

## The Economics of Regional Integration in West Africa

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### Introduction

I want to congratulate the Faculty of Arts, University of Nigeria, Nsukka for being one of the most event-active faculties in the University. I have noted over time that the Faculty provides the most active platform for local and international conferences and seminars. You have hosted many conferences in the last two years. Today, you are having your Third Biennial Conference entitled: "Promoting Tourism and Regional Integration within West Africa Sub-region". I do not know of any other faculty in this university that has been hosting as many international meetings. By these you demonstrate that the university is first and foremost a market for exchange of ideas and not a market for banana and groundnut. As they say, ideas rule the world.

I want to congratulate in particular, your immediate past and present deans for providing effective leadership for the physical and intellectual transformations going on in the faculty.

I confess that as an economist am excited to be part of this conference on "Promoting Tourism and Regional Integration within West Africa Sub-Region." The theme reflects the many points of tangency between Arts and Economics and therefore requiring interdisciplinary approach for a better understanding. As I have noted elsewhere<sup>1</sup>, the increasing levels of specialization and multiplication of academic disciplines and absence of dialogue between them sometimes not only lead to fragmentation of knowledge, but also often make our policy recommendations not very credible. In response to the limitations and challenges posed by mono-disciplinarity, scholars are increasingly paying attention to and adopting inter- and trans-disciplinary approaches, that are in essence epistemological paradigms that emphasize co-production of knowledge rather than knowledge silos and isolated competencies that add up to no competence at all. This development has significant implications for teaching and research, but it is yet to find roots in our universities.

Tourism has become indeed very topical and I want also to congratulate the organizers of this conference for choosing the topic "Promoting Tourism and Regional integration within West Africa Sub-region" for this important conference. The increasing importance of tourism was recognized by the framers

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<sup>1</sup> Ichoku HE(2016) From Inter- to Trans-Disciplinarity: Epistemological Evolution and Implications for Social Science Research, A key note address presented to the Conference on Interdisciplinary in Teaching and Research, Godfrey Okoye University, Enugu May 19-20,

of the 17 Sustainable Development Goals and 169 associated targets for 2030. Tourism was captured explicitly as a development strategy in Goals 8, 12, and 14 and is implicit in almost all the 17 goals as a critical factor for sustainable development. It is therefore, not surprising that in December 2015 the United Nations, declared 2017 as the Year of Sustainable Tourism for Development. This provides nations with the opportunity to establish tourism as national priority and an important component of national economic growth, cultural and environmental protection, mutual understanding and peace<sup>2</sup>

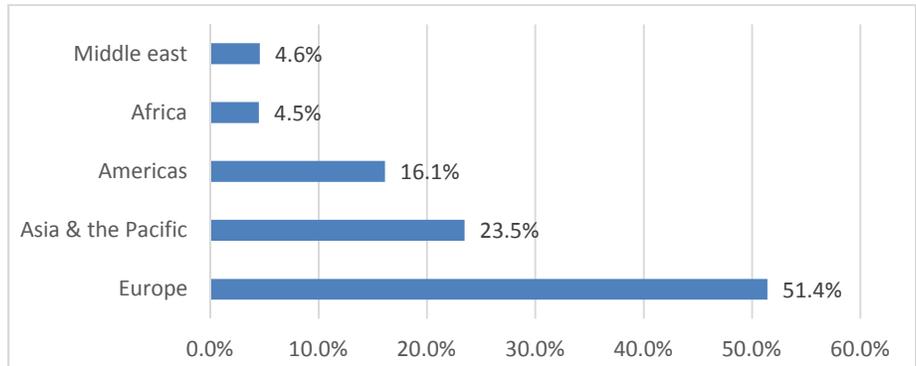


Figure 1: Distribution of World In-bound Tourists by Region  
 Source: World Tourism Organization 2016

There were over 1 billion tourists across the globe in 2015 (UNTWO, 2016). Figure 1 shows the destinations of these tourists. It clearly indicates that the tourism sector is still dominated by the advanced regions of the world, particularly Europe. Europe alone accounts for over 51% of the over 1 billion inbound tourists in 2015, Asia 26%, North and South America and Africa only 4.5%. This is in spite of the immense tourism potential of the continent. While Europe accounts for over US\$600 billion of global income from tourism, Africa accounts for less than US\$40 billion<sup>3</sup>.

Tourism has become topical not just because of its entertainment or pleasure value but more importantly because of its increasing economic significance. Tourism has become important for employment and poverty alleviation, farm competitiveness and productivity<sup>4</sup>. Indeed, tourism has emerged in the last two

<sup>2</sup>UNWTO (2016) United Nations World Tourism Organization Annual Report 2015.

<sup>3</sup>Ibid

<sup>4</sup>UNCTAD (2016) Report of High-Level Panel Discussion on “Promoting Tourism as Engine Inclusive Growth and Sustainable Development in Africa, Kenyeta International Conference Center, Nairobi, Kenya, July 21, 2016

decades as one of the fastest growing economic sectors as shown in Figure 2A that plots the growth in international tourism and receipts. According the United Nations World Tourism Organization Report 2012, tourism employs over 6% of the global workforce, generating over US\$1 trillion, and accounting for 10% of global GDP, 30% of the global exports of commercial services (UNWTO 2012). To underline the transformative potential of tourism, it is to be noted that oil currently accounts for about 10% of Nigeria’s GDP, implying that international tourism could contribute as much as oil to Nigeria’s economic growth.

