



Global Finance, Competitiveness, and Sustainable Development Goals in Emerging and Least Developing Economies (ELDCs): A Review of Literature

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ABSTRACT

This paper aims to provide a healthy review of literature on the global imperativeness of the term global finance and competitiveness to achieve Sustainable Development Goals (SDGs). We employed a content analysis method to significantly explore the impact of global finance on financing for sustainable development (FSD) through competitiveness. What are the lessons for ELDCs? From the reviewed literature, we observe that global financing causes a dual impact on competitiveness through the Real Effective Exchange Rate (REER) effects. The study found that global FSD on the informal sector, social and environmental factors, as well as human development, is unarguably silent. Also, there is the multiplicity of function in the global financing mix. From the literature reviewed, we observed a positive link between SDGs, global finance, and competitiveness. SDGs differ across countries because the financing approach on competitiveness differs across countries. Thus, to achieve SDGs in ELDCs, global responses should be developed around improving internal and external competitiveness. These two types of competitiveness would be encompassing. Global financing should be directed to exploring economic, social, and environmental quality in internal and external competitiveness in ELDCs. This classification would deepen the World Economic Forum (WEF) GCI 4.0 based on innovative, efficiency and factors element. Thus inclusive growth and sustainable development could be strengthened through the application of internal and external competitiveness policies that would holistically upgrade the industrial and manufacturing competitiveness frontiers and gains from the global market share frontiers to accelerate SDGs in ELDCs.

Keywords: competitiveness, global finance, ELDCs, internal competitiveness, external competitiveness, Sustainable Development Goals (SDGs), Financing for Sustainable Development (FSD)

INTRODUCTION

The global approach to financing for sustainable development (FSD) is complex. Several global responses to FSD on emerging and least developing countries have robustly evolved. Thereby making it increasingly difficult to monitor and assess FSD on the real progress in ELDCs. These complex global FSD systems include and not limited to the following viz; Forward Look-A vision for the World Bank Group for 2030, the Development Committee approach, OECD Monterrey Consensus on Financing for Sustainable Development (FSD), Addis Ababa Action Agenda (AAAA), OECD BEPs, World Banks Finance, Competitiveness, and Innovation Global Practice (FCI), and UNEP green financing, African Development Bank, etc.

WEF (2019) GCI 4.0 emphasize on leadership is apt to improve the quality of FSD on SDGs through the instrumentality of robust 12-pillar agenda. In similar vein, OECD (2019) "time to face the challenge" report identified three areas for reform to achieve FSD in developing countries. They include namely; better measurement, better incentives, and better coordination" (p.9). In other related efforts to improve SDGs, JRC technical report on competitiveness and SDGS suffice to clearly map-out defined tripartite areas that could drive SGDs (Andreoni & Miola, 2016). They include financing economic competitiveness, social competitiveness, and environmental competitiveness. From the review, it is observed that the OECD's macroeconomic determinants of FSD meet the economic competitiveness in JRC technical report. OECD's determinants include growth, commodity prices, debts levels, migration, and technology.

Despite these robustly evolving global approaches developing economies remain farfetched in terms of achieving SDGs. This study fits into the global debate on the potency of FSD based on the gap in the JRC technical report and OECD's macroeconomic determinants for FSD. To a large extent, this gap implies seemingly disconnect and multiplicity of function in the global efforts to FSD. Hence the imperativeness to review the literature to x-ray hitherto versed interest of scholars in a bid to find out areas that

have not been examined that can accelerate SDGs. The global imperativeness of FSD to stimulate stability and national productivity is one of the core global concerns to enhancing sustainable development goals (SDGs) in developing economies. Global finance i.e. FSD enhances competitiveness which provides the platform to accelerate inclusive growth and development (Andreoni & Miola, 2016). The point of departure is to ascertain the best FSD mix that could suffice to achieve SDGs in ELDCs.

The motivating question therefore becomes what is the role of global finance on economic competitiveness, social competitiveness, and environment competitiveness? The significance of the study is built around the prevailing unpredictable dynamical nature of economic events e.g. Covid-19 demand shocks and supply shocks presently ravaging the global economy and which possesses a threat to SDGs. Hence, this paper seeks to evaluate literature to unravel silent or inconclusive areas that are yet to be addressed to raise awareness for deepened study to accelerate global responses to fast-track the attainment of SDGs by 2030. This study covered the three areas of competitiveness identified in the JRC technical report that affect SDGs.

CONCEPTUAL REVIEW

To improve on the study conducted by Andreoni and Miola (2016) on competitiveness and sustainable development, it is therefore important to have a working definition of the term competitiveness and global finance.

Competitiveness has enjoyed robust interpretation and attention. Competitiveness is defined as national productivity (Porter, 1990), productivity growth (Abbot & Bredahl, 1992; Aiginger et al., 2013), high productivity, trade equilibrium, and creation of job economy (President commission, 1984), trade robustness and growth (Reis & Farole, 2012), and competitiveness and productivity (Clerides, 2012). The growing concern for regional competitiveness remains an important ingredient to highlight the global imperativeness for competitiveness in other to aid economies to build a vibrant and reliable economy. Also, virtually all the scholars agree on the term “ability and capacity” as paramount to define competitiveness. Sustainable competitiveness, regional competitiveness, systematic competitiveness, and responsible competitiveness are interchangeably used to present competitiveness as an imperative path to stimulate macroeconomic fundamentals (EU, 2015; MacGillivray, Sabapathy, & Zadek, 2003; Meyer-Stamer, 2008; Schwab & Sala-i-Martin, 2016, p. 2). These coinages consider the strategic sustainability of long-term productivity without the truncating capacity of the country to attain social, economic, and environmental success required for SDGs.

The concept of competitiveness in the comity of nations has become ubiquitous (Atkinson, 2013). Competitiveness is an evolving instrument that has a credible force to improve the single objective of rivalry within a market-based economy. It “creates and produces effective economic activities by offering dynamic character and productive life cycle” that are fundamental to setting up of realistic parameters as well as framework to galvanize interest mix of producers and consumers in both domestic and international sphere (Yazovskikh & Mokronosov, 2015, p. 226).

Competitiveness has been explained by several scholars leading to a wide range of measurable indicators to proxy competitiveness in the literature. Competitiveness is defined as long-term productivity mix of factors that guarantee sustainable prosperity (World Economic Forum, 2016), stable balance on current account and high standard of living (Krugman, 1994), national productivity (Porter, 1990), debt-free economy and improved standard of living (Scott & Lodge, 1985), high productivity, trade equilibrium and creation of job economy (President’s commission, 1984), absence of balance of payment deficit and presence of economic goals attainment (Fagerberg, 1988), sustainability in employment and welfare (European Commission, 2001), quality of foreign trade and expansion of real income at domestic level (OECD, 2002), responsive capacity of country’s to global value chain (Atkinson, 2013), beyond-GDP goals attainment for all citizens (Aiginger, Barenthaler-Sieber, & Vogel, 2013).

