

The copyright © of this thesis belongs to its rightful author and/or other copyright owner. Copies can be accessed and downloaded for non-commercial or learning purposes without any charge and permission. The thesis cannot be reproduced or quoted as a whole without the permission from its rightful owner. No alteration or changes in format is allowed without permission from its rightful owner.



**THE IMPACT OF FOREIGN CAPITAL INFLOWS ON
ECONOMIC GROWTH IN SELECTED WEST AFRICAN
COUNTRIES**

MUSIBAU HAMMED OLUWASEYI



UUM

Universiti Utara Malaysia

**MASTER OF ECONOMICS
UNIVERSITI UTARA MALAYSIA
June 2016**

**THE IMPACT OF FOREIGN CAPITAL INFLOWS ON
ECONOMIC GROWTH IN SELECTED WEST AFRICAN
COUNTRIES**

By

MUSIBAU HAMMED OLUWASEYI



UUM
Universiti Utara Malaysia

**Thesis Submitted to
School of Economics, Finance & Banking
Universiti Utara Malaysia,
In Fulfillment of the Requirement for the Degree of Master of
Economics**



Othman Yeop Abdullah
Graduate School of Business

Universiti Utara Malaysia

PERAKUAN KERJA DISERTASI
(Certification of Dissertation)

Saya, mengaku bertandatangan, memperakukan bahawa
(I, the undersigned, certified that)

MUSIBAU HAMMED OLUWASEYI (818466)

Calon untuk Ijazah Sarjana
(Candidate for the degree of)
MASTER OF ECONOMICS

telah mengemukakan disertasi yang bertajuk
(has presented his/her dissertation of the following title)

**FOREIGN CAPITAL INFLOWS AND ECONOMIC GROWTH: A STUDY OF SELECTED WEST
AFRICAN COUNTRIES**

Seperti yang tercatat di muka surat tajuk dan kulit disertasi
(as it appears on the title page and front cover of the dissertation)

Bahawa disertasi tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan.

(that the dissertation acceptable in the form and content and that a satisfactory knowledge of the field is covered by the dissertation).

Nama Penyelia : **ASSOC. PROF. DR. HUSSIN ABDULLAH**
(Name of Supervisor)

Tandatangan : 
(Signature)

Tarikh : **9 AUGUST 2016**
(Date)

Permission to Use

In presenting this thesis in fulfilment of the requirements for a postgraduate degree from Universiti Utara Malaysia (UUM), I agree that the Universiti Library may make it freely available for inspection. I further agree that permission for the copying of this thesis in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor(s) or, in their absence, by the Dean of Othman Yeop Abdullah Graduate School of Business. It is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Requests for permission to copy or to make other use of materials in this thesis, in whole or in part, should be addressed to:



UUM

Dean of School of Economics, Finance & Banking
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman

Abstract

The West African countries have been identified with inadequate capital for investment, being one of the poorest sub-regions in the world. This study employed panel data from 1980 to 2013 to examine the impact of foreign capital inflows on the economic growth in the selected West African countries using Two Gap Theory. The objective of this study is to examine the nature of relationship between foreign capital inflows and the level of economic growth selected West African Countries and to observe the causality between foreign capital inflows components and economic growth. The study adopts Pedroni cointegration and granger causality test. The result shows the existence of long run relationship between foreign capital inflows and economics growth in selected West African country. All the variables were positive but only foreign direct investment is significant. Net migrant remittance, foreign direct investment and official development assistance cause growth in the short run. The study recommends policies to encourage capital inflows via macroeconomic management, a flexible exchange rate, financial sector supervision, large reserves and diversification of domestic economies.

Keywords: capital inflows, Pedroni cointegration, granger causality, economic growth.



Universiti Utara Malaysia

Abstrak

Negara Afrika Barat telah dikenal pasti tidak mempunyai modal yang mencukupi untuk pelaburan, yang merupakan salah satu sub- kawasan termiskin di dunia. Kajian ini menggunakan data panel dari tahun 1980 sehingga tahun 2013 untuk mengkaji kesan daripada aliran modal asing ke atas pertumbuhan ekonomi di negara Afrika Barat terpilih dengan menggunakan Teori Dua Jurang (Theory Two Gap). Objektif kajian ini adalah untuk mengkaji sifat hubungan di antara aliran modal asing dengan tahap pertumbuhan ekonomi Negara Afrika Barat terpilih serta mengkaji kesan di antara komponen aliran modal asing dan pertumbuhan ekonomi. Kajian ini menggunakan ujian kointegrasi Pedroni dan ujian sebab-penyebab *granger*. Hasil kajian menunjukkan wujud hubungan jangka panjang antara aliran modal asing dan pertumbuhan ekonomi di negara Afrika Barat terpilih. Semua pembolehubah adalah positif tetapi hanya pelaburan langsung asing yang signifikan. Pengiriman bersih mata wang asing, pelaburan langsung asing dan bantuan pembangunan rasmi menyebabkan pertumbuhan dalam jangka masa pendek. Kajian ini mencadangkan dasar-dasar untuk menggalakkan aliran masuk modal melalui pengurusan ekonomi makro, kadar pertukaran yang fleksibel, penyeliaan sektor kewangan, rizab yang besar dan kepelbagaian ekonomi domestik.

Kata kunci: aliran masuk modal, kointegrasi Pedroni, sebab-penyebab *granger*, pertumbuhan ekonomi.

