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DOES GOVERNMENT EFFECTIVENESS AFFECT SUSTAINABLE ECONOMIC GROWTH: EVIDENCE FROM WEST AFRICAN DEVELOPING COUNTRIES

Abstract. Good governance and its wings have an important role for macroeconomic development, where overpopulation, poverty, racism, terrorist groups, corruption, instability, illegal mining, etc. are the immense challenges that feel the fragrance of good governance. Within the period of 2030, all countries, including developed, developing and underdeveloped countries, are trying to convert their economy to a sustainable nature. Sustainability and economic growth are the two major controversial topics in underdeveloped countries, especially in the West African zone. The author considers panel data from 1995 to 2020 (About 26 years) to highlight the long-term effect of good governance on economic growth. The author considers 13 independent variables to measure the effect of independent variables on the dependent variable (GDP) using the fixed effect model and the random effect model. After analyzing the hypothesis, it is measured that fixed effect is appropriate in this model, life expectancy (LE), terms of trade (TT), capital formation (CF), and government effectiveness (GE) have statistically positive connections with economic growth. Conversely, labour force (LF), political stability (PS), and regulatory quality (RQ) have a statistically negative connection with economic growth. Sustainable economic growth is highly connected with social equity, innovative capacity, energy efficiency, resource utilization manner and resilient behavior of households, friendly foreign policy, green technology and effective governing attitude on local citizen. These effective variables affect economic growth on a long-term basis. In the West African region, it is a very challenging issue to implement sustainable agricultural and industrial policies, sustainable production and consumption behavior etc. GE has effective connection with sustainable economic growth, where sustainable economic growth does matter for long-term basis, some socioeconomic variables are closely connected with economic development.

Keywords: Good Governance, Sustainable Economic Growth, Socio-Economic Variables, Government Effectiveness.

JEL Classification: G38; O47; O55; H11; Q01.

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Introduction. Governance and economic growth are interconnected factors that help accelerate macroeconomic development, ensuring social welfare and sustainable development. Governance becomes good governance when the government forces play an active and useful role for citizens. According to the World Bank, good governance factors are a prerequisite for economic progress because economic well-being depends on various governance factors like agricultural and industrial policies, market policies, foreign direct investment, trade conditions, political and social behaviour, etc. The ups and downs approach of government depends on the urgency of governmental influence that turns into effective government behaviour, where governing forces shift to establish economic development in developed countries.

According to the USAID (2002)¹, good governance has been proven as a failed weapon in African countries, where African countries have been badly affected by civil war, bankruptcy, Government loans, bad debt, etc. Adedokun (2017) mentioned that human capital accumulation, physical capital accumulation and technological progress are important determinants of economic growth, where human capital accumulation helps to lead economic development, ensuring overall welfare maximisation. Moreover, Beyene (2022) analysed that social infrastructure and government policies play an effective and handy approach for long-term economic growth, but it is obligatory to make a strong connection between economic growth and good governance (Perkins, Radelet, & Lindauer, 2006; The World Bank, 1994). Six different pillars of government lead to promoting social and economic growth for developing countries. Kaufmann, Kraay and Mastruzzi (2010) define governance as a set of traditions and institutions that can be used to exercise the domination of authority. Moreover, Singh (2022) developed a paper following panel data with six governmental variables mentioned by the World Bank, where Brazil, Russia, India, China, and South Africa (BRICS) nations show a positive relationship with economic growth and good governance. Orji et al. (2022) analysed that the bureaucratic system corruption, government ineffectiveness, the rule of law, poor implementation of law, and political instability play a prominent role in hampering national growth in 13 West African

countries. Beyene (2022) focused on the impact of governance on growth in 22 lower African countries by exploring the effects of governmental wings individually and then creating a composite index of governance. The research findings show that the merged governance index has a positive wedge effect on growth, where the negative impacts of corruption and government effectiveness are separated. In this paper, the authors try to estimate the effect of governmental effectiveness on economic development on African countries. There government effectiveness is highly connected issues with good governance system. In this research, the government effectiveness data has been collected considering the index between -2.5 to +2.5.

