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## The Role of Regional Economic and Political Groups in the Globalization Process: A Case Study of the Economic Community of West African States (ECOWAS) (1982-2002)

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### Abstract

A regional integration by its very nature integrates its members into an economic union and acts as a bloc on matters affecting its members vis-a-vis other regional blocs and non members. Its hegemonic nature of hedging its members against all forms of exploitation and intimidation by other regional blocs and non-members and its desire to stem the tide of trade diversion, and to create and foster intra-union flow of trade, factors and investment at the exclusion of non-members and other regional blocs run contradictory to the aims and objectives of the globalization process which is the integration of the world economy through the breaking down of trade and investment barriers worldwide. Given these contradictory objectives of the regional blocs and the globalization process, this study examines the roles of the ECOWAS as an agent in the globalization process in the West African sub-region, its constraints, and solutions to the problems.

**Key words:** Regional; Integration; Globalization; Blocs; Security; Trade

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### INTRODUCTION

The last century saw the establishment of regional economic and political groups in various geographical regions of the world, and the establishment of international financial institutions and multilateral groups that provide specialised services, funds and advice on development, while others are specially established to maintain regional peace and security.

There are about eight major regional groups in Africa, six in Asia, Middle East and the Pacific, three in Europe and six others in the Western hemisphere (Nemedra, 1998). The most prominent of them all is the European Union (EU) established by the Treaty of Rome in 1958. This is followed by the North American Free Trade Area (NAFTA), which was established in 1972. The third is the Association of South East Asian Nations (ASEAN) established in 1967. The fourth is the Latin-American Integration Association (LAIA) established by the Montevideo Treaty of 1960, and the fifth is the Economic Community of West African States (ECOWAS) established by the Treaty of Lagos on May 28, 1975 but came into operation in July 1975.

The major objectives of these regional integrations especially the ECOWAS is the establishment of an economic union in the sub-region and the achievement of full economic and monetary integration of the sub-region: and the harmonization of economic, industrial and agricultural policies of the members of the ECOWAS.

To develop into an economic union just like the European Union (EU) the ECOWAS is supposed to undergo various stages of development just like the European Union. (Osagie, 1976)

The first stage is the Free Trade Area (FTA), which is the lowest form of economic integration. At this stage the member states eliminate import duties from member states but each member is free to impose its own duty or import tariff on non-members which may be different from those

imposed by other member states on the non-member. After a period of time, the integration would move into the next stage being a customs union (CU).

The customs union is reached when the members of the regional group eliminate import tariffs on goods from other members of the group; but all members of the group maintain a common import tariff on non-members.

From the stage of the CU, the regional integration would progress into a common market (CM). The common market has all the features of the customs union and also provides unrestricted movement of labour and capital among the member states. From common market, the regional integration would move into the stage of economic union (EU). The economic union has all features of the common market and goes on to provide for the central coordination and harmonization of policies in such areas as planning industrialization, monetary policy and exchange rate determination. This is the stage the ECOWAS hopes to attain before the end of the next decade.

All regional economic groups by their very nature integrate their members and act as a bloc on matters affecting members of the regional group and other regional blocs and non-member nations. Whereas trade and investment barriers are removed from members of a regional group, trade and investment barriers are built through the integration process against non-members. (These protective walls are intended to provide an economic union within the group at the exclusion of non-members and protect the interest of domestic capital within the region as well as to confer on the region an advantage that would make it strong to compete around the world with other regional blocs.

Capital needs secure environment to thrive. It needs political stability and to some extent the harmonization of laws among the nation-states in the integration, hence the need for regional defence groups that would help to maintain peace and security in the regions in particular and the world at large.

The ECOWAS was firstly designed as a regional economic integration but its military activities in the recent times in the sub-region have turned it into a regional defence group also. The ECOWAS has successfully restored peace and democratic rule in Liberia and Sierra Leone and is undertaking peace enforcement missions in various parts of the sub-region.

