

The Integration of West Africa

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INTRODUCTION

Integration is a phenomenon that has been gaining ground the world over. It can be seen in the Americas in the forms of a customs unions like MERCOSUR (South America) or a free trade area like NAFTA (North America), a common market in Europe with the EU, and regional cooperation in Asia with ASEAN. It comes as no surprise therefore that Africa would be on the verge of the development of an African Union (AU) with gross aims to be a common market similar to the EU. The major building blocks for this union are the regional integration groups that have been established throughout the continent.

West Africa has been one of the more successful regional integration blocks of Africa. Although there are several bilateral agreements, most currently fit under the regional cooperation title with aims at a common market. This study will explore how and why regional integration is occurring in West Africa, what is happening now, and what its future implications are. It will first cover the impact history has had on current integration efforts in West Africa. The paper will then move from historical efforts to modern integration schemes and discuss future integration plans of the region. It will also discuss specifically what three West African nations; Mali, Benin, and Sénégal, have to lose and gain from integration. Finally, the focus will move out from West Africa to visualize the relationships it has to other international organizations. It will discuss West Africa's relationships with the EU, the AU, the WTO, and the UN.

Discussing West African integration in this manner will paint a picture of the integration in the region in terms of where it's been, where it is currently, where it's going and its link to the international community. This is an important picture to study because it impacts the international community so greatly. A united West Africa creates a much more stable atmosphere, which in turn creates an attractive business environment for the future. The West Africa of today, with the help of regional integration, could dramatically change the future of this area and may someday become a global power to be reckoned with.

HISTORY IN WEST AFRICA AS IT RELATES TO INTEGRATION

Pre-colonial History

In the historical context, integration is not something that is new in West Africa. It has been noted by some historians that pre-colonial history shows political and economic integration through limited trade and free movement of factors of production throughout various kingdoms in this region.³⁴ In fact, according to Stanislas Adotevi "...the notion of precise geographic boundaries is profoundly alien to Africa's historical and cultural traditions, because the rigid geographic boundaries of the post-colonial state contrast sharply with the fluid areas of sociopolitical and cultural integration that existed in the pre-colonial era."²⁶

It is perhaps for this reason that West Africans are pushing so strongly for integration in the Twenty-First Century. As Réal Lavergne stated, "West Africans are aware that the kingdoms and cultures of West Africa were relatively well integrated in pre-colonial times, as accounts of the region amply attest, and the quest for regional unity is in many respects a search for one's roots."²⁶

Colonial History

Pre-colonial history is not the only link that West Africans have had leading towards integration. "The colonialisation of the African States during the 19th century can be regarded as the background to current historic and economic integration efforts in Africa."³² Dating all the way back to the 15th Century, West Africans have felt a European presence. In fact, by the 17th Century, the French had set up trading posts at the mouth of the Sénégal River.¹⁶

It is in the 19th Century, however, when West Africans felt the largest colonial impact by the French. Between 1854 and 1865, the French had captured interior Sénégal, southern Mauritania and what is present day Mali. Throughout the 1860s France was busy setting up trade and military posts on the coasts of Benin, Guinea, and Côte d'Ivoire as well.¹⁶

By the late 1890s France formally established French West Africa, comprised of: Côte d'Ivoire, French Guinée, Niger, Burkina Faso, Sénégal, Mali, and Benin (then Dahomey). In 1905 Mauritania had become a French Protectorate, but by 1920 it joined French West Africa as a colony.¹⁶ These nations, as a collective French West Africa, became what is known today as the CFA (Communauté Financière Africaine-African Financial Community) franc zone.

The Introduction of the CFA franc

"The African franc zone countries differ from the European transition countries in a number of specific characteristics stemming from the history of France's relations with its former colonies."²³ To ease the transaction cost to traders, the French established the CFA currency in 1939 and "was fully convertible into the French francs at a fixed exchange rate."²³

Following decolonization in 1958, France offered the former colonies an opportunity to join the French community. Guinée, by a vote of 1,130,292 against and only 56,959 in favor opted out³¹, but the rest joined this community whose aim was to provide "cooperation on common issues such as foreign affairs, defense, and higher education."¹⁶ Through the agreement to join the French community, two banks were created in 1962 which dealt with the FCFA (also termed CFA). The banks were the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) and the Bank of Central Africa and Cameroon (BCEAC) which were both controlled through the French Exchequer by the Minister of Finance where the countries have unlimited withdrawal power.²³

This single act has had a major impact in the CFA countries versus other non-CFA countries. One major impact was in the 1980s. In this time period France was more concerned with their own foreign policy at a time of high rates of inflation coupled with a drop in raw material prices.²³ Other African nations were able to devalue their currency immediately, whereas FCFA countries were pegged to the French Franc. This meant they were dealing with: being uncompetitive internationally, recessionary tendencies in their domestic economies and a rapid decline in Foreign Direct Investment (FDI) and growing capital flight.²³ There are many reasons for and against devaluation of a currency. One problem was that devaluation could lead to increased inflation in countries like Niger and Togo, who didn't need a devaluation as much as Sénégal and the Côte d'Ivoire. (Lavergne, p. 228) By the time the currency was finally devalued in 1994, by 50%, under pressure from the IMF and the French government, there was a far less reaching impact than there could have been in the 80s. The CFA countries did experience positive GDP growth in 1996 and 1997, however.²³