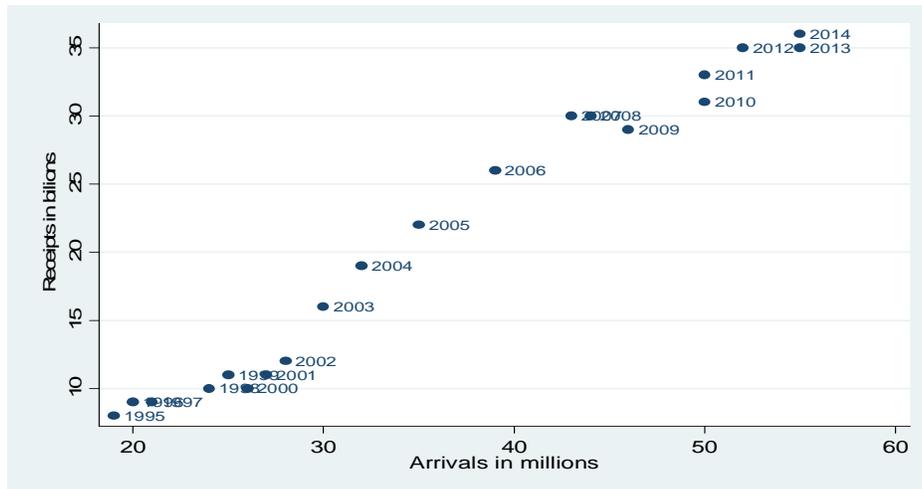


Figure 2A: Growth in Global Tourism (Arrivals and Receipts) 1995-2014  
Data source: UNWTO 2016 (Africa Region)

Figure 2A shows the growth in international tourism in Africa and the receipts in US\$ billions over the period 1995 – 2014. The number of arrivals increased from about 20 million in 1995 to about 55 million in 2014 while the income from tourism increased from less than US\$10 billion to over US\$35 billion within the period.

But the number of international tourist arrivals is unevenly distributed across regions of Africa as Figure 2B clearly demonstrates

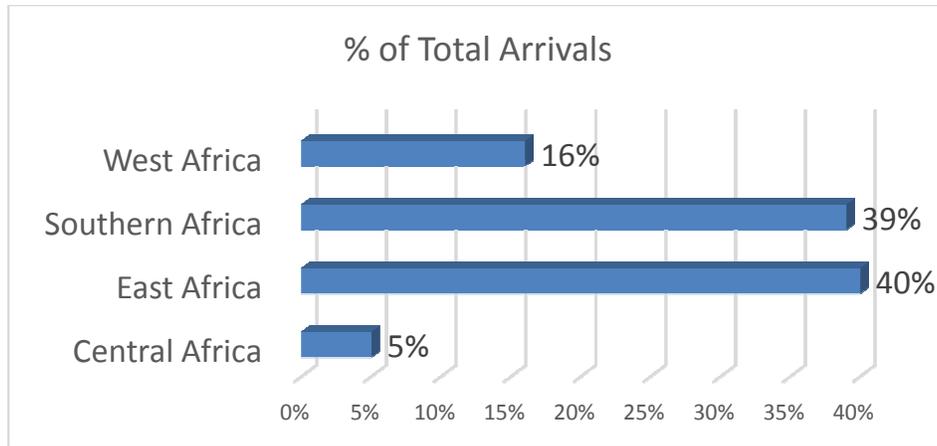


Figure 2B: Distribution of International Tourist Arrivals by Regions in SSA.

Data Source<sup>5</sup>:

This distribution shows that about 80% of total tourists arrivals in Africa are destined for eastern and southern Africa, while only 16% and 5% arrive in West and Central Africa respectively. This indicates the level attraction these regions hold for visitors in terms of security, business and entertainment.

There is a nexus between regional economic integration and tourism. It has been argued<sup>6</sup>, for example, that regional integration supports tourism based on high level of existing political will and commitment, multi-stakeholder partnership, institutional and regulatory partnerships, sub-regional cooperation framework, tourism's attractiveness and deterritorialization. A convergence or regional development priorities in a region such as poverty reduction will go a long way in promoting tourism<sup>7</sup>while tourism supports regionalization by promoting cooperative culture, poverty elimination, identity construction and social inclusion and human connectivity<sup>8</sup>. The objective of this paper is to benchmark the performance of the Economic Community of West African States (ECOWAS) against its potentials and stated protocols.

In the rest of this paper, we shall explore the concept of regional economic integration, the global trends in regional integration and the trends in Africa. Then we shall the focus on trends in West Africa, exploring the developments in

<sup>5</sup>United Nations World Tourist Organization (2013)

<sup>6</sup>Chheang V (2013) Promoting regional integrations in South-East Asia, VRF Series No. 481.

