

CHAPTER 11

FUNCTIONAL INTEGRATION AMONG WEST AFRICAN STATES: AN EVALUATION

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Introduction

The integration of the Western European countries in the 1950s was based on the hope that economic gains among members would serve as a catalyst for the developing countries to consider economic cooperation as a panacea for their low level of economic development and growth. The interest in economic integration is reflected in a resolution adopted at the second session of the United Nations Conference on Trade and Development (UNCTAD), held in New Delhi, India on February to March 1968. This resolution states:

The countries participating in the second United Nations Conference on Trade and Development... reaffirm that trade expansion, economic cooperation and integration among developing countries is an important element of an international development strategy, and would make an essential contribution toward their economic development (UNCTAD, 1968: 5).

In a wider context, the mid – 20th Century, specifically after the close of the Second World War has witnessed large numbers of integrative economic organizations all over the world. In other words, every region of the world has embarked on economic integration, which as many scholars have argued, is an important response to globalization by nation-states. Few among these integrative economic organizations, include, the European Economic Community (EEC), the Association of South East Asian Nations (ASEAN), The Asian-Pacific Economic Co-operation (APEC), the North Atlantic Free Trade Agreement (NAFTA), and a host of others. Drawing from the lesson of the above mentioned economic integrative organizations, African countries have also made great efforts to promote economic integration at the sub-regional levels in Eastern and Southern Africa, Central and North Africa and West Africa. This shows that African Continent especially West African countries have come to accept the

belief that the development of their economy and the prosperity of their people depends on regional cooperation and integration, hence the establishment of Economic Community of West African States (ECOWAS) (Abubakar, 2001).

The Economic Community of West African States (ECOWAS) is a regional group of fifteen West African countries namely; Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Guinea – Bissau, Ivory Coast, Liberia, Mali, Niger, Nigeria, Senegal, Sierra-Leone and Togo. The organization was founded on 28th May, 1975 with the signing of the Treaty of Lagos with the aim of promoting economic integration across the region. In 1993, the ECOWAS Treaty was revised to accelerate the process of integration and establish an economic and monetary union to stimulate economic growth and development in West Africa with the following objectives (Adeyemi, 2003):

- (i) the removal of custom duties for intra-ECOWAS trade and taxes having equivalent effect;
- (ii) the establishment of a common external tariff;
- (iii) the harmonization of economic and financial policies;
- (iv) the creation of a single monetary zone; and
- (v) to serve as a peace keeping force for the region.

Epistemic Context

The history of ECOWAS represents one of the more striking examples of converging interests, leading to regional cooperation. It was to meet a growing economic and technical need of the West African sub-region. ECOWAS was established based on an implicit political premise that by pooling the resources of the Member-States together and providing services, they would benefit, and such benefits would also promote popular acceptance of the principle of regional rather than national services. Technically, the initiative to create ECOWAS grew from the assumption that because of the growing unfavourable world economic trends toward the developing countries and the decline in the economies of the countries within the sub-region, the projected economic community would bring benefits to the individual members by promoting their long term development needs.

Observers have associated different phases of integration with particular approaches to the study of regional integration. Integration as a concept is a process whereby “political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities toward a new centre, whose institutions possess or demand jurisdiction over pre-existing national states. The end

result of a process of political integration is a new political community, superimposed over the pre-existing ones". Suffice it to say that a particular approach has been identified with decades marking the transition from the low politics to the high politics of integration. Under this arrangement, the 1950s were characterised as a period when functionalism reigned; the 1960s as the time of neo-functionalism; the 1970s as the phase of confederalism and intergovernmentalism and the 1980s and 1990s as a time of resurgent federalism and neo-federalism (Hass, 1964 and Lodge, 1994).

Highlighting on the premise of different approaches or theories of integration, functionalist theory of regional integration is of the view that a common need for technocratic management of economic and social policy leads to the formation of international agencies. Such agencies would promote economic welfare with the sole aim of gaining legitimacy, overcoming ideological opposition to strong international institutions, and in the long-run would evolve into a sort of international government, though perhaps not a true state. Neo-functionalism is predicated on the premise that integration of nations should be in the areas of "low politics" notably "strategic economic sector". The point here is that integration of particular economic sectors across nations will create functional pressures for the integration of related economic sector. The consequence of this arrangement is the gradual entangling of national economies. Gradually, it is believed that social interest would shift their loyalty towards the new supranational centre. Deepening economic integration will create the need for further European institutionalisation. It is also noted that political integration and supranational institutionalization are side-effects of economic integration.

