2.832585	2.081242	2.237857	5.441304	8.113541	2.028859	3.116269	3.979698
Jarque-Bera	193.3585	8.670154	0.063683	6.773886	9.549638	46.58445	63.36293	2.280635	7.908857	22.01554
Probability	0.000000	0.013101	0.968660	0.033812	0.008440	0.000000	0.000000	0.319717	0.019170	0.000017
Sum	4.13E+15	354.5836	817.3635	687.2746	528.8816	277.0000	2437.500	34323.00	14030.00	131881.4
Sum Sq. Dev.	1.61E+30	1094.282	1371.971	755.3365	1407.000	1882.295	4340.625	9548744.	2075132.	9.34E+08
Observations	50	50	50	50	50	50	50	50	50	50

Source: Author’s Estimation from E.View, 2022.

3.1.2 CORRELATION ANALYSIS ON CBN GOVERNOR’S POLICIES AND THE NIGERIAN ECONOMY

The correlation results presented in table 3 revealed that there is a negative relationship between NSF and GDP, implying that the activities of the numbers of specialized financial institution have adversely affected the Nigerian economy in the tenure of the CBN governors over the years. Also, GDP and DPR were found to be negatively related. The implication of this is that the policies by the governors over the years have discouraged deposit from savers in the economy. The other variables have positive relationship with GDP implying that where policies favor the other variables, the economy performed better. Of all the variables, DPR, FDP, FDN, CRR, PCR and SAV were found to be significantly related to GDP at 5% level of statistical significance.

Table 3: Correlation Results on CBN Governor’s Policies and the Nigerian Economy

Correlation Probability										
	GDP	DPR	LDR	FDP	FDN	CRR	PCR	NSB	NSF	SAV
GDP	1.000000									

DPR	-0.254862	1.000000								
	0.0741	-----								
LDR	0.051044	0.298712	1.000000							
	0.7248	0.0351	-----							
FDP	0.541810	-0.529658	0.211151	1.000000						
	0.0000	0.0001	0.1410	-----						
FDN	0.555461	-0.512087	0.152736	0.962762	1.000000					
	0.0000	0.0001	0.2896	0.0000	-----					
CRR	0.816549	-0.322512	0.035444	0.601451	0.683321	1.000000				
	0.0000	0.0224	0.8069	0.0000	0.0000	-----				
PCR	-0.824692	0.080830	-0.028122	-0.268409	-0.227551	-0.388332	1.000000			
	0.0000	0.5768	0.8463	0.0595	0.1120	0.0053	-----			
NSB	0.219235	-0.162205	0.502480	0.315615	0.326254	0.238287	-0.110094	1.000000		
	0.1261	0.2604	0.0002	0.0256	0.0208	0.0956	0.4466	-----		
NSF	-0.089212	0.182266	0.573473	0.049397	0.015924	-0.109775	0.053842	0.809645	1.000000	
	0.5378	0.2052	0.0000	0.7334	0.9126	0.4479	0.7104	0.0000	-----	
SAV	0.757681	-0.499186	0.084047	0.844256	0.900560	0.909072	-0.341454	0.291587	-0.078881	1.000000
	0.0000	0.0002	0.5617	0.0000	0.0000	0.0000	0.0152	0.0399	0.5861	-----

Source: Author’s Estimation from EView, 2022.

On the relationship between the independent variables, there is mix result as some of the variables were not significantly related to each other thereby defraying the fear of multicollinearity or serial correlation in the estimation of the study for inferences. Hence we can rely on the results for hypotheses testing in the study.

