



## GLOBAL ECONOMIC SYSTEM AND ECONOMIC INTEGRATION IN WEST AFRICA: A STUDY OF ECOWAS

**Prof. Frank-Collins N. Okafor**

*Department of Political Science, Nnamdi Azikiwe University, Awka, Nigeria*

**Agu Vincent Enyi**

*Department of Political Science, Nnamdi Azikiwe University, Awka, Nigeria*

*Corresponding author: \*Agu Vincent Enyi  
Email: unclevincentagu@gmail.com*

### ABSTRACT

The global economic system represents a trend in the contemporary global economic order that is anchored on the liberalization of trade as it affects economic interactions among states across the globe. This paper examines this trend of the contemporary global economic system with a view to ascertain its impact on ECOWAS efforts towards integration in the West African sub-region. The paper argues that there is a relationship between the contemporary global system and the achievement or otherwise of ECOWAS objectives. This relationship lies in the trend and nature of the neoliberal global economic order that is pro-West, as championed by the United States and her Western Allies through the instrumentality of the Bretton Woods Institutions (International Monetary Fund (IMF) and World Bank), Multinational Corporations, World Trade Organization (WTO) and other similar institutions that have confined the states in the West African sub-region to dependent status, and the effects of this order on ECOWAS drove economic integration. In probing the proposition, the paper relies extensively on the qualitative approach of documentary sources of data generation and contents analysis as an analytical tool, while the integration theory of neo-functionalism serves as the explanatory framework underpinning the logic of the free trade mechanism of liberalization driven economic integration. The paper finds out that the unequal trade relationship and the anarchical nature of the neoliberal free trade order of the contemporary global economic system serve as the lubricants that oil the hub around which other issues of adversity of ECOWAS revolve. This paper, among others, canvases for global economic democracy as it recommends that there is a dire need to renegotiate for better terms of trade in favor of Africa and equitable representation of Africans in the IMF, World Bank, WTO, and other similar institutions.

### KEYWORDS

*Global Economic System, Neoliberalism, ECOWAS, Economic Integration, Liberalization.*



## Introduction

The Economic Community of West African States (ECOWAS) was created on 28<sup>th</sup> May, 1975 with the primary aim of attaining sustainable economic development and self reliance through regional economic integration that is centered on practical approach in tackling the socio-economic adversities of the sub-region that is symbolized by poverty, underdevelopment, political instability, conflicts and dependency. According to ECOWAS Treaty (1975):

the aims of the community are to promote cooperation and development in all fields of economic activity particularly in the field 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 peoples, of increasing and maintaining economic stability, of fostering closer relations among its members and of contributing to the progress and development of the African continent.

The objectives enunciated above are indication that the initiative for the creation of ECOWAS was a responsible response to the sub – regional developmental challenges. Therefore the founding fathers of the ECOWAS coalition by their foresight, many observers have concluded, must be viewed as having demonstrated vision and quality leadership that were most desirable.

However, it is disheartening to note that despite this vision and efforts of ECOWAS in the last forty six years, the organization as a regional coalition has little to show in terms of success and genuine economic integration in relation to the achievement of its lofty objectives. Put simply, several decades after its formation and the signing of the 1975 Treaty, establishing ECOWAS as a regional body, the objectives of promoting cooperation and integration in order to create an economic and monetary union for the purpose of stimulating economic growth and development has remained consistently elusive.

It was in view of this apparent stagnation and slowness in the achievement of its objectives that the 1975 Treaty had to be revised, just as other modifications were introduced in July, 1993. Indeed, the revision in 1993 marked an important change in both the structure and character of West African cooperation. Aryeetey (2001) pointed out that there was a shift to a more “*people centered organization as opposed to the overly bureaucratic inter-governmental agency of the past*”. The revised treaty, ECOWAS Treaty (1993) contains the following critical subject:

- The introduction of the principle of supra- nationality in the application of decisions.
- The creation of supra- national institutions of control and arbitration in the application of decisions such as the West African Parliament, the ECOWAS Court of Justice which primarily interprets and mediates disputes over ECOWAS policies and relations.

The revised treaty also sets out goals of a common economic market and a single currency for the sub-region through liberalization of trade, removal of all impediments to free mobility of factors of productions as well as harmonization of national economic and fiscal policies of member states

With these objectives set out in the 1993 Treaty by ECOWAS, the people of West Africa had hoped that the community will significantly ameliorate their socio-economic and political problems of underdevelopment, poverty and external dependency, exemplified in low real income, poor health prospects, widespread malnourishment, infrastructure breakdown, insecurity and breakdown of political and social institutions. Yet, evidence on ground has shown that “*the performance of ECOWAS has been less impressive*” (Adetula, 2009).