Universiti Utara Malaysia

Acknowledgement

The first gratitude I owe is profoundly to God Almighty for giving me the strength and good health throughout my study period. The process of researching and writing a dissertation is an intensely personal endeavor, but it is also one which cannot be undertaken without a great deal of help from others. Without such assistance, I doubt I would have proceeded as far in this particular journey. Credit go to my supervisors, Assoc. Prof. Hussin Abdallah whose instructive guidance, encouragement and relentless support enabled me to complete successfully this study. From conceptualization to conclusion, you have been amazing in supervising this work. I am heartily grateful. Indeed, I look forward to work with you in the nearest future. To Assoc. Prof. Hussin Abdallah again, I render to you a special and sincere debt. You have been a wonderful pilot. You were a mentor because you were more than a supervisor to me. You taught me the true meaning of humility and kindness. God bless you sir, I shall, and forever remain grateful to you! I am very grateful to Dr. Normizan Baker and Dr. Sabri Nayan. They were very kind during my proposal defense, viva and during period of the correction. Additionally their comments have helped to improve this work. I wish to acknowledge my parents, my brothers and sisters for being so supportive spiritually and financially throughout the period of study. Thank you so much for your love and kindness.

Finally, I wish to express special thanks to all my Nigerian friends for making my stay in Malaysia to be worth the while. You gave me love, support and strength when I was so weak to carry on. Completing the Msc. programme was not easy, but it

would have been much difficult without our assistance. May Allah always bless each and every one of you. Amin.

Musibau Hammed Oluwaseyi



Table of Contents

Title Page.....	i
Certification of Thesis Work.....	ii
Permission to Use.....	iii
Abstract.....	iv
Abstrak.....	v
Acknowledgement	vi
Table of Contents	viii
List of Tables	xi
List of Figures	xii
List of Abbreviations	xiii
CHAPTER ONE INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.1.1 Trends of FDI inflows in Africa and across Africa sub-regions.....	3
1.1.2 Foreign Capital Inflows in West African Countries.....	9
1.2. Statement of Research Problem	11
1.3 Research Questions	13
1.4 Objectives of the Study	14
1.5. Significance of the Study	14
1.6. Scope of the Study	17
1.7 Organization of the Study	18
CHAPTER TWO LITERATURE REVIEW	19
2.1 Introduction.....	19
2.2.1 The Theory of Economic Growth.....	20
2.2.2. Theoretical reviews on Foreign Direct Investment.....	24
2.2.3. Theoretical review on Official development assistance.....	28

2.2.4. Theoretical review on Workers Remittances.....	30
2.2.5. Theoretical review on Real Exchange Rate.....	34
2.2.6 Theoretical review on real Interest Rate.....	35
2.3 Empirical Literature Review.....	36
2.3.1 Overview of ECOWAS Member States Economy.....	38
2.3.2 Demographic Characteristic of ECOWAS Member States.....	39
2.3.3 Socio-economic Characteristics of ECOWAS Member States.....	39
2.3.5 Trends of FDI, ODA and Remittance among the Leading West African Countries between 2004 and 2010.....	40
2.4 Empirical Reviews on Foreign Capital Inflows in West Africa.....	41
2.4.1 Foreign Capital Inflow in Sierra Leone.....	46
2.4.2 Foreign Capital Inflow in Nigeria.....	47
2.4.3 Foreign Capital Inflow in Ghana.....	52
2.4.4 Foreign Capital Inflow in Liberia.....	53
2.4.5 Foreign Capital Inflow in Guinea.....	55
CHAPTER THREE RESEARCH METHODOLOGY	57
3.1 Introduction.....	57
3.2 Data.....	59
3.3. The Variables of this study	59
3.3.1 Dependent Variables of this study.....	60
3.3.2 Independent Variables of this study.....	60
3.4 Theoretical Framework.....	60
3.5 Description of the model.....	63
3.6 Estimation Procedure	64

3. 7 Data and estimation Methods.....	65
3.8 Panel Unit Root Tests	65
3.8.1 Levin, Lin and Chu (LLC; 2002).....	66
3.9 Causality Tests.....	71
3.10 Fully Modified Ordinary Least Squares (FMOLS) Estimation.	72
CHAPTER FOUR EMPIRICAL ANALYSIS AND FINDINGS	76
4.0 Introduction.....	76
4.1 Descriptive Statistics.....	76
4.2 Results of Panel Unit Root Tests	79
4.7 Summary of Chapter	85
CHAPTER FIVE SUMMARY OF MAJOR FINDINGS, POLICY IMPLICATIONS AND CONCLUSION.....	87
5.1 Summary of Major Findings	87
5.2 Policy Implications	88
5.3 Limitation of the Study	90
5.4 Recommendation for Future Research.....	91
5.5 Conclusion	92
REFERENCES.....	93



List of Tables

Tables		Page
Table 4.1	Summary Statistics of the Variables Used In The Regression Analysis	77
Table 4.2	The Penal Unit root result	79
Table 4.3	Johansen cointegration test's Result (Pedroni Result)	80
Table 4.4	Kao Residual Cointegration Test	81
Table 4.5	Wald Test (Short Causality Test)	83
Table 4.6	FMOLS (Individual) Results, Dependent Variable: InGDP	85
Table 4.7	FMOLS (Group) Results, Dependent variable: InGDPit	86




Universiti Utara Malaysia

List of Figures

Figures		Page
Figure 1	Comparison of FDI in Africa with other continents	6
Figure 2	The trend of FDI among African Sub-Region	7
Figure 3:	The trend of FDI among African West Africa Countries	8



List of Abbreviations

AU	African Union
BRVM	Bourse Regional De Valeurs Mobilieres
BBC	British Broadcasting Corporation
BOPs	Balance of Payments
CBN	Central Bank of Nigeria
CEEC	Central and Eastern European Countries
CNPC	China National Petroleum Corporation China
COMESA	Common Market of East and Southern African
ECA	Europe and Central Asia
ECM	Error Correction Model
ECOWAS	Economic Community of West African States
ECT	Error Correction Technique
EU	European Union
FDI	Foreign Direct Investment
FCI	Foreign Capital Inflows
FPI	Foreign Portfolio Investment
FE	Fixed Effects
GCN	Guinean Central Bank
GDP	Gross Domestic Product
GDPR	GDP Growth Rate
GFI	Global Financial Integrity
IMF	International Monetary Fund
INF	Inflation Rate
IV	Instrumental Variable
LDC's	less developed nations
LFRDR	Library of Congress Federal Research Division report
MENA	Middle East and North Africa
MNCs	Multinational Corporations
OECD	Organization for Economic Cooperation and Development