<sup>7</sup>Ferguson L (2010) Tourism Development and Regional Integration in Central America, Real Instituto Elcano

<sup>8</sup>Op cit.

the Economic Community of West Africa. We shall then consider the challenges of integration in the region and their implications for tourism in the region.

### **Study Method**

This study adopted two main methods: (a) document review of all available literature and documents including grey literature on the subject matter (b) Analysis of documents and protocols of all relevant regional integration blocs, United Nations documents, World Trade Organization documents and other related organizations. Key internet searches were carried out using keyword searches major data bases including Google, Google Scholar, UNTWO, United Nations World Bank etc. Materials were critically analyzed for relevance and inclusion in the study. Analysis was done through standard procedure of benchmarking performance, explaining differences in performance and identifying ways to improve performance.

### **Regional Economic Integration: Global Trends**

Since the 1980s, there has been a surge in regional trade agreements (RTA) or preferential trade agreements (PTA) or regional economic communities (RECs). Indeed, this has become the defining feature of modern economic arrangement and a powerful force for globalization. By 2005, World Trade Organization (WTO) had been notified of at least 250 such trade arrangements<sup>9</sup>.

Regional economic integration is simply an arrangement designed to enhance cooperation between two or more states in a region. This is usually achieved by means of regional rules and institutions entered into by the states which may include intergovernmental or supranational organizations<sup>10</sup>. The objective of the arrangement could be political or economic. It may also be aimed at achieving broader security or commercial purposes. Economic integration is often the first phase of regional integration which may also go through the stage of Single Market and ultimately terminate in political integration at which level two or more countries may become unified into a single political entity. Thus, a single market represents the midway between economic integration and political integration. Put in another way, a single market is the completion of economic integration.

At the stage of economic integration, the countries in a region agree to remove trade barriers, including import duties or taxes imposed on imports, quota (i.e. restriction on the amount of a good or service that can be imported into a country from another country) and other trade and boarder restrictions. A single market represents a second state in the process of regional integration during which barriers to movements of such factors as labor, goods and capital are removed. A single market involves the setting of a common external tariff on goods from other countries. This is also often referred to customs union. A customs union

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<sup>9</sup> Oli B, Shaheen FH. Shaheen RK, Yusuf M (2005) Regional Trade Agreements: Promoting conflict or building peace? International Institute of Sustainable Development

<sup>10</sup> McCormick J (1999) *The European Union: Politics and Policies*. Westview Press: Boulder Colorado.

may require the adoption of a common currency in which the monetary policy of the region is regulated by a single central bank.

The final stage in regional integration is political integration. This is the next stage after a single market and requires the adoption of common social policies in health care, education, pension, labor market policies in addition to common political institutions. The countries become so integrated that they adopt the same foreign policies and possibly a common military force.

The implementation of regional integration is a gradual process and often takes many years to move from one stage to another. For example, the European Union has passed through the stages of economic integration and single market and is now moving to the stage of political integration. It has a central bank that regulates monetary policies, although aspects of the integrations are incomplete as countries are free to opt out of the common currency. For example, Denmark, Sweden and Britain are currently not using the Euro. The Union has evolved from the European Coal and Steel Community formed in 1952 to European Economic Community in 1957 into a single market, the European Union which became effective in 1992<sup>11</sup>. This union has passed the advanced stage of single market into the early stages of a political union. Its progress is however being hampered by the current clamour in Britain to exise from the union, presently termed Brexit.

Other major regional integrations include the North American Free Trade Agreement which was formed in January 1994 and comprises Mexico, US, and Canada; the Association of South East Asian Nations (ASEAN) Free Trade Area (AFTA), which was formed in 1993 but started fully in 2000 and aimed at reducing tariffs among the integrating countries. Regional integration agreements have contributed to developments in international trade and investment and the formation of regional trading blocs. It is also a major factor in the process of globalization and has gained in importance in recent years.

#### **Regional Integration in Africa**

Regional integration has been spreading everywhere in the last three decades, including Africa. Indeed, Africa has had a long history of proposals for economic integration. There have been two notable phases in the development of regional integration in Africa, the pre- and post-cold war periods. The pre-cold war phase started soon after the independence of most countries in the region in the 1960s. There were calls for the regional integration of Africa<sup>12</sup> but it was beginning from the 1970s that movements towards regional integrations started. This resulted in the Lagos Plan of Action in 1980. This plan was an initiative of Organization of

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<sup>11</sup><http://carleton.ca/ces/elearning/introduction/what-is-the-eu/extension-what-are-international-organizations/>

<sup>12</sup> De Melo J and Tsikata Y (2014) Regional integration in Africa: challenges and prospects, a contribution to the Handbook of Africa and Economics: Foundation pour les etudes et recherches sur le developement international.

African Unity (OAU) whose objective was to use the regional economic communities to achieve Pan-African industrialization. The three regional integration arrangements that were supported within this arrangement were Economic Community of West Africa (ECOWAS), Common Market for East and Southern African States (COMESA), Economic Community of Central African States (ECCAS) and the Arab Maghreb Union (AMU). However, as always the case, political expediency would always override economic rationality. Most of the African leaders were not willing to cede any of their sovereign powers to any supra-national authority which would be required to build such pan African economy. With the principle of non-interference clearly enshrined in the OAU charter it was difficult to bring this dream about<sup>13</sup>.