There were several other far reaching adjustments on the ECOWAS treaty, and protocols in the late 1990s and in the new millennium in a bid to put the organization on the path of success. Such adjustments and modifications include the Treaty and Protocol obligations such as the preventive measures relating to the Mechanism for Conflict Prevention, Management, Resolution, Peacekeeping and Security of 10 December, 1999; international cooperation obligation which provides an international framework for improving mutual law enforcement assistance within West Africa and with other parts of Africa. There is also ECOWAS protocol on

the Fight Against Corruption of 21 December, 2001 which obliges states to adopt the necessary legislative measures to criminalize active and passive bribery in the public and private sectors; illicit enrichment, false accounting, as well as acts of aiding and abetting corrupt practices. Equally included in these initiatives, modifications and adjustments was the adoption of the Strategic Plan (2020-2024) of the Fifth Legislature of ECOWAS Parliament in 2021 for a more assertive directly elected Community Legislature with a measure of legislative powers, etcetera.

All these aforementioned strides, notwithstanding, ECOWAS integration objectives have not been fully realized. ECOWAS has indeed remained more like a “crawling baby” with minimal impact in spite of its lofty objectives and years of existence. While the EU citizens move freely and transact business across national boundaries with common currency with ease, movement of ECOWAS citizens within the sub- region is still restricted. Similarly, while the EU has stirred the economy of its members to prosperity, the West African sub-region is still rated as the Least Developed Countries in the world by the United Nations.

Existing literature on ECOWAS have focused on the internal (domestic) realities of the subregion as the basis of the ECOWAS woes. The central arguments of most scholars is that the bulk of the ECOWAS challenges dwell on the condition of the subregion as a reflection of economic crisis and poor condition of governance as a catalyst to instability and misery. The underlying argument is that with good economy and right governance, the fate of ECOWAS and indeed the subregion would assume the desired positive dimension.

However, while these propositions cannot be disputed, it is important to note that the socioeconomic cum political condition of the subregion is not entirely the product of the domestic environment of the states of the subregion. The nature and features of the global economy under which the states of the subregion operate are cardinal to the issue of existence in the subregion as these principally affect every facet of the prevailing order of things in the subregion including institutions of statecraft as well as such other bodies like ECOWAS. There is currently minimal analysis in existing literature of the impact of the global economic system on ECOWAS driven economic integration. This research addresses this gap in literature by examining the global economic system with a view to ascertain the impact of the neoliberal pro-West global economic order on ECOWAS efforts toward economic integration in the sub-region. To this end, the study explores ECOWAS and the trend of the pro global north economic order as championed by the United States and her Western Allies through the instrumentality of the Bretton Woods Institutions (International Monetary Fund (IMF) and World Bank), Multinational Corporation, World Trade Organization (WTO) and other similar institutions in order to ascertain whether there is a relationship between the contemporary global economic system and the achievement or otherwise of ECOWAS objectives. In other words, this paper examines the place of the West African sub-region in the light of the trend that defines the nature and features of the contemporary global economic system with special focus on the impact of this global economic order on ECOWAS pursuit for development through economic integration in the sub-region. It is against this backdrop that the following questions become pertinent. What are the effects of the trend that defines the contemporary global economic system on ECOWAS efforts towards economic integration in the West African sub-region? Is the contemporary global economic system the hub around which other conditions of adversities vis-à-vis problems of ECOWAS in the sub-region revolve?

In response to these, this paper is organized into: introduction, discourses on conceptual issues, theoretical and methodological considerations, global economic system and the contemporary socio-economic cum political profile of the West African sub-region, economic integration in West Africa vis-à-vis ECOWAS efforts: challenges, conclusion and recommendations

### **Discourses on Conceptual Issues**

Economic interaction among community of states and non-state actors is not a recent phenomenon. However, it is important to point out that for every age or era, there is always a peculiarity that defines the trend of the global economic order arising from the economic interactions among states and non-state players.

Global economic system depicts a trend in the contemporary global economic order arising from the liberalization of trade, finance and investment as championed by the United States and her Western Allies

through the instrumentality of the Bretton Woods Institutions (International Monetary Fund (IMF) and World Bank), Multinational Corporation, World Trade Organization (WTO) and other similar institutions. The contemporary global economic system is an emerged current global economic order that is centered on demand and supply mechanism of free market and investment principles that steams from neoliberal tradition. Thus, neoliberalism is the defining feature of the contemporary global economic system. Neoliberalism as the bedrock of the contemporary global economic system is a politico-economic order that is hinged on economic liberalization that is associated with free trade, privatization, deregulation of capital market, globalization, elimination of price control and reduction or removal of states(governments) influence on their economies (Taylor and Gans-Morse, 2009). Economic liberalization, in this context, refers to reduction and or removal of government restrictions on international trade and free market capitalism(Bloom, 2017). It comes with the breaking down of national economic barriers, international spread of trade, finance and production activities amid the growing influence of transnational institutions and international financial institutions.