The experience hasn't been all bad however; there have been two major banks that have benefited from the CFA. "There is no doubt that these two regional banks (Bank of Africa: present in Benin, Burkina Faso, Côte D'Ivoire, Mali and Niger & Ecobank: present in Benin, Burkina Faso, Côte D'Ivoire, Mali and Nigeria, Ghana, Togo and, soon, Guinea and Sénégal) have benefited from the common CFA currency and reporting to a single central bank."³⁰

In 1999 the French Franc switched to the Euro and the CFA is now pegged to the Euro, but still controlled by the French exchequer. Initially there were some problems as this relates directly to West Africa. The introduction of the Euro in France meant that the printing machines were working overtime and were too busy to print more money for the 15 African countries that depend on it to provide the notes.¹⁴ While West Africa was in a growing period, they couldn't get the money to complete transactions. This is because "each central bank keeps 65% of its foreign reserves with the French Treasury."¹⁴ Although the banks have unlimited withdrawal power, the machines couldn't print enough. On a positive note, however, the change in the peg to the euro has allowed for the CFA countries to have a more stable position with all Euro members for FDI and trade, at least as far as exchange rate fluctuations are concerned. It also makes it easier for CFA countries to access European financial markets.

Post-colonial Integration

Following World War II, under the direction of Charles de Gaulle, the colonies of French West Africa all became overseas territories. With the signing of the Treaty of Rome in 1958, however, all colonies were eventually granted their independence. Finally, these nations were free from the oppression of colonialism. As one author stated, "...the essence of being colonized is the experience of powerlessness."¹⁷

In this sense, "the economic expansion of Europe in the 19th century had a profound and destabilizing effect on West Africa because it changed the structure of export production and involved the region in the trade cycle of the new, industrial economy."¹⁹ Following decolonization, this effect became immediately apparent. Another author characterizes the sudden decolonization "...like being a house suspended from the top by strings with their foundations being completely destroyed (direct rule) or knocking them over (indirect rule) and then being lowered to the ground to leave something that would never meet the internationally accepted 'building code' of the modern state."¹⁷ This is in some contrast to France, which has stayed heavily involved in francophone West Africa up to

this day. In this analogy, France might be holding onto the house with only one or two strings, however leaving the countries rather imbalanced.

In some cases “those on the European side of the frontier had no further scope for improving their efficiency, and they now feared that West Africa, with its pre-industrial transport system and its numerous tolls, was in danger of becoming, by international standards, a high-cost producer.”¹⁹ The former colonizers found no further means of exploiting the cheap raw materials there and so cut off all ties between themselves and the colonies.

The sudden decolonization also had a profound impact on integration in West Africa. Following the decolonization many nations now sought to identify themselves. The need for “...the attainment of independence by many of the African States during the 1950s and early 1960s downsized the efforts of the colonial governments in bringing about economic integration in Africa perhaps, due to the difficulty of surrendering the respective countries’ sovereignty...(and) that the colonial governments did not have any meaningful programme of development for countries that were economically integrated under their rule...” and in the cases where development did occur it was to the benefit of the colonial administrators.³² So the community established in 1958 may have been created more to benefit France by enabling her to keep her ties with these inexpensive raw materials than anything else.

KEY MODERN INTEGRATION EFFORTS

One way for Africans to empower themselves to avoid being exploited in such a way was through integration. The first attempt at integration on the part of West Africans following their independence came in June of 1960 when Mali, Sénégal, Burkina Faso, and Benin agreed to unite as the Federation of Mali, named after “the Mali Empire, an ancient kingdom in West Africa.”¹⁶ Benin and Burkina Faso were the first to draw out of this alliance, but soon Sénégal followed suite.¹⁶

UMOA

The attempted Federation of Mali, although not successful, was not the end of integration in West Africa. It was in 1974 that the more successful *Union Monétaire Ouest Africaine (West African Monetary Union)* or UMOA was established to work with the BCEAO (West Africa’s Central Bank).²³ The UMOA, changed to the UEMOA (aka WAEMU or WEMOA) in 1994 to distinguish itself as a purely economic (hence the added “E”) co-operative that is primarily responsible for establishing a customs union. “WAEMU is the economic and monetary union that comprises Benin, Burkina Faso, Côte d’Ivoire, Guinea-Bissau, Mali, Niger, Sénégal, and Togo.”

The UEMOA has seen dramatic changes and has been one of the most successful integration schemes in West Africa.²³ For example, tariffs have been reduced to zero as of Jan. 2000.³⁴ In addition, “(UEMOA) countries have managed to maintain stable, non-inflationary monetary policies, thanks to the insulation of the BCEAO from political interference.”²⁵ Both organizations have been given much applause by the international community. One author states that “The francophone countries in Africa, which are all relatively stable and democratic, are coming together in the context of the UEMOA”²¹ and that “the UEMOA is far advanced, at least on paper, in terms of the willingness of states to sacrifice part of their sovereignty.”²¹

The fundamental features of the UEMOA include:²

1. The centralization of external reserves holdings at the BCEAO
2. Harmonization of banking and monetary legislation, as well as uniform interest rates and common monetary and credit policies
3. Fixed parity between the CFA franc and French franc (now Euro)
4. Free transfers of funds within the Franc Zone (WAEMU)
5. Unlimited convertibility of the CFA franc with the guarantee of France by means of the Operations Account, a special account held at the Treasury of France

