

**INFORMATION AND COMMUNICATIONS TECHNOLOGY
INFRASTRUCTURE AND FOREIGN DIRECT INVESTMENT
INFLOW IN WEST AFRICA**

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AUGUST 2022

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INFLOW IN WEST AFRICA**

BY

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF
POSTGRADUATE STUDIES IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF MASTER OF SCIENCE
(M.Sc.) IN ECONOMICS FROM THE DEPARTMENT OF
ECONOMICS AND DEVELOPMENT STUDIES, COLLEGE OF
MANAGEMENT AND SOCIAL SCIENCES, COVENANT
UNIVERSITY, OTA, OGUN STATE**

AUGUST 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, **OKWUDIRE, BLESSING ONYINYECHI (20PAF02137)** declare that this dissertation is a representation of my work, and is written and implemented by me under the supervision of Dr. Oluwarotimi A. Owolabi of the Department of Economics and Development Studies, Covenant University, Ota, Nigeria. I attest that this dissertation has in no way been submitted either wholly or partially to any other university or institution of higher learning for the award of a masters' degree. All information cited from published and unpublished literature has been duly referenced.

OKWUDIRE, BLESSING ONYINYECHI

Signature and Date

CERTIFICATION

This is to certify that the research work titled “**INFORMATION AND COMMUNICATION TECHNOLOGY INFRASTRUCTURE AND FOREIGN DIRECT INVESTMENT INFLOW IN WEST AFRICA**” is an original research work carried out by **OKWUDIRE, BLESSING ONYINYECHI (20PAF02137)** meets the requirements and regulations governing the award of Master of Science (M.Sc.) degree in Economics from the Department of Economics and Development Studies, College of Management and Social Sciences, Covenant University, Ota, and is approved for its contribution to knowledge and literary presentation.

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DEDICATION

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

ACKNOWLEDGEMENT

I am sincerely indebted and grateful to God Almighty, for the grace, strength, provision, and help given to me for the completion of this programme.

With gratitude in my heart, I want to appreciate the Chancellor and Chairman of the Board of Regents, Covenant University, Dr. David O. Oyedepo for creating this academic and spiritual platform. I also want to sincerely appreciate the Vice Chancellor, Prof. Abiodun H. Adebayo, the Dean School of Postgraduate Studies, Prof. Akan Williams, the Head Department of Economics and Development Studies, for following through with vision 10:2022 for Covenant University being among the top ten Universities in the World. May God Almighty immensely reward all your efforts.

My sincere appreciation goes to my proficient and amazing supervisor Dr. Oluwarotimi A. Owolabi for his thorough patience, guidance, and unmatched mentorship. I will always be extremely grateful to you for this opportunity sir. Further, to all my lecturers in the Department; Prof. P. Alege, Dr. H. Okodua, Dr. E. Urhie, Dr. G. Obindah, Dr. O. Ewetan, Dr. M. Oladosun, Dr. E. Bowale, Dr. N. Adeleye, Dr O. Owolabi, Dr. A. Ogundipe, Dr. O. Ola-David, Dr. O. Akinyemi-Babajide, I say a very big thank you.

To my friends, Winnie, Prisca, Jefferson, Kingsley, Grace, for always being there to support me throughout this project, I appreciate you all.

Finally, to my lovely parents, Mr. and Mrs. Sunday Okwudire, I am extremely grateful for the emotional and financial support all through my education, it has and will always mean the world to me. I say God Bless and replenish you, I love you so much and my siblings Chukwudi, Favour, Chioma, Deborah and Chinelo.

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LIST OF ABBREVIATIONS

FDI: Foreign Direct Investment

GDP: Gross Domestic Product

ICT: Information and Communication Technology

IMF: International Monetary Fund

MNC: Multinational Corporation

MNE: Multinational Enterprise

OECD: Organisation of Economic Co-operation and Development

OLI: Ownership, Location and Internalization

ROI: Return on Investment

ROV: Return on Value

SSA: Sub-Saharan Africa

UNCTAD: United Nations Conference on Trade and Development

WDI: World Development Indicators

WHO: World Trade Organization

ABSTRACT

Foreign Direct Investment (FDI) inflow is critical for the rapid economic progress of emerging economies such as those of Sub-Saharan Africa. However, in the context of West Africa low FDI inflow in recent time has given rise to concerns regarding West African countries being able to achieve their sizeable economic potentials as West Africa is a major player, economically in Sub-Saharan Africa. This is where Information and Communications Technology (ICT) infrastructure may play a role as it may boost FDI inflow critical as a source of capital for West African countries. This study employs panel data random effects regression and Granger causality, using country level data on West Africa sourced from the World Bank; World Development Indicators and covering the period of 2010 to 2020 to investigate the role of ICT infrastructure for FDI inflow to West Africa. ICT infrastructure was measured using mobile phone use and internet use, while FDI inflow was measured using Net FDI inflow. The study found that ICT infrastructure variables were significant in boosting FDI inflow to West Africa. Further in respect of low and high ICT penetration countries, internet use was significant in promoting FDI inflow in low mobile phone and high internet use countries in West Africa. Further mixed causality findings were found in respect of country specific-causality analysis performed comprising uni-directional causality findings, bi-directional causality findings and no-causality findings. The study recommendations include: that the use of ICT in the form of mobile phones and internet must be promoted and encouraged by individuals in West African countries by country governments, and correlates with ICT such as GDP growth rate, openness to international trade and inflation should also be given focus by West African country governments so as to ensure that the correlates can act as channels through which ICT infrastructure may impact FDI inflow to West African countries

Keywords: Foreign Direct Investment inflow, Information and Communications Technology (ICT) Infrastructure, Internet, Mobile Phone, Panel data Random Effects, West Africa.