



Regional Integration as Panacea for Economic Development in West Africa

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Abstract

This paper examines regional integration as Panacea for economic development in West African experience. The specific objectives were basically to examine how regional integration has impacted economic development in the West Africa region; unravel the main challenges hindering effective regional integration in West Africa in relation to economic development in the West Africa. It adopted the neoliberal theory, and employed qualitative method. The ex-post facto research design was adopted and data were gathered from secondary sources, including academic literature, official reports, media publications, and other relevant files retrieved from the internet. The paper found that regional integration has impacted both negatively and positively on economic development in the West Africa region; and that there are several challenges hindering effective regional integration in West Africa in relation to economic development in the West Africa. It recommended the need for inclusive policies, and targeted interventions to maximizing the positive impacts of regional integration while mitigating the negative consequences on economic development in the West Africa.

Keywords: Development, economic, ECOWAS, regional integration.

1. INTRODUCTION

According to Adewale (2021), Sub-Saharan Africa is one of the most diverse and resource-rich regions in the world. A number of obstacles have impeded its economic progress, including limited market access, small domestic markets, and inadequate infrastructure. Regional integration initiatives have emerged as potential solutions to these obstacles, fostering greater economic cooperation and integration among West African countries. Regional integration is essential for promoting economic development in Sub-Saharan Africa. It involves closer cooperation and integration among countries within a specific geographic region with the goal of enhancing economic growth, trade facilitation, investment, and social development (Okolo et al., 2024; Kamara & Conteh, 2017).

The West Africa region consists of 15 Economic Community of West African States (ECOWAS) member countries. They have committed to deepening regional integration through various institutional frameworks, including free trade agreements, common external tariffs, and the liberalization of goods and services. The regional integration efforts aim to create a larger market, attract investments, and promote industrialization and diversification (Adedeji, 1991; Smith, 2016).

Despite the significant efforts made by regional organizations such as the Economic Community of West African States (ECOWAS) to promote regional integration and enhance economic



development within the West Africa region, there remain considerable challenges and disparities in achieving sustainable and inclusive growth. These include Limited progress in regional integration; disparities in economic development across member states; inefficient trade and barriers to market integration; and challenges in harmonization of policies and regulations (Badiane, 1997; Shaw, 1990; Diop & Sow, 2018; Adewale, 2021)

According to Kamara and Conteh (2017), despite the existence of regional integration initiatives, such as the ECOWAS, there are persistent challenges hindering progress in regional integration projects and initiatives. This paper aims to identify and analyze the factors that impede successful regional integration efforts in West Africa and explore their impact on economic development.

Similarly, there are considerable disparities in economic development levels among the member states of ECOWAS. Some countries within the region have experienced significant economic growth and development, while others continue to face stagnation and underdevelopment. The Covid-19 incident is a clear example of this disparities among Member States of ECOWAS and Africa at large (Okolo & Micah, 2022; Okolo & Boubai, 2023). Understanding the underlying causes of these disparities and their impact on regional integration and overall economic development is crucial to inform policy interventions (World Bank, 1989; Bello &

Johnson, 2019). Also, effective trade facilitation and reduction of trade barriers are essential for promoting regional integration and economic development. However, there persist considerable non-tariff barriers, inadequate infrastructure, and bureaucratic challenges that limit intra-regional trade within West Africa (Okolo, et al 2024). This research aims to identify and assess these trade barriers and explore potential solutions to enhance trade facilitation.

In the preceding regard, regional integration necessitates the harmonization of policies, regulations, and standards among member states. However, the West Africa region faces challenges in achieving effective policy harmonization due to differences in national priorities, bureaucratic constraints, and the lack of enforcement mechanisms (Adewale, 2021).

In view of these challenges bedeviling the efforts towards regional integration, this research paper aims to contribute to a comprehensive understanding of the relationship between regional integration and economic development in Sub-Sahara Africa, specifically within the West Africa region. The findings will provide valuable insights to policymakers, regional organizations, and stakeholders in devising effective strategies and policies to promote economic growth and enhance regional integration in West Africa.

1.1 CONCEPTUAL CLARIFICATION

REGIONAL INTEGRATION

Regional integration refers to the process by which neighboring countries come together to form a regional grouping aimed at fostering economic cooperation, political stability, and social development among member states. In the case of West Africa, regional integration initiatives such as the Economic Community of West African States (ECOWAS) play a significant role in promoting economic growth and development in the region.