**Table 1: Regional Trade Agreements in Africa**

Abbreviation	Regional Trade Agreements	Type of agreement	Members	Year Agreement signed
AMU	Arab Maghreb Union	Free Trade Area	Algeria, Morocco, Mauritania, Libya, Tunisia	1980
Agadir	Agadir Agreement	Free Trade Area	Egypt, Jordan, Morocco, Tunisia	2004
EMCCEMAC	Economic and Monetary Community of Central Africa	Customs and monetary union	Cameroon, Gabon, CAR, E'Guinea, Congo, Chad	2004
COMESA	Common Market for Eastern and Central Africa	Customs Union	Egypt, Sudan, Uganda, Kenya, Rwanda, Burundi, Ethiopia, Eritrea, Comoros, Djibouti, Zambia, Congo, Zimbabwe, Madagascar, Seychelles, Swaziland, Mozambique, Mauritius, Malawi, Namibia, Botswana, Lesotho.	1995
EAC	East African Community	Customs Union	Burundi, Kenya, Rwanda, Tanzania	1999
ECOWAS	Economic Community of West Africa	Trade, Currency and Political union	C'Verde, Gambia, Guinea, S'Leon, Liberia, Ghana, Nigeria, Mali, B'Faso, Senegal, G'Bissau, Togo, C'd'Ivoire	1976
WAEMU	West African Economic & Monetary Union	Customs and Monetary Union	Benin, B'Faso, C'd'Ivoire, Mali, Niger, Senegal, Togo, G'Bissau	

Source<sup>14</sup>:

<sup>13</sup>Op cit.

<sup>14</sup>Op cit.

The second phase of regional economic communities in Africa started in the late 1980s when several regional economic communities emerged. There are today more than 11 regional trade agreements (RECs) or Free trade areas (FTAs) in Africa as Table 1 indicates. The more prominent ones include Southern Africa Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC), Economic Community of West African States (ECOWAS), Pan-Arab Free Trade Area (PAFTA) and Economic and Monetary Community of Central Africa (Communauté Économique et Monétaire de l'Afrique Centrale CEMAC). Some of these have achieved the goal of creating Free Trade Area by 2017. Only EAC, COMESA, WAEMU and SACU have gone to the stage of Customs Union (ie establishing common tariff).

Most of these Regional Economic Communities form the pillars of the African Economic Community, an organization of the African Union states established by Abuja Treaty on June 3, 1991. The goals of this organization include the creation of free trade areas, customs unions, and a single market. This is expected to lead eventually to the establishment of a common central bank, an economic and monetary union with common currency for Africa. These regional economic communities became, and are still, the building blocks for the envisaged African Union (AU) and are central for implementing the New Partnership for Africa Development (NEPAD).

The Abuja Treaty which came into force in 1994 was planned to be implemented in six states<sup>15</sup>:

1. Creation of regional blocs in region where such did not exist (1999)
2. Strengthening of intra-regional integration and inter-regional harmonization (2007)
3. Establishment of a free trade area and customs union in each regional block (2017)
4. Establishment of African continent-wide customs union and free trade zone (2019)
5. Establishment of continent-wide African Common Market (2023)
6. Establishment of Africa continent-wide economic and monetary union with common currency and African Parliament (2028)

More interesting from the perspective of tourism is the implementation of free movements within the regional blocks. ECOWAS and EAC are already implementing free movements. SADC offers 90 day visa to citizens of member countries. ECOWAS proposes to roll-out a common passport and common visa for all the countries of the region by 2018.

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<sup>15</sup> [https://en.wikipedia.org/wiki/African\\_Economic\\_Community](https://en.wikipedia.org/wiki/African_Economic_Community)

Many African countries belong to one or more of such FTAs. This overlap of course creates complications for coordination as it makes it difficult to achieve consensus within a given economic community as members may have conflicting interests based on the demand of two or more regional economic communities to which they belong. More importantly, the countries are diverse in their sizes, access to the coast, natural endowments, ethnic composition among others. These translate into different interests and make negotiation and compromise difficult and, thus, slow down the rate of progress towards full integration.

**Regional Integration in West Africa: The Case of ECOWAS**

A good understanding of the economics of regional integration must begin with the historical economic and social forces that determined migration patterns in the region. Intra-regional mobility has been one of the defining features of West Africa from historical perspectives. Population movements within and outside the region were determined by diverse factors including long distance-trade, pastoralist movements in search of pasture, urbanization and growth of administrative centers, the demand for mining, armed conflicts, draught and rural poverty, industrial production and agricultural plantation<sup>16</sup>, population pressure, among others. West Africa was a borderless region within which migrants moved freely to trade in goods and services. Colonialism altered the motivation and composition of migration when it introduced and enforced political and economic structures such as taxation and territorial boundaries<sup>17</sup>. The introduction of road networks further facilitated the movement of labour and which helped to alter the compositions of the populations. One can therefore say that contemporary migrations and attempts towards regional integration are rooted in the economic forces that shaped the historical events that shaped the history of the region.