OLS	Ordinary Least Squares
ODA	Official development assistance
PDS	Private Domestic Saving
RER	Real Exchange Rate
RIR	real Interest Rate
REM	Workers Remittances
RIR	Real Interest Rate
RIT	Relative Income Theory
SADC	South Africa Development Community
SFP	School Feeding Programme
SMEs	Small and Medium Enterprises
SSA	Sub-Saharan Africa
TI	Transparency International
TNCs	Transnational corporations
TOT	Terms of Trade
TSCS	Time Series Cross Sectional data
UN	United Nations
UNCTADS	United Nations Conference on Trade and Development Statistics.
US	United States
VAR	Vector Auto Regressive Model
VECM	Vector Error Correction Model
WAC's	West African Countries
WDI	World Development Indicators
WAMZ	West Africa Monetary Zone

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Over the years, some appreciable economic developments have been achieved by West African countries with regards to economic growth. One of the salient sources is via Foreign Capital inflows. A nation can achieve fast economic growth through the motivation of foreign capital. Foreign investments have been viewed as form of merger and acquisition which as do with the existing interest rather than new investment (Madhok & Keyhani, 2012).

Foreign Direct Investment inflow has been seen as the main activities that enhance economic growth of any nation from the developing world. Obida and Abu (2010) stated that capital needed for domestic investment, employment creation, managerial skills and transfer of technology can be achieved through foreign direct investment. Although, event had changed over times where foreign direct investment inflow is subject to countries within the region of Africa as many Nigerians' investors heavily invest in Ghana and other West African countries. Nigeria also receive managerial skills, investments from other African countries.

Efforts had been made by governments of developing countries to solve these economic doldrums (depression) without achieving success as planned. The governments of these countries have neglected investment especially foreign direct investment (FDI) which will not only guarantee employment for them but will also

The contents of
the thesis is for
internal user
only

REFERENCES

- Acs, Z. J., Audretsch, D. B., & Lehmann, E. E. (2013). The knowledge spillover theory of entrepreneurship. *Small Business Economics*, 41(4), 757-774.
- Adams Jr, R. H., & Cuecuecha, A. (2010). The economic impact of international remittances on poverty and household consumption and investment in Indonesia. *World Bank Policy Research Working Paper Series*, Vol.
- Adams, S. (2009). Foreign direct investment, domestic investment, and economic growth in Sub- Saharan Africa. *Journal of Policy Modeling*, 31(6), 939-949.
- Adams, S., & Klobodu, E. K. M. (2016). Remittances, regime durability and economic growth in Sub-Saharan Africa (SSA). *Economic Analysis and Policy*, 50, 1-8.
- Adegbite, E. O., & Ayadi, F. S. (2011). The role of foreign direct investment in economic development: A study of Nigeria. *World Journal of Entrepreneurship, Management and Sustainable Development*, 6(1/2), 133-147.
- Adeniyi, O., Ajide, B., & Salisu, A. (2015). Foreign Capital Flows, Financial Development And Growth In Sub-Saharan Africa. *Journal of Economic Development*, 40(3), 85-103.
- Adeniyi, O., Omisakin, O., Egwaikhide, F. O., & Oyinlola, A. (2012). Foreign direct investment, economic growth and financial sector development in small open developing economies. *Economic Analysis and Policy*, 42(1), 105-127.
- Adefabi, R. A. (2011). Effects of FDI and human capital on economic growth in Sub-Saharan Africa. *Pakistan journal of social sciences*, 8(1), 32-38.
- Bagli, S., & Adhikary, M. (2014). FDI inflow and economic growth in India an empirical analysis. *Economic Affairs*, 59(1), 23.
- Alfaro, L., Chanda, A., Kalemli-Ozcan, S., & Sayek, S. (2004). FDI and economic growth: the role of local financial markets. *Journal of international economics*, 64(1), 89-112.
- Al-Shubiri, F. N. (2010). Analysis the determinants of market stock price movements: An Empirical study of Jordanian commercial banks. *International Journal of Business and Management*, 5(10), 137.
- Ahmed, S., & Zlate, A. (2014). Capital flows to emerging market economies: a brave new world?. *Journal of International Money and Finance*, 48, 221-248.

- Aheniy, A. K. (2012). *A var analysis on relationship of international trade, FDI and economic growth in China, Dissertation, Universiti Utara Malaysia.*
- Akinlo, A. E. (2004). Foreign direct investment and growth in Nigeria: An empirical investigation. *Journal of Policy modeling*, 26(5), 627-639.
- Ali, S. (2014). Foreign capital flows and economic growth in Pakistan: An empirical analysis. Ali, Sharafat (2014). Foreign Capital Flows and Economic Growth in Pakistan: An Empirical Analysis. *World Applied Sciences Journal*, 29(2), 193-201
- Alguacil, M., Cuadros, A., & Orts, V. (2011). Inward FDI and growth: The role of macroeconomic and institutional environment. *Journal of Policy Modeling*, 33(3), 481-496.
- Aning, K., & Edu-Afful, F. (2013). Unintended impacts and the gendered consequences of peacekeeping economies in Liberia. *International Peacekeeping*, 20(1), 17-32.
- Anyanwu, J. C., & Yameogo, N. D. (2015). What Drives Foreign Direct Investments into West Africa? An Empirical Investigation. *African Development Review*, 27(3), 199-215.
- Anyanwu, S. A. (2015). *Economic Planning And Management in Nigeria: a Comparative Analysis of SAP And NEEDS* (Doctoral dissertation).
- Assessment, A. I. G. E. (2010). Foreign Inflows and Growth Challenges for African Countries.
- Asongu, S., & Jellal, M. (2016). Foreign aid fiscal policy: theory and evidence. *Comparative Economic Studies*, 58(2), 279-314
- Aurangzeb, A. U. H., & Haq, U. A. (2012). 'Determinants of Inflation in Pakistan '. *University Journals of Management and Social Sciences*, 2(4)
- Ayadi, R., Arbak, E., Naceur, S. B., & De Groen, W. P. (2015). Financial Development, Bank Efficiency, and Economic Growth Across the Mediterranean. In *Economic and Social Development of the Southern and Eastern Mediterranean Countries* (pp. 219-233). Springer International Publishing.
- Baharumshah, A. Z., Slesman, L., & Devadason, E. S. (2015). Types of Foreign Capital Inflows and Economic Growth: New Evidence on Role of Financial Markets. *Journal of International Development*.