Looking at the developmental stages of the regional integrations, their structures and functions at each stage of the development and their ultimate objectives—political and economic union. These aims and objectives and the methods of achieving them seem to be contradictory to the aims and objectives of the globalization process which is the breaking down of the trading and investment barriers; and the free movement of capital and personnel across national boundaries globally.

Since the regional Integrations are hegemonic in nature—hedging the regional groups against non-members of the groups and against other regional groups, it becomes

pertinent to examine their roles, especially the ECOWAS, in the globalization process if they are vehicles or obstacles in the globalization process.

## 1. REGIONAL INTEGRATION THEORY AND THE GLOBALIZATION PROCESS

The neo-functional theory of integration was first used by Mitrany (1943); refined and popularised by Haas (1961; 1964; 1968,) Haas and Schmitter (1964); and has been used by Lindberg (1965; 1963); Lindberg and Schingold (1970); and Jacob and Tescano (1964); and a host of other scholars in the study of regional integration.

The central theme of the integration theory is that the modern state due to developments in technology and rapid industrialization is incapable of maintaining economic growth and existing economic structures through its own efforts. Invariably, the modern state cannot satisfy the needs and aspirations of their citizens when acting alone because they are confined to definite territories whereas the needs of their citizens cut across national boundaries. Consequently, the nation-states are forced into a number of independent relations with others. And these sets of relationships are beyond the control of the industrialized states. Once the new relationships have been established, they give rise to the formation of new bodies or agencies that are supra-national in nature to whom the integrating states delegate part of their authority or sovereignty. The supranational body works to satisfy the whole nations involved in the integration process rather than that of an individual state.

The supranational body whose birth was as a result of the economic and technical cooperation of the nations would later assume an independence of the nations and then encroaches upon the responsibilities and powers which were formally within the premise of the national governments that gave birth to it. As a result of this encroachment, the freedom and authority of the cooperating nations are reduced with respect to the issues covered in the integration.

The managers of the supra-national body are drawn from the various nations involved in the cooperation and are isolated and insulated from national competition and political intervention because they represent the conception of common good, and are also free from international conflict. And the supranational entity which they administer is expected to undergo a metamorphosis into a political union with time.

The concept of integration has been used by scholars and statesmen to mean different things at different times. At the formative stage of the European Union (EU), as Lindberg (1963) noted, it meant either political unification or economic and political cooperation. Jacob and Tescano (1964) define the term as the minimal consensus which permits the maintenance of a social order, the functioning

of the system of public and private institutions for the production and distribution of goods and services considered as essential, the recognition of the minimal rights of groups within a system, and the provision of those services necessary to maintain the system and permit its normal growth and change.

Deutsch (1957) speaks of international integration as a process leading to the creation of security community which is based on the assumption that the political leaders of the integrating units and their societies in general cease to contemplate the possibility of mutual warfare; the integrating units ceasing to allocate resources for the building of military capabilities aimed at each other; and the mutual but rigorous observation by the integrating state of certain rules of international laws and bilateral treaties when collective objectives of the integrating states are not in harmony. This of course involves the avoidance of military threats, meeting treaty obligations, avoidance of interference in the internal affairs of the integrating states and the observance of normal diplomatic protocol and etiquette in all transactions and negotiations.

Haas (1964; 1968) sees it as a process whereby political architects in several distinct national settings are persuaded to shift their loyalties, expectations and political activities towards a new centre whose institutions possess and demand jurisdiction or power over existing national states.

The study of regional integration is concerned with explaining how and why states should cease to be completely sovereign; how and why they voluntarily mingle and mix with their neighbours and not lose their factual attribute of sovereignty, while at the same time, they acquire new techniques of solving problems and disputes among themselves. Haas and Schmitter (1964) have argued that the economic integration of a number of nations would automatically lead to a political unity. In their view, the initial step to integration is economic but these have political implications especially as to how much power or national sovereignty is necessary to delegate to the union. And although crises occur over the need to take political decisions, disintegration does not occur. This is because each nation-state sees benefits in abiding by the integration process and penalties in abandoning it.

