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DOES GOVERNANCE PROMOTE ECONOMIC DEVELOPMENT OF ECOWAS REGION? A PANEL CORRECTED STANDARD ERROR (PCSE) APPROACH.

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ABSTRACT

Purpose-The study set out to examine the governance components in the West African states; this paper, delved into these issues on development by analyzing the various ways they affect economic development. The presence of Institutions in any society or economy is recognized as a critical enabler for development that cannot be ignored. However, the strength and capacity of these institutions and not just their appearance seems to be the game changer particularly, in developing economies. The maladies and the development trap associated with low and low middle income countries over the years, has attracted a rethinking beyond the traditional focus on economic variables to a more robust approach. Therefore, the study employed PCSE technique to test the data spanning 1996 – 2015 of ECOWAS region. The result indicates and confirms the theoretical, practical and policy stand point. For instance, rule of law, governance effectiveness, voice accountability, regulatory quality has a positive effect on development. Meanwhile, the result was negative for corruption and political instability. Therefore, ECOWAS region must demonstrate

Key Words: **Development, ECOWAS, Governance, Panel Corrected Standard Error**

1. Introduction

The introduction of the World Bank/IMF Structural Adjustments Program (SAP) policy in the early 80's set the beginning of a market driven economy for most developing nations. Economists have spent considerable time in prescribing policy option that addresses the development trap associated with developing countries. Yet considerable numbers of scholars deemed the market driven model as panacea to promote growth and development based on the volume of studies (see Bichaka & Christian, 2010). In recent times attention has gradually shifted beyond the conventional market led economic model approach to economic development. Recently, new growth theories are suggested to play crucial role in bringing better outcomes and deliverables by linking a countries growth and economic development with governance (Asongu, & Roux, 2018). A popular proponent among others is Barro (1991), as governance enablers explains for most of the variations in economic performance and progress of Nations and regions.

Economic development and governance relationship issues have in recent discuss drawn considerable attention in the body of literature particularly, at the international research arena and policy level. In fact it is noted that efforts have been made to champion the role of governance among nations based on the basis of its outcomes on economic standard of life and development (Adekoya, Ayuba & Daniyan-Bagudu, 2018). Governance is recognized as the application of the political and administrative authority at different spheres of government in steering the affairs of nations towards progress. It further, involves an embedded systematic relationships and a process in which citizens, groups, and through which institutions interact by the articulation of interest, basic rights, meeting their respective obligations and yet mediates within a state with sound and expected responsibility. Besides, World Bank (1994) asserts governance is considered a process in which state power is exercised in a manner in which a country's social and economic resources are managed towards development.

Therefore this paper set out to build on the previous work of (Adekoya, *et al.* 2018; Asongu, & Roux, 2018; Pere, 2015; Osman, Alexios, & Tsalike, 2012) by further interrogating the governance variables enablers within the context of ECOWAS regions. There seems to be a considerable agreement in the body of literature on the impact of bad governance across nations on economic development. This has conspicuously placed Sub Saharan African on a grim spot compared to other regions of the world in relation to the uninspiring and low performances reflected by the deplorable human development indicators and standard of living in the regions (Bichaka, & Christian, 2010). Notwithstanding, the efforts geared towards pursuance of a market driven economy. The absence of good governance or is recognition is suggested to have denied the citizens the needed opportunity to escape staggering poverty as resources are likely to be squandered, fritted away through corrupted means without an effective way of making them accountable and bringing them to justice. Corruption is then perceived a way of life due to the weaknesses of institutions to live up to their expectation and coupled with low level of democratic culture that citizens can hold political actors answerable and responsible in their exercise of state power.

Therefore, we considered it necessary and convincing to embark on this study. First by extending the work of Adekoya *et al* (2018), as previously highlighted. Furthermore, the study embraced enablers of governance variables which were introduced to the model such as rule of law, government effectiveness, corruption, voice accountability, regulatory quality and political instability which are significant for the ECOWAS region and needed to be tested as the result is considered far reaching to policy makers, scholars and the society. This paper draws extensively from the works of Pere (2015), which focused on impact of good governance in the economic development of West Balkans States. More importantly, our motivation on the Economic Community of West African States (ECOWAS) region of Africa is due to its sheer size and population accounted to be over 360 million (Deloitte, 2018) which was established on 28th May, 1975 in Lagos in order to integrate at inception the economies of the 15 member's states: Benin, Burkina Faso, Cote d Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo. However, Mauritania withdrew her membership in 2001 while; Cape Verde joined the economic integration in 1976. The member states enacted several agreements to facilitate numerous schemes to bring to fruition the economic and development progress of the region with additional setting up of several institutions such as the ECOWAS court and its parliament.

