

9. Regional Organizations or Economic Groupings in West Africa I

Objectives

In this chapter, students should be able to narrate the history of the Economic Community of West Africa States (ECOWAS); state its aims and objectives; list its member – countries and highlight its achievements and limitations

9.1 Economic Community of West African States (ECOWAS)

The treaty of ECOWAS was signed in 1975. During 1975 and 1976, Nigeria and Togo were assigned to work out the proposals to make the Community a reality. By early 1977, under the Treaty of Lome, ECOWAS commenced operation, after the draft of protocols submitted by the two countries got approval.

Membership

There were fifteen signatories in 1975. Cape Verde joined in 1977. The members as at 2004 are:

- | | | |
|-------------------|------------------|------------------|
| 1. Benin Republic | 7. Guinea | 13. Nigeria |
| 2. Burkina Faso | 8. Guinea-Bissau | 14. Senegal |
| 3. Cape Verde | 9. Liberia | 15. Sierra Leone |
| 4. CotedTvoire | 10. Mali | 16. Togo |
| 5. The Gambia | 11. Mauritania | |
| 6. Ghana | 12. Niger | |

Aims and Objectives of ECOWAS

In its Article 2, the treaty states “It shall be the aim of the community to promote co-operation and development in all fields of economic activity, particularly in the fields of industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions and in social and cultural matters for the purpose of raising the standard of living of its people, of increasing its members and of contributing to the progress and development of the African continent”.

The treaty proceeds to spell out in detail how these aims and objectives may be achieved in stages:

- (i) The elimination among member states of Customs duties “and other exchange barriers of equivalent effect” on imports and exports.
- (ii) The abolition of quantitative and administrative restrictions on trade among the member states.

- (iii) The setting up of a common tariff structure and commercial policy towards non-member countries.
- (iv) The elimination between member states of the obstacles to the free movement of persons, services and capital.
- (v) The harmonization of agricultural policies and the promotion of common projects among member states, notably in the fields of marketing, research and agro-agricultural enterprises.
- (vi) The implementation of schemes for the joint development of transport, communication, energy and other infrastructural facilities, as well as the evolution of a common policy in such fields.
- (vii) The harmonization of the economic and industrial policies of member states and the elimination of disparities in the level of development of member states.
- (viii) The harmonization provided for the proper functioning of the community out of the monetary policies of member states.
- (ix) The establishment of a Fund for cooperation, compensation and development.
- (x) The setting-up of such other activities that are designed to promote the aims of the community as the member countries might desire from time to time.

9.2 Institutions of the Community

- (i) **The Authority:** This is made up of heads of state and government of member states. It is the "principal governing institution of the community. It has responsibility for the general direction and control of the executive functions of the community. The Authority meets at least once a year and its decisions are binding on all other institutions of the community.

- (ii) **The Council of Ministers:** This consists of two representatives from each member state. It is responsible for the review, functioning and development of the community.

It reports back to the Authority on the functioning and development of the community. But when the council is in doubt or its members cannot agree among themselves, the council makes reference to the Authority for clarification and directives. The council meets twice a year.

- (iii) **The Executive Secretariat:** The secretariat is headed by an executive secretary who acts as chief executive officer to the community. As a chief executive, he is responsible for the day-to-day administration of the community.

In carrying out his duties, the executive secretary is supported by two deputy executive secretaries who are appointed by the council of ministers. The secretariat is located in Abuja, Nigeria.

- (iv) **The Tribunal of the Community:** This is to see to the observance of laws and regulations and to the interpretation of the Treaty of Lagos.

- (v) **Technical and Specialized Commissions:** There are six of them:

• The Trade Customs, Immigration, Monetary and Payment Commission.

• The Social and Cultural Affairs Commission.

- â€¢ The Transport, Telecommunication and Energy Commission.
- â€¢ The Industry, Agriculture and Natural Resources Commission.
- â€¢ ECOWAS Parliament.
- â€¢ ECOWAS Court.