The main objectives of the UEMOA include:²

1. To reinforce the competitiveness of the economic and financial activities of member countries in the context of an open and rival market and a rationalized and harmonized judicial environment
2. To ensure the convergence of the macroeconomic performance and policies of member countries with the institutions of a multilateral control procedure
3. To create a common market among member countries based on the free circulation of people, goods, services, and capital and on the right of people, goods, services, and capital and on the right of people exercising an independent or remunerated activity to establish a common external tariff as well as a common commercial policy

4. To institute coordination of national sector-based policies with the implementation of common actions and conceivable common policies, especially in the following domains: community-based land reclamation, agriculture, environment, transport, infrastructure, telecom, human resources, energy, industries, mines, and crafts
5. To harmonize the legislation, especially the fiscal system, of the member countries

As can be deduced from this discussion, UEMOA is an organization that has direct aims and goals. It is specific in its objectives and is deeply committed to integration. Because of this it has been one of the truly successful integration regimes in the region.

ECOWAS

Another rather successful organization is the Economic Community of West African States (ECOWAS). Established in 1975 under the Treaty of Lagos, ECOWAS is composed of 15 members including: Burkina-Faso, Guinea-Bissau, Niger, Togo, Mali, Benin, Sénégal, Côte D'Ivoire (CFA countries), Ghana, Guinea, Nigeria, Liberia, The Gambia, Sierra Leone, Cabo Verde and, Liberia (non-CFA countries).²⁴ Mauritania was also a part, but "...announced early this year (2000) that it is leaving the 16-nation ECOWAS in part because of the group's objective of eventually creating a single currency for the region."¹ ECOWAS has also been involved with UEMOA. The "...rapport between ECOWAS and UEMOA has born(e) fruit in a common program of action on trade liberalization and macroeconomic policy convergence."¹

Economically, ECOWAS made good progress through 1997. ¹In fact, between 1975 and 1991, "ECOWAS has (had a) statistically significant and positive impact on the trade flows of eight member countries."⁹ More precisely, "the rate of growth of intraregional imports has been larger (5.4%) than the rate of growth imports from industrial countries (.23%) for the 1981 to 1992 period."⁹

ECOWAS has also been responsible for the Brown Card insurance scheme which is a way to facilitate claims on motor vehicle injury of parties belonging to different ECOWAS member states.⁴³ In addition, ECOWAS has begun issuing passports for the sake of transnational travel among member countries similar to those issued by the EU for the same purpose.²⁴ ECOWAS has also been responsible for the issuance of the ECOWAS traveler's checks which act as a transnational form of payment in ECOWAS participating states.²⁴

ECOWAS, ECOMOG, and the MRU

"ECOWAS partners have (also) launched initiatives to consolidate peace, stability and security through joint efforts with ECOMOG (*ECOWAS Military Observing Group*)."¹ Although the original purpose of ECOWAS was "...designed to promote economic cooperation and development,"⁴ ECOWAS has gone beyond this in a few circumstances. The first time involved the crisis in neighboring Liberia and Sierra Leone. The UN snubbed their noses at this effort, but ECOWAS saw this event as "presenting a concrete threat to its member states" and had to do something.⁴ "The West Africans invoked it (peacekeeping force) because they knew that none of the qualified parties...would intervene in Liberia, save to rescue foreigners."²⁰ The intervention "...was Ad hoc and not meant to meet future needs of the community."²⁶ On the 24th of August 1990 'Operation Liberty' began as an arms control or disarmament, through arms embargoes and a weapons buy back program.¹³ Eventually the UN followed suite with resolution 788, imposing an arms embargo on Liberia.

Through this event ECOWAS "became the first sub-regional organization to intervene in a crisis militarily that has occurred within the ambit of its authority."⁴ To help minimize the risk of this event lingering, the 1993 Cotonou accord (the revised ECOWAS treaty) allowed for "retraining, rehabilitation and re-absorption of all former combatants to normal social and community life." (Cotonou Accord, 1993, section H, article 9 (2))⁴

It is vitally important that ECOWAS set up such a system to reduce the violence there. Although this region (Liberia, Sierra Leone, and Guinea) has attempted through the Mano River Union (MRU), established in 1973, to establish a customs union itself, it has not been able to follow through due to the violence in the region. In fact, "Each of these countries has been involved in at least one armed conflict, thereby rendering the region a war zone."²

More recently ECOWAS has been involved in the conflict in the Cote d'Ivoire. Organizations such as the EU "stressed its full support for the mediating role of ECOWAS and the need to resume the national reconciliation process (in the Ivory Coast)."¹² The outcome there remains to be seen.

ECOWAS and NEPAD

ECOWAS has also been charged with the implementation of the New Partnership for African Development (NEPAD) in that area.¹² NEPAD is an organization that "...relates to the ways in which Africans plan to govern themselves and decide their futures."¹⁵ It is a proactive organization in that "rather than passively waiting for the

'invisible hand' to determine the course of events, successful developing states have created or governed (their own) markets."²⁹

Problems Integrating

One problem that many Regional Economic Cooperations (REC) in Africa have had is that "they have produced very limited concrete results...(they) have not accelerated growth or even trade."¹ Another author's perspective reiterates the last statement that "regional integration arrangements in Africa have, in general, not significantly improved intra-regional and intra-African trade."² Fortunately this has not proven true for ECOWAS as statistics have shown. (see discussion on *ECOWAS*)¹⁹