Haas' analysis also postulates that as pressure groups and business entities gain from the process, they are stimulated to urge that the process be intensified. The pressures generated by the business and interest groups are so much that they bear on the national governments to make further integration. Haas therefore says that "the superiority of step-by-step economic decisions over crucial political choice is assumed as constant" Given all these conditions the progression from a politically inspired common market to an economic union and finally to a political union among state is automatic.

However, the concept of integration has come to mean greater cooperation and unity among nation states in the area of trade and investment, the mobility of human and material resources across national boundaries, defence and security, culture and technology, agriculture and energy production. It is this cooperation and unity in areas of trade and investment and all other areas enumerated above that has come to 'be referred to as globalization or world integration.

Globalization as Kwanshie (1998) pointed out is the process of integrating economic decision-making such as the consumption, investment and saving processes across national boundaries; as the process of creating a global market place in which all nations of the world are participants; and as the shifting of autonomous economies into a global system of production and distribution. As Odozi (1998) rightly noted, globalization is better understood when one considers the ease with which trade and investment transactions take place, coupled with the mobility of capital and technology and the unfettered movement of people across the globe in recent times.

The emphasis of globalization is on the interdependence of people and nations as it involves 'the interchange of ideas, skills, technology and resources within the universal market economy continuously. Thus Olusanya (1998) has described it as a world-wide movement from local to universal socio-economic system aimed at the unification of the world market. And this unification as Fafowara (1998) pointed out is done through trade liberalization, global reduction of tariffs and the opening of new markets. As Kwanashie (1998) also observed, the thing en-vogue over globalization is the interdependence of nations as the world is witnessing a significant level of convergence in development strategies as capitalism gains acceptance in countries, which were centrally planned before now.

Globalization as Kwanashie (1998) views it does not necessarily involve the harmonization or integration of socio-political units but strengthens and promotes existing social and political systems. "It is simply a process of intensified and broadened interdependence among nations". The process simply creates a global market place, which with the development in information technology can be accessed by anyone from any location. The internal laws of nations would still have to operate regulating how individuals or groups would be affected. The process opens up a world of opportunities for business. It links peoples and nations to markets, which were unknown to them, and provides prospect for growth.

As Olusanya (1998) pointed out, globalization involves free trade across national boundaries, privatization of government owned industries, transparency in government, healthy competition among business units, and adequate information for decision making, comparative advantage and elimination of middle men. But Kwanashie (1998) sees the concept to be much

more than what has been expressed by Olusanya (1998) above. It goes on to include the harmonization of the economic rules that govern relationships between sovereign states; the creation of structures to support and facilitate interdependence of sovereign states, and the harmonization of political systems and enthronelement of western culture (democracy) in non-western nations.

Oloyede (1998) was quick in pointing out that regionalism and globalization or globalism, are not the same thing. Globalization in his view refers to the conduct of international transactions in accordance with rules, regulations and procedures establishing the international order or system, and for which global institutions were established to ensure the smooth and orderly functioning of the system. By contrast, regionalism refers to the pursuit of agreed objectives by members of a defined geographic region in the world for which regional institutions are established. Examples of such global economic institutions being the Bretton Woods Institutions, The General Agreement on Trade and Tariffs (GATT) and the World Trade Organisation (WTO). Such institutions as these are established to provide the mechanisms for attainment of the liberal economic order. By contrast the European Union (EU), Economic Community of West African States (ECOWAS) and a host of such others are regional groupings. The conflict over the concept of integration (which now is two dimensional—regionalism and globalism) Oloyede (1998) maintains, centers more on the expression of the concept of integration as a state of affair (as an end in itself), and as a process. As a process regionalism could over time progress to globalization while as a state of affair or as an end in itself, regionalism may veer away from globalism.