As the focal point of the contemporary global economic system, Khor (2004:2) pointed out that, economic liberalization of national economies:

Involves breaking down national barriers to economic activities resulting in greater openness and integration of countries in the world market. In most countries, national barriers are being removed in the area of finance and financial market, trade and direct foreign investment.

From the submission above, we can deduce that neoliberalism, as concerns economic liberalization trend of the contemporary global economic system, represents measures towards global economic integration. The underlying motive for liberalization, in line with the neoliberal economic theories, is the notion of accruable benefits to economic liberalization which include overwhelming catalogue of gains of economies of scale, expanded market and greater advantages in joint management of scarce resources for the well being of all arising from the size of the market. Neoliberals argue that free trade that comes with liberalization promotes economic growth, reduces poverty, produces gains of trade like lower prices as a result of comparative advantage and also maximizes consumer choice (Brad, 2017). It is on the strength of the notion of the benefits accruable to economic liberalization that liberalization, as a trend of the contemporary global economic system, has swept across the world as virtually all countries are affected in one way or the other (Smith, 1994). Apart from spreading round the world as championed by the United States and her Western Allies, liberalization today has even assumed regional and sub-regional dimensions in the form of the spread of regional economic integration arrangements. It is, therefore, not out of place to aver that liberalization is the driving force towards economic integration even along regional and sub-region lines. This trend thrives on the notion that liberalization driven economic integration comes with benefits and it is, indeed, on this premise that the quest for economic integration relatively across the globe is sustained even as it affects the emergence of divergent regional/sub-regional economic integration arrangements (Etete, 2012:23). The emergence and operations of regional/sub-regional economic integration blocs such as the European Union (EU), Economic Community of West Africa States (ECOWAS), Southern Africa Development Community (SADC), Economic Community of Central African States (ECCAS), East Africa Community (EAC) etc are, by and large, the products of the precept of the accruable good that is associated with the neoliberal principles of reduction or removal of all forms of barriers (tariff and non-tariff) to free movements of capitals, goods and services across nations. Thus, economic integration as a regional/sub-region arrangement is the offshoot of the liberalization trend that defines the contemporary global economic system and as such is driven through the neoliberal principles of economic liberalization. For instance, the theoretical framework for ECOWAS economic integration programme was predicated on the ECOWAS Trade Liberalization Policy as reflected in Chapter 8, Articles 35, 36, 37 & 38 of the ECOWAS Revised Treaty which amongst others is hinged on gradual elimination of tariffs and other obstructions/barriers to trade, investment, movements of capitals, goods and services between and among member states. By implication, the policies and principles that guide economic integration through regional economic blocs are rooted in the neoliberal principle of the advantages associated with economic liberalization. Hence, economic integration, according to Balassa (1976), encompasses measures “designed to eliminate discrimination between economic units that belong to different national states for common good”.

## Theoretical and Methodological Considerations

This work is anchored in the integration theory of neo-functionalism. The theory focuses on liberalizing movement of goods, capital and persons. According to Ganeshalingam (2001), functionalism is a theory of integration in a process by which countries remove barriers to free trade. Pioneered by Ernst Bernard Haas (1968), the main thrust of neo-functionalism lies on its emphasis on economy and socio-political identity of states. Haas (1968:16) conceived of integration as a product of transactions across borders. Haas, according to Keohane (2005), “*realized that traditional European politics could be dramatically changed by liberalizing movement of goods, capital and persons.*” By implication, neofunctionalism focuses on economic liberalization, hence its emphasis on removal of barriers to free trade. The theory assumed a decline in importance of nationalism and the nation state as affect protectionist postures to free trade. It lays emphasis on the ideals of pursuit of objectives that are best satisfied by the political and market integration at a higher supranational level.

Given the aforesaid, there is glaring linkage between the theory and the neoliberal free trade order of the global economic system as it affects economic integration and ECOWAS as a supranational organization. This linkage provides a veritable theoretical framework for examining the neoliberal global economic system and ECOWAS efforts towards economic integration in West Africa.