From this brief historical background, it is easy to see the emergence of an economic community that tries to cement this historical pact among the peoples of the region. The Economic Community of West Africa State (ECOWAS) is a regional economic union of 15 West African states which was established by the signing of the Lagos Treaty by member states of the bloc on May 28, 1975. The Treaty was modified by the Cotonou Treaty of July 1993 which aimed at advancing towards the adoption of a common external tariff (CET) and the principle of solidarity among member states. Consistent with the general trend, the regional body planned to move from creation of Free Trade Area to Customs Union or Common Market, and finally to Economic and Monetary Union. According to its Vision 2020, ECOWAS aims to create a borderless, peaceful,

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<sup>16</sup>Yaro JA, (undated) Migration in West Africa: Patterns, Issues and Challenges, Centre of for Migration Studies, University of Ghana, Legon.

<sup>17</sup>Adepoju A (2005) Migration in West Africa: A paper prepared for the Policy Analysis and research Programme of the Global Commission on international Migration

prosperous and cohesive region by deepening economic and monetary integration, strengthening mechanism for integration into the global market<sup>18</sup>.

These 15 countries have a land area of 5 million Km<sup>2</sup> (ie about 17% of Africa's total land mass) and an estimated population of about 349 million people (about 30% of Africa's total population) as at 2015. The main goal of the regional bloc is to achieve collective self-sufficiency for its members by creating a large trading bloc and a trading union. Although primarily an economic bloc, ECOWAS has also served as a peace-keeping force in the region with members contributing military resources to restore peace in member states in times of political instability. For example, ECOWAS forces intervened during political upheavals in Liberia (1990), Ivory Coast (2003), Guinea-Bissau, Mali (2013), and Gambia (2017).

The governance structure of ECOWAS consists of three arms: the Executive, the Legislature and the Judiciary. The chairman is usually a serving Head of State appointed by other Heads of States to oversee the affairs for a period of one year. The President of ECOWAS is often appointed for a non-renewable term of four years and assisted by a vice president and 13 Commissioners. The legislature comprises the Community Parliament headed by the Speaker of the Parliament. The Judiciary is the ECOWAS Court of Justice composed of judges seconded by the Supreme Courts of member states<sup>19</sup>.

There are two mainsub-regional free trade areas within the ECOWAS region. These are the West African Economic and Monetary Union (known in French as *Union Economique et Monetaire Ouest-Africaine*) (WAEMU/UEMOA) and the West African Monetary Zone(WAMZ).



Figure 3: Countries of ECOWAS

<sup>18</sup> AfDB (2014) Regional Integration in West Africa: Challenges and Opportunities for Senegal Final Report 2013)

<sup>19</sup> ECOWAS: <http://www.ecowas.int/about-ecowas/governance-structure/>

WAEMU is made up of the Francophone countries of West Africa and as a common currency zone that uses CFA as the common currency. These include Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo. Figure 4 shows the countries in this zone. It was established in 1994 to counterbalance the dominance of the English speaking countries in ECOWAS and is made up of 8 French speaking West African Countries. They share a common customs union and currency union. This sub-regional trade bloc has gone further than ECOWAS towards integration as they have established a common accounting system, macroeconomic policies and regional stock exchange as well as legal and regulatory framework for regional banking system<sup>20</sup>. They are currently working towards greater regional integration with a common external tariff (CET).



Figure 4: Countries of WAEMU

The countries in WAMZ include Nigeria, Ghana, Liberia, Guinea and Sierra Leon with only the last three sharing common border. The zone is heterogeneous by size of population and size of the economies. Nigeria is the main economy of the zones, accounting for over 76% of the total population and about 85% of the GDP. Ghana accounts for about 9% of the GDP of the zones. The economies of the region put together accounts for about 1% of global GDP and so could still be regarded as small open economies and thus face the challenges of macroeconomic policies associated with such economies. While ECOWAS and WAEMU currently operate as parallel organizations, it is planned that ECOWAS and WAEMU will fuse together in 2020 to form one homogeneous economic bloc.

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<sup>20</sup> <https://ustr.gov/countries-regions/africa/regional-economic-communities-rec/west-african-economic-and-monetary-union-uemoa>

### Theoretical and Practical Rationale for Regional Integration in West Africa

The earliest theoretical justification for regional integration is neo-functionalism which is rooted in the liberal tradition of international relations. The theory is built on the assumption of interaction among three factors:

- Perception of economic interdependence among participating countries
- Organizational capacity to resolve disputes,
- Supranational market institutions that replace national regulatory regimes.

Perception of significant interdependence among capitalist economies in one or more areas of economic activities spill over to other areas including political activities, and thus requiring harmonization of economic and political policies. The harmonization of economic activities and policies give rise to regional integration.

