

Good Governance and Economic Prosperity in Sub-Saharan Africa: The Islamic Panacea

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Abstract

For any nation to experience genuine growth and accelerated development, conscious efforts have to be made in terms of socio-economic inclusion of the entire citizenry, good governance and ensuring justice in all spheres. The existential reality is that most Africans do not trust their governments as evidence shows that most so-called leaders are actually dealers with public money. This ugly reality leads to people receding into their ethnic and religious cocoons once the nationalism question arises as against seeing their countries as primary constituencies. Notwithstanding this overstated fact, Africa must move forward as a continent and its people should enjoy the natural resources which their lands are endowed with. This paper advocates some Islamic elements of governance and economic blueprint as panacea for development that will culminate to a harmonious communal living devoid of sectional schisms and economic exploitation of the majority by the few. The Islamic institutions of Zakaat (Compulsory Annual Charity), Sadaqah (Voluntary Alms), Kaffaarah (Atonement Feeding) and Zakaatul-Fitr (End-of-Ramadhan Charity) that are effective instruments of redistribution of wealth and bridging the gap between the affluent and the destitute are proposed for adoption by Sub-Saharan African countries in order to achieve the much-sought national reconciliation, integration, economic prosperity and survival justice for all. The paper concludes that it is only through good governance and economic emancipation of people that genuine progress and real nationhood can be achieved.

Keywords: *Good governance, Sadaqah, economic prosperity, Zakaat, Zakaatul-Fitr, empowerment, peaceful co-existence.*

Introduction

Since this study aims at discussing matters that relate to good governance and economic prosperity in Sub-Saharan Africa from Islamic perspective, it will be pertinent to explain how the major concepts ("good governance" and "economic prosperity") are inter-dependent before discussing measures that Islam laid down in attaining these lofty aims of a just and harmonious society.

While a government has been aptly defined as "a machinery established by the state to organize the state, manage its affairs and administer its functions and duties" (Dibie, C.C. 2008:1), good governance is an indeterminate term used in international development literature to describe how public institutions conduct public affairs and manage public resources. The concept of "good governance" often emerges as a model to compare ineffective economies or political bodies with viable economies and political bodies. The concept centers on the responsibility of governments and governing bodies to meet the needs of the masses as opposed to selected groups in the society. In the light of the above, we can observe that good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved. Since a society's well being entails that all its members feel that they have a stake in it and do not feel excluded from its mainstream; governments at various levels and different forms have to ensure that its people do not only have access to basic necessities of life, but also enjoy social services that will make their lives more meaningful.

The Sub-Saharan Africa, which is the area of the continent of Africa that lies south of the Sahara Desert is being deliberately targeted in the study because of the fact it is the area that most vulnerable people of the world inhabit. People of other regions of the world like the West, Far East and the Middle are far more developed than Sub-Saharan Africa courtesy of real participatory democracy, welfare economics, technological development, Islamic institutionalization and combination of some or all of the above. Since the much-sought economic prosperity through these identified measures depends largely on the formal actors in governance and takes a relatively longer time to achieve, institutionalization of some social and economic measures of poverty eradication and reduction introduced by Islam can easily be embraced by informal actors in governance like communal associations, NGOs, religious bodies, influential personalities, financial institutions and organized cooperative societies. The

Islamic solution to economic hardships of majority of Sub-Saharan Africans, as would be seen in the course of this study is not only diverse in nature, and pristine in source, but can easily be accomplished within a short term.

This study examines the role that Islam can play in good governance and economic prosperity in SSA. It will also investigate the impact of good governance on economic prosperity in SSA; thereby assisting policy makers to formulate policies that will engender economic fortune in the region.