The data for this study are generated mainly from empirical documents which include official documents sourced from the ECOWAS website, text books, journals and internet materials. *Content analysis*, therefore, forms the basis of the method employed for data interpretation and analysis

## Global Economic System and the Contemporary Socio-Economic Cum Political Profile of the West African Sub-Region

The global economic system is the sum total of the trend of economic interactions among states and non-state actors that give shape and form to global economic order at a particular era. As noted earlier, Economic interaction among community of states and non-state actors is not a recent phenomenon. For every age or era, there is always a peculiarity in economic interactions among international actors that give meaning to such interactions along a particular order. The contemporary global economic system is one that is anchored predominantly on the principles of neoliberalism. Neoliberalism, as also noted earlier, is generally associated with the policies, measures/principles of economic liberalization, including privatization, deregulation, free trade, common market, reduction or removal of barriers to trade such as tariff and non-tariff barriers, right to foreign investment, free movement of capitals, goods and services.

The foregoing explained the meaning and trend that depict the contemporary global economic system. While the neoliberal economists claim that the contemporary global economic system that is rooted in neoliberalism is ideal for economic development as has been seen in the case of the European Union (EU), contemporary evidence has shown an increasing disillusionment among policy makers in the global South with regards to the adversities associated with the trend of the contemporary global economic order (Khor, 2004). For Smith (1994), liberalization is not advantageous to every nation. According to him, “some categories of countries gain, while others lose in spite of the publicized claims and advocacy by neoliberal economists that liberalization is most ideal to achieve economic growth”. In the words of Clairmont (1996), policies of neoliberalism as concerns economic liberalization benefits wealthier countries such as the United States and developed countries of Europe at the expense of poor countries. Clairmont contended that a major feature of the contemporary global system as fostered through liberalization is the growing concentration and monopolization of global economic resources and power by developed countries through transnational corporations and global financial institutions and fund. In practice, according to him, the policies of liberalization are being used by corporations from wealthier countries to exploit workers from poorer countries. He maintained that neoliberalism as the core of the liberalization drive of the contemporary global economic system bears the seed of capitalism. Hence, it is bent on profit maximization and capital accumulation. Neoliberalism, to that extent, is seen as a means towards exploitation of Third World countries and as such it is a modern version of colonialism as it affects developing countries including countries of the West African sub-region. As a means toward the sustenance of modern colonialism (neocolonialism), liberalization, according to Clairmont, is capitalist driven. Thus, capitalism is the propelling force behind neoliberalism for the sustenance of

neocolonialism at the expense of developing nations. This has been established as a major factor to the underdeveloped status of the West African sub- region. Andre (1989) argues that the export of capitalism by the west to other parts of the world and its resultant colonialism and subsequently, in modern time, neocolonialism is responsible for the underdevelopment and dependency of the Third World. Capitalism is driven by the quest for profit maximization. The quest for profit maximization, Andre argued, compelled the Europeans to search for cheap raw materials, cheap labour, and market for their finished goods and this is what neoliberalism stands for in modern time. Hence, the insistence of the West on the pro European economic liberalization involving free trade, wider common market and minimal or non- government interference on the international flow of goods, investment, services and capital. A pro West integration of global market without recourse to its implication on the Third World countries, Andre maintained is nothing short of continuation of colonialism through other means. For Andre, this trend is nothing short of sustenance of the vestiges of colonialism through other means.

From the aforesaid, it is not out of place to aver that capitalist accumulation of wealth is the motivation for neoliberalism as the propelling force of the contemporary global economic system as it affects the global North. On this capitalist accumulation of wealth and the quest for a wider market, Ake (1979) submits:

*The contradictions of capitalism not only transformed it, they also transplant it. The transplanting of capitalism arises from those contradictions which reduce the rate of profit and arrest the capitalization of surplus value. Confronted with these effects, it was inevitable that the capitalist, forever bent on profit maximization, would look for a new environment in which the process of accumulation could proceed apace. Capitalists turned to foreign land, attacked and subjugated them and integrated their economies into those of the Western Europe.*

This is most likely why V.I. Lenin maintained that imperialism is the highest stage of capitalism. Capitalism and neo- capitalism led to the incorporation of the economies of the colonized people into the world capitalist economic system at a subjugated position. This produced two consequences in the world – development in the industrialized capitalist states and underdevelopment as well as dependency in the colonized or Third World countries. This trend according to Elton, Adeboye and Aghemelo(2017) defines the contemporary capitalist global economic system that is rooted in neoliberalism. Elton et al.(2017:2) succinctly x-rayed the contemporary global economic system when they pointed at the dark side of humanity thus:

*Man has always exploited his natural environment in order to make a living. At a certain point in time, there also arose the exploitation of man by man, in that a few people grew rich and live well through the labour of others. Then a stage was reached by which people in one community called a nation exploited the natural resources and the labour of another nation and its people. One of the common means by which one nation exploit another, and one that is relevant to Africa's external relations is exploitation through trade. When the terms of trade are set by one country in a manner entirely advantageous to itself, then the trade is usually detrimental to the trading partners.*