3.1.3. UNIT ROOT TEST ON THE VARIABLES

Given the results of the descriptive statistics, we examined further the stationarity of the series since they are of time series in nature to be sure that they are

suitable for the analysis. In doing this, we conduct a summary unit root test both at level and first difference. The results as presented in table 4 and table 5 shows that summarily some of the variables were not stationary at level but all the variables were found to be stationary at first difference. The stationarity conditions were satisfied for Levin, Lin & Chu t* ADF-Fisher Chi-square and PP-Fisher Chi-square unit roots test at 5% level of statistical significance. However, the condition was not satisfied for Im, Pesaran and W-stat and Breitung t-stat unit root tests. Those unit roots methods that satisfied the condition for stationarity are at less than one percent confidence level of statistical significance which explains the appropriateness of the series used for the analysis.

Table 4: Summary of Group Unit Root Test at Level on the Series for CBN Governor’s Policies and the Nigerian economy

Group unit root test: Summary
Series: GDP, DPR, LDR, FDP, FDN, CRR, PCR, NSB, NSF, SAV

Method	Statistic	Prob.**	Cross-sections	Obs
Null: Unit root (assumes common unit root process)				
Levin, Lin & Chu t*	7.05674	1.0000	9	427
Null: Unit root (assumes individual unit root process)				
Im, Pesaran and Shin W-stat	2.36141	0.9909	9	427
ADF - Fisher Chi-square	13.8577	0.7383	9	427
PP - Fisher Chi-square	10.9886	0.8948	9	441

Source: Author’s Estimation using EView, 2022.

Table 5: Summary of Group Unit Root Test at First Difference on the Series for CBN Governor’s Policies and the Nigerian economy

Group unit root test: Summary Date: 02/14/20 Time: 12:09
Series: GDP, DPR, LDR, FDP, FDN, CRR, PCR, NSB, NSF, SAV

Method	Statistic	Prob.**	Cross- sections	Obs
Null: Unit root (assumes common unit root process)				
Levin, Lin & Chu t*	-10.8333	0.0000	9	418
Null: Unit root (assumes individual unit root process)				
ADF - Fisher Chi-square	731.773	0.0000	9	418
PP - Fisher Chi-square	580.016	0.0000	9	432

Source: Author’s Estimation using EView, 2020.

3.1.4 REGRESSION RESULTS

The regression results presented in table 6 revealed that FDN, CRR, PCR and SAV were found to significantly determine systematic variation in GDP in the Nigerian economy. These variables were found to be significant at 5% level of statistical significance. Of all the variables that were statistically significant, FDN and PCR had negative effect on GDP while CRR and SAV had positive effect on GDP. The results of the serial correlation test revealed that there is no serial correlation in the model used for the study. The R-squared value of 98.32% shows that the independent variables

sufficiently account for the systematic variation in the dependent variable to the tune of 98.32%. This provides enough explanation for changes in the dependent variable leaving only a little fraction to the error term. The Adjusted R-square revealed that the model for the study is well fitted in explaining the behavioral relationship between the dependent variable and the independent variable. The Durbin Watson statistic of 1.528865 shows the absence of serial correlation adjudging that we can rely on the results for inferences. The F statistics and the probability of the F statistic revealed that on the overall the model is statistically significant in explaining the behavioral relationship between the dependent and the independent variable.

Table 6: Regression Results for CBN Governor’s Policies and the Nigerian economy

Dependent Variable: GDP

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.49E+14	6.23E+13	8.802558	0.0000
DPR	1.71E+12	1.95E+12	0.875273	0.3869
LDR	-5.76E+11	1.40E+12	-0.412229	0.6825
FDP	6.27E+12	4.77E+12	1.314930	0.1964
FDN	-1.12E+13	4.16E+12	-2.696942	0.0104
CRR	9.08E+12	3.05E+12	2.974393	0.0051
PCR	-1.12E+13	5.75E+11	-19.42056	0.0000
NSB	1.66E+10	2.48E+10	0.670386	0.5067
NSF	-1.73E+10	4.62E+10	-0.373801	0.7106
SAV	1.96E+10	6.32E+09	3.094347	0.0037
AR(1)	0.518222	0.175561	2.951805	0.0054
R-squared	0.983285	Mean dependent var	8.39E+13	
Adjusted R-squared	0.978886	S.D. dependent var	1.83E+14	
S.E. of regression	2.65E+13	Akaike info criterion	64.85247	
Sum squared resid	2.68E+28	Schwarz criterion	65.27717	
Log likelihood	-1577.886	Hannan-Quinn criter.	65.01360	
F-statistic	223.5369	Durbin-Watson stat	1.528865	
Prob(F-statistic)	0.000000			
Inverted AR Roots	.52			

Source: Authors’ Estimation using EView, 2022.