Essence and Source of Wealth from Islamic Perspective

Islam attaches great importance to wealth acquisition and economic prosperity of individuals and societies. Although the term "economic development" which is often used in the contemporary time may not be popular in Islamic early sources; words that are very close to it like "amal" –which means "work"-, "*ithaaratul-ardh*" which translates to "tilling the land" and "ta^omeer" –which connotes both "development" and "maintenance" and their derivations were frequently used by Almighty Allah in the Glorious Qur'an. For example, the term "amal" was used by Exalted Allah when He commanded Prophet Muhammad (Peace Be Upon Him) to tell his followers that they should work because He is witnessing them in the course of this work and deed and would later hold them accountable for whatever they do thus:

*{Say (O Muhammad): "Work (righteously); soon Allah observe your work, His Messenger, and the believers (are equally observing you): soon will you will be brought back to the Knower of what is hidden and what is open: then will He Show you the truth of all that you did (while you were alive)."}
(Qur'an, 9: 105).*

In another instance, Allah cautioned the disbelievers about the features and consequences of the past disbelieving generations using an abbreviated form of "*ithaaratul-ardh*" where He says:

{Do they not travel in the land, and see what was the end of those before them? They were superior to them in strength, and they tilled the earth and populated it In greater numbers than These (pagans) have done, and there

came to them their Messengers with clear proofs. Surely, Allâh wronged them not, but they used to wrong themselves}. (Qur'an, 30:9)

In discussing the essence of patronage of mosques, regular maintenance and making it lively with a lot of religious activities, Allah paid glowing tributes to the faithful whose unshaken believe in Him leads them to these righteous deeds using the Arabic word "ya'muru" which is a derivation of "ta'meer" thus:

{The Mosques of Allâh shall be maintained only by those who believe In Allâh and the Last Day; perform As-Salât (Iqâmat-as-Salât), and give Zakât and fear none but Allâh. It is they that are on (the path of) true Guidance}. (Qur'an, 9:18)

However, Islam's position in the fact that man should seriously seek for wealth to make him comfortable is also linked to the reality that his success in its acquisition is solely attributable to he's efforts and scheme. Man was made to know that the Real Owner of the entire world and the all materials therein is God. Hence, the culture of sharing and/or spreading of wealth to fellow creatures is only commendable and highly desirable, but also a religious obligation that must be strictly adhered to. This is the reason why this social, economic and religious obligation in its various forms is broadly referred to as "spending *fee Sabeelil-laah*", which means "spending in the way of Allah or in accordance with the dictates of Allah".

While Islam occasionally affirms individual ownership of money and properties in order to acknowledge that individual effort is an undeniable factor in the acquisition of wealth; it states in various ways that to God belongs all people and things and Allah's dictates in matters of acquisition and spending of wealth must, therefore, be obeyed to the latter. The former way is evident in one of last verses of Suratul-Baqarah where the methodology applied by Almighty Allah in making people to give to others and spend in His cause is more of persuasion and encouragement. Allah says:

{The likeness of those who spend their wealth In the Way of Allâh, is as the likeness of a grain (of corn); it grows seven spikes, and each spike has a hundred grains. Allâh gives manifold increase to whom He pleases. And Allâh is All-Sufficient for his creatures' needs, All-Knower}. (Qur'an, 2:261).

In many instances however, Exalted Allah is emphatic on the fact that He is the Original Possessor of wealth man is endowed with and he has no choice but to dispense it in accordance with his Creator's wish. This fact is unequivocal in the opening verses of the same Suratul-Baqarah where Allah describes the believers as those:

Who believe In the Ghaib (the Unseen) and perform As-Salât (Iqâmat-as-Salât), and spend out of what we have provided for them i.e. give Zakât , spend on themselves, their parents, their children, their wives, etc., and also give charity to the poor and also In Allâh's Cause - Jihâd, etc. (Qur'an, 2:3).

It is only on the premise that man is a vicegerent of Allah on earth that Allah maintained that whatever he claims to own belongs to the Creator who nobody and nothing can be without His wish. Hence, whatever man gives to his fellow human being is the latter's right as God (Allah) is the Real Owner, is the One that apportions it to him. The fact that money or alms given to the destitute is his due and right was affirmed in the Glorious Qur'an thus:

{And In their properties there was the Right of the beggar and the Mahrâm (the poor who does not ask the others)}. (Qur'an, 51:19).