Research Objective:

- 1) to analyze the effect of government effectiveness on sustainable economic growth in west African developing countries;
- 2) to analyze the effective policy to sustain long term economic growth in west African countries.

Formulation of the Subject. Sustainable economic growth is the buzzword in current economic world, where the long-term economic sustainability depends on the internal and external forces of a country. Additionally, good governing variables do matter for the citizen to ensure long term. It is difficult for developing countries to manage national budget for ensuring economic-security for macro level. So, in this paper, the authors are trying to analyze the effect of government effectiveness on economic growth at long term basis.

The object of the study is ensure the long term economic sustainability in all kinds of GDP earning sectors following the government effectiveness factors. Government effectiveness, characterized as the efficiency of public services, civil service interconnection, and sound public policy formulation is a primal driver of sustainable economic growth for west African countries. Effective governmental system reduces economic deformation and fosters structural investment climate for public and private sectors both, leading to advanced economic productivity and economic sustainability.

Literature Review. Kiforenko (2022) measures the impact of good governance on agricultural products export in the European zone. Good governance and the quality level of public administrative systems are key issues in ensuring long-term keenness and welfare. Good governance affects the agricultural sector's functioning in many ways. This

¹ USAID supports good governance. The United States Agency for International Development (USAID). 2023. URL: <http://www.docstoc.com/docs/673298/USAID> (date of access: 01.02.2026).

Table 1. Countries Name and World Bank Code

West African Countries	
Country Name	Country Code
Benin	BEN
Burkina Faso	BFA
Cape Verde	CPV
Cote de Ivory	CIV
Gambia	GMB
Ghana	GHA
Guinea	GIN
Guinea-Bissau	GNB
Liberia	LBR
Mali	MLI
Mauritania	MRT
Niger	NER
Senegal	SEN
Sierra Leone	SLE
Togo	TGO

Source: Author Own Illustration based on World Bank Data, 2026

research demonstrates that effective governance policies can enhance economic efficiency, enabling the production of a high volume of agricultural products originating from EU countries. European Commission (2014)¹ highlighted that good governance is the key to European export items. Bayyurt et al. (2015) highlighted research based on good governance performance and high agro-productivity. Good governance opens the sector for investing in the agro-sectors and ensures maximum profit levels.

Pradhan and Sanyal (2011) analysed a paper showing the connectivity between good governance and human capital. This paper explores that good governance has positive and significant relationships with human capital. Basically, governance is closely connected with various institutions, mechanisms, and processes, where the process of governance in terms of planning, policies, strategy, and implementation varies from zone to zone. To promote sound development with sustainable nature, the power of good governance helps to promote long-term well-being. According to the process of UNDP (1990), governance is widely known for political, economic and administrative authority, and human resource development is an important key for macro-level development. Haq (1995) focuses on human governance that allows the state,

civil society participation and the private sector-based building capacities, which will meet the basic needs of citizens. Human resources is the central part of human development, where Income, education, and health are considered key elements of human resources development. These are essential for enhancing human capabilities and making people capable of making choices. Every man needs freedom, guaranteed human rights and personal self-respect for development (Sen, 2000). Haq (1995) developed a paper showing the connectivity among equity, sustainability, production, and human empowerment, where good governance is the vital key for overall development. Fayissa and Nsiha (2013) mentioned that good governance is primarily responsible for attracting foreign investors, where transparency, liability, and accountability are important features to ensure maximize welfare for citizens is maximised. Effective governing bodies boost individual and organisational productivity by utilization resources efficiently for national production, which can boost the national economy (Yildirim and Gökalp, 2016; Hunjra, Mehmood, & Tayachi, 2020). When strong governance maintains strong institutional policies, it helps to accelerate internal and external growth for capital formation. Ugur (2010) highlighted that strong government organs lessen macroeconomic uncertainty, uncertainty, and negative externalities. This recovers economic productivity and competitiveness by allowing for more

