

## **Regional Integration as a tool for poverty reduction in West Africa**

*Hannah Serwaah Tetteh  
Minister for Foreign Affairs and Regional Integration, Ghana*

I wish to share with you some perspectives on the topic: “Regional Integration as a Tool for Poverty Reduction in West Africa”. I hope that at the end of my delivery, I would have succeeded in raising some of the critical issues that will engender further debate and contribute not only to policy-formulation but also more effective implementation to promote the growth of our individual countries and our continent.

### **What is Regional Integration?**

The Oxford Advanced Learner’s Dictionary defines ‘Integration’ as “the act or process of combining two or more things so that they work together.” Regional integration is, however, a more complex process. It usually involves several countries, whether at the sub-regional or continental level, with different economic interests, languages, administrative systems, national priorities and political and social challenges.

Yet in embracing the concept of Regional Integration, these countries must have an appreciation of the fact that notwithstanding their many points of divergence, they have important common interests that have to be discussed and promoted, not only for the benefit of the larger regional grouping or continent, but ultimately for the benefit of the individual Member States. Even though there is no exact agreement on the definition of the concept, it mostly involves developing a cooperation framework on the basis of one or more written agreements that describe the areas of cooperation in detail, as well as some coordinating bodies representing the countries involved.

Some scholars, however, prefer to use the term ‘regionalism’, referring to any kind of regional cooperation; whilst other focus more on ‘integration’, often meaning economic integration. Economic integration includes but is not limited to the creation of free trade areas, customs unions, economic communities, and monetary unions. When understood this way, ‘Integration’ will be deemed to be different from ‘Cooperation’. Cooperation, then, is a much weaker and loose form of teamwork among sovereign states and it is more issue specific. Regional integration, on the other hand, connotes more engaging and deeper processes, relationships, coordination and activities among the member states, which could eventually lead to the formation of a common market, a common currency, free trade area or even political union among the integrating states in the long term. When I use the term ‘Regional Integration’, therefore, I am referring to this deeper relationships among states.

## **The History of Regional Integration in West Africa**

Soon after attaining independence in the late 1950s and early 1960s, African leaders, inspired by the philosophy of Pan-Africanism, expressed the desire to adopt a united continental effort to tackle the numerous post-colonial challenges that confronted their people. By and large, the political vision among the leaders at the time was focused on three issues; namely, continental political unity, nation-building, and decolonisation of the remaining colonised countries and those under apartheid rule.

It was this vision that led to the formation of the Organisation of African Unity (OAU), the predecessor of the African Union. By the 1970s, the independence agenda and the freedom from Colonial Government initiative had made progress; however, the political and economic state of Africa had worsened, marked by weak governance structures, dictatorial rule, conflicts and political instability, economic challenges, worsening terms of trade, increasing poverty etc. The vision of continental political and economic unity looked bleak. Something needed to be done differently.

Then came Adebayo Adedeji, erstwhile Executive Secretary of the United Nations' Economic Commission for Africa (UNECA), who was not only convinced that the way out for Africa was political and economic unity, but also that the best strategy was to begin the process at the much smaller sub-regional level. With his determination and, of course, support from some West African leaders within our sub-region, the Economic Community of West African States (ECOWAS) was founded in 1975.

The formation of ECOWAS was unprecedented in at least two important respects. First, it brought together for the first time 15 West African countries with varied linguistic, colonial and pre-colonial histories and experiences. Second, the creation of ECOWAS was a clear indication that West African leaders were determined to find a way of working together with the primary objective of enhancing the economic development of the sub-region with an ambitious cooperative framework.

The expectations for the new organisation were understandably high. First, it was thought that the organisation will enable the Member States to create an enlarged market for their products, which would stimulate the development of new industries and especially give fillip to the development of the manufacturing sector. It was envisaged that the enlarged market will enable industries and producers to exploit economies of scale and promote market specialisation that will ultimately lead to improved terms of trade for the region. A single West African market with a population of almost 300 million was thought to be the vehicle to increase the region's bargaining power in its dealings with other regions and trading blocs. The challenges of globalisation, particularly its attendant vulnerabilities for developing and weaker economies, were also thought to be better tackled within the collective regional framework.