Nevertheless, 43 years after inauguration ECOWAS is faced with various developmental challenges in terms of challenging economic wellbeing and progress despite the huge market and resource endowment. Indeed, factors such as corruption, political instability, infrastructural deficit seems to be the common denominator of the community states among others. However, despite the blink prospect of the economic situation of the

ECOWAS communities, the citizens remain hapless and democratic participation remains uninspiring. So far, outcomes from Transparency International (IT) has projected damming statistics of the high level of corruption based on corruption perception index CPIs of several years and African states represented the worst case scenarios in corruption index. This has emboldened scholar's opinion for a need to strengthen institutions and citizens participation in governance. By and large, the study attention is focused on governance enablers and the link as a panacea for economic development.

2 Literature Review

2.1 Conceptual Clarification

Governance

The concept of governance as it relates to development has continued to receive due attention and appreciation in the body of literature. Interestingly, prominent and leading development bodies and scholars have dwelt intensively on the analysis of the concept. The idea of contextualizing is meant to develop a framework for thinking and application. Klaus (2008) demonstrated in his study within the neoclassical thoughts developmental approach as expressed on the previously presumption held by the Washington Bank's consensus style which was embedded predominantly on economic imperatives.

Rather, he stresses the emphasis on local participation and democracy as a vital ingredient of transformation in contrast to apolitical governance which only strengthens the existing power relationships within an unduely and uneven society. This type of thinking reflected the approach of global partners in their engagement with states actors. In particular, with developing economies which further instill policy prescription that gave rise to further alienation and displacement of the citizens in having a say or participation in the governance process hence, it provided incentives to plunder and corner resource as the absence of accountability and transparency are undermined.

The consequence of weaknesses of institutions and lack of accountability impairs the functioning of states services delivery in education, health, and infrastructure in public works which translates to the poorer level of standard of living and truncation of economic development (World Bank 1994; Rajkumar & Swaroop 2008). In fact, scholars have suggested that these enablers of governance are area of recent interest in research due to their implication on economic development. Figure 1 showed that sub-Saharan African lags behind amongst the regions of the world in pulling its people and country out of excruciating poverty and improved standard of living. Indeed the role of good and quality governance cannot be overemphasized notwithstanding several studies been carried out in the ECOWAS regions in relation to corruption and economic development (Abu, Karim and Aziz 2015) and a narrower focus in relation to income (Evans & Rauch 1999), Kaufmann, Kraay, & Mastruzzi 2003; 2006; 2009).

Nevertheless, the arguments among scholars continue to persist in the governance literature despite the consensus on its critical importance on economic development. The controversy stems mostly around what constitutes the governance priorities and types of governance capabilities. Moreover, these disagreements are related to the divisions on the role of the market viz other social, political and technological characteristics that are required to be fulfilled in order to attain a sustained growth take off (Khan, 2006b). Meanwhile, the governance capabilities required to achieve the agenda is the focus of this paper with emphasis on the rule of law being a critical pillar of the governance component for the ECOWAS region as a panacea towards economic development. Indeed rule of law constitutes an important element due to its overall influence in the administration of statecraft wherein it provides the last bastion of hope to the common man. The absence of rule of law is an invitation to anarchy, impunity, and chaos. Besides, the need to strengthen the components that support the rule of law and administration of justice especially in the ECOWAS region should be considered worthwhile. Furthermore, urban population growth is vital and included based on logic and theory being a key constituent of human capital and following literature serves an important role in the production process.

Economic Development

Todaro a prominent economist drew attention in his book Economic development (1994) perceived development as a multidimensional issue beyond strictly an economic phenomenon taking cognizance of the economic and social system and its process. However, it implies development has to do with the process of improving the quality and standard of human life. The richest nations with the highest per capita incomes are acknowledged by the United Nations (UN) as developed nations. These comprise the most cases the G7 nations such as United States, Canada, most of the countries of Western Europe, Australia, New Zealand, Japan, and others.