- Baghebo, M., & Apere, T. O. (2014). Testing the 'Pollution Havens Hypothesis (PHH)' in Nigeria from 1970-2013. *Mediterranean Journal of Social Sciences*, 5(23), 598.
- Bagli, S., & Adhikary, M. (2014). FDI inflow and economic growth in India an empirical analysis. *Economic Affairs*, 59(1), 23.
- Barro, R. J. & Sala-i-Martin, X. (2004). *Economic growth*, 2 ed, London, The MIT Press Cambridge
- Beck, T., Demirgüç-Kunt, A., & Peria, M. S. M. (2011). Bank financing for SMEs: Evidence across countries and bank ownership types. *Journal of Financial Services Research*, 39(1-2), 35-54.
- Beekman, G., Bulte, E. H., & Nillesen, E. E. (2013). Corruption and economic activity: Micro level evidence from rural Liberia. *European Journal of Political Economy*, 30, 70-79.
- Behname, M. (2012). Foreign direct investment and economic growth: evidence from Southern Asia. *Atlantic Review of Economics*, 2, 1.
- Benmamoun, M., & Lehnert, K. (2013). Financing growth: Comparing the effects of FDI, ODA, and international remittances. *Journal of Economic Development*, 38(2), 43.
- Borensztein, E., De Gregorio, J., & Lee, J. W. (1998). How does foreign direct investment affect economic growth?. *Journal of international Economics*, 45(1), 115-135.
- Brada, J. C., Kutan, A. M., & Vukšić, G. (2011). The costs of moving money across borders and the volume of capital flight: the case of Russia and other CIS countries. *Review of world economics*, 147(4), 717-744.
- Breisinger, C., Diao, X., Collion, M. H., & Rondot, P. (2011). Impacts of the triple global crisis on growth and poverty: the case of Yemen. *Development Policy Review*, 29(2), 155-184.
- Brown, J., Barber, A., Chapain, C., Lutz, J., Gibney, J., & Murie, A. (2009). *Attracting talent/Birmingham and the West Midlands Region as a destination for the highly skilled. The view of transnational migrants* (No. 7.3). AMIDSt, University of Amsterdam.
- Buch, C. M., & Kuckulenz, A. (2010). Worker remittances and capital flows to developing countries. *International Migration*, 48(5), 89-117.

- Buckley, P. J. (2014). International integration and coordination in the global factory. In *The Multinational Enterprise and the Emergence of the Global Factory* (pp. 3-19). Palgrave Macmillan UK.
- Busse, M., & Hefeker, C. (2007). Political risk, institutions and foreign direct investment. *European journal of political economy*, 23(2), 397-415.
- Catrinescu, N., Leon-Ledesma, M., Piracha, M., & Quillin, B. (2009). Remittances, institutions, and economic growth. *World Development*, 37(1), 81-92.
- Carkovic, M. V., & Levine, R. (2002). Does foreign direct investment accelerate economic growth?. *U of Minnesota Department of Finance Working Paper*.
- Chami, R., Fullenkamp, C., & Jahjah, S. (2003). Are immigrant remittance flows a source of capital for development?.
- Chigbu Ezeji, E., Promise, U. C., & Chigbu Uzoamaka, S. (2015). Impact of Capital Inflows on Economic Growth of Developing Countries. *International Journal of Management Science and Business Administration*, 1(7), 7-21.
- Chi-Chi, O. A. (2012). Relationship between Foreign Direct Investment Inflow, Sub-Saharan Africa and Nigeria Economic Development. *Kuwait Chapter of the Arabian Journal of Business and Management Review*, 1(11), 29.
- Choi, E. K., & Choi, J. Y. (2013). Financial advantage, outsourcing and FDI under wage uncertainty. *The North American Journal of Economics and Finance*, 24, 260-267.
- Collier, P., & Hoeffler, A. (2007). Civil war. *Handbook of Defense Economics*, 2, 711-739.
- Combes, J. L., & Ebeke, C. (2011). Remittances and household consumption instability in developing countries. *World Development*, 39(7), 1076-1089.
- Dauda, R. O. S. (2008). Trends, Behavioral Patterns and Growth Implications of Foreign Private Capital Flows in Nigeria. *The IUP Journal of Financial Economics*, 6(3), 29-40.
- del Castillo, G (2012). "Aid and employment generation in conflict-affected countries: policy recommendations for Liberia". *Foreign Aid and Employment*
- De Mello, L. R. (1999). Foreign direct investment-led growth: evidence from time series and panel data. *Oxford economic papers*, 51(1), 133-151.