Several scholars have advanced reasons for this drive for expansion in world trade or globalization, some advancing Ricardo's theory of comparative advantage ("The Economist", 1998) while several others see this drive for expansion in world trade and investment as necessarily due to the benefits that would accrue to the nations involved. According to Odozi (1998) any nation that embraces the globalization process stands to benefit in the following areas: advancement in technology, new innovations would emerge in it for faster and improved method of delivery of goods and services, capital mobility for domestic investment financing, improved productivity and higher standard of living; international division of labour which would facilitate comparative advantage among business units, better quality products and cheaper goods and services. However some other scholars though acknowledging the benefits of the globalization process see it as being necessitated by the need by the developed nations to cope with the strains imposed on their economies by periods of unstable economic growth (Baron, 1962; Cockcroft, Frank, & Johnson, 1970); other reasons are to keep up profit in the use of capital (Kemp,

1980); to jump tariff walls, secure vital sources of raw materials and markets; and the pressure of surplus capital at home (Magdoff, 1980).

Whatever may be the motives behind the globalization process, it is believed that it aims at fostering sustainable growth and development in all nations of the world. And a successful globalization would be impossible without the involvement of the various governments of the nation—states. The governments are needed not only to develop the needed markets and to build the supportive infrastructural facilities, which would be extremely difficult for the business units to undertake, but also to secure and protect opportunities for foreign investment and free trade ("Business Week", 1999) and the elimination of trade rivals for domestic firms and regional groups where possible. ("The Economist", 1999; "Business Week", 1995). The various national leaderships or governments are expected to institutionalize democracy and evolve national policies that are conducive to foreign investment ("Times", 2000). The governments are also expected to deregulate their national economies if such had been centrally planned; privatize and commercialise the activities and services of government owned companies ("The Economist", 1995a; 1995b).

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## 2. ECOWAS AS AN AGENT IN THE GLOBALISATION PROCESS

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The extent to which the ECOWAS as a regional bloc has been able to influence the provision of:

- Basic infrastructure within the region
- Political stability, peace and security within the ECOWAS sub-region
- Efficient clearance and settlement system for all financial obligations
- Negotiate trade and investment deals with other regional blocs and non-ECOWAS members on behalf of the ECOWAS members since its inception will be examined to determine whether the regional integration is an agent or an impediment to the globalization process.

### 2.1 ECOWAS and the Provision of Basic Infrastructural Facilities

For the various nations or the world to benefit optimally from the globalization process, they are expected to provide the necessary infrastructural facilities that would support the globalization process, especially in the areas of trade investment, communication and industrial production. Their governments are advised to seek financial assistance from international financial institutions, and from the developed nations for the provision of their basic infrastructural facilities.

Since the financial aids for the provision of these infrastructural facilities are hard to come by, one expects that the ECOWAS as a regional economic and political

group would help the various nations in the sub-region to cooperate with one another to jointly provide these facilities, and also secure the assistance of other regional blocs and donor nations to attract funds to the region for development purposes.

The ECOWAS as a bloc has been able to encourage the various nations in the bloc to cooperate with one another in this regard. Trans-West African highway is being built to link the various West African nations. A technical group has been set up by ECOWAS recently to facilitate the establishment of the West African Telecommunications Regulators Association (WATRA) (ECOWAS, 2001, p.33). The group comprises Benin, Ghana, Mali, Nigeria and Senegal.

The African Telecommunication Union (ATU) and the African Connection Centre for Strategic Planning (ACCSP) set up by the African Ministers of Telecommunication). The major objective of the WATRA is to establish a single liberalised Telecommunications market with a teledensity of at least 30% by the end of 2006. The idea of establishing the WATRA is in recognition of the sub-regional initiative to meet the challenges posed by the globalization process, and the need to encourage a harmonized and unified approach to telecommunications development in Africa.

The ECOWAS has also been able to foster cooperation amongst the West African nations for the development of the West African Power Pool (WAPP) to promote the efficient use of the energy resources of the region through the integration of their power grids and joint development of energy sources (ECOWAS, 2001, p.32).