3.1.5 CORRELATION ANALYSIS OF THE TENURE OF CBN GOVERNORS AND FINANCIAL REPRESSION OF NIGERIAN ECONOMY

This section of the study considers whether there was financial repression in Nigerian economy during the regimes of the various CBN governors.

ADAMU CIROMA’S TENURE (1975 - 1983): In the tenure of Adamu Ciroma as CBN governor, the major two variables of financial repression CRR and PCR

were not found to be significantly related to GDP. Based on this, we can adjudge that in the tenure of Adamu Ciroma, his policies as CBN governor did not cause financial repression on Nigerian economy.

Table 7A: Correlation Results for CBN Governor's Policies and the Nigerian economy (ADAMU CIROMA (1975 - 1983))

Correlation											
Probability	GDP	DPR	LDR	FDP	FDN	CRR	PCR	NSB	NSF	SAV	
GDP	1.000000										

DPR	0.541370	1.000000									
	0.1322	-----									
LDR	0.530134	0.998224	1.000000								
	0.1421	0.0000	-----								
FDP	0.540666	0.813375	0.777275	1.000000							
	0.1328	0.0077	0.0137	-----							
FDN	0.560149	0.990202	0.980124	0.886641	1.000000						
	0.1167	0.0000	0.0000	0.0014	-----						
CRR	0.387068	0.218218	0.217830	0.177493	0.216080	1.000000					
	0.3034	0.5727	0.5734	0.6478	0.5766	-----					
PCR	0.182955	0.267261	0.266787	0.217384	0.264643	0.612372	1.000000				
	0.6375	0.4869	0.4877	0.5742	0.4914	0.0796	-----				
NSB	0.285642	0.285714	0.285207	0.232393	0.282915	0.763763	0.935414	1.000000			
	0.4562	0.4561	0.4569	0.5474	0.4607	0.0166	0.0002	-----			
NSF	0.322634	0.414371	0.405798	0.413572	0.428682	0.202548	0.155043	0.116024	1.000000		
	0.3971	0.2675	0.2785	0.2685	0.2496	0.6012	0.6904	0.7663	-----		
SAV	0.555666	0.868487	0.837413	0.994781	0.929200	0.189519	0.232113	0.248139	0.425091	1.000000	
	0.1203	0.0024	0.0048	0.0000	0.0003	0.6253	0.5479	0.5197	0.2540	-----	

Source: Author's Estimation using EView, 2022.

ABDULKADIR AHMED'S TENURE (1983 - 1993): During his tenure as CBN governor, the major two variables of financial repression CRR and PCR were not found to be significantly related to GDP as shown in table 7B. Based on this we can adjudge that in tenure of Abdulkadir Ahmed his policies as CBN governor did not cause financial repression in the economy.

Table 7B: Correlation Results for CBN Governor's Policies and the Nigerian economy ((ABDULKADIR AHMED (1983 - 1993))