Africa's Quest for Good Governance: Islamic System as a Veritable Alternative

Africa, although blessed with abundant natural resources, is bedeviled with a lot of administrative challenges that its backwardness in the comity of continents is attributable to... These challenges that are inimical to good governance include: military interventions in politics, lack of transparency in electoral processes, absence of institutionalization of policies, bribery and embezzlement of public funds, corruption in public and corporate agencies and bodies, infringement on citizens' liberties, favouritism and nepotism in appointments and distribution of common wealth and general abuse of power. (*Attaqreerul-Istiraateejiyul-Awwal 2014:1*).

According to a comprehensive report issued by Center for Research and African Studies of International University of Africa in Khartoum in 2014, The political instability that is the order of day in many African countries is a direct result of political immaturity of these nations. This ugly scenario which has resulted to untold economic hardship in these countries

has snowballed to armed confrontations between tribal components of some African nations. (*Attaqreerul-Istiraateejiyul-Al-Ifreeqiyyul-Awwal2013-2014*, 2014:1).

The racial composition and tribal colouration of many African countries is an undeniable reality and Nigeria is not an exception. Adedimeji chronicled this situation when he asserted that it is the "multi –ethnic situation that threw up the country's immediate post –independent rulers and the first generation of politicians who have been accepted as national heroes. While the duo of Alhaji Abubakar Tafawa Balewa and Sir Ahmadu Bello represented the interest of the Hausa – Fulani tribes of the North, Chiefs Obafemi Awolowo and, to a lesser degree, Samuel Ladoke Akintola were regarded as leaders of Yorubas while Dr. Nnamdi Azikiwe who was then assisted by Sir Michael Okpara held the sway the Igbo –speaking Eastern Nigeria. Each of these tried their best to protect and project the interests of their tribes and left no stone unturned to make their people the dominant tribe in the affairs of the country. This scenario led to a lot of unhealthy rivalry, accusations and counter –accusations that heated up the polity and threatened to tear the nation to shreds. The events that led to the nation's protracted civil war were too glaring to expatiate on here. That happened between 1967-1970." (Adedimeji, A.A.A. 2012: 125).

This study agrees that "in spite of our enormous natural resources and huge potential, Nigeria remains grossly and undoubtedly underdeveloped. Regardless of all the social and economic policies that have been implemented by successive administrations, Nigeria still remains laggard in social, economic and political developments. Political instability, abject poverty, severe youth unemployment, heightened crime rate, poor health-care facilities, pervasive malnourishment and, recently, insurgency/terrorism have been the predominant features within the polity. Nigeria certainly defies conventional logic — severe poverty amidst vast mineral riches, agricultural potential and abundant human capital. This “development anomaly” also fits into the trends and narrative of political instability within the continent, for which Africa has become notoriously infamous and synonymous with. Indeed, governance is one of the major problems in Africa and, by extension, Nigeria". (<http://leadership.ng/columns/383507/good-governance-panacea-sustainable-democracy>).

Islamic form of government, if thoroughly and painstakingly considered, can serve as effective antidote to Sub-Saharan Africa’s political and economic bane. This globally-

accepted religion also connotes a comprehensive and perfect system of government. Although Islam, alongside Christianity and Judaism, is one of the three greatest faiths in the world, its uniqueness emanates from the fact that it does not only connotes a religion but encapsulates the ideal way of life for all its adherents. This is the reason why “the most important and fundamental religious concept of Islam is that of the Shari’ah, or the Law, which embraces the total way of life as explicitly and implicitly commanded by God.”(Encyclopedia Britannica, 5: 409).

For example, Islamic Shari’ah covers a large range of all human endeavours such as business, education, science, social interactions like marriage, ceremonies, divorce, diet, wearing, mating, planting, agriculture, hunting, courtship, lending, and leisure activities in addition to acts of worship like mandatory prayers, alms-giving, fasting, supplicating, holy pilgrimage and missionary works in such a comprehensive and elaborate way that no religion can lay claims to such. No wonder, the most Exalted Allah stated inter alia in the Glorious Qur’an:

{And there is no creature on/within the earth or bird that flies with its wings except that they are communities like you. We have not omitted anything in the Book (Qur’an). Then, unto their Lord they will be gathered}. (Qur’an: 6:38).