The ECOWAS has been able also to get the member states to develop an industrial policy (ECOWAS, 2001, p.19). The new Community Industrial Development Policy (CIDP) will help address the deficiency of the industrial development cooperation adopted in 1983 by the ECOWAS Heads of State and Governments which would help provide a framework for the elaboration and implementation of programs to promote industrial development in the sub-region

## **2.2 ECOWAS and Security in the ECOWAS Sub-Region**

Trade and investment needs stable political climates to flourish. Investors shy away from nations and regions with unstable and volatile political climates as such areas are threats and destructive to investments and personnel. To create a conducive political climate in the West African sub-region in order to attract foreign capital and investment to the region, the ECOWAS created an intervention and peace enforcement force—the ECOWAS Monitoring Group (ECOMOG) with the mandate to intervene in troubled regions in the ECOWAS sub-region and to restore peace and security in the region.

The ECOMOG was sent to Liberia and Sierra Leone, Guinea and the Mano River Union (MRU) region. The ECOMOG has successfully brought peace to Liberia by

intervening in the nation's political crises. It has also been able to restore peace in Sierra Leone and on 1,5 May 2001 met in Freetown, the Sierra Leonian capital to fashion out a time table for the implementation of the Disarmament, Demobilization and Reintegration (DDR) programme of the country's peace plan (ECOWAS, 2001, p.45).

The ECOWAS has also established an Ambassador of Mediation and Security Council (AMSC) as the principal organ for the resolution and prevention of conflicts in the sub-region (ECOWAS, 2001, p.58). The council which operates at three levels- Heads of State and Governments; Ministers, and Ambassadors is made up of Benin, Cote d'Voire, The Gambia, Guinea, Mali, Nigeria, Senegal and Togo.

Besides the AMSC, the ECOWAS has set up a committee of three presidents comprising Presidents Alpha Konare of Mali, Olusegun Obasanjo of Nigeria and Gnassingbe Eyadema of Togo to facilitate the resolution of the crisis within the Mano River States of Guinea, Liberia and Sierra Leone (ECOWAS, 2001, p.37). And the French Foreign Affairs Minister in his visit to Nigeria on 28 June 2001 promised French assistance and support for the ECOWAS integration and peace-keeping efforts especially in its effort to restore peace and security in the Mano River Union states (ECOWAS, 2001, p.60) (ECOWAS, 2001, p.02) and the ECOWAS Heads of State and Government has been holding extra-ordinary meetings to discuss the political and security issues affecting the sub-region (ECOWAS, 2001, p.36, 17, 58, 45)

These peace efforts are necessary to usher in civil societies in the region as these are very important to successful regional integration and the globalization process (ECOWAS, 2001, p.48) As the ECOWAS Executive Secretary Lansana Konyate remarked, African leaders must take the civil society along if the integration is to be achieved on the continent.

## **2.3 ECOWAS and the Provision of Efficient Financial Clearance and Settlement System in the ECOWAS Sub-Region**

The ECOWAS has done a lot to facilitate an efficient clearance and settlement system for all financial obligations within the sub-region, and with non- members. It has introduced a travelers' cheque for the region, and established the West African Monetary Institute (WAMI). The WAMI is charged with the duty of establishment of the West African Central Bank (WACB) that would commence operation in 2003. The WAMI is therefore a transitional institution and is made up of the non-CFA France ECOWAS member states—the Gambia, Ghana, Guinea, Nigeria and Sierra Leone (ECOWAS, 2001, p.06) (ECOWAS, 2001, p.64). And the various central bank governors have been meeting for the effective take off of the West African Monetary Zone (WAMZ) (ECOWAS, 2001, p.66). Recently, the WACB invited entries for the name to be given the currency of the WAMZ. And

to facilitate the smooth take off of the WAMZ the International Monetary Fund (IMF) has pledged to assist the ECOWAS (*ECOWAS*, 2001, p.43). When the West African Monetary Zone (WAMZ) becomes fully operative, it would facilitate all financial transactions in the region, and between the region and other regional blocs; and non-ECOWAS members.