There are several theoretical and practical reasons underlying the establishment of regional economic communities in West Africa and Africa in general. The desire for regional integration in Africa right from the independence era was motivated essentially by political considerations. The colonial legacy in Africa resulted in a configuration of states that with arbitrary demarcation of borders, large ethno-linguistic diversity which had potentials for conflicts and high levels of communication costs, and thick borders<sup>21</sup>. Observers generally see regional integration as the path to accelerated economic transformation as it expands access to larger markets, widens the economic space and reaps the benefit of economies of scale of production and trade and so maximize the welfare of the their population<sup>22</sup>. Regional integration also increases competition in global trade and improves access to foreign technology.

In Africa specifically, one of the greatest economic setbacks of the region is the diversity of the countries, some are resource rich and others resource poor, some are coastal and others landlocked, some are multi-ethnic in composition others are not, some are densely populated others are sparsely populated. These diversities often lead countries to adopt the principle of non-interference which makes integration difficult.

Smallness of the economies leads to high transaction costs arising from fragmented and isolated nature of the economies particularly in the Sub-Saharan Africa. The GDP of some of the economies are less than US\$5 billion. In fact, in 1992 the GDP of SSA was about the size of Belgium<sup>23</sup>. These small economies with sparse populations imply high production costs and loss of scale economies and, thus, making a case for regional integration for the countries to reap

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<sup>21</sup>Alesina, A., A. Devleeschauwer, W. Easterly, S. Kurlat, and R Wacziarg (2003) 'Fractionalization'. *Journal of Economic Growth*, 8(2): 155-94.

<sup>22</sup>United Nations Economic Commission for Africa (UNECA) (2010) Assessing Regional integration in Africa IV: Enhancing Intra- African Trade.

<sup>23</sup> De Melo J and Tsikata Y (2014) Regional integration in Africa: Challenges and Prospects, Fondation pour les études et recherches sur le développement international

efficiency gains and exploit economies of scale in production. High input costs mean that the outputs were not internationally competitive, leading to over-valued currencies. Domestic monopolies and trade protection led to rent-seeking. Traditional economic theories suggest that when two goods are high substitutes, trade agreement will cause the demand for third party goods to fall and this will lead to fall in prices. This will also imply that outside firms will have to cut their prices if they are to maintain exports to the region. Market enlargement which is created through regionalization also makes possible the existence of large firms with increased economies of scale, increased competition and reduced prices. In addition large markets attract higher investments, and diversification of products.

#### **The Political Economy Dimension**

While economists are often focused on the welfare effects of regional trade, political scientists focused on political factors that enhance or militate against regional integration. The initial justification for regionalism was based on economic efficiency and gains from trade. While this is true and a dominant reason for early regionalism integration initiatives, the political economy motive is also significant. There are also concerns that preferential trade and regional integration could undermine multi-lateralism<sup>24</sup>. It has been noted<sup>25</sup>, that political motives and geography trump the traditional efficiency and welfare gains of trade argument particularly in the case of Africa.

Regional Trade Agreements have been promoted by external interests across Africa as an integral part of conflict resolution and peace-building process in SSA. External powers have often been involved in motivating and sustaining regional trade agreement in developing countries, particularly in Africa. It is perceived to reduce political and military tension between enemy countries and can help to reintegrate countries into regions in post conflict situations. For example, it has been argued<sup>26</sup> that the likelihood of conflict between parties to the same trading bloc fall fast as trade between them increases. Both the Clinton and Bush Administration promoted regional economic agreements as a matter of strategic foreign policy priority. In July 2005, the EU signed an agreement to provide 30 million Euros to COMESA as part of EU's 223 million Euro support fund for the regional integration programme. It also provided 45 million Euros as support to SADV in 2002<sup>27</sup>.

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<sup>24</sup>Freund, C. and E. Ormelas (2010). 'Regional Trade Agreements'. *Annual Review of Economics*, 2(1):139-166, 09.

<sup>25</sup>De Melo J and Tsikata Y (2014) Regional integration in Africa: Challenges and Prospects, Fondation pour les études et recherches sur le développement international.

<sup>26</sup>Mansfield, Edward D. "Preferential Peace: Why preferential trading arrangements inhibit interstate conflict", in Economic interdependence and international conflict: New perspectives on an *enduring debate*" (Mansfield and Pollins, eds) Michigan Studies in International Political, Economy, 2003, pp. 222-36

<sup>27</sup>Oli B, Shaheen FH., Shaheen RK, Yusuf M (2005) Regional Trade Agreements: Promoting conflict or building peace? International Institute of Sustainable Development.

There are also geopolitical interests involved in the formation RTAs. Apart from language similarities, regional integration arrangements often go beyond trade and economics to achieve security goals. ECOWAS, for example, is not just an economic bloc but also attempts to achieve security goals within the sub-region.

#### **Progress in Regional Integration within ECOWAS**

Since the treaty establishing ECOWAS was signed in 1975, the community has made effort to achieve some of its set goals, although many of the long term goals are yet to be realized. One of the cardinal pillars of the treaty is the free movement of persons, capital and goods within the countries of the region. For example, Article 27 envisaged "... the creation of a homogenous society leading to the unity of the countries of West Africa by the elimination of all types of obstacles to the free movement of goods, capital and persons"<sup>28</sup>. This, by implication, means that the Treaty confers the status of citizenship to all citizens of member states within the community. It also requires member states to abolish all obstacles to freedom of movement and residence within the community. The Treaty envisaged that in the long term, citizenship of any member state could be acquired automatically by members of the community.