On the other hand, federalist theory belief is to form a small nucleus of nonconformists seeking to point out that a national state have lost their proper rights since they cannot guarantee the political and economic safety of their citizens. The goal being the establishment of a federation of states instead of competing nation states which political strategy is institution first. At the same time intergovernmentalism is based on actions and decision of nation states (Mitrany, 1966, Dinan, 2000, Rosamond, 2000).

The logic of economic integration of the West African sub-region was built on the idea of functionalism. The idea of functionalism on the goal of integration revolves around the creation of a network of independent transnational functional organizations for the provision

of socio-economic demands. The functional strategy takes its roots from a number of themes and modifies them into a framework for understanding the process of international integration. Functionalism originated in the 1930s, as a system of preserving international peace and was later elaborated into a general theory of international integration. The functionalist's belief that if international institutions which stress on welfare needs are set up, man would become progressively more caught up in an ethos of co-operation. (Haas, 1964)

The functionalists employ an excessively economic and welfare approaches in their articulation of integration. In the functionalist formulation, the importance of integration is approached from the point of view of its impact on the socio-economic and technology developments of the integrating states. The functional strategy accords relatively limited consideration to the impact of political variables on the integration process. Its emphasis on the outcome of integration revolves around the creation of a network of trans-national functional organizations to satisfy the economic and social needs of members constituting the integrated community. The main point of functionalist approach is that the institutionalization of functions, that are non-technical and non-controversial, forms the hallmark of effective integration, thus serving as a critical impetus whose effectiveness is guaranteed because of a conceptual separation of politics from welfare issues. The basic desire to integrate, according to the functionalists, is for sheer community interests. The welfare needs that derive from their loyalty to the nation are the most important. People can be easily persuaded to switch their loyalties from national governments and redirect them to agencies which best administer to those needs. In the long-term, men will be loyal to institutions which most successfully satisfy their needs (Mitrany, 1966, Taylor, 1968, Haas, 1964 and Hoffman, 1951). This study, however, notes that these assumptions are yet to be realized by ECOWAS its formation 40 years ago.

Socio-Economic and Political Environment of West African Sub-Region

West Africa has certain characteristics which provide an epistemological understanding of the complexities and problems that impact on the socio-economic development of the region. West African region has a colonial legacy. This helps to explain the diversity within the sub-region and the distinct character of societies and institutions of the component political systems which in different ways and degrees shaped the socio-political and economic development of

the sub-region. It is obvious that countries in West Africa have extractive economies which are primarily agricultural, with the larger part of the population engaged in the production of food crops of basic needs and cash crops for export.

Emphasizing on the agrarian nature of the sub-region, Clark and Juma (1991) observed that key agricultural cash crops, like cocoa, cotton, sugar and timber are either competing with their biotechnically engineered substitutes or are increasingly being produced several times more efficiently and cheaply outside Africa. In a collaborative view, Rugumanu (1991) observed that primary commodity exports other than oil have become less important as manufacturing has become less-raw materials intensive. This means that countries in West Africa are hampered as their agricultural products may not attract favourable prices in the international markets. Added to this, most countries in West Africa do not have the technology and industries to utilize the products to manufacture industrial goods for their small domestic markets.

West Africa is inhabited by many ethnic, religious and linguistic groups. The multi-lingual and multi-cultural nature of this area and the language barrier between the French and English speaking countries also help to influence their various kinds of economic activities and development. Many countries in the sub-region are plagued with political turmoil thereby threatening regional stability. Although the end of violence in Liberia, Sierra Leone, Guinea-Bissau and Cote d'voire is a critical step forward, humanitarian challenges remain within many countries in the sub-region. The region is highly diverse in terms of agro-climate conditions and agricultural production potential, as well as with respect to the distribution of vulnerable population. Also rapid urbanization in the region has resulted to a greater numbers of urban poor. The population of the region is 290 million with a dominant Nigerian economy, counting for half of the population and half of the regional GDP. The region also consists broadly of two distinct zones – a Sahelian zone, largely landlocked, and a more humid forested coastal zone (Clark and Juma 1991)