By and large poorer countries are referred to by the United Nations as the developing countries and they involve a diverse set of nations, such as Vietnam, Argentina, and China, which are growing very rapidly, while others, such as sub-Saharan African are actually facing negative growth rates of real per capita income. Amongst these two is another set of nations, called the newly industrialized countries (NICs). They include South Korea, Singapore, Taiwan, and Hong Kong.

For instance, studies revealed Africa's current economic growth rate as far too low. Sub-Saharan Africa's GDP per capita (at constant 2005 prices) was $1,036.10 in 2014. At the 1.4% growth rate estimated for 2015, it would take Africa 50 years to double GDP per capita. African industrial development has been overdue since the 1970s. Only one in five workers in Africa has a job in the wage economy. Generally, the only way to generate such jobs on a large scale in developing nations has been by means of export-oriented industrializing. But Africa has made little progress in growing export-oriented productions in the past four decades. The lives of most Africans are marred by poverty, hunger, poor education, ill health, and social unrest (European Commission, 2015). Although the poverty rate in Africa has plunged in recent years, rapid population growth implies that the number of people anguished by poverty keeps swelling: from 280 million in 1990 to a projected 330 million in 2012. Of the 20 countries in the world with the worst food and nutrition security, 19 are in Africa. Additionally, more than two out of five African adults are illiterates that cannot read or write. Health outcomes are worse in Africa than anywhere else in the world, even though life expectancy at birth has been on the rise; chronic child malnutrition has declined since the mid-1990s. Tolerance of domestic violence rate has doubled high as in the rest of the developing world. Cases of violence against civilians are on the rise Amnesty international (2016).

While this litany of gloom is true all through sub-Saharan Africa, with regard to all these happenings life is predominantly cruel for people living in the approximately 34% of Africa where governance have collapsed to the point of irrelevance. Providence magazine posits that every year significant number of Africans live in urban slums. Roughly 400 million Africans lived in cities and towns in 2010, and 60% of those people lived in slums without access to basic services. It further estimates that by 2050 that figure is expected to rise to 1.26 billion. By 2035 majority of all Africans will probably live in cities and towns, with increasing urbanization anticipated (United Nations, 2012). Furthermore, this study is significant and as well topical especially on the basis of its currency and the span of data employed for ECOWAS states with a population of over 360 million people. The outcome provides an important insight for policymakers, international development partners, civil societies, investors, and researchers.

2.2 Empirical Review

The debates and studies conducted by Scholars related to development have continued and remain persistent. Several theories and hypothesis are documented in the body of literature Baumol (1986), Durlauf and Johnson (1995), **Kaufmann, D., Aart K., & Massimo M., (2006)** and Baro and Sala-I-Martin (2004) among numerous others. For instance Barro & Sala-i-Martins underpin development growth on absolute convergence though depending on the positive distance on their steady state. However, their approaches are basically tilted towards strictly economic variable. In recent time the consideration for the inclusion of social variables is receiving due attention in the literature. While this aforesaid issue is considered to hamper development, a rethink and philosophy is required in order to properly address the challenge. Therefore, has culminated to the postulations of the Washington consensus and the Beijing model in the ongoing debates by scholars.

Asongu and Roux (2018), imputed structure to empirical theoretical and qualitative research towards resolution of the Beijing model with the Washington Consensus. The study proceeded to test the hypothesis that compared middle-income and low-income nations to accomplish more inclusive development by aiming on economic governance as opposed to political governance. The empirical proof was based on interactive and non-interactive fixed effects regressions which employed 49 countries in SSA for the period 2000–2012. The results investigated confirmed that inclusive development challenges in the post-2015 development agenda in SSA, profit low-income nations in the sub-region when economic governance is prioritized. Although, the study focused mainly on the comparison of middle and low-income as it target frame on the basis of economic and political governance.

Pere (2015), posits that development and standard of living can be attained with sustained increased economic growth through good governance. The study seeks to address the role and impact of good governance on economic growth using panel data range from 1996 – 2012 of the West Balkans States. The analysis focuses on Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia. In a related study Hall and Jones (1999), had earlier stressed that the difference in several countries developmental level is linked to the social structure.