Beaming more light on this, Carin and Fantu (2008) write:

*To be specific, one can take the export of agricultural produce from Africa and import of manufactured goods into Africa from Europe, North America, and Japan. The big nations establish the price of the agricultural products and subject these prices to frequent reductions. At the same time the price of manufacture goods is also set by them, along with the freight rates necessary for trade in the ships of those nations. The minerals of Africa also fall into the same category as agricultural produce as far as pricing is concerned. The whole import/ export relationship between Africa and its trading partners is one of unequal exchange and of exploitation.*

Africa's trading partners, the bulk of which are the capitalist Europe, Andre (1989) asserted, represent the "centre" of development, while Africa which suffered colonialism and indeed presently under the yoke of neocolonialism like other Third World nations constitute the "Periphery". Andre believes that the periphery feeds and nourishes the centre with its cheap labour and cheap primary commodities (cocoa, cotton, palm oil, rubber, groundnut, crude oil etc), while the centre stagnates and under develops the periphery with its capitalist greed, export of expensive finished goods, unfavorable terms of trade and exploitative international politico-economic capitalist policies and institutions such as the IMF and the World Bank

Affirming this fact and describing the state of affair in Africa, Nyikal (2005:1) submits:

*I painfully agree that living conditions are worse now, but reiterate that colonialism is not over as such. There is merely a new form of colonialism, by the same western countries, masked under the pretext of economic support and assistance for Africa, directly enforced or institutionalized in the World Bank, the International Monetary Fund (IMF) and the World Trade Organization (WTO). The policies enforced on poor African countries through these organizations have chained Africa to continued dependence on western economies for mere subsistence, by preventing self help to the continent's economic problems. Moreover, the same policies seem to favour a trade imbalance to the already wealthy western economies over the struggling ones in Africa.*

The West African sub-region being part of Africa is a victim of this order. Hence, the pressure of this capitalist global economic system has saddled most of the states in the sub- region with debt burden. This debt burden is mostly the offshoot of the supposed financial assistance from the IMF and the World Bank which most times come in the form of loans, to alleviate the depressed economic state of the sub- region Nyikal (2005). However, the I.M.F and the World Bank as creations of capitalism and major players for the sustenance of the contemporary global economic order have been indicted for their roles in the underdevelopment of Africa. Hence, it has been revealed that the IMF and World Bank conditionality attached loans as well as other policies are grossly disadvantageous to developing nations. This is despite the IMF and World Bank's claim that they will reduce poverty (Anup, 2013:2). Anup affirmed that the conditionality attached to the IMF and World Bank loans have made repayment practically impossible. This fact is consequent upon the huddle developing countries were made to pass through in servicing, the IMF /World Bank loans. Thus, in some countries, more is spent on debt servicing than education and health. In Nigeria for instance, as at the end of September, 2021, debt-servicing-to-revenue ratio stood at 76 per cent, implying that 76 kobo out of every N1 earned by the government was spent on payment of interest on debts. The recently released statement of the International Monetary Fund (IMF) on the conclusion of its 2021 Article IV Consultation with Nigeria about the state of Nigeria's debt burden is unsettling. The statement indicated that the debt servicing-to-revenue ratio for Nigeria may reach 92 per cent in 2022(**The Guardian**, 2022).With this precarious condition/state of the economy in the sub-region, one begins to wonder how ECOWAS driven economic integration would be possible. If this is the economic state of Nigeria, a giant in the sub-region, your guess is as good as mine on the fate/plight of lesser endowed states in the sub-region.

Commenting on the measures employed by these capitalist institutions for debt repayment Anup writes:

*Following an ideology known as neoliberalism, spearheaded by these and other institutions known as the "Washington Consensus" (for being based in Washington D.C.), Structural Adjustment Policies (SAP) have been imposed to ensure debt repayment and economic restructuring.*

Structural Adjustment Policy, according to him requires poor countries to reduce spending on things like health, education and development, while debt repayment is made the priority. In effect, the IMF and World Bank have demanded that the poor nations lower the standard of living of their people.