Decomposing ECOWAS Areas of Cooperation

The establishment of ECOWAS was as a result of intense consultation and discussion in the late 1960s. Matters of immediate practical importance were those related to common economic problems and the alternative solutions. ECOWAS important areas of cooperation are:

Customs Union and Trade

Customs and trade cooperation programme is a trade liberalization scheme which its implementation would lead to the creation of a West African free trade area, including a programme on free movement of persons within the sub-region. The free movement of persons was to be implemented in two phases. The first phase was the abolition of Visa and the right of residence. The second phase was to deal with the right of establishment in a participating State. A number of concrete actions have been taken by the organization in this direction. One of the important actions taken was the adoption of a set of common customs document, regulations and procedures to ensure uniformity in the systems operated by member's States. A common customs tariff would remove the differences in the existing tariffs of Member-States, and at the same time acts as an external barrier to third countries. A common customs tariff equally intended to divert trade from outside and at the same time creates trade amongst member countries within the sub-region. Trade therefore, is created when the complete removal of trade blocs and barrier to regional grouping facilitates free movement of goods, labour and capital across the borders of the Member-States (Onwuka 1982, Equere 1983).

Industrial Cooperation

ECOWAS countries encourage the expansion of existing and new domestic industries in order to take advantage of domestic markets within the sub-region. This would further increased employment opportunities within the sub-region. It is also believed that increase employment has a strong multiplier effects on local purchasing power and demand while the industries can also contribute to savings in foreign exchange by import substitution (Bunting, 1981).

Common Financial Institution

The Head of State and Governments of Member-States have collectively committed to countries of the sub-region to creation of common financial institution. Article 38 of ECOWAS Treaty provides for the creation of a Committee of West African Banks which would determine a clearing system of payments for the sub-region. The Bank is intended to utilise its available resources to finance investment projects or programmes designed to contribute to the economic and social growth and development of ECOWAS members giving priority to projects and programmes aimed at fostering sub-regional cooperation (Sackey, 1978).

Conflict Resolution

ECOWAS members realised the need for a peaceful West African sub-region as an important area of cooperation. The arrangement is provided for in the 1978 and 1981 protocols on Non-Aggression and Mutual Assistance on Defense (MAD). The joint exercise undertaken by ECOWAS members under the umbrella of ECOMOG to restore peace and order in Liberia and to reinstate the dethroned Sierra Leonean Head of State, Ahmed Tejan Kabbah has brought unto focus the idea that sub-regional conflicts are better handled if resolution mechanisms are harmonized and jointly implemented by participating States (Bassey, 2005).

Other areas of cooperation include transport and communication, social and cultural exchange programme and scholarship and student exchange programme. For instance, in the area of transportation and communication, ECOWAS members have embarked on various transport network within the sub-region to facilitate intra-trade and foster movement of goods and person with as little delay as possible as well as information. In social and cultural areas, ECOWAS is making progress toward the establishment of cultural exchange programme, the organisation of sporting activities, the establishment of ECOWAS prizes to recognise exceptional performance and contribution in scientific, technological and cultural fields which will promote the idea of the community. Scholarship and student exchange programme are geared toward the training of students from the Member-States in specialized fields of study in universities within or outside the sub-region. Most importantly, ECOWAS is committed to fighting environmental problems and disease through research and training (Bunting, 1981, West African, 1982).

Functional Integration of ECOWAS: An Evaluation

The primary goal of ECOWAS was to foster the socio-economic opportunities for the population of West Africa thereby accelerating the process of economic development collectively and individually and diffusing suspicion and border conflicts among others. It therefore becomes imperative to critically evaluate whether or not ECOWAS has achieved a measure of success in accelerating economic and welfare needs of the individual member's organization within the sub-region. It is obvious that in spite of the initial surge of enthusiasm that catapulted the formation of ECOWAS, it has not been very successful

in achieving its chartered objectives. The problems confronting ECOWAS are:

1. *ECOWAS States believed too much on customs union and intra-community trade as the most important cooperative area to promote economic development*

The point remains that most of the West African countries do not have much with which to trade, because there is relatively little of manufacturing output. The few goods produced by ECOWAS States are more competitive than complementary, and this makes the demands for each other's products marginal thereby creating disequilibrium in the market mechanism and eventually created unequal development among members state. This is true because the few dominant and richly endowed countries like Nigeria have often utilized customs union to attract industries and investments at the expense of the less-developed countries within the unions.