The *Hadith* (which is the sayings, actions and reactions of Prophet Muhammad in every situation as aptly related and accurately recorded by those who actually witnessed or heard them) is also available to shed more light on whatever is summarized in the Glorious Qur’an. This is in fulfilment of Allah’s commandment to his Prophet (Muhammad) –P.B.U.H- which is unequivocally stated thus:

{And we revealed to you the message (i.e. the Qur’an) so that you will explain to the people what was sent down to them and that they may give thought (to it)}. (Qur’an: 16:44).

Along with the large collections of *Hadith*, the biography of Prophet Muhammad- popularly known as “*Seerah*” in Islamic circles-is well –known as part of recorded history and source of legislation in Islam. The Prophet’s biographers were historians who, within the first century after his death, began to gather all the facts they could from various sources available, most of them oral. These included descriptions of battles and other events, descriptions of the

Prophet's character, descriptions of people with whom he came in contact with and various other biographical information.

Added to the above-mentioned sources of inspiration, guidance and legislation is the explanations of the Qur'an and the expatiation on the *Hadith* by the renowned scholars of repute. The authoritative books bequeathed to the Muslim Ummah (global society) by these eminent scholars also complement other sources of Islamic adjudication and enrich in such a way that there is hardly any issue in human society that a historical precedent and religious pronouncement will not be readily available for a Muslim to measure against. (Adedimeji A.A.A. 2015: 13-14). This is the why it is affirmed that "for the Muslim, there is no sacred and secular; religion and politics can never be separated". (Cooper A. and Maxwell E.A., 2003: 260).

Great Islamic political thoughts that are of immense value to contemporary Sub-Saharan African countries that available data and figures indicate that are either thickly populated by Muslims or have a sizable number of Islamic adherents can be found in earlier Muslim scholars' works like Alfaaraabi (d. 339A.H./950A.D.) and Ibn Sina, who is known in the West as Avicenna (370-428A.H./980-1037A.D.). (Dukawa S.A., 2015:8-9).

Also, an important bridge between the medieval Muslim political thinkers and their modern counterparts could be found in the thoughts of Al-Ghazali (450—505A.H./1058-1111A.D.) Among the important strands in his political thought include the idea earlier affirmed that state and religion are inseparable, religion being the foundation of society and the state its guardian. He argued that that it is necessary for the society to have a supreme spiritual leader (an Imam or Sultan); otherwise there will be *fitnah* (turmoil) in the land. He stipulates three qualities for the supreme leader, namely: capability, knowledge and piety. Finally, he strongly recommends delegation of authority by the leader. (Yola J.H., 2011:41-46).

Islamic Measures for Wealth Creation and Economic Emancipation of Society

As the all-compassing religions that attach paramount importance to the well-being of individuals and the society at large, Islam puts high premium on the spread of wealth for the benefits of all and sundry. This is the reason why there are various measures the religion laid down in order to curtail poverty and aid economic prosperity in the society. The most

significant of these measures is Zakat which is institutionalised as the third of the Five Pillars of Islam.

Zakat is an Arabic noun derived from the verb "*zakkaa*", which signifies "to thrive," "to be wholesome," "to be pure" means purification. Giving up of a portion of the wealth one may possess in excess of what is needed for sustenance, is to "purify" or legalize it so that the remainder may lawfully be used by the alms giver.

The categories of wealth upon which Zakat is obligatory are four: freely grazing livestock, produce, movable valuables like gold, silver and paper money, and trade items. The rates and conditions for desirability, giving and distribution of these categories are available in Islamic books of jurisprudence. (Al-Faozan S.B.F. 1423A.H.:1/318-370 and Al-Uthaemaen M.B.S. 1421A.H.: 421-447).

Deducting Zakat from one's earnings is a material acknowledgment of the fact that the actual giver is God. Since the giver is God, the recipient is duty bound to spend it in His cause.

The law of Zakat is to take from those who have wealth and give it away to those who do not. This rotation of wealth is a way to balance social inequality.

Islam has established this institution to make concern for the poor a permanent and compulsory duty. This means an annual contribution of two and a half percent of one's income to public welfare. The rate on other types of wealth such as agricultural produce and jewelry is more. It is incumbent on minors and adults, males and females, living or dead.