#### **2.4 ECOWAS and Negotiation of Trade and Investment Deals for the ECOWAS Sub-Region**

The globalization process involves free trade and investment across national boundaries. The various regional economic blocs want their sub-regions to be centers for the globalization process, to attract funds and investments away from all other regions into their regions. Thus the regional groups have become power houses for the negotiation of trade and investment into the regions. The European Union (EU) has been able to negotiate trade and investment deals with the African, Caribbean and Pacific (ACP) countries, through the Lome Conventions. Has the ECOWAS been able to do this for its members? The answer is not in the negative.

The ECOWAS has been able to discuss with the MERCOSUR—an economic group of Latin America comprising Argentina, Brazil, Paraguay, Uruguay, Bolivia and Chile (*ECOWAS*, 2001). The ECOWAS and MERCOSUR met on 17 May 2001 and agreed on areas of cooperation. As the executive secretary of the ECOWAS Lansana Konyate observed, the south—south cooperation was necessary before their incorporation into the global economy.

The ECOWAS has also held several meetings and negotiations with the World Bank. And in one of such meetings, the World Bank Vice President for Africa Callisto Madavo said that the World Bank will continue to provide support for regional projects such as the West African Gas Pipeline for producing clean energy, and developing the sub-regions infrastructure and human resources.

The World Bank has been of great help to the ECOWAS in the harmonization of economic and financial policies of the sub-region and in the implementation of the liberalization of the air transport sector of the West African sub-region and the power pool programme. The World Bank is also expected to finance the construction of the 330 mkv transmission line linking Nigeria and Ghana (*ECOWAS*, 2001, p.50).

ECOWAS has also successfully negotiated the financing of the ECOWAS Statistical Development Programme (ECOSTAT) with the IMF. The agreement was signed on 9 March 2001 in Abuja. The ECOSTAT will help in the formulation of a strategy on statistical development and provide for a common statistical framework for the surveillance mechanism in the sub-region, improve quality of external trade statistics, strengthen ECOWAS' institutional capacity, as well as improve the coherence between the ECOWAS and the Economic Union of West Africa (UEMOA).

Specific activities, systems, preparation and adoption of a harmonized framework of national accounts, harmonization and the production of consumer price index; as well as data collection and dissemination of external trade statistics (*ECOWAS*, 2000, p.23).

And the ECOWAS has signed a cooperation agreement with the International Committee of the Red Cross (ICRC) under which both are to cooperate in eight specific areas in furtherance of their common interests (*ECOWAS*, 2000, p.16). Similar agreement has been signed with the Food and Agricultural Organisation (FAO). The FAO pledged to work with the ECOWAS towards harmonizing legislations and regulations, coordinate and integrate institutions dealing with agricultural matters; and cooperate to get financial assistance to implement common programs and fight hunger as food security is very important if the ECOWAS has to maintain a stable political climate (*ECOWAS*, 2000, p.40).

### **3. CONSTRAINTS ON ECOWAS AS A VEHICLE IN THE GLOBALIZATION PROCESS**

Though the globalization process after increasing promises of economic growth and development, it imposes a great deal of challenges to the regional integration especially the integration in the less developed regions of the world. Of particular importance is the ECOWAS region. There is no doubt that this part of the world stands in a weak position to benefit from the globalization process as a result of a number of factors peculiar to the sub-region:

- Poverty and foreign debt burden endemic in the region
- Inferior levels of technological development as reflected in the low level of industrial output and reliance on imports from other sub-regions
- Volatility of the financial markets which raise the problems of stability of the financial system in general and capital flight in particular.
- Ethnic crises which often result into full scale national and international crises in the region which if checked at the onset would not have been problems.
- The absence of multinational of West African origin.
- Absence of good governance, and the supportive democratic ideals, poverty, ethnic wars, political crises of West African region.

The ECOWAS sub region is poor compared with other regional groups. This poverty has prevented the nationals of sub-region to establish and successfully manage multi-national corporations capable of exploiting the opportunities provided by the globalization process.