Furthermore they emphasized that the fundamental and primary determinant of the long run economic performance of countries is anchor on social infrastructure which the authors suggested institutions and policies that serves as incentives to the citizens and business will lead to benefits and prosperity. Interestingly, Talbott (2002) implied that 80% differences of gross domestic net income (GNI) among countries can be explained by factors such as property rights, governance expenses, political rights, freedom of speech. Whereas excessive regulation, informal economy and trade barriers constitutes negative effect. Kauffman (2003), in the analysis of several countries using data from 1970 - 2003 claimed that the economic development of a number of countries that showed dismal performance are attributed to not only macroeconomic condition but on the quality of institutional structure, corruption, and independence of judiciary. Nevertheless there is a general consensus on the key importance of good governance in improving democratic development but also a main factor for attaining economic development (Biman, 2008).

3 Data and Methodology

Descriptive Statistics

Table 1

Variable	Obs	Mean	Std. Dev.	Min	Max
DVP	299	6.532812	0.6302691	4.807996	8.182739
Rl	300	28.84473	19.29211	0	75.59808
Cc	300	30.6559	18.50051	0	79.80769
Ge	300	25.02025	17.50839	0	65.85366
Va	300	34.81759	18.6636	2.884615	76.52582
Rq	300	29.96431	13.92766	1.960784	56.39811
Ps	300	33.66092	21.67294	0.9661836	86.95652

Variables	DVP	Rl	Cc	Ge	Va	Rq	Ps
DVP	1						
Rl	0.4306	1					
Cc	0.4154	0.7939	1				
Ge	0.552	0.8479	0.8284	1			
va	0.4668	0.778	0.6746	0.7308	1		
rq	0.4663	0.8584	0.806	0.8473	0.6853	1	
Ps	0.2509	0.7907	0.5767	0.631	0.6793	0.638	1

Table 1 showed the descriptive statistics for the ECOWAS countries variables associated with the governance components for the period 1994-2015. The highlights includes observation, mean, max, min and the standard deviation. Prior to the estimation of the model we proceeded with a correlation test. The correlation matrix as revealed on Table 2 suggests that there is a strong correlation between DVP and Ge, r=0.55, likewise, there is a very strong correlation amongst the various components of governance which implies they are more or less doing the same thing.

Nature and source of data. The study applied secondary annual data that is made up of series and cross-section from 1996 to 2015. The choice of this period was deliberate based on access to data and particulary, the study demontracted how governance enablers impacted on the development in ECOWAS region. Although, "development [does not] automatically bring good governance", it justifies the focus on economic development with the argument that "poverty, illiteracy, and weak institutions make the task of good development management much more complicated and problematic" (World Bank 1992, 10). The panel data provided the means to consider governance in ECOWAS region across and within the region. Data were sourced from the World Bank Indicator (2018).

Development (*In*DVP). The variable Gross Domestic Per Capita was employed to measured development across all the countries. It is mostly used to measured the welfare of the citizens and the state of progress. Furthermore, the variable is considered as dependent variable because it justifies the focus on economic development with the argument that "poverty, illiteracy, and weak institutions make the task of good development management much more complex and problematic" (World Bank, 1992; Frey, 2008). Also, good governance according to World Bank (2002) contributed to effective market transaction which consequently, favors growth and poverty reduction.

Governance. Good governance plays crucial role as a policy requirement to reduce poverty and to enhance human development progress of any country (**Sebudubudu, 2010). The presence of poor** governance in a country is rather too difficult to think of because such situations promote inequitable development which encourages chances of high rate of poverty and misery. To demonstrate the effect of governace, we measure governance with all the six index as provided by the World Bank (2016). These measures are considered enablers of governance such as; rule of law, government effectiveness, voice accountability and regulatory quality, corruption and political stability. More so, the idea behind this fact is that they are largely embedded as representation of institutions in which governance can be achieved and sustained on the basis of proper implementation of law as it is formulated against odd events in the society which promotes peace and justice.

Method. The data was analysed using the panel static tool. Initally, the Pooled OLS model was estimated. However, since it is not possible to rule out individual and time variant in the different countries in West African region. This gives room for the existance of spurious regression. Therefore, the study proceeded to estimate the Random Effect model. Also, in estimating the Random Effect model, we observed that the model was significant at the 1% level of significance. But we need to check if the model should either be Pool OLS or Random Effect model. We further tested Breush-Pagan LM test which favoured Random Effect model. The result showed the presence of individual and time variant in the different countries in ECOWAS region, and it connotes that unobserved specific effects exist. Besides, it is paramount to investigate whether or not the presence of unobserved specific effects is distributed independently on the independent variables. In light of this, Fixed Effect model was tested and the model was signifiant at the 1% level of significance which means the presence of unobserved specific effects is not distributed independently on the independent variables. At this stage, Hausman test was conducted if there is or no consistency of effect across the countries in West African region. This step follows Adekoya (2015) and the result for Hausman test favoured the Random Effect model (there is no consistency of effect across the countries in West African region). The Random Effect and Fixed Effect model for the study are hereby specified as follows in equation 1 and 2 respectively.