However, we found a synergistic relationship between the World Economic Forum (WEF) definition of competitiveness and those of other scholars. The alignment of thoughts could be defined as competitiveness to involve the mix of factor (Liargovas & Skandalis, 2004), efficiency (Altomonte & Bekes, 2016), and innovative (Atkinson, 2013, EU, 2016) elements that drive the capacity of countries to attain sustainability and inclusiveness in the long-run (Schwab (ed.) 2017; WEF, 2018).

Competitiveness delves on key macroeconomics variables such as dynamic economic growth, creations of sufficient jobs, stability in current account and investment rate, the complete absence of external public debt and ecologically sustainable development (Djogo, 2016). It captures adequate skills use to compete, to dominate market share and produce commercial business activities (Filó, 2007), firm’s regional strength to raise income and living standard (Meyer-Stamer, 2008); firms productivity capacity, ecological and social sustainability (Herciu & Ogrea, 2014), firm-level capacity to usurp cutting edge advantages at the international market (Ketel, 2016).

Reinert (1994, p. 19) views competitiveness as a representative “of a world where economic activities are qualitatively different, hence seeking competitiveness is an optimization process for the nation-state”. Reinert’s definition raises a clear perspective on the essential validity of competition. So much as optimization relates significantly to the competition. Over and above the heated definition of competitiveness, empirical robust indicators on competitiveness exist. Before we delve into providing the robust indicators used to denote competitiveness, it is expedient to state that the variants approach in the definitions of competitiveness is the clear attestation of the growing importance and significance competitiveness has enjoyed in economic and management literature. At mesoeconomic level, competitiveness is decomposed into the traded sector and non-traded sector, measurement variables include: firm’s financial performance e.g. return on assets, return on equity, gross profit margin, Tobin’s Q, firm’s profitability, firm’s export quotient, firms percentage of foreign sales, etc. Ayara and Udah (2017) grouped indicators of “competitiveness into enablers and de-enablers” (p. 4). Enablers include viz; easy and simplified documentation, fewer procedures for licensing and certifications, a strong capacity for enforcing contracts, a clear definition of property rights,

and healthy business ethics. De-enablers include: “prevalence corruption, rent-seeking behaviour, poor and inadequate infrastructure for energy and ICT, insecurity of lives and property and institutional failures.”

Competitiveness can be proxy, measured or estimated using viz; labour productivity (total factor productivity), real effective exchange rate (REER), unit of labour cost, terms of trade, Balassa’s Index of revealed comparative advantage (Bakardzhieva, et. al., 2010). In broad proxy competitiveness is measured in Sach’s (2000) Growth competitiveness Index, Porter’s (2000) Business Competitiveness Index (BCI), the application of Neoliberal methodology, Quality Index “measures the degree of imperfect competition- the degree to which an industry rent may be achieved and temporarily appropriated by a nation-state” (see Reinert, 1994, p. 17).

Additionally, OECD (2002) states that competitiveness factors include; ICT usage (business telecom, build e-governance approach), innovation and technology diffusion (increasing intellectual property regimes, interaction among economic agents e.g. firms, public system), human capital (vocational training, child care facilities and training, the linkage between education and labour market), entrepreneurship (access to finance, entrepreneurship spirit) and macro-level (macroeconomic stability, reduced barriers to competition, risk supportive financial system, and resource mobilization) and UK’s government productivity and competitiveness indicators, etc. Also, OECD’s developed welfare competitiveness proxy which includes better life index: housing, health, work, and life balance, education and skills, social connections, civic engagement and governance, environmental quality, personal security and subjectivity well-being.

On what constitutes regional competitiveness; ECORYS-NEI-competitiveness identified drivers such as; clusters, demography, migration and place, enterprise milieu and networks, governance and institutional capacity, industrial structure, innovation/regional innovations systems, ownership (cited in Martin, R. L. 2004). Essentially, Abbott and Bredahl (1992) position on the determinants of competitiveness reveals three critical components that define competitiveness. They are namely; productivity growth, capital formation, and technical change. Abbott and Bredahl (1992) operationalized the term competitiveness by providing core factors that significantly contribute to issue for promoting sound competitiveness in an economy. The underlying approach was focused on trade and business based rather than on financial theorizing. According to Abbott and Bredahl (1992) competitiveness rest on issues of factor endowment and natural resources, technology (cost-reducing and quality enhancing) investments (technical change and industry evolution), human capital (expertise and quality of managerial expertise), productive characteristics (business strategy-broad market demands), firms (strategy and industry structure), input supply (linkages input suppliers and producers), marketing and distribution channels (penetration of value-added export), governance architecture – infrastructure/externalities (external benefit and necessary public goods), regulatory environment (health, the safety of firm, environment quality and appropriate policy), trade policy (cross-border policy enhancement).

Aiginger et al. (2013) focused on economic conceptual meaning of competitiveness to include the following; price competitiveness includes wage share and unit labour cost. Cost: labour, capital, resources, taxes. Productivity: labour (Y/L), capital (Y/L), total factor productivity (TFP). Quality competitiveness includes Structure: exports, valued added, price segment, quality as dominant mode; and Capabilities: innovation, education, social system, ecological ambition, institutions, clusters. Additionally, Outcome competitiveness is broken into traditional: GDP per capita, employment; new perspective: beyond-GDP goals, income pillar, social pillar, ecological pillar, life expectation, happiness, and work-life balance. Under outcome competitiveness two basic constraints were highlighted viz; balanced budget and current account, and regional competitiveness defined in terms of high growth rate achieved by a region relative to other regions (Huggins, Izushi, & Thompson, 2003, p. 156). Competitiveness, in this context, relates to a broad range of economic issues that essentially provide necessary and sufficient conditions that can impact the forces that result in achieving smart, inclusive and environmentally sustainable economic growth agenda for emerging and less developing countries (ELDCs). In a clear connection to the foregoing, a competitive economy is that which has forces in place that drive growth (WEF, 2015).

Aside from competitiveness, another important term in this paper is global finance. Global finance could help to reduce exchange rate volatility through the financial intermediation process (Belke & Kaas, 2004). In a similar vein, global finance on the other hand simply refers to foreign capital movement from abroad into a domestic economy (Abbott & Bredahl, 1992; Chenery & Strout, 1966; McKinnon & Shaw, 1973).

Harrod (1939), Domar (1946), Solow (1956), Chenery and Strout (1966) gap theory are core theoretical literature that provides a robust argument for the imperativeness of global finance. Specifically, Chenery and Strout (1966) gap theory posits the existence of the savings-investment gap (see also import-export gap) in developing economies required cross-border capital finance to eliminate. Similarly, McKinnon and Shaw (1973) in developing support for cross-border flow define it as apt for global development. However, contend that regulations bring about financial repressions that distort growth.

