

**MANUFACTURING SECTOR OUTPUT, INSTITUTIONAL QUALITY  
AND SUSTAINABLE DEVELOPMENT IN ECONOMIC COMMUNITY OF  
WEST AFRICAN STATES**

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**JULY, 2022**

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WEST AFRICAN STATES**

**BY**

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE  
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THE DEPARTMENT OF ECONOMICS AND DEVELOPMENT STUDIES,  
COLLEGE OF MANAGEMENT AND SOCIAL SCIENCES, COVENANT  
UNIVERSITY, OTA, OGUN STATE**

**JULY, 2022**

## **ACCEPTANCE**

This is to attest that this dissertation is accepted in partial fulfilment of the requirements for the award of the degree of Master of Science in Economics in the Department of Economics, College of Management and Social Sciences, Covenant University, Ota, Ogun State, Nigeria.

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## **DECLARATION**

I, **UGOCHUKWU, KINGSLEY ONYEDIKACHI (20PAF02139)** declares that this research was carried out by me under supervision of Dr. Oluwatoyin A. Matthew of the Department of Economics and Development Studies, College of Management and Social Sciences, Covenant University, Ota, Nigeria. I attest that the dissertation has not been presented either wholly or partially for the award of any degree elsewhere. All sources of data and scholarly information used in this dissertation are duly acknowledged.

**UGOCHUKWU, KINGSLEY ONYEDIKACHI**

**Signature and Date**

## **CERTIFICATION**

We certify that this dissertation titled “**MANUFACTURING SECTOR OUTPUT, INSTITUTIONAL QUALITY AND SUSTAINABLE DEVELOPMENT IN ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)**” is an original research work carried out by **UGOCHUKWU, KINGSLEY ONYEDIKACHI (20PAF02139)** in the Department of Economics and Development Studies, College of Management and Social Sciences, Covenant University, Ota, Ogun State, Nigeria, under the supervision of Dr. Oluwatoyin A. Matthew. We have examined and found this work acceptable as part of the requirement for the award of Master of Science, Economics.

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## **DEDICATION**

This dissertation is dedicated to the Almighty God. It is also dedicated to my parents and siblings, who have always supported and prayed for me.

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# TABLE OF CONTENTS

<b>COVER PAGE</b>	<b>I</b>
<b>ACCEPTANCE</b>	<b>ii</b>
<b>DECLARATION</b>	<b>iii</b>
<b>CERTIFICATION</b>	<b>iv</b>
<b>DEDICATION</b>	<b>v</b>
<b>ACKNOWLEDGMENTS</b>	<b>vi</b>
<b>LIST OF TABLES</b>	<b>ix</b>
<b>LIST OF FIGURES</b>	<b>ixI</b>
<b>LIST OF ABBREVIATIONS</b>	<b>xi</b>
<b>ABSTRACT</b>	<b>xii</b>
Chapter One: Introduction	1
1.1 Background to the Study	1
1.2 Statement of Research Problem	3
1.3 Research Questions	6
1.4 Objectives of The Study	6
1.5 Research Hypotheses	6
1.6 Significance of The Study	7
1.7 Scope of The Study	8
1.8 Outline of The Study	8
1.9 Operational Definition of Terms	9
<b>CHAPTER TWO: LITERATURE REVIEW</b>	<b>10</b>
2.1 Preamble	10
2.2 Conceptual Review	10
2.2.1 Manufacturing Sector	10
2.2.2 Manufacturing in Africa	11
2.2.3 Institutions	12
2.2.4 Sustainable Development	13
2.2.5 History of The Concept of Sustainable Development	14
2.2.6 Sustainable Development and Institutions	16
2.2.7 Sustainable Development and Environmental Quality	17
2.2.8 Sustainable Growth and the Manufacturing Sector	19
2.2.9 Sustainable Development Goals (Sdgs)	20