## **The State of Regional Integration in West Africa**

38 years on, the common problems that motivated the founding fathers to establish ECOWAS as a regional economic community are still with us. Over the years, ECOWAS has shifted focus away from its core mandate of regional economic integration to

address the challenges of conflicts and political instability. What we also see is the emergence of new threats such as piracy, armed robbery against ships, poaching, and drug trafficking which introduce added complexity to the maintenance of peace and stability which is the foundation for the deepening and expansion of trade and economic ties, as well as the very sources of livelihood of our people.

Meanwhile, the traditional problems of poverty, disease and malnutrition, unemployment, and low living standards continue to stare us in the face. According to the 2013 Human Development Report of the United Nations Development Programme, 12 out of the 15 ECOWAS Member States exhibit some of the lowest socio-economic development indicators, including the lowest Human Development Index ratings in the world. This parlous economic state led to over-reliance on foreign aid and loans, a situation that resulted in the designation of almost all the ECOWAS countries at one time or the other (with the exception of Nigeria and Cape Verde) as Highly Indebted Poor Countries (HIPC).

Our regional integration efforts are also still characterised by low political will to implement regional commitments, relatively lower intra-regional trade, cross border harassment, and generally weak economies of Member States. All these challenges have made it impossible for us to fully tap the benefits of our regional integration efforts. For this to change, a certain amount of introspection, and a real collective effort to implement the integration agenda as a catalyst for development and change is required.

## **Regional Integration and Poverty Reduction**

In spite of the enormous challenges discussed above, regional integration in West Africa has contributed somewhat to poverty reduction though the data to support this position is not easily available. The protocol on the free movement of people has made it considerably easier to move people and agricultural products over our borders. We must improve the administrative arrangements as well. For sure, ECOWAS is celebrated within and outside Africa as one of the most innovative and advanced among the continent's regional economic communities. This is particularly in the areas of conflict prevention, management and peacekeeping which are prerequisites for socio-economic development, but more as an example of successful political rather than economic cooperation.

### **i. Peace and Security**

The ECOWAS Standby Force, or ECOMOG, is held as a model for other Regional Economic Communities (RECs) in the continent. Its interventions in Liberia, Sierra Leone, and Guinea went a long way to stabilise the countries and to place them on the path of development. Recently in Cote d'Ivoire and currently in

Mali, the collective efforts of West Africans led to interventions and peace processes that restored order and stability in those countries. What is important here is the belief among the regional leadership that without peace, there cannot be meaningful development. Therefore, if we have to spend all our resources to restore peace in the region, it will appear to be the right thing to do.

So in assessing the impact of regional integration on poverty reduction in West Africa, you may not see much concrete results on the ground if all you are looking for is the rate of poverty reduction. But if you consider that without our collective efforts, these conflicts could have actually deepened the poverty in the region, you will appreciate how far we have come. Since the outbreak of the crisis in Mali and Guinea Bissau, for instance, several Extraordinary Summits of ECOWAS Heads of State and Government have been convened to discuss the restoration of peace and stability in the Member States.

If all the time, energy and resources expended on these two conflicts had been channelled into poverty-reduction programmes, one can only imagine the impact it would have had on the citizens. Yet, these have been the issues that ECOWAS has been dealing with all these years. The sad thing, though, is that sometimes our regional integration efforts are not viewed within this context; rather we have often been judged in comparison with the success stories of the European Union. It is important to remember the peculiarity of our circumstances and deal with them as best as we can.

## **ii. Democracy and Human Rights**

It is also important to note the gradual entrenchment of democracy, the rule of law and fundamental human rights in the region, following the decision of ECOWAS not to countenance any unconstitutional regimes. More and more, West African citizens are becoming conscious of their rights and freedoms under constitutional rule; they are able to hold their leaders more accountable; and they are able to stand up courageously to the ills of their societies. The expressions of these freedoms are directly translated into economic gains for the people, including the freedom to pursue their dreams and become economically self-sufficient.