Of the known one thousand multinationals (Global 1000), none is of West African origin (*Business Week*, 1991). A country by country categorization of the multinationals as at 1991 appeared thus:

Country	No of multinationals
Australia	15
Austria	3
Belgium	10
Britain	94
Canada	25
Denmark	6
Finland	1
France	20
Germany	39
Hong Kong	15
Ireland	1
Italy	19
Japan	309
Malaysia	2
Nether lands	13
New Zealand	1
Norway	1
Singapore	4
South Africa	6
Spain	13
Sweden	17
Switzerland	11
USA	359

Source: *Business Week*, 1991.

The Global 1000 ranking excludes companies from countries where stock markets are largely closed to foreign investors and where major corporations are often privately owned. Many of these companies are significant global competitors and the list below includes those companies where the annual revenues for most of the years are a little above one billion (US) dollars. They are:

Country	Number of multinationals
South Korea	37
Taiwan	10
Mexico	7
Brazil	3

Sources: *Business Week*, 1991.

It is clear that none of these 1000 global companies is of West African origin. Only six are from South Africa and had been established during the apartheid rule in South Africa by the African Europeans. If the West African sub region has multinationals with solid asset bases, the ECOWAS should have been of great asset to them in competing globally with those of other sub regions.

The problem of the ECOWAS as an institution is therefore inability to support and motivate local

entrepreneurs in the sub region to either individually or jointly establish global companies that would exploit the opportunities provided by the globalization process. Rather it encourages foreign investors to come into the ECOWAS sub region to invest without devising ways of encouraging our local investors to invest abroad through multinationals of West African origin. One expects that the ECOWAS as an institution should negotiate with the developed nations for debt cancellation of the debts of the West African nations: negotiate better pricing deals for the products from the region at the international market, especially the price of cocoa beans; campaign for an end to the illegal exploitation of the resources of the sub-region by foreign nationals; wade into ethnic and national political crises before they become full blown conflicts as wars are threats to trade and investment; and create institutions that would encourage the nationals of the sub- regions to actively get involved in the economic process of not just the members but of none member nations. The inability of the ECOWAS as an institution to do this has resulted to the poor capital formation for the government and nationals of the region thereby resulting in the inability of the nationals of the region to actively participate and benefit from the globalization process. The deregulation and privatisation of government owned companies within the sub-region is mainly for the wealthy foreign investors. Only very few nationals of the various countries in the sub-region are actively involved in the exercise due to poverty

#### 4. SUMMARY AND CONCLUSION

The globalization process has come to foster trade and investment world-wide and to help break down the barriers against free trade and investments globally by making the regional blocs the spring boards for the integration of their regions with the global economy. And each regional bloc competes with one another for excellence in this regard. The regional economic blocs have thus become vehicles in the globalization process. In regions where political and or security groups are available as the North Atlantic Treaty Organisation (NATO) they are used for the maintenance of peace and security in the region as this is vital for trade and investments. Where they are lacking, the regional economic groups make provisions for their emergence as the ECOWAS and the South African Development Commission (SADC) have done.

From the discussion above, it is evident that the ECOWAS as a regional economic and political group is a vehicle in the globalization process. It has helped the nations within the sub-region to provide basic infrastructure needed for the development of the sub-region. These infrastructural facilities are necessary for the globalization process. It has also been able to negotiate with other regional blocs and international financial organizations in funding some of the investments in the region.

The ECOWAS has worked hard to maintain peace and security in the sub-region through its military outfit-the ECOMOG. And the ECOMOG has been endorsed by the United Nations Security Council (UNSC) as a regional security organization in the ECOWAS sub region and lends its support to the ECOMOG operations in the region. Peace and security are very essential for trade and investment worldwide.

The ECOWAS has established efficient clearance and settlement system for all forms of financial transactions between the ECOWAS members, and between the ECOWAS and other regional blocs or non- member states through the establishment of the WACB, WAMZ and a host of other measures designed to facilitate financial transactions in the region.