Islamic law empowers the Islamic State or Community to collect such contributions and keep a separate account of them. The funds thus accumulated must be spent on the eight categories specified in the Qur'an (2:177) namely, the poor and the destitute, the wayfarer, the bankrupt, the needy, converts, captives, the collectors of Zakat, and in the cause of God. The last category allows such funds to be used for the general welfare of the community— for the education of the people, for public works, and for any other need of the Muslim community. (<http://masjidma.com/2010/08/27/the-concept-of-charity-in-islam/>).

Summarising the intent and condition of Zakat, Al-Qardhawi posited that "the rationale behind this condition (of *nisaab* for zakatability) is very obvious. Zakat is a due on the rich to relieve

the poor and to share in the expenses for common interest to Islam and Muslims. It can only be taken from those who can afford it". (Al-Qardhawi Y., 1999: 23).

Voluntary charity, otherwise known as *Sadaqah*, is another economic prosperity measure ordained by Islam. Unlike Zakat which is compulsory for the rich and which is to be given to the deserved people and causes on specified periodic times which is most on annual basis, *Sadaqah* is broader in nature, general in legislation and wider in terms of what could be offered. Like Zakat, it is regarded as an act of worship and its effect on the giver transcends lifetime period to the Hereafter. The circle of those toward whom an act voluntary charity may be done is equally wider and not restricted to the eight categories enumerated in the case of Zakat.

In enjoining and legislating this highly desirable deed and some of its various forms, Prophet Muhammad (Peace Be Upon Him) said:

"Verily, what reaches a believer of his good deeds after his death is: knowledge that he taught and publicized; a pious son who supplicates for him; a book of Qur'anic script he donated or freely gave out; a mosque he built; a rest house that he built for the travellers (to lodge in freely); a water canal (or reservoir, well or borehole) he sunk for people to fetch or drink from; and any charity he spent while healthy and alive. All this will reach him after his death". (Reported by Ibn Maajah).

Prophet Muhammad (Peace Be Upon Him) laid a good example for Muslims in the act of voluntary charity as he was a role model to the faithful in all ramifications. He (Peace Be Upon Him) was the most generous of men. He used to give with his own hand. When asked for anything, he never refused. If he had nothing to give, he would borrow from one of his companions and pay him later.

The Prophet's wives were also known for their almsgiving. Of them Zainab bint Khuzaimah was the most generous and was called by the Prophet (Peace Be Upon Him) "the longest in arm". She was also known as the "mother of the poor" (*ummul-masaakeen*) purposefully because of her commitment to almsgiving. Aishah, the youngest wife of the Prophet (Peace Be Upon Him) was also known as the "mother of the poor" (*ummul-masaakeen*) also. (Al-Ghazali, Vol. 1, p. 298).

According to the teachings of Islam, the giving of *Sadaqah* serves a number of functions. First and foremost, act of *Sadaqah* is expiation for sins. The believers are asked to give *Sadaqah* immediately following some forms of transgression. This special form of *Sadaqah* is known as *Kaffarah* in Islamic Jurisprudence. For example, Almighty Allah prescribes atonement feeding of poor people as an alternative punishment for any pilgrim that indulges in hurting for animals when in the state of *Ihrâm* for Hajj or 'Umrah. This evident where he said:

{O You who believe! kill not game while You are In a state of Ihrâm for Hajj or 'Umrah (pilgrimage), and Whosoever of You kills it intentionally, the penalty is an offering, brought to the Ka'bah, of an eatable animal (i.e. sheep, goat, cow, etc.) equivalent to the one He killed, as adjudged by two just men among you; or, for expiation, He should feed Masâkin (poor persons), or its equivalent In Saum (fasting), that He may taste the heaviness (punishment) of his deed. Allâh has forgiven what is past, but Whosoever commits it again, Allâh will take retribution from Him. and Allâh is All-Mighty, All-Able of Retribution}. (Qur'an, 5:95).

Voluntary almsgiving can also compensate for any shortcoming in the past payment of obligatory *Zakat*. *Sadaqah* also gives protection against all kinds of evil. It also wards off affliction in this world, and punishment on Judgment Day. It is therefore recommended to give *Sadaqah* by night and by day, in secret and in public to seek God's pleasure (Qur'an, 2:274). The constant giving of little is said to please God more than the occasional giving of much. (http://www.irfi.org/articles_101_chaity_in_islam.htm.)