ECONOMIC DEVELOPMENT

This pertains to the sustained increase in economic activity and improvement in living standards within a region. In the context of West Africa, economic development is a key priority to address the challenges of poverty, unemployment, and inequality prevalent in many countries within the region. By fostering regional integration and cooperation, West African countries can pool resources, harmonize policies, and enhance trade relations to stimulate economic growth and development.

1.2 LITERATURE REVIEW

The literature review in this regard direct attention on contending scholarly views on the nexus between regional integration and economic development Sub-Sahara region, and West Africa region in particular.

In this regard, Adewale (2021), observed that the revival of interest in regional integration and cooperation is a worldwide phenomenon, inspired by the success of the European experience. For him, regional integration in relation to Africa reflects a growing appreciation of the benefits to be derived from regional unity' and cooperation in meeting the challenges posed by increasingly competitive world markets. According to Smith (2016, p. 34),

In Africa, regional unity is seen as a possible solution to the continent's deep and prolonged economic and social crisis, at a time when private energies are being released thanks to the strengthening of civil society and the deregulation and privatization of national economies, while the continuing decline of state-imposed barriers to inter-country flows is paving the way for increased regional trade...

On their part, Kamara and Conteh (2017) contended that regional aspirations as shared by West African statesmen, intellectuals, and citizens alike reflect a general desire to break the confines of the nation-state, and a denial of all that divides the region, including the multiple barriers to the free movement of goods and services, people, and capital among countries, and differences in legal, governmental, and educational structures. They stated that West Africans are aware that the kingdoms and cultures of West Africa were relatively well integrated in precolonial times, as accounts of the region amply attest, and the quest for regional unity is in many respects a search for



one's roots. These regional aspirations also constitute a response to the manifest incapacity of the state to generate development. They thus include a search for solutions extending beyond what existing nation-states appear capable of providing, including better regional infrastructure, better management of the region's resources and even a broader range of freedoms (Kamara & Conteh, 2017)

In a light dimension, Smith (2016) opined that the need for regional integration is due to the growing demands of communities and private citizens for greater political and economic development. The manifestation of this is clear in calls for greater decentralization of government and public services, greater community participation in decision-making, and withdrawal of the state from certain types of intervention in the economy. He further stated that the state in West Africa however, has not experienced such expected development.

According to Bello and Johnson (2019), regional integration cannot properly succeed in the absence of a sense of belonging and identity of the general population with the proposed community of countries. Not long ago, regional integration was identified essentially with economic matters such as regional trade in particular.

Bello and Johnson (2019), believed that most people still think predominantly in those terms. Yet, there is widespread consensus that preference schemes to stimulate regional trade have not

worked as intended in the region and probably cannot be made to work without some major rethinking about the costs and difficulties of implementing such schemes (Bello & Johnson, 2019). There are two aspects to this argument. Bello and Johnson (2019) also pointed out that, one has to do with the wisdom of import-substituting industrialization as a economic development strategy.

1.3 THEORITICAL FRAMEWORK

There are several theories that can help explain regional integration and economic development in the Sub-Saharan African region, with a specific focus on the West Africa region. However, this paper shall adopt the neoliberal theory which is often associated with the work of economists and scholars such as Friedrich Hayek, Milton Friedman, and James Buchanan, among others. It advocates for limited state intervention in the economy, free markets, and individual freedom. Proponents of neoliberalism argue that market forces should determine resource allocation, entrepreneurship should be encouraged, and private property rights should be protected (Friedman, 1962).

One of the main propounders of neoliberalism is Friedrich Hayek, an Austrian economist. Hayek's book "The Road to Serfdom" (1944) is considered a seminal work in the neoliberal tradition. In this book, Hayek argues against central planning and asserts that individual freedom and free markets are integral to economic prosperity.

Another notable figure in neoliberal thinking is Milton Friedman. His book "Capitalism and Freedom" (1962) outlines his belief in the virtues of capitalism and the negative consequences of government intervention in the economy. Friedman emphasizes the importance of free trade, competition, and voluntary exchange as key drivers of economic growth.