Global Finance (GF) is required as a substitute to augment domestic financing. Inadequate capital is often one of the major challenges in the replacement of capital goods that stimulate productivity as well as needed for building frontiers for global competitiveness. Capital financing (inflows or outflows) can be classified into external financing and internal financing. Therefore, inflow financing (foreign capital resources) could be decomposed into viz; earned inflows financing and unearned inflows financing. Earned inflows are foreign exchange earned from international transactions e.g. export sales (services: innovations and goods: feasible commodities) earnings, remittances (Chimhowu, Piesse, & Pinder, 2005), etc. And unearned inflows are the foreign direct investment, debt and external borrowing (Nkusu, 2013), grants (Mongardini & Rayner, 2009), Aid (Arhenful, 2013) and portfolio investment (Durham, 2003), etc. The direction of flows depends on the foci country whether it is either donor or recipient economy.

In broad classification, variables that make-up GF in the literature are grouped as financial openness instruments, further classified as *de-jure*, *de-facto*, and hybrid indicators (Quinn, Schindler, & Toyoda, 2011). External financing is used as a proxy for the effective degree of financial openness e.g. ODAs, IBRD loans and IDA credits, remittances, external borrowing, FDIs, Grants

(Agosin & Mayer, 2000; Bosworth & Collins, 1999; Blomstrom, Lipsey, & Zejan, 1994; Borensztein, De Gregorio, & Lee, 1998; Carkovic & Levine, 2002).

Furthermore, in a related development, GF is applied in research as a veritable tool to enhance the globalization of financial flow through which investors seek the opportunity to diversify risk globally (*portfolio diversification*) and earn a higher rate of return (*global risk-sharing*) (Agenor, 2003; Saurina, 2006). It is acknowledged that the potential growth and welfare gains driveable from global risk-sharing can be large and permanent (Obstfeld, 1994 in Agenor, 2003). The Obvious implications of the benefits of financial openness viz-a-viz inflows as an instrument of investment are that they serve as risk-sharing for consumption smoothing, foreign bank penetration (Caprio & Honohan, 1999; Levine, 1996), investment and growth addition (Baldwin & Forslid, 2000) and efficiency. More so, cost implications of financial openness are issues of risk of volatility (Chang & Velasco, 2000), the concentration of capital flow, misallocation of capital and pro-cyclicality movement (Clarke, Cull, d'Amato, & Mollinari, 2000; Clarke, Cull, & Martinez Periz, 2011), etc.

The lopsided nature of theoretical interpretations on international capital movement has often affected the argument on the role of capital flow for economic development. The division existing between McKinnon-Shaw's (1973) financial liberalization hypothesis/Chenery & Strout (1966) two-gap theory, globalization hypothesis, etc; and in other hand dependency theory, the Lucas paradox (1990): capital has been flowing from poor to rich countries; allocation puzzle of Feldstein-Horiorka puzzle (1980) and Gourinchas and Jeanne (2006): of failure of capital to follow growth e.g. exemplified by China's net exporter of capital with high growth rate (as cited in Beranke, 2005; Blanchard & Milesi-Ferretti, 2009; Bonizzi, 2013), Stiglitz financial repression hypothesis, etc exposes the deep-rooted controversies in exogenous flows (international capital movement) at the theoretical level in terms of its portent role to develop poor countries.

EMPIRICAL REVIEW

The recent report by OECD (2019) on the quality of global financing sincerely adds to the gamut of literature on global finance for sustainable development. There is healthy literature that links the impact of global financing on sustainable development through competitiveness. It is important to state therefore, that the driving nexus between competitiveness and GF has been measured through the real effective exchange rate (REER). On the account that REER appreciation affects competitiveness by lowering output, and similarly, REER depreciation improves competitiveness by improving export that in turn, improves output. From the review, the debate persists whether global finance (GF) causes appreciation or depreciation in REER.

Furthermore, the findings from evolving heated debate, in spite of the inconclusive linkage between global financing (GF) and competitiveness, SDGs remain a focus on the debate. Emphasizes have been placed on long-run growth and sustainable development. For the fact that competitiveness strategically focused on the issues that fundamentally help sectors, nations develop competitive advantage, paths for sustainable development and inclusive growth. The broad scholarly interest on competitiveness explains "competitiveness as a multivariate function" which is leverage upon to accelerate SDGs globally (Ambastha & Momaya, 2004, p. 45; Krugman, 1984; Porter, 1988; WEF, 2016).

This empirical review is subdivided into two to reflect deep rich literature on competitiveness, SDGs, and global finance. They are viz; competitiveness and global finance, and competitiveness and SDGs.

Competitiveness and Global Finance

Popovici and Calin (2015) analyzed the CEE countries in "the effect of enhancing competitiveness on FDI in CEE countries. The study was built around Demekas, Horvath, Ribakova, and Wu (2007) and Bellak, Leibrecht, and Liebensteiner (2008), further adopted WEF GCI's, panel data and Pearson correlation matrix. The findings were significant and it empirically observed that competitive institutions, innovativeness, infrastructure and labour market efficiency affect the inflow of FDI per capita. Thus competitiveness affects inflow significantly. Orji, Uche and Ilori (2014) in "Foreign capital inflow and growth: An empirical analysis of WAMZ experience" the study used seemingly unrestricted regression estimate (SURE) techniques. The results from 1981-2010 were mixed and the findings are viz; foreign capital inflow affects growth differently in WAMZ countries. Secondly, ODA contributes more to Sierra Leone and Ghana. Thirdly, FDI affects growth in Nigeria and Ghana. Fourth, none of the foreign capital inflow affected output in Guinea. The study concluded that WAMZ should framework that will enhance competitiveness.

Bello and Erehga (2014) studied selected ECOWAS countries from 1995-2010, theoretical adopted Pearson et al. (2012), Bengoa and Sanchez-Robles 2003, OLI (Dunning's Electic paradigm), found a positive and significant result. The study "Economic freedom and foreign direct investment in ECOWAS", used fixed and random effect: general least squares transformation approaches, it concluded that freedom of business and property right, financial freedom and sound financial system environment is a good predictor of FDI inflow. However, abuses in copyright, patents and franchise rights should be sanctioned. Arhenful (2013) studied "The effect of foreign aid on the real exchange rate in Ghana" from 1970-2002. OLS technique was adopted and variance inflation factor, DW serial correlation and White's test for heteroskedasticity checks were utilized to establish the reliability of the model for policy analysis. The study was negative, i.e. No Dutch disease effect on the real exchange rate of the cedi. Thus there is a depreciation effect with the inflow of foreign aid; hence Aid does not generate Dutch disease. Reinhardt, Ricci, and Tressel (2013) adopted Lucas paradox and linear econometric model. The study used neoclassical theory by accounting for the degree of capital account openness. It found a significant relationship and concluded that LDCs tend to experience net capital outflows which confirm Lucas paradox. Secondly, closed capital account, net capital inflows were not empirically correlated with the level of economic development. Lastly, the result conveyed that financially open economies are affected by reserves intervention.