Correlation Probability	GDP	DPR	LDR	FDP	FDN	CRR	PCR	NSB	NSF	SAV
GDP	1.000000									

DPR	0.381821	1.000000								
	0.2466	-----								
LDR	0.379239	0.873331	1.000000							
	0.2500	0.0004	-----							
FDP	0.225320	0.072296	0.118124	1.000000						
	0.5053	0.8327	0.7294	-----						
FDN	0.187342	0.176653	0.180111	0.435589	1.000000					
	0.5812	0.6033	0.5962	0.1805	-----					
CRR	0.376699	0.545209	0.427299	0.423568	0.066629	1.000000				
	0.2535	0.0828	0.1899	0.1942	0.8457	-----				
PCR	0.272940	0.290251	0.082298	0.548390	0.501355	0.059451	1.000000			
	0.4168	0.3866	0.8099	0.0807	0.1162	0.8622	-----			
NSB	0.584209	0.400220	0.278637	0.627108	0.560790	0.176728	0.524741	1.000000		
	0.0591	0.2226	0.4067	0.0389	0.0727	0.6032	0.0975	-----		
NSF	0.562996	0.399150	0.487963	0.522412	0.180620	0.004492	0.227408	0.853791	1.000000	
	0.0713	0.2239	0.1278	0.0992	0.5951	0.9895	0.5013	0.0008	-----	
SAV	0.653342	0.637210	0.507686	0.551888	0.476670	0.261178	0.580402	0.950430	0.836215	1.000000
	0.0293	0.0350	0.1109	0.0784	0.1382	0.4379	0.0612	0.0000	0.0013	-----

Source: Author's Estimation using EView, 2022.

PAUL AGBAI OGWUMA'S TENURE (1993 - 1999): During his tenure as CBN governor, the major two variables of financial repression CRR and PCR were not found to be significantly related to GDP as is evidence in table 7C. Based on this result, we conclude that the tenure of Paul Agbai Ogwuma as CBN governor, CBN policies did not cause financial repression in the economy.

Table 7C: Correlation Results for CBN Governor's Policies and the Nigerian economy ((PAUL AGBAI OGWUMA (1993 – 1999))

Correlation Probability	GDP	FDP	FDN	DPR	CRR	LDR	NSB	NSF	PCR	SAV
GDP	1.000000									

FDP	0.325256	1.000000								
	0.4766	-----								
FDN	0.135684	0.844090	1.000000							

	0.7718	0.0169	-----							
DPR	0.933042	0.405977	0.254646	1.000000						
	0.0021	0.3662	0.5816	-----						
CRR	0.113485	0.187783	0.085710	0.124081	1.000000					
	0.8086	0.6868	0.8550	0.7910	-----					
LDR	0.203905	0.303996	0.117721	0.365303	0.423815	1.000000				
	0.6610	0.5074	0.8015	0.4204	0.3433	-----				
NSB	0.109321	0.797269	0.907755	0.064236	0.335258	0.227247	1.000000			
	0.8155	0.0318	0.0047	0.8912	0.4623	0.6241	-----			
NSF	0.873672	0.569417	0.255741	0.902937	0.099639	0.568555	0.034314	1.000000		
	0.0102	0.1821	0.5799	0.0053	0.8317	0.1829	0.9418	-----		
PCR	0.260226	0.060047	0.153262	0.160221	-1.25E-15	0.147238	0.040053	0.057663	1.000000	
	0.5730	0.8982	0.7429	0.7315	1.0000	0.7527	0.9321	0.9023	-----	
SAV	0.929873	0.141324	0.075279	0.873237	0.122522	0.018296	0.148399	0.727532	0.053028	1.000000
	0.0024	0.7625	0.8726	0.0103	0.7936	0.9689	0.7508	0.0639	0.9101	-----

Source: Author’s Estimation using EView, 2022.

CHIEF (DR.) JOSEPH OLADELE SANUSI’S TENURE (1999 - 2004):

During this tenure as CBN governor, the major two variables of financial repression CRR and PCR were not significantly related to GDP as highlighted on table 7D. On this backdrop, we declared that in the tenure of Chief (Dr.) Joseph Oladele Sanusi his policies as CBN governor did not cause financial repression on the Nigerian economy.