2. *Traditional economic dependence on their former colonial powers*

ECOWAS countries depend so much on their former colonial powers and other Western industrialized countries like USA for trade, capital investment and financial aid. This has undermined ECOWAS objectives. For instance, the participation by France in preferential trade and monetary arrangements with her former colonies in West Africa has induced the French speaking West African countries to expand their trade flow to Europe thereby rendering intra-community trade irrelevant. To further worsened the situation, France sponsored the establishment of the Communité Economique de l'Afrique de l' Ouest (CEAO) in order to undermine the smooth working of ECOWAS, while at the same time frustrating Nigeria's influence in the sub-region. This unfortunate relationship has impacted negatively on ECOWAS, as the cooperative countries have been affected by events in the industrialized world, such as inflation, economic recession and unemployment (Bunting 1981).

3. *The underdevelopment of West African States*

West African States are uniformly underdeveloped. This is evidenced by their dual economies. In all the States in West Africa, there is a sector of the economy that produces for the external market, while another produces for the internal market. The export sector is made

up of agriculture, oil and mining concerns. Oil and mining are mostly in the hands of foreign companies. The local economy is made up of subsistence farming, crops and a few consumer industries. The ECOWAS export sector is made up of products which are dependent on the demand of the world market. The resultant effects are price fluctuation and the rise and fall of foreign currencies, inflation, high expatriate costs, and low export earnings. This has affected ECOWAS government revenue and employment.

4. *Unequal Distribution of Gains*

Disagreements on the distribution of gains from integration have weakened ECOWAS. For example, Nigeria is the largest in terms of population and land mass and single most diversified countries of the ECOWAS. Added to this, seven of the member countries are very small, namely, Gambia, Guinea-Bissau, Sierra Leone, Liberia, Togo, Cape Verde and Benin. These States can conveniently be referred to as "micro-states". Under this situation, conventional economic theory suggests that regional economic integration, except where deliberately corrective measures are instituted, can give rise to "polarization". This, therefore, is why some heavy industries such as textiles and pharmaceutical are set up in Nigeria as against Ivory Coast and Benin Republic.

5. *Poor System of Transportation and Communications*

The system of transport and communication in West Africa is inadequate. Lack of efficient transportation network connecting the interior to the Coast, and between one country and the other, militate against successful integration scheme. For example, the plan to link Lagos to other West African countries through a well constructed dual carriage road network from Mile 2 in Lagos has not seen the light of the day.

6. *Economic Rationale for Integration of ECOWAS is not backed by adequate recognition of geographical and economic structures of the countries contributing the Unions*

This is because of the dependency relations that reinforce the conditions of peripheral capitalism, negating any opportunity or inter-regional trade, have not been adequately recognised and catered for in the integration movement. For example, the economic rationale for ECOWAS is self-contradictory because it creates circumstances that

contradict the very objectives of integration. It has also raised and nurtured false visions. For instance, ECOWAS Treaty has raised in ECOWAS citizens the vision of a vast homogenous society linked by a complicated network of roads connected by direct, efficient and rational system of telecommunication, enriched by a steady flow of commerce and sustained by common ventures in agriculture, industry, energy, mineral resources and other fields of economic activities. Where these goals and objectives are elusive, it resulted to betterment, tension, disillusionment and discontentment among the citizens as well as cooperating states.

7. *Non adherence to the provisions of ECOWAS Protocols*

For instance, the provisions of the right of establishment of ECOWAS citizens in Member-States has been violated by the Government of ECOWAS States by restricting the movement of people, and thus embarking on series of repatriation of such residents and occasional closure of borders. This has not only restricted the free movement of people but has also impacted negatively on intra-trade sub-regional trade.

8. *Mechanism for Conflict resolution in the sub-region*

West African States are still divided against themselves on the Agreement of Mutual Defence. Some Member-States have nursed the suspicion that ECOMOG was primarily set up to serve Nigeria's political and economic interests as against ECOWAS primary goal of solving member's socio-economic problems. It is equally noted that Nigeria spent over \$10, 000, 000, 000 during the ECOMOG Peace Support Operations (PSO) within the shortest possible period (Okojie, 2009). This huge amount spent by Nigeria alone in the ECOMOG peace-keeping force in Liberia would have been used in establishing Industries or other welfare projects in the country which could have gone a long way to meet the welfare needs of the citizens. It is the candid opinion of experts that emphasis should be placed on checkmating the factors that engender conflicts in the sub-region, rather than measures to resolve them. It is equally a blow to observe that right from 1981 when ECOWAS Defence Pact was declared several members are yet to ratify the pact due to bitter differences among them following the deployment of ECOMOG in Liberia. The deployment of the force without prior consent of the major insurgent faction predictably risked escalation. Thus, in effect defeating both the

principles and objectives of "preventive diplomacy", containment, localization and stabilization of conflict situations, (Barney, 2005).