Bakardzhieva, Naceur, and Kamar (2010) studied “The impact of capital and foreign exchange flows on the competitiveness of the developing countries” for 57 countries covering Africa, Europe, Asia, Latin America, Middle East and North Africa (MENA) and Gulf cooperation council (GCC). Six types of flows used in the study include viz; portfolio investment, foreign borrowing, aid, remittances, and FDI. The theoretical veracity of the study was built from Carbo and Fisher (1995); Salter (1959); Corden (1960), and Dornbusch (1974) applied GMM to study their relationship. A mixed result was derived, remittances have varied effects across regions, FDI failed to impact REER which is consistent with Athukorala and Rajapatrina (2003). However, the result showed an appreciation of REER from aggregated capital flows for all regions studied except CEEC. Disaggregated portfolio, investment, foreign borrowing, aid and income brought about REER appreciation, FDI significantly proved non-appreciative of REER.

De-vita and Kyaw (2009) studying the “impact of portfolio investment flows on the economic growth of low, lower, middle, and upper middle-income countries” a sample size of 126 countries. The study adopted a panel data and SUR technique. The result reveals that developing countries that have attained a minimum level of economic development with absorptive capacity can utilize the growth effect of investment flows. It, therefore, conveys the nexus between economic development and investment flows, i.e. economic development is a determinant of growth of investment flows. Elbadawai, Kaltani and Schmidt-Hebbel (2008) adopting the RER model developed by Elbadawi and Soto (2005) to investigate the impact of “foreign aid, the real exchange rate and economic growth in aftermath of civil wars” for 83 countries from 1980-2004. This study applied the ECM mechanism and dynamic effects estimators. From the study, LR run and short-run structural variables used in the model were observed to be significant in conformity with existing theory. The study further found a relationship between long term foreign aid and real exchange rate (RER) appreciation, aid is a positive contributor to growth whilst RER misalignment reduces growth.

Quattara and Strobl (2008) used dynamic-GMM to analyze 12 CFA Franc Zone. The major focus of the study was to investigate the extent to which “foreign aid inflows and the real exchange rate in the CFA Franc Zone. The result showed a negative relationship. The policies to offset the effect that will upturn this relationship are therefore required. Prasad, Rajan and Subramaniam (2007) in “foreign capital and economic growth” from 1970-2004 adopted Bosworth and Collin, textbook theory, Arellano and Bond (1999) difference-GMM and Blundell and Bond (1998) system-GMM. The study found out that countries that rely less on foreign financing with smaller current account deficit grow faster. Rajan and Subramaniam (2007) appraising performance in developing countries extracted from UNIDO from 1981-1990. The subject matter of the discourse focused on “Does aid affect Governance? It adopted Rajan and Zingale (1998) methodology and governance measure of Andre (2006) cited from Blanchard & Kremer (1997). The result showed an inverse relationship. Hence, aid flow reduces the need for the government to tax the people. Capital inflows periodically affect its value to create an edge for economic growth for developing countries.

Lartey (2007) in a study “capital inflows and the real exchange rate: An empirical study of Sub-Saharan Africa. The study covered 16 Sub-Saharan economies from 1980-2000. It used GMM in a dynamic panel data environment. The result showed a positive and appreciating relationship existing between capital inflow and REER. Quattara (2006) studying developing countries by examining the relationship existing between “Foreign aid and government fiscal behaviour in developing countries: panel data evidence.” The study used SUR techniques however the result was statistically insignificant. The study, consequently, stated that aid flow devoted to domestic expenditure is insignificant, i.e. aid used in debt servicing affects domestic expenditure. In a paper “It works, it doesn't, but that depends...50 years of controversy over the macroeconomic impact of development aid,” McGillivray, Feeny, Hermes and Lensink (2005), found a positive relationship which compels a conclusion that policy regimes of each country, such as inflation and trade openness influence the amount of aid attracted. The study used a panel OLS time series.

Rajan and Subramaniam (2005) built on Frankel and Romer (1999) in “Aid and growth: what does the cross-country evidence really show”? The study utilized a GMM panel estimator and the result showed that total aid was negative and significant. The short-run impact of aid was also negative and significant. Economic aid is positive and significant in both systems and difference GMM. The study did not guarantee any significant robust relationship between cross-sectional aid and growth. The policy implication, therefore, required an overhaul of allocative and distributional apparatus of aid to make it beneficial.

Rajan and Subramaniam (2005) in another related study for 47 developing countries for 1980's analysis and 31 countries for the 1990's analysis. The study built on Rajan and Zingale (1998) instrument-aid model and with Frankel and Romer (1999). From the study which employed cross-country and within-country variation in a study focused on “What undermines aids impact on Growth? The result showed that an adverse systemic effect between the aid-competitiveness nexus. Also, there was aid effect on real exchange rate overvaluation. Remittances were clean from any potential economic threat. Hence, aid must be sought based on utilization capacity and absorptive capacity. This is because both utilization and absorptive capacity affect the country's export competitiveness. Nkusu and Sayek (2004) in their “Local financial development and the aid-growth relationship” assessed 86 countries from 1970-1999 broken into 1970-1999 and 1995-1999. The study followed Mankiw, Romer, and Weil (1992) and used weighted least squares (WLS) regression. It showed a contingent negative relationship. ODA can generate growth effects, growth effects are robust with financial development, ODA was found to affect private-sector driven investment. ODA showed effects on domestic prices, interest rates, and real exchange rates. Nkusu (2004) in “Aid and the Dutch disease in low-income countries: Informed diagnosis for prudent prognosis.” The study applied Salter-Swan framework from 1965-1989. The study showed REER depreciated and export improved. Hence aid did not cause Dutch disease for Botswana study. Durham (2003) examined “The effect of bonds foreign portfolio investment (BFPI) and long term bank lending on economic growth” for 88 OECD countries from 1977-2000. The cross-sectional dynamic panel model reveals a negative relationship, hence economic growth is negatively affected by short and long term lending of recipient countries. Bonds do not have effects on economic growth. Bengoa and Sanches-Robles (2003) focused on Foreign direct investment, economic freedom and growth” for 18 Latin American countries from 1970-1999. The study used the Hausman test and cross-country and two-stage GMM techniques. It showed a positive relationship between hypothesized variables. Thus, economic freedom enhances growth in LDCs directly and indirectly. The study provides a clear-cut appraisal and put forward that increasing economic freedom is key to the growth trajectory.