Similarly phase 1 of the Free Movement Protocol and Right of Residence and establishment was ratified in 1979. This guaranteed individuals with valid travel documents and health certificates the right to stay in any of the member countries for up to 90 days without visa. While the right of entry has been implemented since 1980, the right of residence was rectified in 1986 while the right of establishment which was to follow five years later is yet to be implemented. Table 2 shows the extent the Free Movement of Persons, Rights of Residence and Establishment in ECOWAS has been implemented by member states. It clearly indicates that apart from the abolition of requirement of visa for 90 days stay which is now implemented by all the 15 member states, the introduction of ECOWAS Travel certificate<sup>29</sup> in member countries, the other protocols associated with free movement have either been partially implemented or not implemented at all. The harmonization and emigration forms have not been achieved at all and ECOWAS Brown Card<sup>30</sup>

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<sup>28</sup>ECOWAS Treaty , Preamble to the ECOWAS Treaty( Lagos, Economic Community of West African States, paragraph 1 of Article 27 of the Treaty, 1975)

<sup>29</sup>ECOWAS Travel Certificate serves two main purposes: (i) as a passport and therefore a valid travel document within the community (ii) a form of identity and proof identity of citizenship within the community.

<sup>30</sup>The main objective ECOWAS Brown Card is "to guarantee to the victims of road accident a prompt and fair compensation of damages caused by non-resident motorist from ECOWAS member states visiting their territory".

**Table 2: Status of Implementation of Free Movement of Persons within ECOWAS**

Country	Abolition of Visa for 90 days stay	Introduction of ECOWAS Travel Certificate	Harmonized immigration and emigrations forms	ECOWAS Brown Card Scheme
Benin	•	○	○	•
B' Faso	•	•	○	•
Cape Verde	•	○	○	○
Cote d'Ivoire	•	○	○	•
The Gambia	•	•	○	•
Ghana	•	•	○	•
Guinea	•	•	○	•
G'Bissau	•	○	○	•
Liberia	•	○	○	○
Mali	•	○	○	•
Niger	•	•	○	•
Nigeria	•	•	○	•
Senegal	•	○	○	•
Sierra Leon	•	•	○	•
Togo	•	○	○	•

Source<sup>31</sup>

There have been efforts towards creating a borderless ECOWAS so that goods from member countries can move freely without any tariff. While goods from member countries attract zero tariff, good from non-EU third parties attract about 0.05% of total value the good. The community has also tried to eliminate non-tariff barriers to trade within the community and the establishment of common external tariffs represented important progress. The full implementation of the protocols of the community will create a sizeable market for goods and services from the region, it will create jobs and improve the overall welfare of the citizens of the region.

However, although the appropriate protocols have been established to facilitate trade within the region, for example, the common external tariff was supposed to become effective in 2008, yet traders still face high tariff, product bans,

<sup>31</sup>United Nations Economic Commission for Africa (UNECA) (2015) Assessing progress towards regional Integration in the Economic Community of West African States since its inception, ECA-WA/REC/2015/03.

cumbersome regulations, administrative bureaucracy, bribery and corruption, high cost of inefficient transportation system and import controls<sup>32</sup>. But these should not detract from the economic value of the scheme. If fully implemented, the scheme has the potential to enlarge the market for exports within the sub-region, create jobs, reduce poverty and enhance foreign exchange earnings.

#### **Challenges in the Implementation of the ECOWAS Free Movement Protocols**

While ECOWAS has made significant progress since its creation in 1975, integration within the community remains a major challenge. The most important challenge from the perspective of tourism is the slow progress towards the implementation of the protocol on free entry, right of residence, and establishment. Not only that some member states have not implemented some of the key initiatives of the community but officials of states try to undermine the implementation of protocols that have been ratified. It has been noted<sup>33</sup> that migrants carrying valid travel documents are often harassed, maltreated, and extorted by immigration officers at the borders. When they refuse they are delayed, turned back, or even beaten and incarcerated. There are all manner of illegal road blocks along the route making corrupt demands on the passengers. I recall a personal experience while coming back from Cotonou in Benin Republic to Lagos in 2004. I encountered 32 road blocks between Cotonou and Mile 2 in Lagos. At each road block state officials made corrupt demands on the driver and his passengers. The driver always had to comply otherwise he was delayed or detained by the officials.

There is also the challenge of mass flow of irregular migrants, those who do not carry any form of valid travel documents. It has been noted<sup>34</sup> that there is influx of migrants occasioned by poverty, and depressed economy and social crises in search of better living conditions. Draught and famine typically cause poor populations to move from one country to another without any valid documents.