Following the neoliberal economic ideology, Anup pointed out that the precondition for receiving the IMF and World Bank financial assistance in line with SAP policy include:

1. Liberalization of the economy and resource extraction/export oriented open market
2. Privatization and reduced protection of domestic industries.
3. Minimal state role.
4. Currency devaluation, increased interest rate and flexibility of the labour market.
5. Elimination of subsidies such as food subsidies

The impact of these preconditions on poor countries such as the countries in the West African sub- region can be devastating more especially, given that these countries export mostly agricultural produce and minerals under unequal free trade (Smith, 1994). By implication, they must, as a result of the loan, export more in order not only to raise enough money to pay off their debt in a timely manner but also to keep their currency stable. According to a World Bank report, more than 50 developing countries depend on three or fewer commodities for most of their foreign exchange earnings. This is even as Etete (2012) revealed that about 50 percent of Africa foreign exchange export earning is derived from single commodity. The vast majority of them are dependent on a very few primary commodities. And because there are so many Third World nations being compelled into the global market who are also on similar cash crops and commodities, the situation became that of large scale price war. The result is that the resources from the poorer regions become even cheaper, which favours consumers in the West (Anup, 2013:3). On importation, the West African states are also disadvantaged. This fact is anchored on the fact that “an industrialized product exporting /commodity–importing country is wealthy, while commodity-exporting/ industrialized product – importing country is poor. Developed countries grow rich by selling capital – intensive product (manufactured goods) for a high price and buying labour intensive product for low price (Smith, 1994). This imbalance of trade according to Smith expands the gap between the rich and the poor nations. Given this pathetic global economic condition, the government of developing nations must, as a matter of necessity spend less, reduce consumption and decrease financial regulation. The impact of this is better imagined as the populace become impoverished, value of labour decreases, capital flows become more volatile and a consequent social unrest that can snowball into political instability, corruption and other vices. This is indeed the condition under which ECOWAS operates. Thus, the West African states fall within the countries that import industrialized finished products which is expensive when compared with their commodity driven export. The unequal trade that is the hallmark of the contemporary international economic system is a major factor for dependent economies and poor nations. This is the condition that most countries formerly under imperial or colonial rule found themselves today. In the words of Robbins (1999),

At first glance, it may seem that the growth in the development of export goods such as coffee, cotton, sugar and lumber, would be beneficial to the exporting countries, since it brings in revenue. In fact, it represents a type of exploitation, called unequal exchange. A country that exports raw or unprocessed materials may gain currency for their sales, but they lose it if they imports processed goods especially in the free market that is determined by might.

The World Bank and the IMF by their policy had always insisted on pushing the weak African economies into this free market where they were unable to compete with the might of the international private sector. This is even as Structural Adjustments Policy of these organizations, as noted earlier, requires countries to reduce state support and protection for social and economic sectors. African countries are required to reduce investment in health, education and infrastructure. These conditionalities which are punitive measures to facilitate servicing of debt and likely debt repayment has been described by McMurtry (1998) as an imposed restructuring of these economies to ensure increased flows of money to external banks while spending on health care declined by 50 percent and on education 25 percent since these Structural Adjustment Programs in Africa.

It is against this backdrop that Palast (2002) posited that under the guiding hands of IMF structural “assistance”, Africa’s income dropped by 23%. For McMurtry, estimated 500,000 children died from the imposed restructuring of their countries’ economies to ensure increased flows of money to external banks. According to Buckley (2003), the debt crisis has never been solved for much of sub- Sahara Africa as it lingers.



Furthermore, it has been argued that the running of these institutions by their policies has undermined democracy by making elected government accountable to these Washington based institutions instead of their own people. It is in the light of this that Lynas (2000), a Zambian, avers that:

*It is not right for a bank to run the whole world. They do not represent anybody other than the countries that control them. What this means in practice is that the United States runs our countries...look at any African country today, and you'll find that the figures are swinging down. Education standards are going down, health standards going down and infrastructure is literally breaking up.*

The effect of the contemporary global economic system that sustains unequal terms of trade is that the advanced capitalist countries gain while the developing nations especially those from the West African sub region wallow in poverty, hunger, deprivation, social tension, disruptions of millions of people and political instability (Anup, 2013).

The question now is: to what extent is economic integration possible in the wake of the impact of this trend of the contemporary global economic system in the West African region? In other words, given the socio-economic profile of the sub-region as foisted through the trend of the contemporary global economic system, how possible is effective economic integration in the West African sub-region?

### **Challenges to ECOWAS driven Economic Integration as the Offshoot of the Impact of the Contemporary Global Economic System**

In line with the provision of the ECOWAS Treaty (1975), the Economic Community of West African States' mandate is to promote cooperation and development in economic, political, social and cultural activities and indeed in other fields of human endeavour through economic integration of the sub-region. The goal of ECOWAS as the driver of economic integration in the sub-region is to raise the standard of living of the peoples of the region, expand and maintain economic growth and stability for self-sufficiency as well as coordinate better relations among member states and generally contribute meaningfully to the development of Africa.