Athukorala and Rajapatriana (2003) examined selected Latin America and Asian countries from 1985-2000. The empirical study focused on “capital inflows and the real exchange rate: A comparative study of Asia & Latin America.” The result showed a higher degree of appreciation in the real effective exchange rate (REER) as a result of capital flows for Latin America than in Asian countries. It was observed that Asian countries adopted fiscal contractionary and adjusted its nominal exchange rate. Sackey (2001) orchestrated an x-ray study on the Ghanaian economy from 1962-1996. The study focused on “External aid flows and real exchange rate in Ghana” The relationship was negative between aid and export performance and aid had a dampening effect on the REER.

Reisen and Soto (2001) examining 44 developing countries from 1986-1997 used GMM in a paper titled “which types of capital inflows foster developing countries? The impact of the study was significant. It showed that portfolio equity flow exerts a significant impact on growth and bonds revealed no impact on growth. Yano and Mugent (1999) studied 44 aid-dependent economies from 1980-2006. It used cross-mixed analysis. The relationship between “Aid, non-traded goods, and the transfer paradox in small countries” showed a positive and appreciative result. Elbadawi (1999) used random and fixed effects analysis in analyzing 62 developing countries from 1990-1995. The study was built around “External Aid: Help or hindrance to export orientation in Africa. The results showed positive and appreciation which has an impact on competitiveness. Adenauer and Vagassky (1998) studied 4 CFA Franc Zone from 1980-1992. The “Aid and the real exchange rate: Dutch disease effects in African countries” adopted Salter-Swan two sectors in Van Wijnbergen’s framework. The general least square study showed a negative impact. Depreciation occurred for four countries that obtained large aid flow. Government deficit increased through wage bills and para-public and not primarily aid-flow driven. Falck (1997) in “Aid and economic performance” for Tanzanian economy, 1967-1993 used OLS three-stage selection procedure. The result showed an appreciated relationship. However, depreciation occurred for 1985-1993 than the period of 1967-1984.

Nkusu (2013) in boosting competitiveness to grow out of debt- can Ireland find a way back to its future? The time frame was 1980Q1-2009Q2, it employed the VAR model. The study concluded that REER appreciation weakened FDI and had an adverse effect on output and economic growth. Reisen (1989) examined OECD from 1981-1987 in a study that focused empirically on “Public debt, external competitiveness and fiscal discipline in developing countries.” The study used Anand and Van Wijnbergen (1989) method by applying General equilibrium models. The study showed that fiscal discipline is good for Mexico and Brazil, the domestic debt burden was higher than the foreign debt burden. The study observed seignorage for the Mexican economy as therapy for inflation management and use of fiscal manipulation is often deployed by debtor countries.

Abosedra and Fakhri (2017) in the study “Assessing the role of remittances and financial deepening in growth: The experience of Lebanon” from 1993-2011 in Johansen-Juselius (1990) VECM and used Kwiatkowski, Philips, Schmidt, and Shin (KPSS) unit root test of 1992. The results were: remittances and financial development are long-run related, the short-run effect of growth gyration affects financial development. Makhlof and Mughal (2013) adopted Bayesian analysis in his study “Remittances, Dutch disease and competitiveness”. Pakistan’s economy was analyzed; the results showed that remittances contribute to Dutch disease for Pakistan’s economy and absence in North America and Europe. Mongardini and Rayner (2009) examined 36 Sub-Saharan from 1980-2006 in “Grants, remittances and the equilibrium real exchange rate in Sub-Saharan African countries. The panel data analysis and pooled mean group study showed that remittances and REER nexus were healthy and negative. In a study that showed a nexus of remittances, exchange rate regimes and the Dutch disease was carried out by Lartey, Mandelman, and Acosta (2008) from 1991Q1-2006Q2. The study used DSGE and Bayesian Vector Autoregression (BVAR). The findings showed that country’s inability to absorb remittances leads to Dutch disease phenomena. The study further revealed a productive utilization of remittance to create leverage for economies.

Lartey (2007) Using a Poverty simulation model World Bank (2006) in a paper titled “International remittances, their economic consequences and how policies can increase their role in reducing poverty.” The study focused on the U.S. economy; it found a positive relationship between remittances and poverty reduction. Remittances affect poverty positively and its impact on inequality reduction was however mixed. The transition effect of cross-border impact can be accessed through the role it has on inflation, exchange rate and capital flow. Adams and Age (2005) in studying 71 less developed countries utilized time-series panel data estimation. The study focused on “Impact of migration and remittances on poverty in the developing world” found that remittances perform significantly to reduce poverty in developing countries. The nature of the relationship was positive. Chimhowu, Piesse, and Pinder (2005) in Sub-Saharan evaluation used the OLS time series. The study focused on the “Nature and role of remittances in household income and its impact on economic growth” it found a positive relationship in remittance-household-growth nexus. Remittances significantly affected the income of the household, improves opportunities to increase income. Remittances generate a multiplier effect that directly impacts the local economy, social infrastructure, and social services.

Owusu and Odhiambo (2014) this empirical study focused on the Nigerian economy from 1968-2008 adopted McKinnon-Shaw hypothesis, ARDL bound testing approach and unrestricted error correction mechanism. The findings in the study titled “financial liberalization and economic growth” showed a positive and significant relationship. Thus the study advocated for the adoption of appropriate financial liberalization policies. The study cautioned against the laissez-faire approach to financial reforms. Egbuna, Oniwoduokit, Mansaray, Umo, and Adenekan (2013) analyzing WAMZ between 1980-2012 utilized Neo-classical growth model and ARDL, observed no long-run relationship in Gambia, Guinea, Liberia and Nigeria and existence of long-run relationship for Ghana and Sierra Leone. The study advocated liberalization should be gradually implemented and with sound macroeconomic and financial policy.

Asongu (2013) in analyzing economies in Africa posited “How do financial reforms affect inequality through financial sector competition? Examined 28 Africa countries from 1996-2010 in a two-stage least square and instrumental variable techniques concluded that Firstly, formal financial development decreases inequality, financial sector formalization increases inequality, Secondly, semi-formal financial development increases inequality, financial semi-formalization is unclear. Thirdly, the study

stated that both informal financial development and in-formalization have an income equalizing effect and lastly, non-formal financial development is pro-poor. Mansaray and Swaray (2010) used long-run money demand theory and ARDL to study Sierra Leone from 1981-2010. The study “Financial liberalization, monetary policy and money demand in Sierra Leone, found that RGDP, inflation, real exchange rate have a significant effect with real money balances. The study concluded that the real money balance target should be used in monetary policy targeting.