Another problem is that in some cases, National policy doesn't match with regional goals^{9,26} in that regional goals may be "undermined by concerns about diminishing national sovereignty."¹ For example, some countries like Senegal depend on tariffs for revenue¹⁰ which make it difficult to agree to eliminate tariffs. It is hard sometimes for countries to "surrender of their hard won sovereignty to regional integration."³² Following their liberation, African "countries were so focused on creating a national identity that they negated the other identities such as ethnic aligning, that might have brought Africans from different countries together."²¹ This has resulted in armed conflicts, as we saw above with the crises in Liberia and the Côte d'Ivoire.³³

In addition, "multiplicity of regional integration arrangements within the same region" has caused conflicting goals and much confusion.¹ There has been some streamlining with the cooperation between UEMOA and ECOWAS to harmonize common rules of origin and customs declaration forms and compensation mechanisms¹, but they are not as streamlined as they should be.²⁶ A major step to eliminate this problem has been the decision in 1991 "to designate ECOWAS as the sole economic community in West Africa."²⁶

Another major constraint that is unlikely to improve soon is the lack resources (funds/money) the programs have to implement many policies.¹ "In some cases the existing mechanism is too loosely defined or insufficiently equipped with human, material, and financial resources to do its work."¹ This has been complicated by "inadequate infrastructure, lack of capital good industries, inconvertibility of currencies, conflicts on the distribution of benefits, lack of policy-implementing machinery (treaties that are loose and non-binding), and lack of grassroots involvement (populace feels alienated)."⁹

In addition to all these problems, the organizations seem to be trying to do things too fast.^{22,21} By European standards and according to the IMF, the integrators have been overly ambitious in the implementation of these programs, as we will see in the section on future plans of integration.^{22,21}

Why Integrate?

With all these problems, it seems that integration might not be the solution. One author explains it like this, however:

"If running a company is very difficult and requires the 'combined brain power of all its employees,' then running a country is immensely more complex and should, by reason; draw on the talents of all who can contribute. For the nation/firm to prosper, as indicated earlier, the individual quality of all citizens has to improve and come into play. Individual talents have to be treasured and built upon, skills have to match passions, and diversity and participation have to be encouraged."³⁸

In other words, integration first and foremost brings people and countries together to achieve what they might not be able to do on their own. "What regional integration does is allows countries to participate in the world from a position of greater strength,"²¹ and "with a GDP of over USD 100b (ECOWAS) is an enormous market."⁴¹

The cost of business is high in Africa because of: local transportation, international transportation, communication, power outages, bribes and violence, trade and tax policies, slow regional integration, restrictions everywhere.⁴⁰ Nearly all of these problems can be solved on one level or another through integration.

One of the most important things that first must be established is stability. Without stability, nothing can be accomplished. "Improving governance and resolving conflict is perhaps the most basic requirement for faster development."⁴⁰ In addition, "Such economic agreements offer perhaps the best hope of long-term stability in Sierra Leone and its neighbours."³

In addition to stability, regional integration would also help with basic infrastructure needs through political cooperation. One example is the West African Gas Pipeline project. "The West African Gas Pipeline project, consigned to the drawing board since its inception some 20 yrs ago, appears on the point of becoming a reality."⁵ The project will connect Ghana, Togo and Benin to oil rich Nigeria to help with energy problems experienced in

those countries.²⁴ Communications and transportation are also issues that these communities are considering to push ahead with to be competitive in the future.²⁴

By lowering the costs of business and decreasing risk, this attracts Foreign Direct Investment (FDI).¹ as well as increases competition. According to the theories of Adam Smith, pure competition would cause inefficient businesses to improve their operational procedures.¹ Pure competition can be achieved by opening borders to world trade. This process can be done slowly so that inefficient businesses will have adequate time to improve their efficiency. "Efficiency in production would (then) rise in accord with the law of comparative advantage, while bigger markets would permit better exploitation of economies of scale."^{1,9} Although, this might mean that some local businesses would have to drop out, it also means that with increased efficiency, the companies that are able to stick around will be more apt to compete globally. In addition, increased FDI and efficiency will bring in more money to these severely poor economies and improve the GDP of the countries involved.

Another issue that might not be considered by many to be as important, but on a humanistic level is one of the most important issues to consider, is child labor. It is difficult for one country by itself to do much, but a joint effort could help to push for more ethical businesses in the region.³⁷ The problem is that "...child labour was one of many complex issues facing small-scale producers, who are forced into such practices through poverty."³³ If the governments were able to help these small-scale producers to become more efficient so as not to have to depend on child labor to make enough to get by then this problem could be averted. The National Confectioners Association has already taken steps to decrease such practices²⁵ as well as the EU, which has pushed for a decrease in the use of cocoa through the Cotonou agreement. While noble, these efforts only seek to weaken the already ravaged economies. If the governments of these nations, through joint efforts, can find the means to implement corrective action in these situations the small-scale producers would not be forced to use children for labor and would not be hurt by the decisions by such international groups to boycott products made by children.

Implementation of Integration

Now that the case has been established for integration, the steps necessary to implement it should be addressed. In the case of ECOWAS and the UEMOA, many of their policies have been reflective of those of the European Union.^{8, 42}

One major hurdle to overcome is the education of the public. In order to not alienate the population it becomes necessary, when making any major changes, to work at the grassroots level with the people, so they don't see these changes as imposed by a group of elitists, but as a mutual agreement between the decision makers and the persons being directly affected by these changes. As has been seen recently in the Côte d'Ivoire, if everyone is not involved, there can be serious consequences. In the case of the Côte d'Ivoire, it was a predominantly Muslim group in the north (the nationalists) that felt their situation was being ignored by the president, Laurent Gbagbo, in the predominantly Christian south. The point is that one group didn't feel that their needs were being represented and this issue has to be recognized and dealt with on the grassroots level.