In order to practically realize these aims, ECOWAS was empowered by its treaty to:

1. Abolish all custom duties and levies of similar effect on imports and exports between member states
2. Eliminate all forms of quantitative and administrative restrictions on trade between member states
3. Formulate common tariff structure and commercial policy toward non-members
4. Abolish any obstacles to free movement of peoples, goods, services and capital between member states
5. Harmonize agricultural policies and promote joint projects particularly in marketing, research and industrial ventures between member states
6. Coordinate and implement joint development schemes in transport, communication, energy and other infrastructures
7. Harmonize economic and industrial policies of member states while eliminating major disparities in the level of development between them
8. Institute a fund for cooperation, compensation and development.

The above listed measures/policies are considered as practical means to drive economic integration in the subregion. However, it is important to note that it is one thing to formulate or make policies and it is entirely another thing to implement the policies. This problem of implementation arises as a result of the condition that the subregion has found itself under the adversities of the global economic system. The fate of ECOWAS operating under the global economic system as it affects the West African subregion is one of adversity. Thus, one of the greatest problems of ECOWAS lies on the implementation of the ECOWAS protocols and compliance to ECOWAS decisions by member nations under the contemporary global economic system. Commenting on the issue of compliance to ECOWAS decisions and implementation of ECOWAS Protocols by member states, Esekumemu (2014) pointed out that the problems of ECOWAS are centered on the poor or outright non-implementation of ECOWAS Protocols by member nations. Esekumemu identified the non-implementation of the ECOWAS' Protocols on the Free Movement of goods, services, persons, capital as well as non-committal disposition of members on the issues of custom duties, and other policies on trade

liberalization and macro- economic harmonization as the center of ECOWAS problems. A number of reasons have been adduced for this poor implementation of ECOWAS Protocols. The perennial economic crisis that pervades the region has been fundamentally blamed for the poor implementation of ECOWAS Protocols by member nations. This perennial economic crisis cannot be divorced from the impact of the adversities of the contemporary global economic system. Most countries in the sub-region resorted to weighing more carefully the implications of the adopted protocols on their economies before their implementation at the national level (Robert, 2004). It is a known fact that the West African sub- region is classified as the region with the least developed countries in the world (Udoh, 2015:4). Virtually every state in the region is battling with one form of economic problem/crisis or the other. This perennial economic crisis that pervades the subregion as noted earlier has a bearing with the adversities of the contemporary global economic system. The implication of this is poor implementation of ECOWAS Protocol which, to say the least, is the centre of the constraints to the ECOWAS efforts on integration in the sub region. Alas, once implementation is a problem, it affects every facet of the ECOWAS enterprise. Bearing in mind the condition of the West Africa nations under the yoke of the contemporary global economic system as has been x-rayed in the foregoing, the poor/non-implementation of ECOWAS Protocols, by implication, has a link to the adversities of the global economic trend. Anadi (2005:15) noted that, given the economic condition of the subregion, any protocol or decision that does not require financial adjustment and losses is quickly implemented by member states. In the same token, there is reluctance or outright refusal to implement protocols that affects earnings/national income as well as other factors that bother on the economic interests of member states. Thus, a nation that is battling in economic ruins would rather tackle her immediate problems than going for the wellbeing of others under a supranational arrangement. That is the fate of most ECOWAS member states and the web under which ECOWAS is trapped.

The problems of non-implementation of ECOWAS' protocols touch virtually every aspect of ECOWAS policies and programmes. On the ECOWAS' Protocols on the Free Movement of goods, services, persons and capital, there are also problems of implementation. This is consequent upon the fact that, apart from the revenue to be lost by member states through the abolition of custom duties, national passport and immigration charges, socioeconomic and cultural friction soon emerged following the movement of labour and other entrepreneurs. Anadi (2005: 124) noted this fact on the freedom of movement protocol when he pointed out that,

*Commitment to the protocol (right of entry and abolition of visa program) on the part of member states dwindled soon after they realized that rather than mitigate their unemployment problems, it did actually exacerbate it and, therefore, largely incongruent and grossly lacked rationality with member states immediate national aspiration. Often, in periods of economic downturn substantial labour influx into the member states generated resentment and hatred and sometimes violent crisis as competition for jobs ensued and practically result to high political risks for the national governments of member states.*

Soon most national governments began to face the problem of how to give priority to their nationals without disrupting economic activities. Many states too reacted to the challenges (the freedom of movement and the arising issues of migrants) in the form of new commercial enterprises laws reserving selected sectors of the economy to their citizens and in some cases outright expulsion of non-citizens in contravention of the provisions of the community protocol (Kumar and Osagie, 1983). For instance, in mid 2004, Liberia requested that all legal West African migrants in the country should undergo a process of (re)registration while those without legal status should be deported (Udoh, 2015: 38). In Senegal, employers are obliged to submit regular reports of the number of non- nationals employed. These policies are aimed in part to restrict the influx of migrants (Adepoju, 2005) In the case of Nigerian, the then president of the country, Alhaji Shehu Shagari, held a press conference and ordered all illegal immigrants to leave the country within a few weeks in 1983. Reflecting on the president's directive, Owusu (1994), pointed out that there was mass deportation of Ghanaians as well as other nationals of ECOWAS member states.