- (vi) **The Fund for Co-operation, Compensation and Development:** The Fund is an important organ of the community. It has its headquarters in Lome (Togo). It has the following functions among others:
- (a) To compensate member states for duty revenues lost as a result of implementing the community's free trade policy.
 - (b) To grant loans for feasibility studies, project development and financing of national research projects.
 - (c) To galvanize both internal and external financial resources for member states.
 - (d) To guarantee foreign investments in member states and to harmonize member states' industrial policies.
 - (e) To superintend over the even distribution of development projects among member states.

The Fund is headed by a managing director with a four-year term of office but may be re-appointed for another four years. If the Fund is well-managed, it could be a unifying institution within the community for dispensing financial compensations to the economically aggrieved member states who would otherwise have opted out.

9.3 Achievements of the Community

In considering the activities of the community, we shall touch on its concrete achievements and also those in the form of decisions awaiting implementation as at 1987.

Practical Achievements:

- (i) *Reduction of customs duties:* Tariffs on goods from member states have been reduced considerably.
- (ii) *Provision of some inter-community infrastructure:* Nigeria, for instance, has been supplying electricity from the Kainji Dam to some member states like Niger and Togo. Between Liberia and Cote d'Ivoire, one very good road has been constructed and opened for use. And there is a proposed road network to link Lagos with Noukhott, the capital of Mauritania.
- (iii) *Evidence of free movement of community nationals:* At least in Nigeria, there has been massive influx of the nationals of other community states. A large number of Ghanaians still offers services in the educational sector of the Nigerian economy.
- (iv) *Preferential sales of precious commodities:* Nigeria now sells her crude oil at preferential lower prices to countries like Ghana and Togo. These member states are also sometimes given credit facilities on long term basis.
- (v) *A mutual defence pact:* Following a meeting held by the Authority in Dakar in 1981, the member states signed a mutual defence pact. In August 1990, when all mediation efforts failed to achieve any positive result in the Liberian crisis, ECOWAS set up a ceasefire

Monitoring Group (ECOMOG) which intervened to enforce peace. ECOMOG was also very active during the crisis in Sierra Leone.

- (vi) *Location of industries:* The member states have taken decisions on how to allot the location of industries among themselves. They have also been invited to participate in industrial enterprises located in other member states. A good example is the location of iron and steel industry in Guinea and an invitation to Nigeria to participate in same.
- (vii) *Proposals for implementation:* Establishment of a common currency. In October 1981, the community announced that a common currency would be used by all member states. It would be known as Eco.
- (viii) *Total removal of visa requirements:* Removal of visa requirements is presently limited to those ECOWAS citizens visiting member states for 90 days only. It is envisaged that a total removal would be effected sooner or later, and that unrestricted movement would be possible by member nationals. An ECOWAS passport has also been proposed to replace national passports.

9.4 The Problems of ECOWAS

ECOWAS, as a community, is already beset with and is likely to face more problems in future.

- (i) **Problem of members:** The community, with its present fifteen members, is one of the most ambitious ventures in economic harmonization and political integration anywhere in the world; and in a situation where the highest authority lies in the hands of the heads of member states or governments, decisions on major issues may be hampered by the national interests of member states.
- (ii) **Barriers of colonial heritage:** The member states are all products of the colonial masters. The English-speaking countries (Nigeria, Ghana, Sierra Leone and The Gambia) were schooled under the British colonial ideals. The French speaking states (Guinea, Cameroun, etc.) hold on tenaciously to the French culture while Liberia is deeply rooted in the American culture.

The community may suffer from the conflicts of culture and ideals; the support, financial and military which each of the blocs receives from former colonial masters may frustrate objective decisions that are in the common interest of the community but that may be at variance with the interests of their colonial masters.

