Estimating the Connection between ICT, FDI, Trade, Renewable Energy and Growth in Sub-Saharan Africa

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Abstract

This paper examines the connection between Information and Communication Technologies (ICTs), Foreign Direct Investment (FDI), trade, renewable energy and growth in sub-Saharan Africa (SSA). Earlier studies only addressed this issue in the context of a single country; utilizing a time series procedure. This study employs both heterogeneous panel analysis and dynamic fixed effect techniques to analyze dataset that were collected. Findings suggest that ICT, trade and renewable energy consumption exert positive and statistically significant effect on growth in the long run. However, the effect of FDI is not statistically significant in the long run estimate. Evidence from the short-run analysis suggests that renewable energy could draw back growth in the short run; though is effect is productive in the long run. Other variables of interest show no significant effect in the short run estimate. An improvement in ICT infrastructure and trade liberalization is desirable for long-term growth in SSA.

Keywords

Information and Communication Technology, Foreign Direct Investment, Trade, Renewable Energy, Growth, SSA

JEL Classification

F14, O47, Q20

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