1 Promoting good governance. European Commission 2014. URL: <https://ec.europa.eu/esf/BlobServlet?docId=444&langId=en> (date of access: 01.02.2026).

effective resource allocation within the country. Samarasinghe (2018) mentioned that effective governing forces help to uplift human and physical capital productivity, better institutions and government policies encourage to accumulation of external capital for the country. According to OECD (2020), good governance is an effective term for long-term economic, social and environmental development for developing countries. The ability of governments to run effectively and competently depends in part on their management policies and practices. Dollar & Kraay (2002) highlighted that natural resource development helps to promote good governance, helps to enrich natural resources, to reduce the poverty rate at the national level. Van der Ploeg (2011) and Venables (2016) mentioned that the effect of natural resources can have a positive impact on economic development. James (2015) maintained a relationship between fiscal policy and natural resources, the organs of good governance activate on non-revenue taxes, government spending and government saving also. Mousavi and Clark (2021) found that government wings help to ensure natural resources for human capital accumulation, where good governance wings use natural resources to reduce the poverty gap at the national level. In this paper, the author tries to find the effect of good governance on economic growth in five West African countries from 2000 to 2020.

Mengistu and Adhikaryb (2011) developed a paper based on how FDI affects to accelerates economic growth in 15 Asian emerging countries following the panel data between 1996-2007 using the fixed effect model. Shah and Afridi (2015) developed a paper related to the effect of FDI on SAARC countries, following 2006 to 2014. Bassam (2013) analysed that developing countries fall short in producing economic capitals, hindering economic and social improvement. Shah and Faiz (2015) can be an effective source to tackle economic pitfalls. Almond et al. (2015) highlighted that developing countries generate investment-friendly policies to speed up a friendly business environment as well. Consequently, friendly business and investment-governing policy formulation improves the current state of various macro variables, for instance, trade regulatory policies, bribery, court laws, legal approach with framework, labour conventions, electricity supply, transportation and telecommunications facilities, the characteristics deeply sought by multinationals (White, Chizema, Canabal,

& Perry, 2015). Moreover, Rodrik (2012) highlighted that good governance can be a basic model to ensure institutional and organisational goals and policies, effective management and employment creation should be mighty key for developing countries. Gliberman and Shapiro (2002) stated that a large market deserves more FDI for a robust client base, possible economic clusters development, for the growing economies of scale in bigger markets. According to Kristjansdóttir and Óskarsdóttir (2012), for investors, market size and government efficiency highlight a constructive effect on the foreign investment decision of multinationals' institutions. Human capital is one of the fundamental keys for attracting FDI, where FDI in high-tech segments mostly depends on human capital strength. Additionally, primary education development is the necessary key for FDI attracting figures after the mid-80s (Miyamoto 2008; Shah, 2009; and Shah, 2014). Mottaleb (2007) stated that FDIs were fascinated by all countries where GDP and GDP growth rate are high, as well as where a business-friendly environment and high-speed internet are easily accessible for FDI. Balasubramanyam (2002) and Shah (2014) originate the implication of Good Governance for FDI Inflows is positive in SAARC Countries for challenging world. EU (2014) highlight the effectiveness manner of good governance on sustainable economic growth some European developed country, European countries maintain some policies and strategy to maintain their continuous growth¹. However, OECD (2020) mentioned a paper connecting the how sustainable economic policy tackle covid19 virus from long term basis².

Research Methodology

3.1 Data Collection

In this research, the author uses the World Bank Database from 1995 to 2020 (About 26 years) time series dataset from the World Bank to estimate the research questions and objectives as well. Some missing data can be identified, but the interpolation and extrapolation process can estimate the missing value to continue research activities. The author will use multiple regression analysis and hypothesis testing to measure

1 European economic governance and cohesion policy. European Parliament. EU, 2014. URL: https://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/513999/IPOL-REGI_ET%282014%29513999_EN.pdf (date of access: 01.02.2026).