2.3	Theoretical Review	21
2.4	Empirical Review	24
2.5	Gaps in the Literature	30
2.6	Stylized Facts	31
2.6.1	Manufacturing Sector in Ecowas Countries	31
<b>CHAPTER THREE: METHODOLOGY</b>		<b>36</b>
3.1	Preamble	36
3.2	Research Design	36
3.3	Method of Analysis	36
3.3.1	Theoretical Framework	36
3.3.2	Conceptual Framework	41
3.4	Model Specification	43
3.5	<i>A-Priori</i> Expectation Estimation Technique	45
3.6	Variable Description, Measurement and Sources	45
3.7	Estimation Technique	45
<b>CHAPTER FOUR: RESULTS AND DISCUSSION</b>		<b>48</b>
4.1	Preamble	48
4.2	Data Presentation and Analysis	48
4.3	Test of Hypotheses	52
4.4	Discussion of Results	54
4.5	Implications of Findings	57
<b>CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS</b>		<b>59</b>
5.1	Preamble	59
5.2	Summary	59
5.3	Conclusion	60
5.4	Recommendations	61
5.5	Contributions to Knowledge	62
5.6	Suggestions for Further Study	62
<b>REFERENCES</b>		<b>63</b>
<b>APPENDIX</b>		<b>74</b>

## LIST OF TABLES

Table 2.1: Summary of Selected Empirical Literature	39
Table 3.1: Description of Variables	55
Table 4.1: Summary Statistics of Key variables	58
Table 4.2: Correlation Matrix	60
Table 4.3: Breusch-Pagan LM test of independence	60
Table 4.4: Hausman Specification Test	61
Table 4.5: Fixed Effects results on the impact of Manufacturing Sector Output and Institutional quality on Sustainable development	62
Table 4.6: Regression results of the interaction between manufacturing value-added and government effectiveness.	65
Table 4.7: Regression results of the interaction between manufacturing value-added and regulatory quality.	66
Table 4.8: Regression results of the interaction between manufacturing value-added and control of corruption.	66

## LIST OF FIGURES

Figure 2.1: ECOWAS's Manufacturing value added (% of GDP) global comparison	42
Figure 2.2: Manufacturing value added annual growth rate of ECOWAS countries	43
Figure 2.3: CPIA ratings among ECOWAS	43
Figure 2.4: Government Effectiveness ratings among ECOWAS	44
Figure 2.5: Regulatory Quality ratings among ECOWAS	44
Figure 2.6 Control of Corruption ratings among ECOWAS	45
Figure 3.1 Conceptual Framework	52

## LIST OF ABBREVIATIONS

- AFCFTA:** African Continental Free Trade Area
- ANS:** Adjusted Net Savings
- CC:** Control of Corruption
- CPIA:** Country Policy and Institutional Assessment
- ECOWAS:** Economic Community of West African States
- FE:** Fixed Effect
- FINDEV:** Financial Development
- GDP:** Gross Domestic Product
- GE:** Government Effectiveness
- GMM:** Generalized Method of Moments
- INF:** Inflation Rate
- LCDs:** Least Developed Countries
- MDG:** Millennium Development Goals
- MVA:** Manufacturing Value Added
- NPCI:** National Per Capita Income
- NRR:** Natural Resources Rent
- OLS:** Ordinary Least Squares
- RE:** Random Effect
- RQ:** Regulatory Quality
- SDGs:** Sustainable Development Goals
- SSA:** Sub-Saharan Africa
- UN:** United Nations
- UNEP:** United Nations Environment Program
- WCED:** World Commission for Environment and Development
- WDI:** World Development Indicators
- WGI:** World Governance Indicators

## ABSTRACT

Sustainable development entails that the present generation's economic activities should not be at the expense of the natural environment and natural resources must be efficiently used to ensure that future generations' have the ability to meet their own needs. The manufacturing sector is a key enabler of economic development and growth. Because the sector contributes to the creation of jobs and exports in an economy, it is critical to ensure that it operates efficiently. The quality of institutions available determines the efficient use of resources. This study, therefore, examines the relationships among the manufacturing sector, institutional quality and sustainable development in the Economic Community of West African States (ECOWAS). To assess the effect of the manufacturing sector output on sustainable development in ECOWAS sub-region, the study employs fixed effect regression and finds that manufacturing sector output positively and significantly impacts sustainable development. Some control variables including inflation rate, financial development, national per capita income and natural resource rent were employed. The study found that the institutional quality in ECOWAS region is weak and this calls for immediate actions. Furthermore, employing the interaction effect model to examine the interactive role of institutions in the relationship between manufacturing sector output and sustainable development, the study finds that the interaction between all three institutional variables and manufacturing sector output had positive and significant impacts on sustainable development. The study, hence, recommends that relevant policymakers generate policies to improve the infrastructure that enables manufacturing sector to thrive. Also, ECOWAS should play a supervisory role over the countries in the community and ensure infrastructural development becomes a priority in order to achieve economic growth and sustainable development.

*Keywords: Sustainable Development, Manufacturing Sector Output, Institutions, ECOWAS, Interaction Effect.*