- Dogan, E. (2014). Foreign direct investment and economic growth in Zambia. *International journal of economics and finance*, 6(1), 148.
- Domar, E. D. (1946). Capital expansion, rate of growth, and employment. *Econometrica*, Journal of the Econometric Society, 137-147.
- Dovelyn, Agunias. "Remittance Trends in Central America." Migration Information Source. Abril de (2006).
- Driffield, N., & Jones, C. (2013). Impact of FDI, ODA and migrant remittances on economic growth in developing countries: A systems approach. *European Journal of Development Research*, 25(2), 173-196.
- Duasa, Jarita, & Kassim, S. H. (2009). Foreign portfolio investment and economic growth in Malaysia. *The Pakistan Development Review*, 109-123
- Easterly, W. (2006). Reliving the 1950s: the big push, poverty traps, and takeoffs in economic development. *Journal of Economic Growth*, 11(4), 289-318.
- Ewens, M., Jones, C. M., & Rhodes-Kropf, M. (2013). The price of diversifiable risk in venture capital and private equity. *Review of Financial Studies*, 26(8), 1854-1889.
- Ekeocha, P. C., Ekeocha, C. S., Malaolu, V., & Oduh, M. O. (2012). Modelling the long run determinants of foreign portfolio investment in Nigeria. *Journal of Economics and Sustainable Development*, 3(8), 194-205
- Ekwe, M. C., & Inyama, O. I. (2014). Foreign Capital Flows and Growth of the Nigeria Economy: An Empirical Review. *International Journal of Economics and Finance*, 6(4), 103.
- Elbadawi, I. A., Kaltani, L., & Soto, R. (2012). Aid, real exchange rate misalignment, and economic growth in Sub-Saharan Africa. *World Development*, 40(4), 681-700.
- Ekeocha, P. C., Ekeocha, C. S., Malaolu, V., & Oduh, M. O. (2012). Modelling the long run determinants of foreign portfolio investment in Nigeria. *Journal of Economics and Sustainable Development*, 3(8), 194-205.
- Eregba, p. (2012). Foreign aid flows, investment, *African Journal of Social Sciences*, 2(2), 100-107.

- Ezeabasili, V. N., Isu, H. O., & Mojekwu, J. N. (2011). Nigeria's external debt and economic growth: An error correction approach. *International Journal of Business and Management*, 6(5), 156.
- Fambon, S. (2013). *Foreign capital inflow and economic growth in Cameroon*(No. 2013/124). WIDER Working Paper.
- FAROH, A., & SHEN, H. (2015). Impact of Interest Rates on Foreign Direct Investment: Case Study Sierra Leone Economy. *International Journal of Business Management & Economic Research*, 6(1).
- Farole, T., & Winkler, D. (Eds.). (2014). *Making foreign direct investment work for Sub-Saharan Africa: local spillovers and competitiveness in global value chains*. World Bank Publications.
- Freytag, A., & Pasche, P. D. M. IPE II: Monetary Macroeconomics.
- Frimpong, J. M., & Oteng-Abayie, E. F. (2006). Bounds testing approach: an examination of foreign direct investment, trade, and growth relationships. *MPRA paper*, 352.
- Froot, K. A., Perold, A. F., & Stein, J. C. (1991). Shareholder trading practices and corporate investment horizons (No. w3638). National Bureau of Economic Research.
- Furo, A. O & Nkoro, E., (2012). Foreign capital inflows and economic growth in Nigeria: An empirical approach. *Academic Journal of Interdisciplinary Studies*, 1(2), 55-71.
- Fu, X., Pietrobelli, C., & Soete, L. (2011). The role of foreign technology and indigenous innovation in the emerging economies: Technological change and catching-up. *World development*, 39(7), 1204-1212
- Kapetanios, G., Shin, Y., & Snell, A. (2003). Testing for a unit root in the nonlinear STAR framework. *Journal of econometrics*, 112(2), 359-379.
- Karras, G. (2006). Foreign aid and long-run economic growth: empirical evidence for a panel of developing countries. *Journal of International Development*, 18(1), 15-28.
- Kareem, S. D., Kari, F., Alam, G. M., Chukwu, G. M., David, M. O., & Oke, O. K. (2012). Foreign direct investment and environmental degradation of oil exploitation: The experience of Niger Delta. *The International Journal of Applied Economics and Finance*, 6(4), 117.

- Kolawole, B. O. (2013). Foreign Assistance and Economic Growth in Nigeria: The Two-Gap Model Framework. *American International Journal of Contemporary Research*, 3(10), 153-16
- Research*, 6(1). Gars, J., & Olovsson, C. (2015). Fuel for Economic Growth?. *Riksbank Research Paper Series*, (123).
- Giuliano, P., & Ruiz-Arranz, M. (2009). Remittances, financial development, and growth. *Journal of Development Economics*, 90(1), 144-152.
- Gourinchas, P. O., & Jeanne, O. (2013). Capital flows to developing countries: The allocation puzzle. *The Review of Economic Studies*, 80(4), 1484-1515
- Gohou, G., & Soumaré, I. (2012). Does foreign direct investment reduce poverty in Africa and are there regional differences?. *World Development*, 40(1), 75-95.
- Gregory, M. N., Romer, D., & Weil, D. N. (1992). A contribution to the empirics of economic growth. *Quarterly Journal of Economics*, 107(2), 407-437.
- Gupta, K. L., & Islam, M. A. (2012). Foreign capital, savings and growth: An international cross-section study (Vol. 9). Springer Science & Business Media.
- Hadri, K. (2000). Testing for stationarity in heterogeneous panel data. *The Econometrics Journal*, 3(2), 148-161.
- Hartzell, C. A., Hoddie, M., & Bauer, M. (2010). Economic liberalization via IMF structural adjustment: Sowing the seeds of civil war?. *International Organization*, 64(02), 339-356.
- Hernandez-Coss, R., & Bun, C. E. (2006). The UK–Nigeria Remittance Corridor: Challenges of Embracing Formal Transfer Systems in a Dual Financial Environment United Kingdom: DFID Department for International Development.
- Harrod, R. F. (1939). An essay in dynamic theory. *The Economic Journal*, 49(193), 14-33
- Hassler, J., Krusell, P., & Olovsson, C. (2012). Energy-saving technical change (No. w18456). National Bureau of Economic Research.
- Hill, A. G. (Ed.). (2012). Population, health and nutrition in the Sahel: issues in the welfare of selected West African communities. Routledge.
- Hong, Q., & Smart, M. (2010). In praise of tax havens: International tax planning and foreign direct investment. *European Economic Review*, 54(1), 82-95.