2 The impact of the corona virus (COVID-19) crisis on development finance. OECD Publication. OECD, 2020. URL: https://www.oecd.org/en/publications/the-impact-of-the-coronavirus-covid-19-crisis-on-development-finance_9de00b3b-en.html (date of access: 01.02.2026).

Table 2. Dependent and Independent Variables that affect in Model

Variables	Definition	Source	Data Collection	World Bank Indicator Name	Authors Reference
Dependent Variable					
GDP (GDP)	GDP per capita (current US\$)	World Bank Open Data	GDP per capita (current US\$)	NY.GDP.PCAP.CD	Kraipornsak (2018); Mahran (2023)
Independent Variables					
1. Life Expectancy (LE)	Life expectancy at birth, total (years)	World Bank Open Data	In years	SP.DYN.LE00.IN	Menon-Johansson (2005)
2. Terms of trade (TT)	Terms of trade adjustment (constant LCU)		In (constant LCU)	NY.TTF.GNFS.KN	Mahran (2023)
3. Total Population (TP)	Population, total	World Bank Open Data	In Number	SP.POP.TOTL	Hull (2009)
4. Labour Force (LF)	Total Labour Force within the country		In Number	SL.TLF.TOTL.IN	Nabua (2015)
5. Gross Capital Formation (CF)	Gross capital formation (current US\$)		(current US\$)	NE.GDI.TOTL.CD	Mahran (2023)
6. Foreign Direct Investment (FD)	Foreign Direct Investment		Foreign direct investment, net inflows (% of GDP)	BX.KLT.DINV.WD.GD.ZS	Fawaz (2021); Arogundade (2022)
7. Inflation (IF)	Inflation, consumer prices (Annual in %)	World Bank Open Data	In Current US\$	FP.CPI.TOTL.ZG	Hossain (2022)
8. Agricultural land (AL)	Agricultural Land where products and services are produced	World Bank Open Data	Square in Kilometres	AG.LND.AGRI.K2	Abera (2019); Shittu (2022)
9. Political Stability and Absence of Violence/ (PS)		World Bank Open Data	The estimate of governance (ranges from approximately -2.5 (weak) to 2.5 (strong) governance)	PV.EST	Avdulaj et al. (2021); Pere (2015)
10. Government Effectiveness (GE)		World Bank Open Data	The estimate of governance (ranges from approximately -2.5 (weak) to 2.5 (strong) governance)	GE.EST	Avdulaj et al. (2015); Pere (2015); Awan (2018)
11. Regulatory Quality (RQ)		World Bank Open Data	The estimate of governance (ranges from approximately -2.5 (weak) to 2.5 (strong) governance performance)	RQ.EST	Avdulaj et al. (2015); Pere (2015)
12. Rule of Law (RL)		World Bank Open Data	The estimate of governance (ranges from approximately -2.5 (weak) to 2.5 (strong) governance performance)	RL.EST	Avdulaj et al. (2015); Pere (2015)
13. Control of Corruption (CC)		World Bank Open Data	The estimate of governance (ranges from approximately -2.5 (weak) to 2.5 (strong) governance performance)	CC.EST	Avdulaj et al. (2015); Pere (2015)

Source: Own Illustration based on World Bank Data, 2026

the research objective and questions.