Zakaatul-ul-Fitr is another measure that Islam adopts to tackle hunger and ensure economic prosperity of the society. It is obligatory on every Muslim who has food that is surplus to his needs and the needs of the family on the last night of Ramadhan and *Eid-ul-Fitr* (post-Ramadhan Feast) day. The quantity to given is two and a quarter kilos of staple food of the country where the giver is resident. This amount is per person, male or female, and his dependants.

It is preferable to give it out on the *Eid-ul-Fitr* Day before the special prayer of the day. It is not allowed to delay it past the prayer of the *Eid* Day but may give it out a day or two before it. Some scholars are of the opinion that one can even give it out three days before *Eid* Day if

the need arises. (<http://islamqa.info/en/207225>). One may also give to one person an amount of food that is enough for a group and vice versa. It is obligatory to distribute this form of Zakat immediately as it becomes due and the guardian is responsible to give it out on behalf of children and insane. It is better for the responsible person to distribute it personally and let it be known to the people. Intention for the person on whose behalf is given is necessary.

It is preferable to give the amount of *Zakaatul-ul-Fitr* and the mandatory *Zakat* out to the poor of the country where the person lives but in case of some overwhelming need, sending it to other countries is also allowed. (Al-Faozan S.B.F. 1423A.H.:1/350-354).

However, the issue of whether money can be used in place of raw food as *Zakaatul-ul-Fitr* is a contentious matter between Islamic scholars. The conservative block narrow it down to food because it was the dictate of the Prophet (Peace Be Upon Him) while realist scholars opined that money can be given these days because of the attributes it possess over food. One thing that this study wants to highlight at this juncture is the fact that the food given can be sold by the recipient or the custodian if he fears that the food cannot be maintained for a relatively long duration. This is necessary because the intent of Islamic Shari'ah is to spread wealth and concentration of this basic necessity of live in the hands of few that have more than what is enough for them while the majority is in dire need of it and, consequently, suffering in abject poverty. It is illogical if we insist that the food has to be either processed and/or cooked when there is no immediate need for it and no facility for its maintenance. It happens that a country or a community is self-sufficient and there are is very small or no individuals to collect *Zakaatul-ul-Fitr* that has to given, the food can be sold and the proceeds used to develop the Ummah (Muslim community) and harnessed to create more wealth that bridge the gap between the rich and the destitute in the society.

Finally, we want to state that the actualization of good governance and economic prosperity of people will undoubtedly reduce, if not totally eliminate, tribal strives and communal confrontations in the society. Since peaceful co-existence of its components is the goal of each country and communities, Islam has served, and still serving as a source of succour to the teeming destitute of the society through the avenues of good governance, equitable distribution of wealth and opportunities of survival created for the needy and the poor in the societies the religion thrive in.

Based on the forgoing, the measurements of wealth – Zakat and Sadaqat – are not available for the selected countries in SSA. We extracted data on governance indicator and economic prosperity in order to make the study empirical.

Methodology and Materials

The empirical model for this study is based on the endogenous growth model. We express the real GDP as a function of institutional quality (this serves as measurement of good governance).

$$GDP_{it} = \beta_0 + \beta_1 INQ_{it} + \beta_2 GCF_{it} + \varepsilon_{it} \dots \dots \dots (1)$$

Where GDP = real gross domestic product and expressed in log form in the estimated model, INQ = institutional quality indicator, GCF = gross capital formation as a ratio of GDP and ε = error correction term. The data for GCF and GDP are sourced from World Development Indicator, 2013. The data for INQ indexes are sourced from World Governance Indicators, 2013. The institutional quality indexes are control of corruption, rule of law and government effectiveness, and these indexes are sum together to make institutional quality (Knack and Keefer, 1995; North, 1990). We included GCF in the model as control variable in order to make the model multivariate. The data covered 1996 to 2013 and twenty-one countries in sub-Saharan Africa, namely: Botswana, Burundi, Cameroon, Central African Republic, Chad, Congo, Gabon, Gambia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Nigeria, Seychelles, Sierra Leone, South Africa, Sudan, Swaziland, Togo and Zambia. The choice of these countries was based on data availability.