Table 7D: Correlation Results for CBN Governor’s Policies and the Nigerian economy ((CHIEF (DR.) JOSEPH OLADELE SANUSI (1999 - 2004))

Correlation Probability	GDP	DPR	LDR	FDP	FDN	CRR	PCR	NSB	NSF	SAV
GDP	1.000000									

DPR	-0.647050	1.000000								
	0.1649	-----								
LDR	-0.141230	-0.527047	1.000000							
	0.7896	0.2826	-----							
FDP	-0.143500	0.047424	-0.174194	1.000000						
	0.7862	0.9289	0.7414	-----						
FDN	-0.040940	0.273034	-0.179436	0.756979	1.000000					
	0.9386	0.6006	0.7337	0.0814	-----					
CRR	-0.341869	0.263645	-0.221466	0.243697	-0.567745	1.000000				
	0.5072	0.6137	0.6732	0.6417	0.2399	-----				
PCR	-0.349677	0.026648	0.193959	0.227107	-0.525173	0.895070	1.000000			
	0.4969	0.9600	0.7127	0.6652	0.2847	0.0159	-----			

NSB	-0.566011	0.603633	-0.123891	0.623423	-0.522441	0.411437	0.220321	1.000000		
	0.2416	0.2045	0.8151	0.1860	0.2876	0.4177	0.6749	-----		
NSF	-0.428182	0.581100	-0.262022	0.681920	-0.596885	0.532061	0.295547	0.971376	1.000000	
	0.3970	0.2265	0.6160	0.1357	0.2110	0.2772	0.5696	0.0012	-----	
SAV	0.887514	-0.826342	0.081471	0.187371	0.090684	-0.345042	-0.226277	-0.842337	-0.746420	1.000000
	0.0183	0.0426	0.8781	0.7222	0.8643	0.5030	0.6664	0.0353	0.0883	-----

Source: Author's Estimation using EView, 2022.

CHARLES CHUKWUMA SOLUDO'S TENURE (2004 - 2009): In the **entire period** during Chukwuma Soludo was CBN governor, the two variables used to proxy financial repression in this study CRR, and PCR were not found to be statistically and significantly related to GDP. Based on this, we agree that in tenure of Charles Chukwuma Soludo his policies as CBN governor did not cause financial repression in the economy.

Table 7E: Correlation Results for CBN Governor's Policies and the Nigerian economy ((CHARLES CHUKWUMA SOLUDO (2004 - 2009))

Correlation Probability	GDP	DPR	LDR	FDP	FDN	CRR	PCR	NSB	NSF	SAV
GDP	1.000000									

DPR	0.907763	1.000000								
	0.0124	-----								
LDR	0.291985	0.402216	1.000000							
	0.5745	0.4292	-----							
FDP	0.957991	0.853681	0.314869	1.000000						
	0.0026	0.0305	0.5433	-----						
FDN	0.930318	0.807778	0.180649	0.983508	1.000000					
	0.0071	0.0519	0.7320	0.0004	-----					
CRR	0.720943	0.614784	0.429528	0.688945	0.761641	1.000000				
	0.1059	0.1940	0.3953	0.1301	0.0785	-----				
PCR	0.013982	0.119909	0.610478	0.157920	0.166375	0.363727	1.000000			
	0.9790	0.8210	0.1980	0.7651	0.7527	0.4785	-----			
NSB	0.205162	0.191232	0.799277	0.146961	0.279207	0.797092	0.430467	1.000000		
	0.6966	0.7166	0.0564	0.7811	0.5921	0.0576	0.3942	-----		
NSF	0.224745	0.031795	0.095743	0.457686	0.504776	0.134696	0.417285	0.157886	1.000000	
	0.6686	0.9523	0.8568	0.3614	0.3071	0.7992	0.4104	0.7651	-----	
SAV	0.979612	0.873641	0.169088	0.968071	0.974620	0.801625	0.054836	0.332332	0.319479	1.000000
	0.0006	0.0229	0.7488	0.0015	0.0010	0.0551	0.9178	0.5199	0.5371	-----

Source: Author's Estimation using EView, 2022.

