

Title of Article: Impact of Recent Regulatory Financial Mechanism on Informal System in Nigeria.

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Abstract: In every economy, the financial sector acts as a major fulcrum on which the growth and development of such an economy can be envisaged. It is the engine of the economy because it plays an active role in directing funds from the surplus area to areas of need such as the manufacturing, agriculture and mining, among others. The level of financial deepening and intermediation (savings mobilization and credit allocation for investment and developmental purposes) that financial institutions especially the banking sector can experience depends extensively on the regulatory framework and network that dictates the tune of their operations. The study examined the recent regulatory measures (like bank re-capitalization, CBN/bankers committee initiative) in the financial sector and attempted to establish the essential and how these policies can align operations in integrating the informal financial sector to the realization of the overall desired economic growth. It contends that the regulatory agencies (i.e CBN,NDIC) and other governmental organs like EFCC should live up to the responsibility of implementing the desired reforms that will engender economic growth, and the shortcomings such as inadequacy of supervision, unethical conduct etc. which tend to falter efficiency should be ameliorated. It concludes that appropriate policy measure can stimulate the linkage between the informal financial sector and that of the formal,which will boost the general financial sector towards uplifting the economy for desired direction of national development.