$$DVP_{it} = \beta_0 + \beta_1 GOV_{kit} + \cdots + \beta_k GOV_{kit} + a_i + \mu_{it} \quad \ldots\ldots\ldots\ldots 1$$

$$where\ k = 1, \ldots, J. \quad and\ \varepsilon_{it} = a_i + \mu_{it}$$

$$DVP_{it} = \beta_0 + a_i + \beta_1 GOV_{kit} + \cdots + \beta_k GOV_{kit} + \mu_{it} \quad \ldots\ldots\ldots\ldots 2$$

$$where\ k = 1, \ldots, J.$$

In order to have a robust result which is free from any spurious results, diagnostic tests were conducted to verify whether the result in the Radom Effect is robust. First, we tested for variance inflation factor, this because Badun (2015) observed that correlation among governance indicators is very high which cause the problem of multicollinearity. Since we jointly tested all the six measures in a model, we then conducted the test for multicollinearity. The multicollinearity test showed that there is no multicollinearity among the independent variables. But diagnostic tests carried out, found that there was problem of serial correlation and heteroskedasticity (see Table 3). These problems implies our result is invalid. Hence further step was taken to solve these twin diagnostics problem to make the result valid for inferences. Therefore, we employed the Panel Corrected Standard Error (PCSE) tool to estimate and the result is thus interpreted. PSCE is done for two reasons; one, to overcome the problem of serial correlation and heteroskedasticity so that the estimated result become valid and secondly, to avoid the problem of endogeneity which is common with Random Effect model. The problem of endogeneity do exist between measures of governace and development (see Mauro, 1995 and Kaufmann & Kraay, 2002).

Empirical specification of the model. To carry out the empirical test, we use the reduced form equation as implimented in Bađun (2005) and Adekoya (2015) was used and is specified below in equation 3 and 4. The variable development (DVP) is proxy with Gross Domestic Product Per Capita (GDPC) in logged form. The variable governance, is the percentage statistic which comprises of rule of law (RL), corruption (CC), government effectiveness (GE), voice accountability (VA), regulatory quality (RQ) and political stability (PS). The parameters are specified in terms of $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ and β_6 which explain the proportion of independent variables that would cause changes in the dependent variable. The α is the constant parameter and ε is the time invariant part of the disturbance term as *i* and *t* represent the individual and time invariant in the disturbance term.

$$lnDVP_{it} = \alpha + \beta RGOV_{it} + \varepsilon_{it} \quad \ldots\ldots\ldots 3$$

$$lnDVP_{it} = \alpha + \beta_1 RL_{it} + \beta_2 CC_{it} + \beta_3 GE_{it} + \beta_4 VA_{it} + \beta_5 RQ_{it} + \beta_6 PS_{it} + \varepsilon_{it} \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 4$$

4. Results and Discussion

The result of the static analysis employed in this study is presented in Table 3. Variations exist in the result in respect of the nature of each enabler for governance. Most of the enablers if not all, had endogeneity issues when examined with economic growth (see Mauro, 1995 and Kaufmann & Kraay, 2002) and consequently, we relied on the estimations of the Panel Corrected Standard Error (PCSE). However the Panel Corrected Standard Error addressed the problems of heteroscedasticity and serial correlation therefore, the results are robust and reliable for policy making. Interestingly, the rule of law is significant at the

10% level of significance. A percentage rise in rule of law promote economic development by 0.004%. That is, when rule of law is adequately implemented without fair or favour, there is an indication that the welfare of the citizens in the region would improve. Likewise, Badun (2005) concluded that rule of law that is devoid from poor justice administration provides healthy economic performance and consequently, enhances development. Besides, a better justice administration encourage investors to have more confidence to invest in the region they are certain that their investment is safe with better hope of getting good return or profit on their businesses. However, corruption and political stability was not significant to economic development, Mauro (1995) found that institutional variables of corruption and political stability lowers economic growth and development.