Senbet and Otchere (2005) employed mean ratio, z statistic for the Wilcoxon signed-rank test in “Financial sector reforms in Africa: a perspective on issues and policies” from 1980-2006. The functional perspective reveals that the performance outcomes of financial reforms have been grossly inadequate. Hence advocated for more reforms that permit financial linkages.

McKinnon and Huw (1996) studied “credible liberalizations and international Capital flows: The overborrowing syndrome for developing economies.” They adopted Fisherian two-period framework-Fisherian theory. The result showed a significant negative relationship. Thus found the presence of over-borrowing syndrome with the flow of capital. Also, Elbadawi and Soto (1994) examined the Chilean economy from 1960-1992 in studying capital flows and long term equilibrium real exchange rate in Chile found that REER was cointegrated, and short term capital flow e.g. portfolio investment did not show the impact on REER. Long term FDI appreciated REER. The study achieved this feat by adopting the extended RER models of Rodriguez (1989) and Edwards (1987) observed in ECM of Philips and Loretan (1991).

Competitiveness and SDGs

WEF (2019) built on GCI 4.0 of 2018. It covered 141 economies. The study identified four key areas to drive SG. They are increasing equity opportunity, fostering fair competition, updating the tax system, fostering competitiveness-enhancing investments. Solovjova, Rupeika-Apoga & Romanova (2018) employed SWOT analysis, comparative analysis, and the graphic and expert methods to explore the impact of financial liberalization of the establishment of IFC to guarantee competitiveness. The study found that combinations of interacting factors are the basis for the development and competitiveness of IFC. WEF (2018) developed GCI 4.0 introduced the need for the right leadership and holistic model of economic progress that promotes sustainable development.

Siriphattasophon (2017) employed a structural equation model and survey method to investigate Thailand’s economy comprising of 527 Thai SMEs from June 2016 to March 2017. The study focused on estimating multi-level factors affecting firm competitiveness in the ASEAN region of SME in Thailand. The results showed that the firm’s performance is directly connected to the rate of business competitiveness. Akben-Selcuk (2016) studied listed firms in Borsa Istanbul, Turkey from 2005-2014. The major focus of the research was to scrutinize factors affecting firms’ competitiveness: Evidence from an emerging market. The study applied a fixed effect regression to study the variables. The research showed that Tobin’s Q was high with firms that possess a high level of debt, return on asset showed a growing and stable connection with firm’s size, international sales, liquidity, and growth; return on assets is however related to leverage and R & D, etc.

World Economic Forum (WEF) (2016) in a study “an action agenda for Africa’s competitiveness.” WEF adopted a global competitiveness indicator under a surveyed instrumental method. WEF study identified factors that were distortive to competitiveness in Sub-Saharan Africa among other economies. Hence, the study recommended that to improve competitiveness frontier of economies. The following strategies were advocated to boost competitiveness viz; the strengthening of institutions and governance, development of friendly policies for regional infrastructure strategy, improve labour market efficiency, and develop skills. Also, economies should facilitate the movement of goods, services, and people, provide an environment for SME’s to thrive, improve access of SME’s and business enterprises: to timely, cost-effective and affordable finance and financial instrument, promote regional trade through the regional and global value chain, improvement of productivity, and profitability in the agricultural sector because of its numerous economic advantages.

Djogo and Stanistic (2016) developed a competitiveness model for the EU in a study “Is the global competitiveness report the right measure of macroeconomic competitiveness?” adopted Z-value and rank correlation analysis. The study concluded that the World Economic Forum (WEF’s) report cannot guarantee and convey deep macroeconomic analysis for competitiveness. EU (2016) established in a study, “restoring EU’s competitiveness”, that structural reforms, appropriate regulations in areas such as innovations, SME’s access to finance, equity financing, skills development through quality education and health care, strategic infrastructure, and climate change policies would catalyze productivity and long-run growth. Reforms in these areas will improve the institutional and market environment for investment. A basic sustained approach to these efforts is to establish a European investment advisory hub and a European fund for strategic investment.

Altomonte and Bekes (eds.) (2016) studied “measuring competitiveness in European: Resources allocation, granularity, and trade between 1995 and 2011.” It adopted the ECM technique to study the European economy. The study’s conclusion confirmed the existence of a long-run relationship between GDP growth and global export. Hence appropriate policies should be encouraged to improve productivity viability of the region. Yazovokikh and Mokronosov (2015) studied the Russian economy in an article entitled “competition and competitiveness as economic categories and their role in entrepreneurship”. The study concludes that competitiveness enthrones the capacity to maintain high economic effectiveness of the activity defined in the competitive struggle. The study further states that competition is a binding force in economic activity. Haraksingh (2014) titled his Caribbean firm study as “together not apart: competition, competitiveness, and clusters” using investigative and competitive strategy model; concludes that government policy on clusters may restrict competition, business clusters model could lead to anti-competition. Hence this government cluster approach has a cross-border effect.

Siudek and Zawajska (2014) reported in their study which adopted critical assessment approaches and used indicators to analyze competitiveness in the Polish economy and the global community in a paper titled “competitiveness in the economic concepts, theories, and empirical research.” The result opined that applications of different techniques to compare uneven

economies make for imperfect competitiveness results. Atkinson (2013) in “competitiveness, innovation, and productivity: clearing up the confusion”. The study analyzed the U.S. economy by decomposing the economy into three stages of economic growth study i.e. model of growth in workers, a model of growth in all industries model, and model of growth in high productivity industries. The finding, however, shows a mixed result. It concludes that nations require clear-cut policies and strategies for competitiveness, innovation, and productivity. The study highlights the imperativeness of system based machinery that holistically put into function various specific-tailored policies that distinctively addresses the issue of competitiveness, innovation, and productivity. Aiginger, Barenthaler-Sieber, and Vogel (2013) adopted OLS panel data and within-group mean techniques, to study EU-27 from 2000-2010. The paper squarely dealt with “competitiveness under new perspectives in EU”. It observed that the economic structure and capabilities of these countries positively relate to competitiveness outcomes and negatively with price outcome. Reis and Farole (2012) in a global study titled “trade competitiveness: Diagnostic toolkit” adopted trade competitiveness diagnostic (TCD) models decipher into trade outcome analysis and competitiveness diagnostic approach. The study holds that TCD should be applied in other to pursue system based assessment and facilitate understanding of a country’s position, performance and capabilities in the export market.