The regional bloc has also been able to enter into negotiations with other international agencies to attract funds for investment in the region on behalf of the ECOWAS members. However, the ECOWAS as a regional economic group has not been able to influence investment by the nationals of the ECOWAS region in other nations due to the poverty level in the region and the underdeveloped nature of the region unlike other regional blocs. "The young nature of the ECOWAS may have also contributed to this failure. The ECOWAS is the youngest regional economic bloc."

Finally, the ECOWAS has not been able to influence investment by nationals of the sub-region in other regions because of the absence of multinationals of West African origin. Of the one thousand multinational corporations known worldwide, only about five are of African origin and none is of West African origin.

The poverty endemic to the West African sub-region are traceable to heavy debt burden of the nations in the region, low commodity pricing of their products, lack of access market for some of the products from the sub-region, adverse weather conditions, ethnic wars and political crises; capital flight and irresponsible political leadership. Besides these shortcomings, one can rightly say that the ECOWAS as a regional economic and political group is indeed a vehicle in the globalization process

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## 5. RECOMMENDATIONS

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For the ECOWAS to perform creditably well as an agent in the globalization process there is the need for the regional bloc to address the issue of poverty in the region and the issue of foreign debt burden. These could be done by ensuring that the various national governments devote at least 30% of their national budget to education, as education is the easiest way of eradicating poverty in a region. This will also help to produce the needed manpower for the globalization process especially in the production of skilled manpower in science and technology. And the foreign debt burden can be addressed by the ECOWAS as a regional bloc by asking that the

creditor nations cancel the debts of the West African nations as this creates untold hardship to the peoples of the region.

The problems of inferior levels of technological development in the West African sub-region can be addresses by the ECOWAS by insisting that the developed nations and foreign investors interested in investing in the ECOWAS sub-region relocate some of their manufacturing plants from Europe and America to the West African sub-region. A situation where the relocation is within Europe, America, Asia and Latin- America only leaves the West African sub-region permanently as produce of basic industrial raw materials and not processor and producer of finished products unless the situation is reversed the west Africa sub- region will not benefit from the globalization process and the attendant acquisition of technology.

The problem of the volatility of the financial market with its attendant problem of financial instability in' the West Africa sub-region can be addressed by the ECOWAS by adopting a political solution to the financial problems of the region. The exchange rate for the West Africa nations' currencies should not be left to the market forces of demand and supply only. Europe and America have always determined the exchange rate of their currencies by political means. Turns and twists in political events in Europe, Asia and America are followed by changes in the exchange values of their currencies. Only those of West African nations are allowed to be determined by market forces outside West Africa. Thus Europe, Asia and America would always insist that the ECOWAS states devalue their currencies as a condition for direct foreign investment in the region. If the ECOWAS states should revalue their currencies in such a way that they are as strong as the dollar or pound, Europe and America would not invest in West Africa, and our politicians who deposited their funds in Europe and American may be tempted to return their loots to the West African sub-region. The ECOWAS needs it take a political approach to the financial market problems of the region.

Ethnic crises and wars which have torn the West African sub-region apart are instigated by foreigners who want to create markets for their weapons and foreign businessmen who want to exploit the natural resources of the region illegally and forcefully. They always find ready indigenous collaborators to arm so as to start ethnic crises and create the opportunity for them to come into the region to exploit the natural resources.

The ECOWAS through the ECOMOG should wade into national crises at their inception and nip such crises in the bud and liaise with the United Nations to set up an agency that can prevent the illegal exploitation and exportation of mineral resources from war torn nations within the ECOWAS region.

The ECOWAS should also call on national governments to adopt policies that would engender democracy in the ECOWAS region. Some of the ethnic crises are results of



domestic political repression, exclusion from the political process and inequitable allocation of national resources.

Finally, the ECOWAS should encourage local investors in the region to pool their resources together and jointly establish multinationals corporations that can compete favourably within and outside the region with foreign multinational. The multinational corporations are the most active actors or participants in the globalization process. No nation can benefit tremendously from the process if it has no multinational corporations of its own origin.

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