- (iii) **Infrastructural barriers:** The absence of good roads and transport system and the inadequate communication system are likely to hamper some of the community's noble objectives.
- (iv) **Poverty of member nations:** Most member states are far from prosperity. Even Nigeria, with her petroleum resources, is still a poor nation. Therefore, the community's poverty is a formidable barrier to the attainment of some of its noble objectives, such as joint development of transport, communication, energy and other infrastructural facilities.
- (v) **Fallacy of large market:** Even if the community secures a large market by turning member states into one free indivisible common market, the expected advantages may

turn out to be unrealistic. The reason simply is that ECOWAS member states produce virtually the same types of products – raw materials – for which member states have little demand. The markets for products of ECOWAS are in ECOWAS common market, in West Africa, or in Africa itself; whereas the demands for raw materials are in Europe and America. Furthermore, the efforts of some ECOWAS members to establish agro industries have not yielded enough success to generate adequate demand for raw materials from West Africa.

- (vi) **Inequality among member states:** As at now, Nigeria seems to tower above all other member states. This would likely cause resentment from some side. The other member states may become wary of the self-imposed leadership of the community by Nigeria. On the other hand, Nigeria may get reluctant to shoulder most of the burdens of the community.
- (vii) **Danger of unrestricted immigration:** Unrestricted immigration within member states may aggravate national, economic and social problems. Ghana once sent Nigerians in Ghana out of that country. Togo and Benin have done the same to Nigerians and Ghanaians. By 1984, Nigeria had seen the danger in unrestricted influx of citizens of neighbouring countries. The increase in armed robbery and religious disturbances (in Kano in 1980) was blamed on unrestricted influx of other nationals to Nigeria.
- (viii) **Currency problem:** There are as many currencies as there are states in the ECOWAS with none having an international status – not even the naira with its formidable crude oil revenue backing; therefore these currencies are tied to either the sterling, franc or dollar rather than to one another. This fact indicates the problem that is likely to be faced by the idea of a common currency for ECOWAS. For instance, would such common currency be acceptable in the international market? Such a common currency may command international recognition if the ECOWAS has the economic wherewithal and the commercial power to back it up. But can ECOWAS perform this feat? These are questions that should interest students of commerce and economics when the proposals for the common currency are being considered.
- (ix) **The barrier of a community within a community:** *Communate Economiques Lâ€™Afrique de Lâ€™Quest* (CEAO) formed in 1973 is the French-speaking West African Economic Community; and the CEAO is within ECOWAS. Yet CEAOâ€™s interests may not necessarily coincide with ECOWAS interests. Then which interest would prevail in the event of a conflict?

In conclusion, to underline the real and potential problems facing the realization of ECOWAS is not to say that the idea of a common community of West African states is negative. If the realization of the idea is faced with problems, it is normal with modern trends in economic and political matters on the continent of Africa or the sub-continent of West Africa, as a developing region.