3.2 Econometrics Analysis Tools

3.2.1 Multiple Regression Analysis

A fixed effect model is a statistical tool where parameters for observed groups remain fixed and constant, which is commonly used for panel datasets for unobserved heterogeneity. On the other hand, the random effect model is considered for random behaviour, it is used for cluster structure. Here is the multiple regression form for the two models.

$$GDP = \beta_0 + \beta_1 LE + \beta_2 TT + \beta_3 TP + \beta_4 LF + \beta_5 CF + \beta_6 FD + \beta_7 IF + \beta_8 AL + \beta_9 PS + \beta_{10} GE + \beta_{11} RQ + \beta_{12} RL + \beta_{13} CC + u \dots \dots \dots (1)$$

After basic formation, some changes are needed for the data category and nature. Here is the modified form:

$$\ln GDP = \beta_0 + \beta_1 \ln LE + \beta_2 TT + \beta_3 \ln TP + \beta_4 \ln LF + \beta_5 \ln CF + \beta_6 FD + \beta_7 IF + \beta_8 \ln AL + \beta_9 PS + \beta_{10} GE + \beta_{11} RQ + \beta_{12} RL + \beta_{13} CC + u \dots \dots \dots (2)$$

3.2.2 Hausman Hypothesis Testing

The Hausman test is used to determine whether the random effects or fixed effects are perfect for analysing a panel dataset. The test estimates the result based on the null and alternative hypotheses.

Ho: Random Effect is appropriate

Ha: Fixed Effect is appropriate

The value of chi2 is 1.000 or more than 1, then the model accepts the null hypothesis, which means the random effect is appropriate in this case.

The author uses secondary data from the World Bank open data sources from 2000-2020. The author uses STATA 14.1 for conducting econometric analysis. To address the missing value, the author will run interpolation, which will create a mutual relationship among the data set. The author will use a quantitative method to analyse the effect of government effectiveness on economic development from African countries' perspectives.

Main Results. Kaufmann et al. (2010) introduce government variables to refer to the traditions and institutions by which authority in a country is exercised. This emphasises five segments basically, firstly, governments are effective and monitor every aspect of the nation. Secondly, the government monitors the formal and informal sectors in every aspect. Thirdly, governments are bound to formulate policies and plans to monitor and generate effective polices. Fourthly, the

government has a positive role in ensuring citizens and government intervention for economic and social interventions for the nation. Governance is used in several circumstances in business aspects (corporate governance factors), in international relations aspects, and the government maintains global connections and local governance. It is documented that governance has both formal and informal scopes; there are formal and informal actors engaging in policymaking and enactment. The key formal actor in governance is the government. The government is a strong foundation of the state, the political authority of the state, which signifies, selects and implements state policies to develop the nation.

In this paper, the author tries to measure the effect of independent variables on the dependent variable, which is economic growth in this model. Most of the African countries have had a bad experience with economic growth because it is affected by some influencing variables. The author considers GDP in current USD for measuring economic growth.

USAID (2023) mention the challenges and policy-making capacity of good governmental wings to affect long-term economic growth in middle income countries ¹. Additionally, UNDP (1990) mention the human capacities and human capital on long term economic growth ².

The Hausman test calculates the exact model which needs to be explained in this research. The author considers two models where fixed effects prove perfect to fulfil the condition.

H_o: Random Effect is appropriate

H_a: Fixed effect is appropriate.

$$\text{chi2}(11) = (\mathbf{b}-\mathbf{B})'[\mathbf{V}_b-\mathbf{V}_B]^{-1}(\mathbf{b}-\mathbf{B}) = 42.22$$

$$\text{Prob} > \text{chi2} = 0.0000$$

Therefore, we will reject the null hypothesis and accept the alternative hypothesis, and Fixed effect is appropriate.

From Table no 03, it is noticed that life expectancy (LE) has a positive and significant connection with economic growth. When government bodies ensure well health

¹ Strengthening good governance in low- and middle-income countries. USAID, 2023. URL: <https://3ieimpact.org/sites/default/files/2023-03/Gov-USAID-EGM-summary-report.pdf> (date of access: 01.02.2026).

² Human Development Report. UNDP, 1990. URL: <https://hdr.undp.org/content/human-development-report-1990> (date of access: 01.02.2026).