Another aspect to help make the integration process run smoothly is the harmonization of customs declaration forms and compensation mechanisms.¹ Although through ECOWAS and UEMOA this is being implemented, many countries have not followed through in practical use of the forms.²⁴ In order for them to be truly effective it needs to be used by *all* the countries.

A major issue that needs to be dealt with that could spell disaster in the future if it's not dealt with now is the issue with Nigeria. According to some scholars, for integration to work "the union must be made up of countries of equal socio-economic importance/status to avoid the fear of possible dominance- in religion, wealth, endowment, size, population, etc."³⁴ "The size of each of the members of the union must not be so large as to permit any one of them independently to contemplate an essentially national policy of industrialization as an alternative to regional coordination."³⁴ Unfortunately, "Nigeria (in terms of size, endowment, population etc) has the potential to completely dominate the West Africa Community."³⁴ Still, if policies can be implemented to control domination by Nigeria, it will be to the benefit of the entire union if Nigeria will be a part of it.

Future Plans for Integration

One of the major items on the table for West Africa is the desire for a monetary union that encompasses all of the countries of ECOWAS. Currently there have been initiatives on the part of six of the non-CFA countries to join together to form the West African Monetary Zone (WAMZ) who will work under the West African Central Bank to then merge with the BCEAO.^{22, 41} The Gambia, Ghana, Guinea, Liberia, Nigeria, Sierra-Leone (Cabo Verde being the exception) have come together to form a second monetary union, alongside 52-year-old WAEMU. The Economic Community of West African States Monitoring Cooperation Program (EMCP), adopted in 1987, "was to evolve a limited currency convertibility and introduce a common currency in the sub-region."⁴¹ This was supposed

to have occurred in “1994 but had to be extended to 2000 and further extended in December 1999 to 2004 due to its inability to meet short, medium and long-term objectives on schedule.”⁴¹ This is a representation of feelings among some groups that these attempts at integration might be moving a bit too fast.

The currency, to be called the Ecoi, will help to decrease the negative feelings between CFA countries and non-CFA countries with regard to competition based on currency values.²⁶ As was previously discussed, the devaluation of the CFA by 50% had a very positive effect on the CFA countries; however, it caused countries like Nigeria to devalue their currencies as well to compete.⁴¹

The new currency could be pegged to the French Franc¹⁴, the Euro or SDR currency basket, which would allow for more flexibility.²² Currently the CFA countries are pegged to the Euro³⁶ and this seems the most likely candidate for the Ecoi. This is a good policy for those nations whose major trading partners are European; however, as was seen with Mali and Benin, if they have a non-European trading partner, this could hurt the countries’ exports with any major appreciation of the Euro.²

The basis for the new currency was the Accra Declaration²² that began in August 1997 with the aim of a single monetary zone by 2000¹³. The most important aspect of this arrangement is that the initiative came from the countries themselves, even while the IMF was warning not to go ahead with it.⁴²

The Accra Declaration established the West African Monetary Institute in Accra, which set guidelines for the member countries similar to that laid out by the EMU for the implementation of the Euro.

Criteria:²²

1. Single-digit inflation by the end of 2000 and inflation rate of no more than 5% by 2003 (from 1990 inflation was at 13.3% in West Africa and in 1999 was at 5%)
2. Foreign currency reserves to cover at least three months’ worth of imports by the end of 2000 and 6 months’ worth by end 2003
3. CB financing budget deficit limited to 10% of the previous year’s tax revenue
4. Max budget deficit-to-GDP ratio of 5% by end 2000 and 4% end 2003

In the ECOWAS Convergence Council in November 2000, they analyzed the progress of six of the economies vis-à-vis the criteria and found that:²²

- The Gambia had met all 4
- Nigeria met 3
- Guinea met 2
- Ghana (huge decrease in Cocoa prices) and Sierra Leone (civil war)

There are many benefits to be experienced through a common currency in the ECOWAS states. According to Lavergne, “under the proper conditions, a monetary union will minimize conversion, valuation, and transaction costs; substantially reduce intraregional risk; and provide an independent political monetary regime that should breed low inflation.”²⁶ First, by taming inflation and stabilizing exchange rates it creates a more stable environment for businesses and will lead to an increase in investment and reduce the risk of capital flight.² An example of this phenomenon with inflation is how Nigeria’s fell from 70% to 30% in one year, which is a very substantial drop.^{2, 8}

In many cases, these countries were using a third currency that would be more stable for trade. By having a new, more stable Ecoi, this need would be eliminated, thus decreasing transaction costs.⁸ There would also be some increase in trade among member countries. At the moment trade is especially modest in the Central African Economic and Monetary Union (CEMAC) region.² In addition, countries with already high trade would benefit more because transaction costs would be reduced.