In the estimation of the model, the paper adopts Panel Vector Error Correction Model (PVECM)¹ framework. A VECM is a restricted VAR designed for use with non-stationary series that are known to be cointegrated. This study expressed PVECM as thus (see Egbetunde and Akinlo, 2015; Egbetunde and Fadeyibi, 2015):

$$\Delta GDP_{it} = \beta_0 + \sum_{i=1}^n \alpha_{1i} \Delta GDP_{i,t-j} + \sum_{i=1}^n \alpha_{3i} \Delta INQ_{i,t-j} + \sum_{i=1}^n \alpha_{2i} \Delta GCF_{i,t-j} + \sum_{i=1}^n \lambda ECT_{i,t-1} + \varepsilon_{it} \dots \dots \dots (2)$$

¹ The VECM has cointegration relations built into the specification so that it restricts the long-run behavior of the endogenous variables to converge to their cointegrating relationships while allowing for short-run adjustment dynamics. The cointegration term is known as the *error correction* term since the deviation from long-run equilibrium is corrected gradually through a series of partial short-run adjustments.

Eq(2) serves as an estimated model.

Empirical Results and Discussion

We performed a panel unit root tests on each variable in our model using LLC, IPS, Fisher-ADF, and Fisher-PP tests for sub-Saharan Africa. The table 1 below shows the result of the panel unit root tests for the variables.

Table 1: Result of Panel Unit Roots Tests

Series	Levin, Lin & chut*		Im, Pesaran & Shin W-Stat		ADF-Fisher chi-square		PP-Fisher chi-square		Order of integration
	Level	1 st Diff.	Level	1 st Diff.	Level	1 st Diff.	Level	1 st Diff.	
GDP	-3.48	-13.79*	-3.44	-12.08*	89.77	225.8*	88.3	560.5*	I(1)
INQ	3.59	-7.28*	4.85	-17.64*	14.29	331.6*	124.0*	438.7*	I(1)
GCF	-1.56	-8.89*	-0.74	-11.11*	48.54	203.6*	40.04	352.7*	I(1)

*, **, *** indicate 10%, 5% and 1% level of significance.

The results in Table 1 suggest that we do not reject the null hypothesis of unit root for all the variables in levels. However, when the first differences are used, the null hypothesis of unit root (non-stationarity) is strongly rejected at the $p < 0.01$ statistical level. The results reveal that the variables were stationary at first difference.

The next stage of the estimation is to verify whether the variables are cointegrated, after confirming the order of integration of the series. This is done by conducting panel cointegration tests. This study considered three panel cointegration tests, viz.: Pedroni (1999), Kao (1999) and Johansen tests. The result is presented in the Tables 2 (i and ii) below

Table 2(i): Pedroni and Kao Panel Cointegration Tests

Variables in Cointegration Vector	Test	Intercept	Intercept and Trend	None	Kao
GDP, INQ, GCF	<i>Panel - v</i>	-3.81**	-4.24***	-3.78***	-1.87**
	<i>Panel - rho</i>	1.88***	3.47***	2.06**	
	<i>Panel - pp</i>	-1.76**	-2.05**	-0.39	
	<i>Panel - Adf</i>	4.26***	3.25***	4.03***	
	<i>Group - rho</i>	4.04***	5.53***	2.93**	
	<i>Group - pp</i>	-1.60**	-1.61**	-1.07	
	<i>Group - Adf</i>	4.29***	3.36**	5.01***	

*, **, *** indicate 10%, 5% and 1% level of significance.

Table 2(ii): Johansen-Fisher Panel Cointegration Tests

$H_0:r$	λ_{Trace}	$\lambda_{Max-eigen}$
$r = 0$	38.89***	18.38
$r \leq 1$	20.51***	12.55*
$r \leq 2$	7.96***	37.96***

*, **, *** indicate 10%, 5% and 1% level of significance.

The results of the Pedroni, Kao and Johansen-Fisher panel cointegration show that the cointegration test confirmed that there was at least three cointegration relationships among the variables in the model.