Table 3. Fixed effects (within) Regression in West African Countries (WAC)

Regression Model: xtreg LnLe_TT_LnTP_LnFC_LnCF_FDI_IF LnAL_PS_GE_RQ_RL_CC, fe		
Fixed effects (within) Regression		Number of observations = 262
Group variable: Country_code		Number of groups = 15
R-sq: within = 0.9102 between = 0.5347 overall = 77.17		F (13,249) = 77.17 Prob > F = 0.0000
Variables Name	Variable Sign	Coefficient
Life Expectancy	LnLE	4.7995*** (0.950)
Terms of Trade	TT	2.93e-13*** (1.01e-13)
Total Population	LnTP	-0.290 (0.514)
Labor force	LnLF	-0.1037** (0.520)
Capital Formation	LnCF	0.291*** (0.052)
Foreign Direct Investment	FDI	-2.20e-11 (4.92e-11)
Inflation	IF	-0.005 (.004)
Agricultural Land	Ln_AL	-0.032 (0.306)
Political Stability	PS	-0.052* (0.031)
Government Effectiveness	GE	0.190** (0.084)
Regulatory Quality	RQ	-0.360*** (0.118)
Rules of Law	RL	-0.199 (0.120)
Corruption Control	CC	0.079 (0.095)
Constant		0.939 (3.058)
F test that all u _i =0: F (4, 99) = 9.36 Prob > F = 0.0000		

facilities, it highlights economic growth properly. If the LE increases by 1 per cent, it leads to an enhancement of economic growth at 4.79 per cent at 1 per cent significance level. In most of the developing countries, high GDP leads to effective investment in the health-care sector, and the government wings develop policies for a proper health-care system. Economic growth leads to ensuring investment in education and skills development, reducing the poverty rate as well.

Secondly, TT has proper connectivity with economic growth, trade expands the domestic market with local people's participation and regional economic development, which accelerates production and revenue

generation. Countries highlight to specialise in local production, get a comparative advantage for improving efficiency and productivity. TT is statistically significant at the 1 per cent level.

Thirdly, the labour force has a negative and significant connection with economic growth; when the labour force does not turn into an effective force, it will not be fruitful anymore. In this model, if the active labour force increases by 10 per cent, it reduces economic growth by 1.37 per cent, which is statistically significant at the 5 per cent level. In African countries, labour forces are not skilled enough to ensure economic growth at a satisfactory level. Eludire (2023) analysed the impact of the labour force at the sector level

Table 4. Random-effect Model (Within) Regression in West African Countries (WAC)

Regression Model: xtreg LnLe_ TT_LnTP_LnFC_LnCF_FDI_IF LnAL_PS_GE_RQ_RL_CC, re		
Random effects (within) Regression		Number of observations = 262
Group variable: Country_code		Number of groups = 15
R-sq: within = 0.8810 between = 0.9975 overall = 0.9528		F (13,249) = 76.19 Prob > F = 0.0000
Variables Name	Variable Sign	Coefficient
Life Expectancy	LnLE	0.375 (0.521)
Terms of Trade	TT	3.18e-13*** (3.18e-13)
Total Population	LnTP	1.431*** (0.333)
Labor force	LnLF	-1.649*** (0.262)
Capital Formation	LnCF	0.0383*** (0.057)
Foreign Direct Investment	FDI	-6.77e-11 (5.49e-11)
Inflation	IF	-0.003 (0.005)
Agricultural Land	Ln_AL	-0.014 (0.015)
Political Stability	PS	-0.017 (0.031)
Government Effectiveness	GE	0.176** (0.088)
Regulatory Quality	RQ	0.102 (0.092)
Rules of Law	RL	0.162 (0.119)
Corruption Control	CC	0.122 (0.100)
Constant		-1.243 (2.151)

N.B.: Standard error in Parenthesis; *** p<0.01, ** p<0.05, * p<0.1

on economic growth. This researcher uses data covering over 100 countries from 1970 to 2019, where the labour force has positive activation in developing economies. In this paper, due to the consideration of five West African countries, the labour force shows negative connectivity with economic output. Many labourers turn into human capital, which ensures efficiency and productivity.