MUHAMMAD SANUSI II'S TENURE (2009 - 2014): during his tenure as CBN governor, among the major two variables of financial repression CRR was found to be significantly related to GDP. But PCR was not found to be significantly related to GDP. Based on this we can adjudge that in tenure of Muhammad Sanusi II his policies as CBN governor results in financial repression in the economy.

Table 7F: Correlation Results for CBN Governor's Policies and the Nigerian economy (MUHAMMAD SANUSI II (2009 - 2014))

Correlation Probability	GDP	DPR	LDR	FDP	FDN	CRR	PCR	NSB	NSF	SAV
GDP	1.000000									

DPR	0.514488	1.000000								
	0.2964	-----								
LDR	0.606239	0.166554	1.000000							
	0.2020	0.7525	-----							
FDP	0.968819	0.354172	0.746944	1.000000						
	0.0014	0.4910	0.0880	-----						
FDN	0.041615	0.268974	0.554157	0.261181	1.000000					
	0.9376	0.6063	0.2539	0.6171	-----					
CRR	0.956389	0.494492	-0.657915	-0.918271	0.043044	1.000000				
	0.0028	0.3187	0.1555	0.0097	0.9355	-----				
PCR	0.690882	0.874875	-0.261780	-0.613328	0.001516	0.738738	1.000000			
	0.1286	0.0225	0.6163	0.1954	0.9977	0.0935	-----			
NSB	0.639901	0.438938	-0.339677	-0.556418	0.397212	0.804171	0.663077	1.000000		
	0.1712	0.3839	0.5101	0.2515	0.4355	0.0538	0.1512	-----		
NSF	0.833826	0.504071	0.234280	0.699747	-0.503450	-0.832173	-0.518555	0.753248	1.000000	
	0.0391	0.3079	0.6550	0.1217	0.3086	0.0399	0.2919	0.0838	-----	
SAV	0.936026	0.731562	-0.444659	-0.849664	0.133765	0.953002	0.870254	0.774918	-0.841354	1.000000
	0.0060	0.0984	0.3770	0.0322	0.8005	0.0033	0.0242	0.0703	0.0358	-----

Source: Author's Estimation using EView, 2022.

MR GODWIN EMEFIELE'S TENURE (2014 TILL DATE): during his tenure as CBN governor, among the major two variables of financial repression PCR was found to be significantly related to GDP. But CRR was not found to be significantly related to GDP. Based on this we can adjudge that in tenure of Mr. Godwin Emefiele his policies as CBN governor results in financial repression in the economy.

Table 7G: Correlation Results for CBN Governor's Policies and the Nigerian economy (MR GODWIN EMEFIELE (2014 TILL DATE))

Correlation Probability	GDP	DPR	LDR	FDP	FDN	CRR	PCR	NSB	NSF	SAV
GDP	1.000000									

DPR	0.708146	1.000000								
	0.1808	-----								
LDR	0.587266	0.806606	1.000000							
	0.2978	0.0991	-----							
FDP	0.741516	0.363109	0.266784	1.000000						
	0.1515	0.5480	0.6644	-----						
FDN	0.046413	0.393824	0.000141	0.513236	1.000000					
	0.9409	0.5118	0.9998	0.3765	-----					
CRR	0.608728	0.861087	0.606226	0.626686	0.125213	1.000000				
	0.2759	0.0608	0.2784	0.2579	0.8410	-----				
PCR	0.998851	0.678190	0.577426	0.743758	0.078799	0.575753	1.000000			
	0.0000	0.2082	0.3080	0.1496	0.8998	0.3097	-----			
NSB	0.914014	0.862841	0.665975	0.774409	0.021616	0.878031	0.896847	1.000000		
	0.0299	0.0597	0.2198	0.1242	0.9725	0.0502	0.0391	-----		
NSF	0.254463	0.415618	0.176350	0.001352	0.806831	0.351720	0.222512	0.320533	1.000000	
	0.6795	0.4865	0.7766	0.9983	0.0989	0.5616	0.7190	0.5990	-----	
SAV	0.315701	0.737292	0.234441	0.039339	0.803863	0.670423	0.272292	0.522093	0.871353	1.000000
	0.6048	0.1551	0.7043	0.9499	0.1011	0.2155	0.6576	0.3668	0.0543	-----

Source: Author's Estimation using EView, 2022.