Another benefit to having the Ecoi is that countries are “...less likely to experience adverse external shocks...” because the various countries export different goods (ie. Oil in Nigeria vs. Cocoa in Ghana) and when one is suffering the others could help.² For example, “a slump in commodity prices, (has hit) Côte d’Ivoire, with 2/5ths of the zone’s GDP, particularly hard...(while) Central African economies have cashed in on higher prices for oil and wood.”¹⁴

Then there is the Case for Nigeria. “Officials of the Bretton Woods Institutions warned the nations involved that Nigeria’s involvement would undermine its credibility...and most participating countries (would be) worse-off than if they had retained their own currencies.” “IMF warned against the inclusion of Nigeria in the union for what it described as the country’s troubled history of economic management.”⁴²

However, “The Nigerian government is cleaning up the economy, reforming legislation, and addressing environmental and social issues.”⁵ In addition “it has made progress in making up the outstanding payments due to foreign operators and put in place a system that will make sure delays do not occur in the future.”⁵ Another sign that

corruption is down in Nigeria is that companies operating in this country are now becoming more responsible. "In recent years...Shell Petroleum Company of Nigeria (which produces about 40% of the country's total oil output) is making determined efforts to become a good 'corporate citizen' by investing in socially responsible projects and leading the search for alternative sources of clean energy."³⁷ There is no doubt, however that Nigeria "must be supported by other policies and institutional arrangements and by a feeling of solidarity...(or it) could, in turn deter or even roll back regional integration in other areas."³⁷

WHAT EACH NATION BRINGS TO AND RECEIVES FROM AN INTEGRATED WEST AFRICA: THE CASE FOR MALI, BENIN, AND SÉNÉGAL

Mali

Like many West African nations, "Mali is a predominantly agricultural country."²⁷ It's "most valuable resource is the Niger River, which abounds in fish."²⁷ In fact, about 70% of the labor force is engaged in some type of farming and fishing which makes the country's GDP vulnerable to fluctuations in world prices, especially for cotton, which is one of its main exports.²⁸ Mali's main export partners are Brazil, South Korea, Italy and Canada and its main import partners are the Côte d'Ivoire, France, Sénégal, Germany and the Benelux countries.²⁸ It can be seen from this that Mali would not benefit as much (and in fact, has not benefited as much) from an integration scheme in West Africa as countries such as the Côte d'Ivoire and Sénégal might, since all the country's main exporters are outside this region while the imports come from within the region.²⁶ This has led to a feeling of inequality among some countries as they have actually seen a decrease in their balances of trade from integration.

In 2001 Mali also experienced a negative growth in GDP of -1.2%, due primarily to a 50% drop in cotton production throughout 2000 and 2001.²⁸ With a purchasing power parity (average income) of \$840 and an unemployment rate of 14.6%, Mali is already "one of the world's poorest nations."^{27,28} In addition, and perhaps a key factor in the falling cotton production, Mali has been dealing with an "ongoing drought which has lasted for decades."²⁷ In a country where only 66% of the population has access to safe drinking water and depends on the Niger River for fish, this is and has been a large problem for Mali. Other problems such as deforestation, desertification and the extinction of animals have continued to plague this already troubled nation.

With all these problems, it would be easy to see why Mali would want to focus on dealing with problems at home before wishing to integrate. So, what possible reasons could Mali have for wanting to join these countries in an economic and monetary union? One example is that it would benefit from the efforts put forth by ECOWAS in developing the region's infrastructure. Mali is a country in which only 1,827 km of a total of 15,100 km of highway are paved.²⁸ The proposed West African Highway Network established in 1980 through the Authority in Lomé would help to build highways through Mali connecting it to the other cities of ECOWAS countries, thus facilitating the transportation of goods.(See Appendix A)²⁴ This is especially crucial for a landlocked country like Mali. This will help to make Mali more attractive for companies wishing to capitalize on the cheap labor in this area. At the moment, the cost of moving the goods has outweighed the benefits of the cheap labor. By improving the transportation system in this country, it will become a much more attractive place for FDI. In addition to the improvement of infrastructure, integration helps to attract FDI through the use of harmonized customs documents and lowered tariff barriers, which has helped to streamline the import/export process.

Benin

Like Mali, Benin's population is predominantly dependant on agriculture and fishing, as well as forestry(64%).⁶ Benin's main export is also cotton, its main exporting country is also Brazil, and the main importing countries include the Côte d'Ivoire.⁷ Like Mali, Benin is also one of the world's poorest nations.⁷ Unlike Mali, however, Benin experienced a 5.4% GDP growth in 2001.⁷ This might be due in part to the increasing prices in crude oil which Benin exports as well (but is nearing exhaustion).⁷ Benin also has a higher purchasing power parity (\$200 higher) than Mali. However, like Mali, Benin is also suffering from inadequate supplies of potable water, and deforestation problems.

Benin has also been affected in much the same way that Mali has with integration. On the one hand, the fact that the main country that it exports to is not part of ECOWAS while its main import country is part of it, puts it at a disadvantage economically vis-à-vis predominantly regional exporting countries. Like the case with Mali, however, Benin is benefiting from integration through improved infrastructure.²⁴ It is also benefiting from the West African Gas Pipeline Project, from which it will be able to use up to 7% of the oil from Nigeria for its energy needs.²⁴ In addition, the use of harmonized customs documents and lowered tariff barriers has helped to streamline the process

of importing and exporting. This, coupled with a higher degree of stabilization in the region through ECOWAS' military intervention, will make it a much more attractive place for FDI.