- Hussain, F., & Kimuli, C. K. (2012). Determinants of foreign direct investment flows to developing countries. *SBP Research Bulletin*, 8(1), 13-31.
- Ibrahim, S. A. (2014). *Title Page The Impact of Foreign Direct Investment on Economic Growth: A Comparative Study of Ghana and Nigeria* (Doctoral dissertation, School of Business, Universiti Utara Malaysia).
- Iheke, O. R. (2012). The effect of remittances on the Nigerian economy. *International Journal of Development and Sustainability*, 1(2), 614-621.
- Im, K. S., Pesaran, M. H., & Shin, Y. (1997). Testing for unit roots in heterogeneous panels. Department of Applied Economics, University of Cambridge. mimeo.
- Insah, B. (2013). Foreign direct investment inflows and economic growth in Ghana. *International Journal of Economic Practices and Theories*, 3(2), 115-121.
- Jean, A. (2015). Is Foreign Aid Working? The Impact of Foreign Aid on Savings, Investment, and Economic Growth in Haiti. *Applied Finance and Accounting*, 1(1), 37-46. Jean, A. (2015). Is Foreign Aid Working? The Impact of Foreign Aid on Savings, Investment, and Economic Growth in Haiti. *Applied Finance and Accounting*, 1(1), 37-46.
- Jibrin, M. S., Danjuma, I., & Blessing, S. E. (2014). Private Domestic Savings Mobilization by Commercial Banks and Economic Growth in Nigeria. *Beykent Üniversitesi Sosyal Bilimler Dergisi*, 7(1).
- Kanayo, O., & Emeka, O. (2012). Foreign Private Capital, Economic Growth and Macroeconomic Indicators in Nigeria: An Empirical Framework. *International journal of Economics and Finance*, 4(10), p111.
- Kanu, S. I. Foreign Capital Inflows and Economic growth in Sub-Saharan Africa: A Study of Selected Countries.
- Kareem, S. D., Kari, F., Alam, G. M., Chukwu, G. M., & David, M. O. (2012). Foreign direct investment into oil sector and economic growth in Nigeria. *The International Journal of Applied Economics and Finance*, 6(4), 127.
- Khan, M. A. (2007). *Foreign direct investment and economic growth: The role of domestic financial sector* (No. 2007: 18). Pakistan Institute of Development Economics.
- Kieh Jr, G. K. (2014). Liberian Politics. *Assessing Barack Obama's Africa Policy: Suggestions for Him and African Leaders*, 241.

- Kindleberger, C. P. (2015). A financial history of Western Europe. Routledge.
- Konow, J. (2010). Mixed feelings: Theories of and evidence on giving. *Journal of Public Economics*, 94(3), 279-297..
- Kümmel, R., Ayres, R. U., & Lindenberger, D. (2010). Thermodynamic laws, economic methods and the productive power of energy. *Journal of Non-Equilibrium Thermodynamics*, 35(2), 145-179.
- Lamine, K. M., & Yang, D. (2010). Foreign direct investment effect on economic growth: Evidence from Guinea Republic in West Africa. *International Journal of Financial Research*, 1(1), p49.
- Lam, T. D. (2016). An Empirical Analysis of the ASEAN-4's Causality between Exports and Output Growth. *International Journal of Economics and Financial Issues*, 6(2), 497-502.
- Lane, P. R. (2012). The European sovereign debt crisis. *The Journal of Economic Perspectives*, 26(3), 49-67.
- Lartey, E. K. (2013). Remittances, investment and growth in sub-Saharan Africa. *The Journal of International Trade & Economic Development*, 22(7), 1038-1058.
- Lemi, Adugna. "Foreign Aid, Foreign Direct Investment and Governance in Africa." *Foreign Direct Investment and Governance in Africa (March 27, 2008)* (2008).
- Levin, A., Lin, C. F., & Chu, C. S. J. (2002). Unit root tests in panel data: asymptotic and finite-sample properties. *Journal of econometrics*, 108(1), 1-24.
- Lucas, R. E. (2005). International migration to the high-income countries: Some consequences for economic development in the sending countries. *Are we on track to achieve the Millennium Development Goals*, 127-181.
- Maddala, G. S., & Wu, S. (1999). A comparative study of unit root tests with panel data and a new simple test. *Oxford Bulletin of Economics and statistics*, 61(S1), 631-652.
- Madhok, A., & Keyhani, M. (2012). Acquisitions as entrepreneurship: Asymmetries, opportunities, and the internationalization of multinationals from emerging economies. *Global Strategy Journal*, 2(1), 26-40.