9. *Formation of West African Monetary Zone (WAMZ)*

West African Monetary Zone was formed in the year 2000. It is a group of six countries within ECOWAS namely: Gambia, Ghana, Guinea, Nigeria, Sierra Leone and Liberia. The aim of this organization was to introduce a common currency namely the ECO by the year 2015. This initiative was intended to establish a strong stable currency within the West African sub-region to rival the CFA France, whose exchange rate is tied to that of the Euro and guaranteed by the French Treasury. The intention is for the CFA France and Eco to merge giving all of West Africa a single and stable currency. The launch of the new currency was to be developed by the West African Monetary Institute based in Accra, Ghana. With half of the year 2015 gone, the Eco is yet to be launch and business within the sub-region is still being carried out with different currencies, especially within the dollar and the CFA France - a development which has continued to impact negatively on West African currencies such as the Nigerian Naira and Ghana Sedi. The implication is that after twelve years of the formation of WAMZ, the goal of the organization still remains a mirage thus leaving West African sub-region monetary transaction to the whims and caprices of the dollar and the CFA France.

It is also worth noting that constant conflicts in West Africa, with the possibility of spill-over across national boundaries, have so far elicited only marginal cooperation between Member-States. This is evident by the activities of armed or insurgent groups such as Boko Haram, the Taurug rebels etc. This poses a serious threat to ECOWAS regional cooperation and integration. Above all, lack of firm political will on the part of ECOWAS leaders occasioned by clashes of interest, traditional political rivalries, political and ideological differences, border checks and harassment and the spread of deadly diseases such as Ebola across national borders have also hindered the effective actualization of ECOWAS objectives. However, despite facing some of these problems, ECOWAS has recorded a big feat by bringing together the fifteen States to solve their common and social problems.

Conclusion

Regional organizations are a major feature of the global economic system. The basic factor of regional organizations, as recognised within the framework of the UN, is to make use of

deliberate governmental and private efforts to strengthen South-South trade and economic links more rapidly than would have been the case if such links were to be created only by market forces. The rationale for such cooperation among the developing countries includes the varying degrees and stages of development among the developing countries, their low level of industrialization and resource base and at the same time, significant amounts of unutilised productive power and resource endowment.

The challenges of globalization have given the governments a strong enough justification for undertaking reforms in pursuit of such cooperation. This allows the countries the opportunity to organise themselves for regional cooperation schemes, seen as an important element of globalization policy. In essence, regional cooperation helps its participants to take part in global economic integration more effectively as a group of regional economies like ECOWAS for the benefit of its Member-States, at least from the standpoint of economies of large-scale production.

In evaluating the degree of progress ECOWAS has attained in the past forty (40) years, it has been shown that ECOWAS has not been effective in its policy objectives notably economic and welfare needs of its members. The failure of ECOWAS to achieve its primary purpose of economic upliftment and progress emanate from the fact that the environment in which ECOWAS operates is not yet conducive to the success of such a large integration scheme. Also, most countries in the sub-region have not shown much enthusiasm in the community activities and programmes. Most importantly, considering the poor economic situations in some ECOWAS States, the formation of effective West African Economic Community was perhaps premature. For example, the ECOWAS region is dominated by the Nigerian economy. ECOWAS' exports mostly comprise of a limited range of agricultural commodities. This reliance on internationally traded commodities leaves ECOWAS country vulnerable to the external shock of international market price fluctuations.

In order to reposition ECOWAS to enhance effective and efficient cooperation among Member-States, economic rationale for integration should be backed by adequate recognition of the geographical and economic structures of the countries contributing to the union. Also, the dependency relations that reinforce the conditions of peripheral capitalism should be adequately recognised and catered for in the integration movement as this will open greater opportunity for intra-regional trade

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