Economic Union (ECOWAS) of challenged relevance and market compatibility

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Abstract

In 1975, fifteen (15) countries from Anglo-phone, Franco-phone and Luso-phone countries came together to form what will become the Economic Community of West African States (ECOWAS). Like most economic unions, ECOWAS, modelled along the basic tenets of the European Union, was deeply rooted in the market and economic integration of the participating countries. Indeed, it has been suggested that it (ECOWAS) was structured as a model frame for a larger, if more ambitious integration of the entire continent. The main objectives of ECOWAS were the eventual elimination of all tariffs and barriers between member countries, the establishment of customs union, unified fiscal policy and coordinated regional policies in other areas, including transportation, communication, energy and other infrastructural facilities. Today, the sub-region that makes up ECOWAS boasts a paltry 316 billion dollars Gross Domestic Product (GDP) and a population of three hundred million, and counting, which by the way, shows the highest rate of population growth in the world at about 2.7%. The region accounts for 4.5% of the world's population, but only 0.5% of its GDP. *Over sixty-five (65%) per cent of the population live in the rural areas. Nigeria, with over 120 million people, accounts for more than half of this population and nearly half of its GDP. The next two largest numbers are Ghana with 8% of the population and 8% of GDP, and Cote d'Ivoire with 7% of population and 12% of GDP. As of 1998, the average income growth of the Community was estimated at 3.9%. Cote d'Ivoire leading the growth rate at about 6.8%. The background of countries that make up ECOWAS is one of lingering, but powerful and economically intricate erstwhile colonial relationships, whose influences are still strong in the sub-region. The consensus, even if contentious, is that ECOWAS has failed to live up to its original billings, due to, among other things, the apron-strings attachments to erstwhile colonial micro- and macro-economic amplifications.*

The essence of this research is an evaluation of the trade, market and economic relationships with the colonial states, and their impact, if any, on policies' re-alignments, economic and markets convergence and integration within the (ECOWAS) region. Furthermore, this research evaluates the policies (monetary and fiscal), institutional framework, infrastructural (in)capacity or (in)compatibility and other in-country support variables that have significantly affected the sub-regional construct called ECOWAS. It is also hoped that the findings from these will not only enable policies' reviews and recommendations, but will also reveal new areas of research for strengthening integration initiatives that could potentially position the sub-region as a viable alternative location for investment, especially Foreign Direct Investment (FDI).