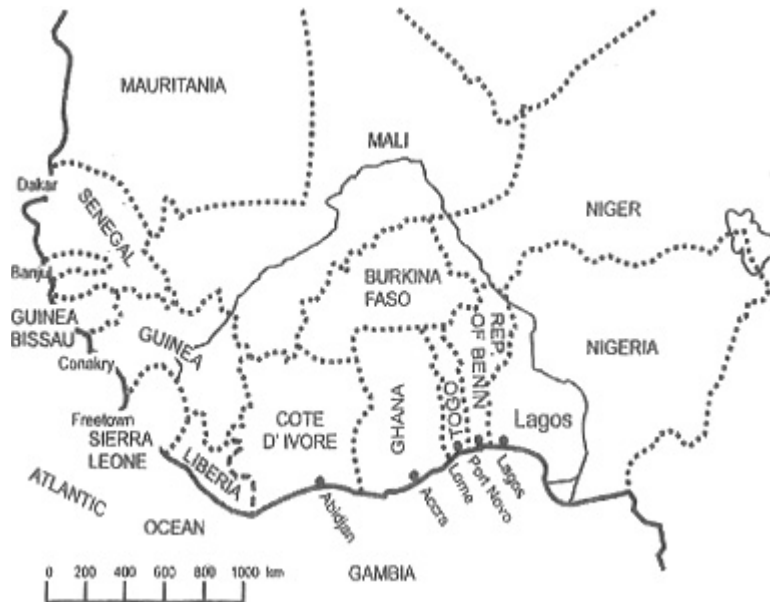
Summary

â€¢ ECOWAS is the Economic Community of West African States. It was created in 1975 and there are now 17 member states. In brief, the objective is to facilitate economic, political, cultural and financial understanding and co-operation among member states.

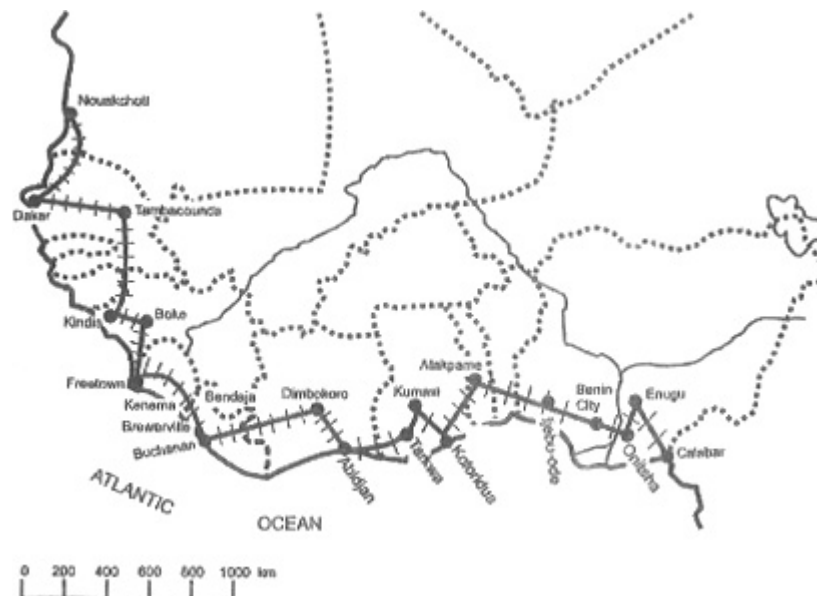
At present, the secretariat, headed by an executive secretary, is located in Abuja, Nigeria.

However, in spite of the intentions of the founders, there are problems of inequality of states politically and financially; a lack of adequate inter-country transport and communication system.

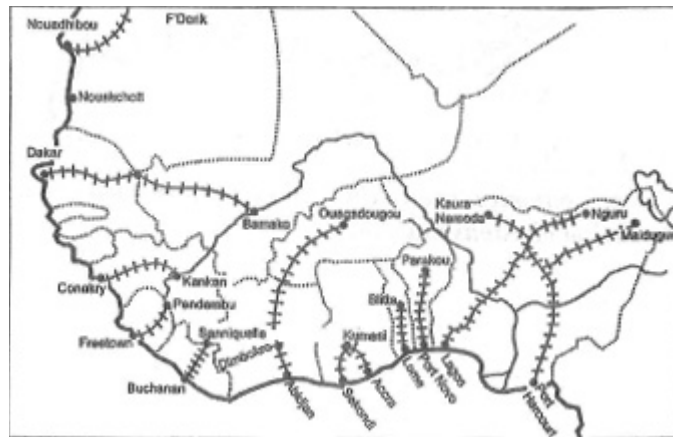
But this is not to say that a measure of success has not been recorded; for instance, in 1982 a ₦50 million ECOWAS headquarters was earmarked for Abuja and has been built; while five oil refineries have been proposed (in 1988) with one of them to be located in Nigeria.