Fourthly, capital formation (CF) has a positive and significant connection with economic growth; it is highly connected, showing a 1 per cent level of significance. If capital formation increases by 10 per cent, it leads to economic growth at 2.9 per cent, which is a 1 per cent level of statistical significance. Islam (2020) mentioned that human capital is an important wing promoting public expenditure, the education

sector, and sustainable economic growth for South-Asian countries. Capital, all over the world, accelerates physical capital, generating production to ensure sustainable economic efficiency. Capital formation is emerging as a key for education sectoral development as well (Saad and Kalakech, 2009).

Fifthly, GE has a positive and statistically significant effect in this research, which affects economic growth positively. GE is statistically significant at the 5 per cent level. Alam (2018) highlighted that GE has a positive connection with economic growth in an 81-panel dataset. GE promotes generating public health and national welfare for developing countries. According to Kurtz et al. (2007), GE does not affect economic growth. Basam (2013) measured that the level of economic growth and its quality depend on human development

measurement. In this paper, the author finds a significant and positive connection influencing economic growth.

Sixthly, in this paper, PS has a statistically significant negative correlation with economic growth, a 10 per cent level. Ahmed and Pulok (2013) highlighted that PS has a negative and significant connection with economic growth from a Bangladeshi perspective from 1984 to 2009. Additionally, Drazen (2000) identified two reasons why political instability affects economic performance significantly: it has a long-term effect on economic growth. Maloney (2002) investigated the economic growth as a positive connection with Latin American countries for the political stability factor. Astteriou and Siriopoulos (2000) inspected the relationship empirically for Greece and found a robust negative connection with economic growth and political stability.

Lastly, Regulatory quality refers to the efficiency and proficiency of a government's ability to formulate and implement good and long-term policies with proper regulations that promote macro-level sector-wise development and ensure overall societal well-being for local people. Lack of RQ creates a burden and disvalue for citizens as well. Ultimately, high-quality regulations focus on fostering economic progress, improving public amenities, and protecting every citizen. Moreover, Grochová (2014) examined the connection between RQ and sustainable development; this variable is statistically significant at the 1 per cent level. In this model, RQ has a negative and significant connection with economic growth; most of the governing bodies in West African countries do not implement any sound and effective growth policies for macro-level development. Except for these variables, no other variable has been proved to be significant in this model. Some variables act as negative characters due to taking fewer samples.

Good governance and governmental effectiveness are the top concerns connected with public agenda-based management. Government effectiveness plays a vital role in GDP per capita, HDI, government spending, accountability, corruption control, political stability and rule of law for the short run relationship. GE leads to an effective figure for public sector development, ensuring growth and development as well. Meyer (2018) analysed a paper connecting governmental effectiveness and institutional efficiency. The idea of good governance has been complicated to define due to the qualitative aspects of the concept. Effective governing patterns and good

governance indicators have been mentioned as substitute concepts, and this relationship has been confirmed to assist in explaining both concepts (Andrews, 2008). According to Andrews (2008), a decentralised governing system has a positive impact on fiscal policies that affect the banking and economic system positively and continuously.

Conclusion. Most of the African countries suffer due to inactive governmental wings, which do not implement sound and effective policies due to bureaucratic problems, lack of efficient national budget, illegal mining and other internal problems. Kraipornsak (2018) designated research screening the connectivity between good governance and economic growth of Thailand and selected Asian countries. Fukuyama (2013) developed governing aspects of government enforcing rules and guidelines for implementing policies and structure as well. This researcher develops the aspects from two different dimensions, where capacity and autonomy are the emerging factors covering the regional and national level factors. The governing factors highlight capacity and autonomy for citizens. Moreover, Cheema (2005) measures the effect of good governance on public goods and services that affect human rights, democratic process, public participation, transparency, accountability, and responsiveness, etc. All over the world, good governance is measured through the World Governance Indicators (WGI) as developed by the World Bank (World Bank, 2018). This index consists of six governmental approach indicators with an effective governance attitude. In terms of the WGI, the score within the index varies between + 2.5 and - 2.5, with a score above zero representing effective governance and a score below zero representing ineffective governance in the country. Moreover, Nölke and Vliegthart (2009) highlighted that Poland has been gradually transformed from a socialist to a democratic country from 1990 to the present period. In this paper, Poland has experienced positive economic growth from 2008 to 2009, facing the global financial crisis, it has a positive essence with strong monetary and financial backup for macroeconomic development.