James Buchanan, an economist and political scientist, developed the concept of public choice theory, which aligns closely with neoliberal thinking. Buchanan's book "The Calculus of Consent" (1962), co-authored with Gordon Tullock, explores the economic analysis of political decision-making and argues for limiting government intervention to protect individual rights (Buchanan & Tullock, 1962).

Neoliberal theory emphasizes free market principles and liberalization of trade and investment as drivers of economic growth. In the context of regional integration in West Africa, neoliberal theory suggests that by removing trade barriers, harmonizing regulations, and promoting investment, countries can enhance market access, attract foreign direct investment, and stimulate economic development.

1.4 METHODOLOGY

Methodologically, the paper employs a qualitative method. The ex-post facto research design was adopted and data were gathered from secondary sources, including academic literature, official reports, media publications, publications of

NGOs, and other relevant files retrieved from the internet (Eneanya, 2012).

1.5 REGIONAL INTEGRATION AS PANACEA FOR ECONOMIC DEVELOPMENT IN WEST AFRICA

Regional Integration and its Impact on Economic Development in West Africa

Bello and Johnson (2019) identified that regional integration in West Africa has had both positive and negative impacts on economic development in the region. It is believed that this process involves countries in the region coming together to cooperate and integrate their economies through various mechanisms such as trade agreements, common tariff policies, free movement of people and goods, and harmonization of regulations (Smith, 2016). The positive and negative impact of such integrative efforts are addressed herein:

A. POSITIVE IMPACT

Adewale (2021) observed that regional integration in West Africa has played a significant role in shaping the economic development of the region. For him, the establishment of various regional organizations and economic blocs has facilitated closer cooperation among countries in the region, leading to increased trade, investments, and overall economic growth.

Similarly, Bello and Johnson (2019) stated that regional integration has fostered trade facilitation by reducing trade barriers such as tariffs, quotas,



and non-tariff barriers among member countries. According to them:

...establishing regional trade agreements such as the Economic Community of West African States (ECOWAS) has led to the creation of a common market and the elimination of trade barriers, making it easier for goods and services to move freely within the region. This has resulted in increased intra-regional trade, which has contributed to economic growth (Bello & Johnson, 2019, p. 226)

On his part, Badiane (1997) stated on economic diversification that regional integration has encouraged economic diversification by promoting collaboration among member states in developing various economic sectors. He gave example that ECOWAS has implemented programs to promote industrialization, agriculture, and infrastructure development in the region, leading to the diversification of the region's economies beyond traditional sectors such as oil and mining.

Also, it has been argued that regional integration has attracted foreign direct investment (FDI) to the West African region by creating a larger market and a more attractive investment climate. It is believed that the establishment of regional institutions such as the West African Monetary Zone (WAMZ) and the West African Monetary Institute (WAMI) has helped to create a more stable and predictable economic environment,

which has attracted FDI to the region (Kamara & Conteh, 2017).

Furthermore, Smith (2016) asserts that regional integration has facilitated infrastructure development in West Africa through the pooling of resources and joint investment in infrastructure projects. He pointed out as instances that:

...the ECOWAS Infrastructure Projects Priority Plan (PIP) was basically to improve transportation networks, energy infrastructure, and telecommunications systems across the region, enhancing connectivity and promoting economic development. This body has done a lots in the region (Smith, 2016, p. 194).

Diop and Sow (2018) revealed that regional integration has contributed to fostering regional stability and peace in West Africa. It implies that economic cooperation and creating common institutions for conflict resolution and peacebuilding, regional integration has helped to mitigate political tensions and promote stability, creating a conducive environment for economic growth and development.

B. NEGATIVE IMPACTS

On the negative impact, Adedeji (1991) observed that regional integration has led to trade diversion, where member countries prioritize trade with regional partners over more efficient global partners. This hinders economic growth as it limits access to new markets.

In another dimension, Friedman (1962) asserts that region integration has caused revenue loss for member states. He states that common external tariffs or trade agreements within a regional bloc can lead to revenue losses for individual member countries, especially for those relying heavily on tariffs for government revenue.

In view of disparities in development, Friedman, M. (1962) also stated that regional integration has exacerbated disparities in development among member states, as countries with stronger economies may benefit more from integration than those with weaker economies.

Similarly, Bello and Johnson (2019) emphasised that regional integration initiatives often face challenges in implementation due to regulatory and institutional inefficiencies, political differences, and lack of infrastructural capabilities, which can hinder the realization of potential economic benefits.