- Mallik, G. (2008). Foreign aid and economic growth: A cointegration analysis of the six poorest African countries. *Economic Analysis and Policy*, 38(2), 251-260.
- Manzocchi, S. (2016). *Foreign capital in developing economies: perspectives from the theory of economic growth*. Springer.
- Masih, R., & Peters, S. (2010). A revisitation of the savings–growth nexus in Mexico. *Economics Letters*, 107(3), 318-320.
- Mehrara, M., & Musai, M. (2013). The Causality between Capital Formation and Economic Growth in MENA Region. *International Letters of Social and Humanistic Sciences*, 8, 1-7.
- Michałowski, T. (2012). Foreign direct investment in Sub-Saharan Africa and its effects on economic growth of the region. *Prace i Materiały Instytutu Handlu Zagranicznego Uniwersytetu Gdańskiego*, (31,[1]), 687-701
- Mlachila, M. M., & Takebe, M. M. (2011). FDI from BRICs to LICs: Emerging growth driver? (No. 11-178). International Monetary Fund.
- Mohapatra, S., & Ratha, D. (2010). Forecasting migrant remittances during the global financial crisis. *World Bank Policy Research Working Paper Series*, Vol..
- Morrissey, O. (2004). Conditionality and Aid Effectiveness Re-evaluated. *The World Economy*, 27(2), 153-171.
- Morrissey, O., & Udomkerdmongkol, M. (2012). Governance, private investment and foreign direct investment in developing countries. *World development*, 40(3), 437-445.
- Moore, M., Hackett, D., Noda, L., Winter, J., Karski, R., & Pilcher, M. (2014). Risky Business: The Issue of Timing, Entry and Performance in the Asia-Pacific LNG Market. *SPP Research Paper*, (7-18).
- Mutasa, C., & Paterson, M. (Eds.). (2015). *Africa and the Millennium Development Goals: Progress, Problems, and Prospects*. Rowman & Littlefield.
- Najarzadeh, R., Reed, M., & Tasan, M. (2014). Relationship between Savings and Economic Growth: The Case For Iran. *Journal of International Business and Economics*, 2(4), 107-124.
- Narayan, P. K., & Narayan, S. (2013). The short-run relationship between the financial system and economic growth: New evidence from regional panels. *International Review of Financial Analysis*, 29, 70-78.

- Njoku, C., Okurut, F. N., & Bakwena, M. (2011). factors influencing foreign direct investment in economic community of west african states (ecowas).njoku, c., okurut, f. n., & bakwena, m. factors influencing foreign direct investment in economic community of west african states (ecowas).
- Njoupouognigni, M. (2010). Foreign aid, foreign direct investment and economic growth in Sub-Saharan Africa: Evidence from pooled mean group estimator (PMG). *International Journal of Economics and Finance*, 2(3), 39.
- Nkoro, E., & Furo, A. O. (2012). Foreign capital inflows and economic growth in Nigeria: An empirical approach. *Academic Journal of Interdisciplinary Studies*, 1(2), 55-71.
- Nsiah, C., Fayissa, B., & Wu, C. (2016). The spatial effects on the rate of economic growth: Evidence from Sub-Saharan Africa. *The Journal of Developing Areas*, 50(1), 275-288
- Nurudeen, A. (2010). Saving-economic growth nexus in Nigeria, 1970-2007: Granger causality and co-integration analyses. *Review of economic and business studies*, 3(1), 93-104.
- Nurudeen, Abu, Obida Gobna Wafure, and Elisha Menson Auta. "Determinants of foreign direct investment: The case of Nigeria." *IUP Journal of Monetary Economics* 9, no. 3 (2011): 50.n\
- Nweke, E. J. C. (2015). Impact of Foreign Capital inflows on Economic Growth and Self-employment in Ethiopia.
- Obiechina, M. E. & Ukeje, E. U., (2013). Workers' remittances-economic growth nexus: Evidence from Nigeria, using an error correction methodology. *International Journal of Humanities and Social Science*, 3(7), 212-227.
- Odhiambo, N. M. (2011). Financial deepening, capital inflows and economic growth nexus in Tanzania: A multivariate model. *Journal of social sciences*, 28(1), 65-71
- Ogunleye, E. K. (2008). Natural resource abundance in Nigeria: From dependence to development. *Resources Policy*, 33(3), 168-174
- Omurwa J, (2015) The Impact Of Foreign Capital Flows On The Macroeconomic Performance Of Sub-Saharan Africa Countries, *International Journal of Education and Research Vol. 3*(7).

- Olusanya, S. O. (2013). Impact of Foreign Direct Investment Inflow on Economic Growth in a Pre and Post Deregulated Nigeria Economy. A Granger Causality Test (1970-2010). *European Scientific Journal*, 9(25).
- Orji, A. (2012). Bank savings and bank credits in Nigeria: determinants and impact on economic growth. Orji, A.(2012), "Bank Savings and Bank Credits in Nigeria: Determinants and Impact on Economic Growth"(International Journal of Economics and Financial Issues 2 (3): 357-372, Turkey).
- Orji, A., Eigbiremolen, G. S. O., & Ogbuabor, J. E. (2014). Impact of Financial Liberalization on Private Investment: Empirical Evidence from Nigerian Data. *Review of Economics & Finance*, 4 (2), 77, 86.
- Osinubi, T. S., & Amaghionyeodiwe, L. A. (2010). Foreign private investment and economic growth in Nigeria. *Review of Economics and Business Studies*, 3(1), 105-127.
- Owusu-Sekyere, E. (2011). *Foreign inflows of remittances into sub-Saharan Africa* (Doctoral dissertation, University of Pretoria).
- Oyin, O., & Ahokangas, P. (2014). The effect of foreign direct investment: case study Nigeria.
- OECD (2008) www.oecd.org/publishing/corrigenda., 2008 annual report on sustainable development work in the oecd.
- Ouedraogo, N. S. (2013). Energy consumption and economic growth: Evidence from the economic community of West African States (ECOWAS). *Energy economics*, 36, 637-647.
- Pan, J. (2002). The jump-risk premia implicit in options: Evidence from an integrated time-series study. *Journal of financial economics*, 63(1), 3-50.
- PK, A., Ezeagba, C. E., & Udeh, F. N. (2015). Effect Of Foreign Direct Investment On Nigerian Economic Growth. *European Journal of Research and Reflection in Management Sciences Vol*, 3(5).
- Pegkas, P. (2015). The impact of FDI on economic growth in Eurozone countries. *The Journal of Economic Asymmetries*, 12(2), 124-132.
- Puentes, R., Canales, A., Rodríguez, H., Delgado-Wise, R., & Castles, S. (2010). Towards an assessment of migration, development and human rights links: Conceptual framework and new strategic indicators. *Towards an Assessment of Migration, Development and Human Rights Links: Conceptual Frameworks and new Strategic Indicators*.