Meanwhile the level of effectiveness of government in the region is significant in promoting economic development in the region at 5% level of significance which implies that an increase of 1% in government effectiveness increases economic development by 0.003%. Ukwandu and Jarbandhan (2016) asserted that poor governance accounted for the shortage of food production in Sub-Africa but when governance is improved in Sub-African countries, there is possibility for nations to produce adequate food for their citizen thereby ensuring food security and lead to a reduction in poverty thereby translate to economic growth and development. Furthermore, voice accountability in the region has impact on the development of the region at the 5% level of significance. For instance when voice accountability increase by a level of 1%, development in the region is expected to increase by 0.003% similar result was obtained by Pere (2015).

Meanwhile regulatory quality is significant in increase in development at 10% level of significance. The increase in regulatory quality by 1% led to increase in development by 0.003%. This result is contrary to Pere (2015) who found a negative significant value between regulatory quality and development. But the result agreed with Akpan and Effiong (2012). The positive significant result between regulatory quality and development showed that regulatory quality as an enabler of governance would lead to market-friendly and low distortionary policies which may encourage trade and business healthy competition and innovation, that are crucial for development (Akpan and Effiong, 2012).

Table 3: Result of Estimation of Panel Corrected Standard Error

	Pooled OLS	Random Effect	Fixed Effect	Estimation of Panel Corrected Standard Error
DVP				
Constant	5.979	6.160	6.169	6.163
Rule of law	-0.002 (-0.63)	0.002 (1.13)	0.002 (1.08)	0.004 (1.94)*
Corruption	-0.005 (-1.87)*	0.0003 (0.26)	0.0003 (0.32)	-0.001 (-0.89)
Govt. effectiveness	0.021 (5.59)***	0.00007 (0.04)	-0.0001 (-0.08)	0.003 (2.40)**
Voice Accountability	0.009 (3.60)***	0.004 (3.14)***	0.004 (3.06)***	0.003 (2.53)**
Regulatory Quality	0.005 (1.13)	0.011 (5.88)***	0.011 (5.83)***	0.003 (1.91)*
Political Stability	-0.006 (-2.95)***	-0.005 (-6.10)***	-0.005 (-6.05)***	0.001 (-1.10)
Breush-Pagan LM test	chibar2(01) = 2072.59 Prob > chibar2 = 0.0000			
Hausman test		chi2(6) = 1.29 Prob>chi2 = 0.9722		
Observations	185	185	185	
R-squared				0.9508
F-test				0.0000
Multicollinearity vif)	-	-	4.61	-
Heteroskedasticity ***(x^2- stat)***	-	-	chi2 (15) = 510.81 Prob>chi2 = 0.0000	-
Serial Correlation ***(F^2- stat)***	-	-	F(1, 14) = 197.005 Prob > F = 0.0000	-

T-statistics are in parentheses, *, ** and *** denotes 10%, 5% and 1% respectively.

5. Conclusion and Policy Recommendation

This study is an attempt to proffer solution to fluctuations in economic growth and trapped development in West Africa, the paper examines the disaggregation of governance index of the World Bank (2016) on economic growth and development. The essence is to see how effective these governance indexes would bear in the region. Therefore a panel data of fifteen countries in the ECOWAS region from 1996 to 2015 is examined.

The results showed that rule of law, government effectiveness, voice accountability and regulatory quality are significant in promoting economic growth in the region but corruption and political stability are not significant. Rule of law provides the legal framework that various players or stakeholders in the region must stay within to operate their business or other social activities that would not cause harm to the rest of the society. By strictly following the law no one in the society would be made worse off because the Judiciary is ready to protect the citizens, businesses and investors in the region through the administration of justice. In no distant time economic growth and development would improve in the region where government effectives is allowed to take prominence. Governments that allow the rule of law to prevail and flourish would want to deliver and implement good socio-economic programme just to avoid the negative voice of the populace against their government. That is, government administrative effort would attract investors to the region and increasing the presence or number or more investors of investors in the region is capable to lead to an income-employment generation for the unemployed. The policy implications from this study recommend that policy makers should primarily give attention on enhancing good governance and its enablers, as it is possible to create positive economic growth and development in West African nations. Also, for the region to witness significant achievement in the welfare of the citizens, a combination of these enablers of rule of law, government effectiveness, voice accountability and regulatory quality are essential in this contemporary period.

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