In 2005, about 44 Ghanaians were killed in The Gambia while trying to exercise their rights to freedom of movement within the sub-region (Ghanaian Times, 2007). Another case was the clamping down on the

businesses of foreign nationals, including those from the West African, ECOWAS member state, especially Nigerians by Ghanaian government in 2013. Nigeria in August, 2019 closed her boarder against her West African neighbours thereby banning the entry of goods from ECOWAS member nations.

The foregoing anomalies are indications of restrictions that are counterproductive to integration as affect ECOWAS. It must be noted, therefore, that these restrictions are merely measures that are put in place by member states in order not to jeopardize their socio-economic interest as it also affects their respective wobbling economy with far reaching sociopolitical implications. These wobbling economies are, by and large, the products of the dynamics of the contemporary global economic system. And given this dynamics that produce perennial poor economy, the consequence is poor implementation of the ECOWAS Protocols by member states as a measure to safeguard their respective fragile and weak economic from a damning descent to the bottom.

### Conclusion and Recommendations

The study identified the trend of the global economic system as the root of the weak economy/ economic crisis bedeviling the West African states. And given this economic crisis and poor state of the economies of member states, it becomes virtually difficult for members of ECOWAS to implement the ECOWAS Protocols as a result of their respective national exigencies. The poor implementation of ECOWAS Protocols is central to the problems of ECOWAS. By implication, most of the issues, political social or cultural, that are considered as the problems of ECOWAS have one form of bearing or the other directly or indirectly on the state of the economy of member states. This state of the economy is relatively the product of the dynamics that defines the trend of the global economic system that is skewed in favour of the developed countries of the West in terms of international trade, influence on global financial institutions such as IMF, World Bank and WTO, ownership of multinational institutions, commodities/ manufactured goods price ratio vis-à-vis terms of trade

On the strength of the foregoing, there is every need to renegotiate for better terms of trade in favour of West Africa and Africa indeed. This fact becomes pertinent given the fact that the whole import/ export relationship between Africa and its trading partners is one of unequal exchange and of exploitation (Carin and Fantu, 2008:14). To be specific, one can take the export of agricultural produce from Africa and import of manufactured goods into Africa from Europe, North America, and Japan. The big nations establish the prices of the agricultural products and subject these prices to frequent reductions. At the same time the price of manufacture goods is also set by them at exorbitant prices when compared to the prices of commodities from Africa. African leaders must, therefore, relentlessly exert pressure for better terms of trade. In the same vein there is the need for equitable representation of Africans in the IMF, World Bank, WTO and other similar institutions to enable them to be part of the decision processes of these institutions. Africans can project their interests better when they are key to the decision processes of these organizations and as such can stand against the use of these institutions as instruments of exploitation. With little or zero exploitation, favourable terms of trade and an equitably modeled IMF, World Bank and WTO, the tendency for sound economies is there for the West African subregion. And by extension, under favourable economies, ECOWAS would make greater exploits.

Furthermore, there is also the need for the establishment of a global humanist organization that would give international socioeconomic interactions among nations a human face. The organization would monitor the trend of the global economic system and the plight of the poorest of the poor nations with the aim of ameliorating the adversities of the dynamics of the intrigues that defines the trend of international socioeconomic cum political relations. Such organization would work with the fundamental objective of making humanity the focal point of its concern and as such would committedly intervene on issues of debt burden/crisis and inordinate pursuit of interest by big nations. The essence of this is to curtail the excesses of nations in their pursuits of national interests and the resultant adversities that shape the trend of the global economic system. With an organization of this ilk effectively in place, global economic democracy would be entrenched and the trend of the global economic system would assume a positive order with positive impact on weak nations. This would minimize the might is right syndrome that characterize the nature of the contemporary global economic interactions. With such positive impact on weak nations, like nations of the West African subrgion, ECOWAS is bound to steer economic integration to the right direction in West Africa.

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#### **Biographical Note**

**Frank-Collins N. Okafor** *PhD*, is a Professor of International Relations and Strategic Studies and former Head, Department of Political Science, Nnamdi Azikiwe University, Awka, Nigeria

**Agu Vincent Enyi** is a doctoral candidate specializing in International Relations and Strategic Studies, at the Department of Political Science, Nnamdi Azikiwe University, Awka, Nigeria. His primary research interest is in International Relations and Strategic Studies. He has to his credit publications in books. Email address: [unclevincentagu@gmail.com](mailto:unclevincentagu@gmail.com)

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