- Quah, D. (1994). Exploiting cross-section variation for unit root inference in dynamic data. *Economics letters*, 44(1), 9-19.
- Rao, B. B., & Hassan, G. M. (2011). A panel data analysis of the growth effects of remittances. *Economic modelling*, 28(1), 701-709.
- Ratha, D., & Sirkeci, I. (2010). Remittances and the global financial crisis. *Migration Letters*, 7(2), 125-131.
- Rachdi, H., & Saidi, H. (2011). The impact of foreign direct investment and portfolio investment on economic growth in developing and developed economies. *Interdisciplinary Journal of Research in Business*, 1(6), 10-11.
- Razmi, M. J., & Behname, M. (2012). FDI determinants and oil effects on foreign direct investment: evidence from Islamic countries. *Advances in Management and Applied Economics*, 2(4), 261.
- Razin, O., & Collins, S. M. (1997). *Real exchange rate misalignments and growth* (No. w6174). National Bureau of Economic Research.
- Rugraff, E., & Hansen, M. W. (2011). Multinational corporations and local firms in emerging economies (p. 276). Amsterdam University Press.
- Sachs, J. D. (2005). *Investing in development: a practical plan to achieve the Millennium Development Goals*. Earthscan; Millennium Project, 2005.
- Schumpeter, J. A. (1939). *Business cycles* (Vol. 1, pp. 161-74). New York: McGraw-Hill.
- Schumpeter, J. A. (1954). *History of economic analysis*. Psychology Press.
- Said, S. E., & Dickey, D. A. (1984). Testing for unit roots in autoregressive-moving average models of unknown order. *Biometrika*, 71(3), 599-607.
- Sargent, D. (2013). The Cold War and the international political economy in the 1970s. *Cold War History*, 13(3), 393-425.
- Sá, F., Towbin, P., & Wieladek, T. (2014). Capital inflows, financial structure and housing booms. *Journal of the European Economic Association*, 12(2), 522-546.
- Sbia, R., Shahbaz, M., & Hamdi, H. (2014). A contribution of foreign direct investment, clean energy, trade openness, carbon emissions and economic growth to energy demand in UAE. *Economic Modelling*, 36, 191-197.

- Sethi, Narayan. (2013). Causal Relationship between Foreign Capital Inflows and Economic Growth: Empirical Evidence from India. *International Journal of Economics, Finance and Management*, 2(1).
- Singer, D. A. (2010). Migrant remittances and exchange rate regimes in the developing world. *American Political Science Review*, 104(02), 307-323.
- Singh, T. (2010). Does domestic saving cause economic growth? A time-series evidence from India. *Journal of Policy Modeling*, 32(2), 231-253.
- Taylor, J. E., & Castelhana, M. (2016). Economic Impacts of Migrant Remittances. In *International Handbook of Migration and Population Distribution* (pp. 525-541). Springer Netherlands.
- Thankgod, O. (2014). Foreign Portfolio Investment and Economic Growth in Nigeria (1986- 2011). *International Journal of Business and Social Science*, 5(11), 213-245
- Tiwari, A. K., & Mutascu, M. (2011). Economic growth and FDI in Asia: A panel-data approach. *Economic analysis and policy*, 41(2), 173-187.
- Trebilcock, M. J., & Prado, M. M. (2011). *What makes poor countries poor?: institutional determinants of development*. Edward Elgar Publishing.
- Udah, E. B. (2011). Remittances, human capital and economic performance in Nigeria. *International Journal Of Human Development and Sustainability*, 4(1), 103-117.
- Udoidem, J. O., & Udofot, P. (2014). Foreign Capital Inflows and Entrepreneurship in Nigeria: The Implication for Economic Growth and Development. *International Journal of Finance and Accounting*, 3(3), 174-184.
- Umoh, O. J., Jacob, A. O., & Chuku, C. A. (2012). Foreign direct investment and economic growth in Nigeria: an analysis of the endogenous effects. *Current Research Journal of Economic Theory*, 4(3), 53-66.
- UNCTAD, (2015) United Nations Publication Sales No. E.15.II.D.5 Isbn 978-92-1-112891-8 Eisbn 978-92-1-057403-7, *United Nations Conference On Trade And Development, World Investment Report 2015*.
- Uzoma, Kalu & Onyinye (2015) Foreign Direct Investment (FDI) Flows in Nigeria: Pro or Economic Growth Averse? *Journal of Economics and Finance (IOSR-JEF)* e-ISSN: 2321-5933, p-ISSN: 2321-5925. Volume 6, Issue 4. (Ver. III) PP 84-92

- Veledinah, J. M. (2014). Impact of official development assistance on economic growth in Kenya (Doctoral dissertation, University of Nairobi).
- Verma, R., & Prakash, A. (2011). Sensitivity of capital flows to interest rate differentials: An empirical assessment for India. RBI working paper series.
- Vijayakumar, N., Sridharan, P., & Rao, K. C. S. (2010). Determinants of FDI in BRICS Countries: A panel analysis. *International Journal of Business Science & Applied Management*, 5(3).
- Wahba, S. (1991). What Determines Workers' Remittances?. *Finance and development*, 28(4), 41.
- Waheed, A. (2004). Foreign capital inflows and economic growth of developing countries: a critical survey of selected empirical studies. *Journal of Economic Cooperation*, 25(1), 1-36.
- Yohannes, G. (2014). *An Empirical Time Series Analysis on the Determinants of Gross National Saving in Ethiopia: ARDL Approach to Co-integration* (Doctoral dissertation, AAU).
- Zarra-Nezhad, M., & Hosainpour, F. (2011). Review of growth models in less developed countries. *Int. J. Applied Econ. Finance*, 5, 1-17.



Universiti Utara Malaysia