Sénégal

Like Mali and Benin, Sénégal's population mainly depends on agriculture (77%).³⁵ However, unlike the other two countries, Sénégal also has one of the fastest growing industrial sectors in West Africa.³⁶ In addition to cotton, Sénégal also exports peanuts and is the world's largest exporter of exotic birds.³⁶ It also has been promoting tourism there, and in 1996 reached full internet connectivity, which has led to a mini tech boom.³⁶ Another advantage Sénégal has over Mali and Benin is that France is Sénégal's largest importing country and exporting country and therefore does not experience the same imbalance of trade from integration in West Africa as the others do. Sénégal also benefits from a "good telephone system" which makes business transactions easier than in Mali and Benin.³⁶

Sénégal seems to be doing a good job within its own borders, so the question must be posed again. With France as Sénégal's main trading partner and a government that depends on the revenues from tariffs, what advantage could Sénégal find through integration? Looking at the unemployment rate in Sénégal, however, it becomes immediately apparent. At 48%, the unemployment rate in Sénégal is one of the highest in the region.³⁶ Through integration the people of Sénégal are free to seek employment in other countries. In fact, the recent crisis in the Côte d'Ivoire was in part due to the high number of foreigners there, specifically, the French and the Sénégalaise. Through ECOWAS, the people of Sénégal are free to move throughout the ECOWAS region without the use of visas. As was stated earlier, ECOWAS has issued passports similar to those used in the EU, which allow the free movement of persons.²⁴

In addition, Sénégal, like many other countries, will benefit from the peacekeeping plans of ECOWAS as "a southern separatist group sporadically has clashed with government forces since 1982."³⁶ Sénégal will also benefit from the highway planning that ECOWAS has implemented, as well as the harmonized customs documents leading to increased interest by foreign companies.

As can be seen from the previous analysis, each country has much to gain from such an arrangement. Although there are costs associated with these gains, it can be seen by the commitment these countries have towards integration that the benefits must outweigh the costs or there would be no reason to pursue it. After all, "it takes an entire village to raise a child," meaning that the efforts of many outweigh the efforts of one alone. This has been a recurrent theme throughout African tradition and it only makes sense then to pursue this thought through economic and political means as well.

WEST AFRICAN INTEGRATION AND THE REST OF THE WORLD

From the early 15th century when the first European landed in the region to the modern day aid efforts, West Africa has had its share of foreign involvement. "An important lesson from experience is that whatever the cause of the disequilibria, the burden of adjustment lies ultimately with the national economies, although complementary actions by the international community could greatly ease the cost of such adjustment."²⁹ It is not only the cost in monetary terms, but in terms of education and development that aid needs to be applied in West Africa. In considering the three countries above (Mali, Senegal, and Benin) it is interesting to note that the highest literacy rate for males out of the three was in Benin at 52.2%⁷ while the highest for women was in Mali at 31%.²⁸ Yet, at the same time, foreign development has been generally focused on infrastructure, which is needed, rather than education though, which is needed much more.

Unfortunately, modern day efforts by the international community have been rather ineffective. In the book *The Ripples from the Zambezi*, the author describes a story of representatives of an Italian aid agency that goes to Chirundu, Zambia to plant tomatoes. The payment to the Africans working on this project was enough that they didn't come back for a week. The Zambian government required that they pay them this much, so they started bringing in things like beer to get them to "need" the money to work. The author says "I could not believe we were doing this. Here we were talking about aid, technical cooperation and caring for these people and what did we do? We got them hooked on beer so that they would want more money and would come to work every day to get it."³⁸

It is precisely issues such as these, in addition to previous colonial experiences that have made West Africans wary of international cooperation. This region has been exploited over and over again even when countries participate in an attempt to make a better life for West Africans. It is therefore extremely important that any effort on the part of the international community benefit both parties wholly.

West Africa and the EU

Beginning under the Treaty of Rome in 1957, the EU (as a union) has had much influence on West Africa. The treaty, which also established the modern day European Union, has provisions under Articles 131-136 of Part 4 for special treatment for non-European countries/territories which had special relations with a treaty member state to

have association status with the EU.¹¹ Part of the reason for these provisions was that “France...treated her overseas territories as part of France and was not prepared to apply external tariffs to them.”¹¹ While this seems like a noble reason on the outside, the underlying cause for this argument was to “purchase cheap imports and raw materials from them in a deal disadvantageous to these developing countries.”¹¹

This treaty was then implemented under the Cotonou Agreement. The first convention was in 1963 in Yaoundé Camaroon (aka the Lomé Convention). The main purpose from the European perspective was that it “created a formal institutional framework for their (former colonies) participation (in the EU).”¹¹ What this agreement did was allow the African Caribbean Pacific (ACP) countries “to export the small amount of industrial goods they manufactured, usually duty free, into the Community but with much less preference for exports of agricultural products.”¹¹ As was seen in all three countries discussed above, the vast majority of these populations participate in agriculture. This allowed for the members of the EU to then “reciprocally” send their industrial products to these 71 ACP¹⁸ countries with low or no tariffs. “The results of the ‘lome’ non-reciprocal trade preferences are overall disappointing.”³⁹

This imbalance of trade has been further exacerbated by the disagreement among EU countries on what stand to take with these. The 1991 European Commission Green Paper discussed the future of EU relations with ACP countries.¹⁸ In it “the Nordic members of the EU as well as Germany and Holland...wish to see a more general and global system and not one based principally on ties with former British and French Colonies.”¹⁸

This has led to a New Partnership agreement that has been reached in Benin with aims to rectify the inequality and expand these agreements to other areas of the world. If it will generate a more equal system, that remains to be seen.