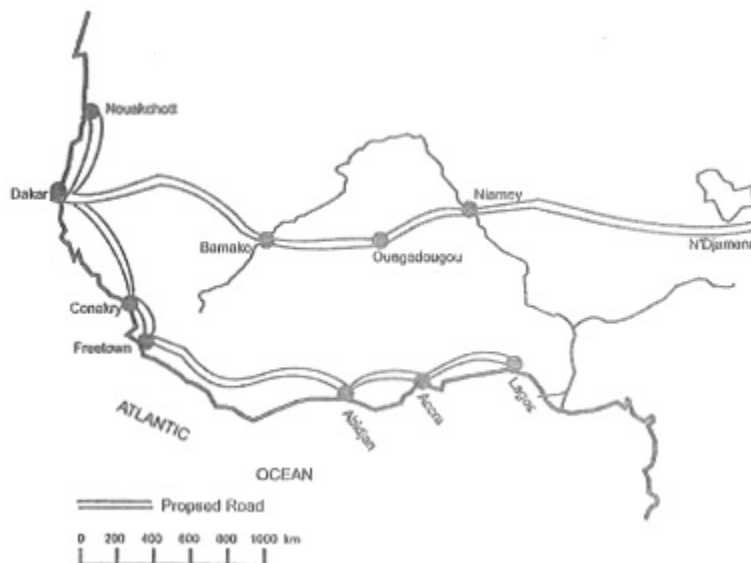
Map 1 *The Economic Community of West African States (ECOWAS) political divisions and ports*



Map 2 *The Economic Community of West African States (ECOWAS) Proposed new trunk railway lines*



Map 3 *The Economic Community of West African States (ECOWAS) existing rail lines*



Map 4 *The Economic Community of West African States (ECOWAS) Proposed new trunk roads*

Revision Questions

Essay Questions

1. (a) What is the full name of ECOWAS?
(b) List the member countries of ECOWAS.
2. State six of the objectives of ECOWAS
3. State FIVE major achievements of ECO WAS
4. Explain FIVE obstacles to the achievement of the objectives of ECOWAS

(WASSCE 1999)

Objective questions

1. The Treaty of ECOWAS was signed in
 - A. 1978
 - B. 1975
 - C. 1977
 - D. 1998
2. One of these is not a member of ECOWAS
 - A. Namibia
 - B. Cape Verde
 - C. Guinea-Bissau
 - D. Liberia
3. One of these is not among the objectives of ECOWAS
 - A. elimination of custom duties among member states
 - B. elimination of obstacles to free movement of persons among member states
 - C. scheme for joint development of transport communications and energy
 - D. settling adverse balance of payments of member states
4. The Institutions of the community are as stated below except one
 - A. The Council of Ministers
 - B. The Council of Speakers of Members States National Government
 - C. The Executive Secretariat
 - D. Technical and Specialized Commissions
5. Here are some of the achievements of the Community
 - A. Provision of some inter-community infrastructure, e.g. the Kainji Dam
 - B. Reduction of Customs duties
 - C. Free movement of community nationals
 - D. Use of common currency
6. One of these is not a problem of ECOWAS
 - A. Equality among members – no giants and no dwarfs
 - B. Danger of unrestricted immigration
 - C. Vestiges of colonial heritage
 - D. Currency problems
7. ECOWAS started functioning properly in the year
 - A. 1981
 - B. 1986
 - C. 1977
 - D. 1978
8. The two countries given the assignment to make the Community a reality once the Treaty of ECOWAS was signed in 1975 were
 - A. Nigeria and Ghana
 - B. Guinea and Guinea-Bissau
 - C. Nigeria and Togo

- D. Benin and Niger Republic
- 9. The total membership of ECOWAS is
 - A. 16
 - B. 14
 - C. 15
 - D. 12
- 10. One of the obstacles to achieving the objectives of ECOWAS is
 - A. language differences
 - B. sovereignty of states
 - C. lack of a common currency
 - D. colonial linkages

(JAMB 2001)