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ЧИ ВПЛИВАЄ ЕФЕКТИВНІСТЬ УРЯДУВАННЯ НА СТАЛИЙ ЕКОНОМІЧНИЙ РІСТ: ДАНІ З КРАЇН ЗАХІДНОЇ АФРИКИ, ЩО РОЗВИВАЮТЬСЯ

Ефективне управління та його складові відіграють важливу роль у макроекономічному розвитку, де перенаселення, бідність, расизм, терористичні угруповання, корупція, нестабільність,

незаконний видобуток корисних копалин тощо є величезними викликами, які потребують ефективного управління. До 2030 року всі країни, включаючи розвинені, країни, що розвиваються, та слаборозвинені країни, намагаються перевести свою економіку на стійку основу. Сталий розвиток та економічне зростання є двома основними суперечливими темами в слаборозвинених країнах, особливо в Західній Африці. Автор розглядає панельні дані за період з 1995 по 2020 рік (близько 26 років), щоб підкреслити довгостроковий вплив ефективного управління на економічне зростання. Автор розглядає 13 незалежних змінних для вимірювання впливу незалежних змінних на залежну змінну (ВВП) з використанням моделі з фіксованими ефектами та моделі з випадковими ефектами. Після аналізу гіпотези встановлено, що в цій моделі доцільно використовувати фіксовані ефекти, а середня тривалість життя (LE), умови торгівлі (TT), накопичення капіталу (CF) та ефективність урядування (GE) мають статистично позитивний зв'язок з економічним зростанням. Навпаки, наявність робочої сили (LF), політична стабільність (PS) та якість регулювання (RQ) мають статистично значущий негативний зв'язок з економічним зростанням. Сталий економічний ріст тісно пов'язаний із соціальною справедливістю, інноваційним потенціалом, енергоефективністю, способами використання ресурсів та стійкістю домогосподарств, дружньою зовнішньою політикою, «зеленими» технологіями та ефективним підходом до управління на місцевому рівні. Ці фактори впливають на економічне зростання в довгостроковій перспективі. У регіоні Західної Африки впровадження стійкої сільськогосподарської та промислової політики, стійкої поведінки у сфері виробництва та споживання тощо є дуже складним завданням. GE має ефективний зв'язок зі стійким економічним зростанням, де стійке економічне зростання має значення в довгостроковій перспективі, а деякі соціально-економічні змінні тісно пов'язані з економічним розвитком.

Ключові слова: ефективне управління, стале економічне зростання, соціально-економічні показники, ефективність урядування.

JEL Classification: G38; O47; O55; H11; Q01.

Конфлікт інтересів: автори повідомляють про відсутність конфлікту інтересів.

У цій статті для вичитки та стилістичного редагування тексту англійською мовою було використано сервіс штучного інтелекту Grammarly.

Подяка

Особлива подяка доценту Махруфу Рахману та доценту Мд. Сохелу Рані з кафедри бізнес-адміністрування Північно-Західного університету у місті Хулна, а також студенту бакалаврської програми з бізнес-адміністрування Північно-Західного університету Нуру Аламу за їхню активну участь у проведенні статистичного дослідження та за їхні критичні зауваження на етапі збору й інтерпретації даних, що значно посилило достовірність отриманих результатів.

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