

**Title of Article:** Financial Liberation and the Growth of the Nigerian Economy

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**Abstract:** The objective of this paper is to assess the financial deepening thesis and its contribution to growth following the era of economic reforms in Nigeria. The study covered a period of thirty-three years (1970-2002), both years inclusive, in the analysis. Based on the standard Solow growth model, we have used the OLS estimation technique and the Error Correction Model to empirically investigate the proposition. In addition, the conventional financial development indicators, we adopted a new set of indicators to measure financial depth. The innovation of this study is the inclusion of some variables designed to capture the effects of globalization on financial development in Nigeria. Our basic results suggest that financial reform policies have been beneficial and as well brought about some costs to the financial development of the economy. While monetary depth, depth of financial intermediation and overall financial depth are indices of benefits; interest rate and financial asset-deepening are indices of costs. In addition, there is no empirical support for financial-development-induced economic growth.