Bello and Johnson (2019) further states that with regional integration, countries in West Africa have become overly dependent on larger economies within the regional bloc, leading to unequal power dynamics that poses disadvantages to smaller economies and stifle their economic development.

This is to say that although regional integration has the potential to significantly enhance economic development in West Africa by fostering increased trade, infrastructure development, and policy harmonization, there are

also challenges and negative impacts that need to be addressed.

1.7 CHALLENGES TO EFFECTIVE REGIONAL INTEGRATION AND ECONOMIC DEVELOPMENT IN WEST AFRICA

Regional integration in West Africa faces several challenges that hinder effective economic development in the region. These challenges stem from a combination of historical, political, economic, and social factors that have impeded progress towards deeper integration. Some of the main challenges hindering effective regional integration in West Africa are as follows:

- ❑ Diversity of Economies
- ❑ Inadequate Infrastructure
- ❑ Trade Barriers and Tariffs
- ❑ Security Challenges
- ❑ Weak Institutional Capacity
- ❑ Limited Access to Financial Resources

On diversity of economies, Shaw (1990) stated that West Africa is a region characterized by significant diversity in terms of economic structures, levels of development, and resource endowments among its member countries. This diversity makes it challenging to harmonize policies, trade practices, and regulations across countries to facilitate seamless economic cooperation.

Inadequate infrastructure was identified by Kamara and Conteh (2017). They pointed out that poor infrastructure, including inadequate transport networks, energy supply, and communication systems, remains a major obstacle to regional integration in West Africa. Deficient infrastructure raises the costs of doing business, limits trade flows, and hampers cross-border investments.

In relation to trade barriers and tariffs, Kamara and Conteh (2017) also argued that non-tariff barriers, such as cumbersome customs procedures, bureaucratic red tape, and inconsistent regulations, hinder intra-regional trade in West Africa. For them, high tariffs on goods and services further impede the flow of goods and investment across borders, limiting the potential economic gains from regional integration.

Also, Adewale (2021) identified security as one of the main challenges, stating that persistent security threats, including terrorism, organized crime, and conflicts in certain parts of West Africa, pose a significant barrier to regional integration and economic development. Insecurity undermines investor confidence, disrupts trade activities, and deters cross-border investments.

On their opinion, Bello and Johnson (2019) asserts that many West African countries lack the institutional capacity needed to implement and enforce regional integration agreements effectively. This means that weak governance

structures, inadequate regulatory frameworks, and limited technical expertise hinder the harmonization of policies and standards across countries.

Similarly, Bello and Johnson (2019) also emphasised on limited access to financial sources. They states that limited access to finance and credit facilities within West Africa constrains the ability of businesses to expand their operations, engage in cross-border trade, and invest in regional integration projects. Inadequate financial resources also impede the development of key infrastructure projects essential for fostering economic integration.

1.8. CONCLUSION AND RECOMMENDATIONS

This paper has examined regional integration as Panacea for economic development in the West Africa region. The analysis in the paper revealed that regional integration has impacted both negatively and positively on economic development in the West Africa region. The positive impact are that countries in the region coming together to cooperate and integrate their economies through various mechanisms such as trade agreements, common tariff policies, free movement of people and goods, and harmonization of regulations. The negative impact are diversity of economies, inadequate infrastructure, trade barriers and tariffs, security challenges, weak institutional capacity, and limited access to financial resources. The paper

also revealed that there are several challenges hindering effective regional integration in West Africa in relation to economic development in the West Africa. These are diversity of economies, inadequate infrastructure, trade barriers and tariffs, security challenges, weak institutional capacity, limited access to financial resources are the major challenges to regional integration and economic development in the West Africa.

Based on the findings presented in this paper, the following recommendations are made:

- I. Leaders in West Africa should prioritize effective governance, inclusive policies, and targeted actions to enhance the positive effects of regional integration while alleviating its negative impacts on economic development in the region.
- II. There is also need for the leaders in West Africa to tackle issues such as inadequate infrastructure, trade barriers and tariffs, security challenges, weak institutional capacity, and limited access to financial resources in the region.
- III. Furthermore, leaders in the West African region should promote improved cooperation among member states and implement targeted reforms to encourage economic diversification and support inclusive growth and development throughout West Africa.

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