Clerides (2012) in a study titled “competition, productivity, and competitiveness: theory, evidence, and an agenda for Cyprus.” Clerides (2012) adopted an analytical based study hence concludes structural reforms in public sectors and efforts should be geared on improving the market calibrated systems. Ketels, Lindqvist, and Solvell (2012), studied EU economies, “strengthening clusters and competitiveness in Europe: The role of cluster organizations” adopted a cluster mapping and cluster observatory technique. Ketels et al. (2012) posit that cluster and cluster programs play an indispensable role in upgrading competitiveness. Thus an effective policy design to enhance clusters can guarantee a healthy economy. Huggins, Izushi, and Thompson (2013) in a global analysis used an endogenous model for global competitiveness report in a study “regional competitiveness: theories, the methodology for empirical analysis”. The results guaranteed the conclusion that the role of institutions, resilience, well being are core factors to be considered in regional competitiveness. Arslan and Tatlidil (2012) in “defining and measuring competitiveness: A comparative analysis of Turkey with potential rivals. The study reviewed different approaches of competitiveness such as WEF global competitiveness, IMD world competitiveness report, and International Finance Corporation (IFC) ease of doing business. The study concludes that since competition power defines rival competing for the strength of countries, hence the Turkish government should apply diligent market-based rules and extra-market instruments during the crisis.

Premier Ministre (2012) formulated eight drivers of competitiveness for the French economy in “national pact for growth, competitiveness, and employment.” The study identified two major factors responsible for the loss of competitiveness viz; decline in productivity and high cost of production. Hence going forward for the French economy is to develop strategies to correct factors that militate against French competitiveness. Delgado, Ketels, Porter, and Stern (2012) in “The determinants of national competitiveness.” The study focused on 130 countries from 2001-2008. This study adopted an aggregated stepwise process and concludes that global investment attractiveness weighs foundational competitiveness ratio to cost of factors input e.g. microeconomic environment offers help on output per potential worker. Dijkstra, Amoni, and Kozovska (2011) delved into regional competitiveness in a study “A new regional competitiveness index: theory, methods, and findings.” The following methods were adopted viz; univariate analysis, Box-Cox transformation, principal component analysis, uncertainty analysis test and ordered weighted averaging. The implications of the study infer that the gap does exist between central Europe and Eastern Europe by the nature of capital gains which influences competitiveness differently. Mckinsey Global Institute (2010) in “growth and competitiveness in the United States: the role of its multinational companies” used multiplier of input-output matrix system developed by the MGI method, a cross-country tool. The study concluded that US multinationals contribute disproportionately to private sector real GDP growth and labour productivity.

Wigger (2008) adopted a political economy method to study “competition for competitiveness: The politics of the transformation of the EU competition regime.” The study stated that competition policy resulting from political struggles and fair competition is desirable to enthrone competition policy. Also, a political economy method used by OeNB’s (2007) in “Currency and competitiveness” for Central, Eastern and South-Eastern Europe (CESEE). The OeNB’s (2007) concludes that currency stability and fluctuation play a dynamic role in determining a country’s competitive position. Rao and Sharma (2006) used a reduced form equation for a G7 country’s analysis from 1991-2003. The study focused on “international competitiveness and regulatory framework: a Canadian perspective”. The study found out that differences in economic regulations, FDI, IPPR correlates with R&D intensity and labour productivity differences, Intellectual property and FDI contributed to the gap existing between Canada-US relations in terms of competitiveness.

Utkulu and Seymen (2004) in a comparative study between Turkey and the EU utilized revealed comparative advantage (RCA) measure and simple Balassa index. The study was built around “Revealed comparative advantage and competitiveness: evidence for Turkey and EU/15” The study found that custom unionization in Turkey and EU has significant effects on trade patterns, comparative advantages, and competitiveness. The UNCTAD (2004) in a study “competition, competitiveness and development: lessons from developing countries.” The study focused on the Republic of Korea and Nepal, it adopted a UNCTAD method. The finding of the result showed that competition policy is a complex, cross-cutting policy instrument that is affected by several related factors and it is a stimulus for enterprise development. Inal (2003) adopted the Revealed Comparative Advantage method of 1965 and the trade entropy index. The study was titled “A study into competitiveness indicators.” Thus in comparing economies, composite measures for ranking countries can guarantee an enhanced view on classical perspectives on competitiveness. In a similar study of country’s competitiveness, Ernst (2002) in a study “investment and competitiveness: A strategic management perspective for Ukraine” adopted the competitive analysis of nation (CAN) a method developed by the UN economic commission for Latin America and the World Bank and Boston Matrix. It concludes that to improve competitive advantage in Ukraine investment climate strategic management approach is sufficiently required. The European Commission Report (2002) in “competitiveness and Benchmarking” adopted a composite function method and simple growth model including environment

expenditures. The findings suggest a significant absence of environmental impact on manufacturing productivity growth and environmental improvement brings the implicit cost to firms and household consumers.

Porter, Delgado, Ketels, and Stern (2008) in "Moving to a new global competitiveness index" adopted a new GCI framework based on principal component analysis (PCA). The study identified insight into the determinants of competitiveness viz; productivity, endowment, macroeconomic competitiveness and microeconomic competitiveness, and stage of development. Gausch, Rojaz-Suarez, and Gonzales (2015) in a study that focused on "competitiveness in Central America: the road to sustained growth and poverty reduction. Using Central America as a case study adopted surveys, benchmarking, productivity analysis, Hausmann/Rodrick/Velasco (2005) methodology, and value-chain study. They identified five areas that matter for competitiveness viz; innovation, knowledge transfer and quality system, infrastructure and logistics, mainstreaming the activities of Small and Medium Enterprise, Education and Human Capital, crime, violence and weak governance. Anastassopoulos (2007) in his article titled "Countries international competitiveness and FDI: An empirical analysis of selected EU member countries and regions. The study utilized a heterogeneity test of least squares. It found out that there is a declining general intensity of competitiveness in selected EU countries except for Austria and Denmark where stable competitiveness had encouraged FDI inflow.

Lalinsky (2013) focused on the firm's competitiveness determinants: results of a panel data analysis. The study utilized 200 Slovak companies from 2001-2009. GMM instrument was used hence the results portrayed that the company's profitability is negatively affected by the high cost of energy. Also, firms' main competitiveness indicators are driven by qualitative and quantitative factors. Mesquita, Lazzarini, and Cronin (2005) studied the Brazilian auto part industry with two-step structural equation observed three sets of factors affecting firm's performance. The study was developed to achieve the determinants of firm's competitiveness in Latin America emerging economies: Evidence from Brazil's auto-parts industry. Liargovas and Skandalis (2004) investigated the factors affecting competitiveness: The case of the Greek industry. Employed industrial firms listed in Athens Stock Exchange from 1997-2004. Thus adopted a fixed effect model, observed that leverage, export activity, location, size, and the index of management competence were determinants of firms' competitiveness.

EVALUATION

What is the way forward? From the literature review, three core areas of competitiveness were identified in the literature required to expand SDGs. They are economic, social, and environmental competitiveness (see Andreoni and Miola, 2016). The new approach by WEF GCI 4.0 that focused on the right leadership to deepen sustainable development and OECD (2019) idea on quality FSD is indeed apt for sustainable development in the face of daunting economic uncertainty and unpredictability. However, there seems to be a complete absence on investment in the informal sector, rural economy, clean technology, and human development financing in ELDCs.