3.2 TEST OF HYPOTHESES

The hypotheses stated earlier in the study are tested in this section. The hypotheses are tested using the regression results in table 6 of this study as follows:

Hypothesis 1: Central Bank Governors Policies does not significantly affect the Nigerian economy.

Based on the t-statistics and the probability value presented in table 6, we reject the hypothesis that Central Bank Governors Policy does not significantly affect the Nigerian economy and accept the alternative that it does significantly affect the economy.

Hypothesis 2: Central Bank Governors Policies does not cause financial repression in the Nigerian economy.

From the t-statistics and the probability value presented in table 6, we reject the hypothesis that Central Bank Governors Policy does not significantly cause financial repression in the Nigerian economy. Since PCR and CRR were significant at 5% level of significance, we conclude that it does cause financial repression in the economy.

3.3 DISCUSSION OF FINDINGS

The correlation outcomes for the set of central bank governors' tenure presents with mixed evidence of the impact of financial repression on economic growth. During

the tenure of CBN governors (like Adamu Ciroma, Abdulhadir Ahmed, Joseph Oladele Sanusi and Paul Agbai) policy decisions or reforms undertaken did not cause financial repression in the economy, because of the not significant correlation between the indicators of repression and economic growth. However, financial repression proxies (such as interest rate, cash reserve ratio, prescribed cash reserve for public sector funds) have significant relationship with economy growth during the tenure of Charles Chuckwuma Soludo, Mahammed Sanusi and Godwin Emeffiele as CBN governors, respectively. Overall, the correlation analysis revealed that central bank governors' policy actions constitute financial repression which impact the Nigeria economy significantly. Specifically, cash reserve ratio positively influences the economy, while prescribed cash reserve ratio (for public sector) has negative correlation with economic growth.

A look at the regression results, indicates that deposit rate, lending rate and money supply have no significant effect on economic growth within the period investigated. However, credit to private sector (financial deepening indicator), cash reserve ratio, preserve cash reserve for public sector (financial repression variables) significantly influence economic growth. This outcome tends to suggest that policy decisions by CBN governors directly or indirectly constitute financial repression affecting economic growth in Nigeria. Generally, this study provide support for Kamal (2012) that financial repression negatively/positively account for economic growth; and Selvaragan et al (2018) that policies on financial liberalization as such credit to private sector (financial deepening indicator) drive economic growth. However, it is contrary to the outcome of the study by Bakr (2017) who could not find any significant effect of financial repression on economic growth in Russia.

4. CONCLUSION AND RECOMMENDATIONS

The study analyzed the effect of central bank governors' tenure and financial repression on economic growth in Nigeria. The correlation and least squares regression techniques were applied on time series data collected from Central Bank of Nigeria statistical bulletin covering 1975 to 2018. The result of the investigation reveals that Central Bank Governors Policy decisions while in office caused financial repression which significantly affects the Nigerian economy.

Based on the findings of the study, we conclude that over the years the policy decisions of the governor's central bank of Nigeria significantly affect the economy. indeed, some of these decisions constitute financial repression to the Nigerian economy. This study therefore recommends (i) that central bank governors should avoid taking policy decisions that will have adverse financial repression effects on the economy (ii) that other specialized institutions should be set up to scrutinize the financial policy decisions of central bank governors before implementation. This is to ensure that the policies by the CBN benefit the economy, serve the interest of the people and not necessarily that of the capitalist.

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