It is important to note that the existence of cointegration does not imply causal relationship amongst variables in the model. More specifically, when the model incorporating tax revenue and real output were cointegrated, it did not necessarily mean that changes in the tax revenue had significant impact on economic growth or that changes in economic growth were due to changes in tax revenue. Perhaps other variables included in the models accounted for the possible long-run nexus that might accomplish such cointegration. In other words, the existence of equilibrium between a group of variables should not be interpreted to mean that equilibrium exist between all pairs of variables in the model. We further examine the long run relationship amongst the variables through Panel Vector Error Correction Model (PVECM).

Estimates of PVECM as well as diagnostic statistics² for the VEC model are presented in Table 3 and Table 4 below.

Table 3: PVECM Results

Variables	Coefficients
$\Delta \lgdp_{t-1}$	-0.3189 (-1.634)
$\Delta \lgdp_{t-2}$	-0.031 (-0.135)
Δinq_{t-1}	-0.625*** (-3.922)
Δinq_{t-2}	-0.033 (-0.136)
Δgcf_{t-1}	0.152** (1.975)
Δgcf_{t-2}	0.194 (1.639)
C	0.112 (0.775)
ΔECT_{t-1}	- 0.107*** (-2.359)
Adj. R ²	0.275

*, **, *** indicate 10%, 5% and 1% level of significance. Figures in parenthesis are t-statistic

Table 4: Diagnostic Tests Results

Test	Estimates	Prob.
Normality Test	14.507	0.023
Heteroskedasticity Test	114.305	0.015
Autocorrelation LM Test	12.092	0.208

The results in Table 3 reveal that institutional quality (inq) lagged by 1 had negative and significant impact on economic growth in SSA. This implies that institutions in the country are weak to propel economic activities; it could be as a result of corruption, rule of law not well entrenched and government ineffectiveness in the countries. This is responsible to bad governance in the region. The results further show that gross capital formation lagged by 1

² Normality test denotes the Jarque-Bera normality Test of errors. Autocorrelation LM tests the null hypothesis that there is no second order autocorrelation. Heteroskedasticity Test indicates no cross terms.

had positive and significant impact on economic growth in the economies. This result suggests that capital accumulation enhances economic prosperity in the countries. Therefore, governments in the region should promote good governance in order to sustain economic prosperity.

Aside from the short run analysis, the coefficient of error correction term (ECT) was used to explain the tendencies for the variable to return to equilibrium. The finding reveals that the ECT has the right sign (i.e. negative) and was significant in the model. The significant negative sign of the coefficient on ECT indeed supports cointegration between good governance (i.e. institutional quality) and economic prosperity in the region. The result shows that the speed of adjustment from short run is 10%. This suggests that the people in economy can derive the benefits of good governance if appropriate macroeconomic policies and strong institutions are put in place.

Concluding Remarks

The governance – growth nexus in sub-Saharan Africa has been examined empirically in this study under the framework of PVECM. The study found that institutional quality had a significant and negative impact on economic activities in the countries. The results also revealed that there is long run relationship between good governance and economic prosperity in sub-Saharan Africa. We argue that for the countries to derive the benefits of good governance, governments in the region should put in place appropriate macroeconomic policies and strong institutions that will sustain economic prosperity.

Theoretically, the study has clearly shown that seeking for good governance and working towards attainment of economic prosperity are glaring attributes of the religion of Islam. It was established that the qualities that an ideal leader in any society in the light of Islam include: capability, knowledge and piety. Since lack of these vintage qualities are common factors of most Sub-Saharan African leaders at both formal and informal levels, it is recommended that Africans give Islamic form of government a trial as a possible panacea to the myriad of problems confronting their countries, Nigeria inclusive. In the same vein the paper highlighted some measures Islam has taken to create wealth and wipe tears from faces of the needy, with particular emphasis on the institutions of *Zakat*, *Sadaqah* and *Zakaatul-Fitr*. The writer makes a call for positive exploration of opportunities that these institutions offer

and judicious utilization of money and materials generated from these sources to eradicate poverty and create more wealth among peoples of Sub-Sahara Africa so that the continent will easily compete with its sisters in the contemporary world.

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