#### **Crises of Confidence among Member States**

The period of oil boom in Nigeria prior to 1983 attracted a large number of unskilled workers from other countries in the region into Nigeria. However, with the crash in oil prices and consequent economic recession in Nigeria beginning from 1983, the Shagari administration revoked Articles 4 and 27 of the ECOWAS Protocol and expelled about 1.3 million illegal allies, mostly Ghanaians and other citizens of member states. Again with the continued economic crises, Nigeria expelled another 200,000 illegal aliens who were again citizens of member states

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<sup>32</sup>Adepoju A (2015) Operationalizing the ECOWAS Protocol on Free Movement of Persons: Prospects for Sub-Regional Trade and Development, *The Palgrave Hand Book of International Labour Migration: Law and Policy Perspectives*, UK: Palgrave Macmillan pp 441-461

<sup>33</sup>Yahaya BH (2012) The challenge of building regional citizenship in ECOWAS, a presentation to the 7<sup>th</sup> Global Conference: Pluralism, Inclusion and Citizenship, Organized by Interdisciplinary.net, Prague, Czech republic March 12-14, 2012.

<sup>34</sup>Op.cit.

of the sub-region. This created a huge crises of confidence that has been difficult to overcome. It has been noted that on account of those events, many ECOWAS countries have enacted laws which restrict other nationals of the community from participating in some economic activities<sup>35</sup>. In addition there are fears among the smaller economies of being dominated by the bigger economies in the region such as Nigeria and Ghana.

### **Other Challenges**

Apart from those mentioned above, there are also deficit of infrastructure in the community that make integration difficult. For example, air and land transport infrastructure which are important for movement and integration within the region are in deficit. There is therefore the need for the construction of high ways, rail, roads and improved flights within the region to facilitate the movement of persons and goods. The Lagos end of the trans West African route is a nightmare to any traveler, not only on account of the huge number of legal and illegal road blocks by all manner of paramilitary uniforms, but the road is also better experienced than described. Transport infrastructure is particularly important for members like Niger, Mali, and Burkina Faso that are land-locked. In addition, effective integration presupposes effective communication system among member countries. Communication network within the region is very poor, an evidence that the region remains one of the most underdeveloped regions of the world.

There is also the need for harmonization of macroeconomic policies. Macroeconomic convergence is a critical requirement for the attainment of monetary union. Macroeconomic stability, including optimal inflation, is a requirement that ensures that stability in the purchasing power of the common currency as envisaged in the community. Member countries need to pursue economic policies that guarantee the attainment of macroeconomic stability benchmarks in fiscal and monetary policies which are required for any meaningful monetary union. Monetary indicators such as primary convergence criteria including fiscal deficit to GDP ratio of less than 3%, average annual inflation rate of less than 5%, and central bank financing of the budget deficit of less than 10% of previous year's tax revenue, and gross reserves of greater than six months of import, are important for the region to make economic progress. Customs policies need also to be harmonized for seamless transition within the economies of the region. Trade among the members of sub-region is still very

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<sup>35</sup>Adepoju A (2015) Operationalizing the ECOWAS Protocol on Free Movement of Persons: Prospects for Sub-Regional Trade and Development, The Palgrave Hand Book of International Labour Migration: Law and Policy Perspectives, UK: Palgrave Macmillan pp 441-461

low, accounting for just about 11% of the total trade volume by member countries<sup>36</sup>. Most of what is traded are crafts and non-processed products. Finally, as is typical with politicians, it is very difficult for politicians to want to relinquish part of their sovereignty in many areas. This delays integration.

### **Conclusion**

Tourism is one of the fastest growing economic sectors today. Economic prosperity around the world will continue to afford individuals and groups the opportunity to move around for business, for leisure, visits, and medical and other purposes. The sector therefore, has a great potential for economic transformation of regional economies. Unfortunately, Africa and West Africa in particular are some of the least beneficiaries of the increasing global expenditure on tourism as it accounts for less than 5% of total global international tourist receipts.

This paper notes that there is a nexus between tourism and regional integration. Regional integration fast-racks tourism because it increases trust on the existing political will and commitment and sense of multi-stakeholder partnership, institutional and regulatory partnership and sub-regional cooperation. Tourism on the other hand leads to the creation of borderless regions which facilitates integration and promotion of cooperative culture. The paper reviews the proliferation of regional economic communities in Africa and the reasons for this development. In particular, it provides the economic rationale for economic integration in West Africa, the progress made in this direction and the challenges facing the integration process.

It concludes that while the integration has great potentials to fast-track the growth of the economies of the region, there are several obstacles that impede the integration process. These include distrust among the states, overzealous state officials among others that make the realization of fruits of protocols already ratified by the states difficult. Lack of transport infrastructure, inability of the states to implement policies that move the region towards convergence remain very serious setbacks for the integration of the community and therefore, implies that expected growth in member states will continue to lag behind their potentials. At only 11%, intra-regional trade is very low, implying that welfare gains from trade are not being realized.

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<sup>36</sup> Adepou A (2015) Operationalizing the ECOWAS Protocol on Free Movement of Persons: Prospects for Sub-Regional Trade and Development, *The Palgrave Hand Book of International Labour Migration: Law and Policy Perspectives*, UK: Palgrave Macmillan pp 441-461