

**Globalization, Environmental Sustainability, and Income Inequality in Economic  
Community of West African States (ECOWAS)**

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Economics**

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### Certification

This is to certify that Bonuola Victoria Oyeku with matriculation number LCU/PG/002166 carried out this research work titled “Globalization, Environment Sustainability, and Income Inequality in Economic Community of West African States (ECOWAS)” in the Department of Economics and Development Studies, Faculty of Management and Social Sciences, Lead City University Ibadan, Oyo State, Nigeria for the award of Master Degree (M.Sc.) under my supervision and that this has not been previously submitted.

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## **Dedication**

This research work is dedicated to God Almighty, the wisdom of men and all-knowing God, my strong pillar and my source of inspiration who has given me the strength to get it done.

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Even though the above-mentioned institutions and persons have assisted in the process of this research work, I alone stand responsible for my errors, if any, found in this work.

## Abstract

Over the last years, development economists, policymakers and stakeholders have focused on the macroeconomic effects of economic inequality and poor environmental sustainability in the developing economies. Despite globalization and environment degradation being recognized as factors of income inequality, studies on ECOWAS's globalization, environmental sustainability and inequality are scarce and contradictory due to inappropriateness of carbon emissions and trade openness as indicators of environmental sustainability and globalization respectively. This study investigates the interrelationship among globalization, environmental sustainability, and income inequality in ECOWAS within the periods 1996-2019. The panel data set was sourced from the databank of World Bank and ICRG. The study found that globalization contributed to poor environmental sustainability in the region. It is consistent with the Pollution Haven hypothesis, which contends that globalization harms the environment, particularly in developing countries with lax environmental policies in comparison to developed countries with strict environmental policies. It was further discovered that income inequality is positively influenced by financial globalization but negatively affected by trade openness and KOF globalization index. This implies that the type of foreign direct investment coming into the region further exacerbated the disparity in income distribution. Thus, owing to the region's inadequate capital stock and abundant labor force, multinationals' capital-intensive projects are unlikely to support many of the labor-intensive industries in terms of job creation and growth sustainability. Furthermore, income inequality is negatively influenced by poor environmental sustainability. It implies that growth inclusiveness and low level of pollutants move in the same direction with income inequality. Thus, environmental sustainability failed to curtail economic inequality. The study confirmed that globalization and environmental sustainability influenced income inequality more in the long-run than in the short-run. It is recommended that the government should enact environmental laws and regulations that abate pollution and carbon-trading activities, as well as to encourage the use of green manufacturing techniques.

**Keywords:** Trade, FDI, KOF globalization index, inequality, Gini coefficient, ECOWAS

**Word count:** 293

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