A United Africa

The African Union (AU) has been a “vision since the early days of independence in the 1950s and 1960s.”¹ ECOWAS has been a huge step in the development of a united Africa since an AU can be more easily achieved by strengthening regional economic communities that will act as building blocks for an African Economic Community (AEC).¹ The Abuja Treaty is the “six stage approach, lasting 34 yrs (from 1994) to form the African Economic Community.”¹ Like ECOWAS there will be efforts to integrate telecommunications¹ and electricity, oil, and other types of infrastructure. “The EU recognized the crucial role of ECOWAS for economic integration in West Africa as a building block for broader African economic integration.”³⁴ It is without a doubt that the future of an AU rests on the shoulders of the other various cooperatives throughout Africa and ECOWAS has been one of these key “building blocks.”

Global Relationships to WTO and the UN

Under the GATT and WTO, the West African states have achieved Most Favored Nation, now called Normal Trade Relation (MFN or NTR) status and special status as a result of the Lomé convention.³³ While these nations will have to open their borders and be subject to certain laws under GATT and WTO, there are special provisions in these documents for developing countries.³³ In addition, by being a part of the WTO, it is becoming much harder for the EU to take advantage of the agreements aforementioned. It has been found that under Lomé, WTO rules are being violated because preferences are not reciprocal.^{39, 18} In addition, under WTO rules, an agreement such as this is supposed to be reviewed annually.¹⁸ Previously these countries found ways around it by using waivers, however waivers under WTO are “no longer of an indefinite duration and are subject to annual review.”¹⁸ It is unlikely that “...a Lomé system that is subject to continual scrutiny and annual review will constitute a foundation for investment in ACP states.”¹⁸ This has been the primary motivator in the renegotiations that have occurred in Benin to create a more equal agreement among EU and ACP nations.

The UN has also made substantial contributions to the progress of integration not only in West Africa, but throughout the continent by creating organizations such as the Economic Commission for Africa (ECA) in 1956, African Development Bank (ADB) in 1963, and Organisation of African Unity (OAU) in 1963.³⁴ These organizations will not only benefit ECOWAS, but a potential AU as well.

CLOSING REMARKS

As this study has shown, West Africa has been one of the more successful regions of Africa in terms of efforts towards integration. This is in part due to its colonial past, especially as it relates to the francophone countries within the CFA franc (African Financial Community) zone.

This paper studied the region as it relates to integration. It covered the history of West Africa as it relates to integration and showed that not only its colonial past, but pre-colonial history as well, has played a major role in the

current integration efforts. Modern efforts at integration including ECOWAS and UEMOA have been more successful compared to other efforts in Africa due in part to a common history and in the case of the UEMOA, common currency. The future integration of this region looks bright so long as powers do not become imbalanced, leaders of these nations remain committed to solidarity, and the international community continues to support these efforts.

Discussing West African integration in this manner has painted a picture of the integration of the region in terms of where it's been, where it is currently, where it's going and what its link is to the international community. This is an important picture to study because it impacts the international community so greatly. A united West Africa creates a much more stable atmosphere, which in turn creates an attractive business environment for the future. The West Africa of tomorrow may someday become a global power to be reckoned with due in large part to the power it will hold as a collection of nations.

ACRONYMS USED

ACP	African Caribbean Pacific
ADB	African Development Bank
ASEAN	Association of South East Asian Nations
AU	African Union
BCEAO	Central Bank of West African States, includes: Benin, Togo, Côte d'Ivoire, Niger, Mauritania, Sénégal, Burkina Faso, and Mali
BCEAC	Bank of Central African States, changed to BEAC
CEMAC	Central African Economic and Monetary Union
CFA	Communauté Financière Africaine or African Financial Community
CODESIRA	Council for the Development of Economic and Social Research in Africa
FDI	Foreign Direct Investment
ECA	United Nations Economic Commission for Africa
ECB	European Central Bank
ECOWAS	Economic Community of West African States(16 countries: Burkina-Faso, Guinea-Bissau, Niger, Togo, Mali, Benin, Sénégal, Côte D'Ivoire, Ghana, Guinea, Nigeria, Liberia, The Gambia, Sierra Leone, Cabo Verde and, Liberia (Portugese, English, French Speaking)
ECOMOG	ECOWAS Military Observing Group
ECA	Economic Commission for Africa
EEC	European Economic Community
EMCP	Economic Community of West African States Monitoring Cooperation Program
EU	European Union
GATT	General Agreement on Tariffs and Trade
IMF	International Monetary Fund
MERCOSUR	Southern Common Market
MRU	Mano River Union: Guinea, Liberia, Sierra Leone
NAFTA	North Atlantic Free Trade Association
OAU	Organization of African Unity
UDEAO	West African Economic Community (begun in 1972, disbanded in 1994) ²⁵
UMOA	West African Monetary Union established in 1974 disbanded in 1994
UN	United Nations
UEMOA	(aka WAEMU or WEMOA) West African Monetary and Economic Union
WACH	West African Clearing House
WACB	West African Central Bank
WAMA	West African Monetary Agency
WAMI	West African Monetary Institute
WAMZ	West African Monetary Zone (Ghana, Nigeria, Sierra Leone, Gambia, Guinea and Liberia)
WTO	World Trade Organization

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