We observed from the literature reviewed, that economic competitiveness received greater attention than social competitiveness and environmental competitiveness. At this juncture, it is pertinent to state that in today's knowledge-driven, globally-connected economy, financing information, innovation, rural economy sustainable productivity and entrepreneurship in ELDCs would help withstand shocks and hugely impact on their capacity and capability to achieve sustainable development.

Competitiveness is imperative to securing and fostering regional economic advantages (Simmie, 1997, Morgan and Nauwelaers, 1999, Keeble and Wilkinson, 2000, Norton, 2000 in Martin, 2004) as well as to achieve SDGs. In so doing, the long-run sustainability of productivity and trade capacity of ELDCs could be revived and potentially accelerated to generate and guarantee overall growth and development. ELDCs has a promising, in-built human and resource-base to become competitive, its economy can be unleashed through enhancing competitiveness to improve the global frontier of the region. And only then could the benefits over cost for the adoption of a single currency for the region become sustainable.

The empirical imperativeness of foreign aid, ODA, external debt, FDI, exogenous capital flows, etc cannot be overemphasized particularly when applied to augment domestic savings-investment gap in enhancing development. In the literature, GF trajectory and other related policy issues perform a relatively unstable role in explaining the nature of macroeconomic performances of recipient nations that craves for the flow. The versed debate on cross-border capital flows e.g. export earnings (foreign exchange inflow), debt-financed borrowing, unearned disaggregated exogenous flows (AID/ODA, FDI, external debt (borrowing), PFI, remittances, international bank lending), etc have raised diverging developmental questions on the impact of global finance on recipient ELDCs. For many reasons the literature has meted out the corresponding debate over the compositional structure of foreign aid to emerging and developing economies (ELDCs) and specifically the irony of "over-dependence" "reliance" "too much aid" syndrome. The effect has been with attendant policy implication to compelling argument on problems of low competitiveness, a decline in export of non-tradable, real exchange depreciation/appreciation, etc. While the controversies persist, several puzzles have been raised making this area of economic research ambiguous. The existing controversy includes viz; Dutch disease effect (foreign aid and currency appreciation), Debt Overhang effect (Debt burden and service), Crowding out effect (fiscal borrowing and decline private sector investment relationship), Currency appreciation and depreciation effect (export competitiveness and capital account liberalization), spillover and capital flight effect. Emphatically, the premise of the debate is mixed and evolving.

Global Finance GF (capital globalization) has a mixed causal effect on the global economy. According to OECD (2019) "mobilizing more finance for developing countries is not enough; the quality of finance must be enhanced" (p.8). It is indispensable to state that investigating the magnitude, the shock transmission effect, and the volatility of disaggregated GF have both opportunities and challenges to the developing recipient countries. It is well known that GF and foreign investment are affected by many different factors, such as political risk, macroeconomic factors, external factors, regulatory controls, tax incentives,

investors' business strategy, and so on. While the effects of these factors have been discussed extensively in the literature, the results of such discussions do not as yet offer a clear consensus as to why the volume and particularly the composition of capital flow vary across emerging markets (Chen and Khan, 1997); across sectors and with different implications on competitiveness across ELDCs. Lessons could be observed on the lack of consensus in the literature. Generally quite striking in the literature includes; variants methodology and theoretical framework, inconclusive research on competitiveness and GF hence we advocate market regulated GF system depending on the recipient country's capacity and impact.

There are complex instruments discussed under competitiveness and Global Finance. The linkage between exogenous inflows and competitiveness can be traced from the argument raised in the financial liberalization hypothesis, two-gap theory, etc and specifically on the nexus existing between finance and growth. To strengthen SDGs in ELDCs, it is expedient that global responses be channeled on building the human resource capacity and the boost sustainability of the rural economy of ELDCs. These human capacities would, in turn, improve SDGs.

From the review, we observe that the instruments employed in examining the impact of GF on competitiveness to achieve SDGs across countries are robust and diverse. They include;

- Variant techniques applied in the study include:

- 1) World Economic Forum (2018) GCI 4.0
- 2) Panel cointegration methodology
- 3) GMM Arellano and Bover (1995) and Blundell and Bond (1998) used by Bakardzhieva, Naceur, and Kamar (2010) for 57 developing countries
- 4) Adenaeur and Vagassky (1998), Van Wijnbergen's framework, Salter-Swan two-sector model applied Generalized Least Square for Four CFA
- 5) Weisman (1990), Collier and Gunning (1992) Computed General Equilibrium for Papua New Guinea
- 6) Edwards (1989) applied OLS and Instrumental variable techniques
- 7) Van Wijnbergen (1986) used Single regression equation for six African countries
- 8) Benjamin, Devarajan, and Weiner (1989) applied Simulation with a computable General Equilibrium (CGE) on Cameroun
- 9) Ogun (1995) applied cointegration, autoregressive distributed lag model
- 10) Falck (1997) used OLS three-stage selection process for Tanzania
- 11) Other methods include viz; SUR (Orji et al, 2014), variance inflation factor test, VECM, etc.
- 12) Non-linear and linear convergence test etc.

CONCLUSION AND RECOMMENDATION

The originality and value-added in this paper could be deduced from the global call for FSD to focus on achieving SDGs by focusing on internal competitiveness and external competitiveness. Internal competitiveness should focus on the internal capacity of nations to achieve productivity inclusively and sustainably and external competitiveness focuses on the capacity of a country to gain market share in international economies. Distinctively, internal and external competitiveness would help developing nations have a direction on the best way to achieve SDGs by building competitiveness. Internal competitiveness could be proxy real gross domestic product per capita, real gross domestic product, manufacturing capacity utilization, financial sector turnover, and stock market all-share index. External competitiveness could be proxy by trade percentage of GDP, trade openness, trade volume, country's reserve, etc.

Thus, base on this classification, global finance could be directional. It appears that there is the presence of multiplicity of role making global response an arm-chair executive policy. The robust and evolving attention on internal competitiveness and external competitiveness to deepen sustainable and inclusive long-run growth in ELDCs, underscores the importance, the term competitiveness play in contemporary economics and management literature. This classification improves Andreoni and Miola (2016) on financing competitiveness for sustainable development goals.

The foregoing compositions would enable ELDCs to build on areas where they have a competitive advantage. Thus, in specifics, country's can achieve either competitiveness in their internal capacity to produce or in its external capacity to trade globally and gain market share. ELDCs could focus on either internal competitiveness or external competitiveness based on its competitive advantage to drive sustainable and inclusive growth. From the review, this is the contribution this study finds revealing to help ELDCS build on specifics to explore its competitiveness. This is our contribution to knowledge.

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