## **iii. Free Movement**

There are, however, some concrete initiatives of ECOWAS that are contributing directly to poverty reduction in West Africa. The first I will like to talk about is the Protocol on the Free Movement of Persons, Goods and Services. Whilst admittedly, there are still challenges with the implementation of the Protocol, as previously stated, no one can deny the benefits that the Protocol has brought to the region. The abolishing of visa requirement for Community citizens and the free movement of goods, services and labour has facilitated cross-border trade, engendered new businesses and business partnerships, expanded productions, and generally increased private sector participation in national development. This is, no doubt, increasing employment in the region and reducing dependency.

## **iv. ECOWAS Trade Liberalisation Scheme (ETLs)**

The establishment of the ECOWAS Trade Liberalisation Scheme (ETLs) is another critical project in the Community's drive to promote and consolidate economic integration in West Africa, and thus reduce poverty among its people. The Scheme is anchored on the complete removal of all trade barriers in the region, and the standardisation of all custom duties and taxes of equivalent effect, with the view to

enhancing intra-regional trade. Presently, more than 100 private sector organisations have been certified under the scheme to deal in over 255 different products across the region. The certified companies are not supposed to pay customs duties on their approved products, a situation that is creating new market opportunities for them and helping them to grow their businesses and also enhancing their participation in the integration agenda.

#### **v. Agriculture**

Agriculture which is the main economic activity of most Community citizens has also been given a boost by the regional organisation through the adoption of technology-based innovative measures to facilitate the exchange of agriculture-related information within the Community. One example of this innovation is the Marketing Information Systems and Trader's Organisations in

West Africa (MISTOWA). The project seeks to strengthen regional market information systems where they exist, or develop new ones, improve the capacity of regional trade and producer organisations, as well as boost the general trade environment in West Africa. This will make it possible for business people within the Community to exchange information and share business ideas.

In addition, ECOWAS has since 2005 adopted a common agricultural policy known as the ECOWAS Common Agricultural Policy (ECOWAP). Among other things, the objectives of the policy are to ensure food security for the rural and urban populations of West Africa; reduce dependency on imports; develop human capacities, and contribute to the reduction of the vulnerability of West African economies to the volatility in the international market for agricultural produce. If properly implemented, the policy should boost production, result in food sufficiency and, thus, reduce the incidences of poverty, hunger and malnutrition in the region.

#### **vi. Transport**

The transport sector is another area where ECOWAS can be given a pat on the back. So far, the Community has supported the construction of the trans-coastal highway from Lagos to Nouakchott (9000km) and the trans-Sahelian highway from Dakar to N'Djamena (11000km). Of particular need for mention is the transnational Abidjan-Lagos Corridor Project. The project which is a Public-Private Partnership was conceived by ECOWAS and the African Business Roundtable in conjunction with the African Business Climate facility and the African Development Bank. It seeks to promote trade within the region as well as provide enhanced access to export markets for landlocked countries such as Burkina Faso and Mali. When completed, the highway will pass through five West African countries; namely, Cote d'Ivoire, Ghana, Togo, Benin, and Nigeria. It is envisaged that the corridor will ultimately serve as a Pan-African road network that will run from Mauritania in the north, to Kenya in the east. ECOWAS also plans to improve rail transportation in the region, and plans are already underway for the construction of a railway network from Accra to Lagos. These projects will expand access within the region, facilitating movement, boosting trade, and ultimately creating more employment for the people.

## **vii. Telecommunications**

Between 1984 and 1994, ECOWAS completed the INTELCOM I project which connected 13 West African capitals through automatic telephone, telex and telefax communication links. The second phase of the project, INTELCOM II, is expected to facilitate the full digitalisation of telecommunication links in the region when completed. Specifically, it hopes to establish 32 intra-state fibre-optic links to create a regional backbone for Member States. This will, no doubt, transform the Community into an information society based on the development, promotion and large-scale deployment and, thus, facilitate trade and economic growth in the region.

ECOWAS has also been instrumental in the establishment of the global system for mobile communication (GSM) roaming facilities in the region to improve and reduce the cost of intra-regional cellular phone calls. Some of you may know that it is currently more expensive to make some intra-regional calls than to make calls to other parts of the world. This is because some of the calls have to be routed through facilities in Europe or America before the signals are re-routed back to subscribers in the region. In order to change this trend, more than 30 GSM licenses have already been issued in the various Member States.

## **viii. Health**

In the area of health, the establishment of the West Africa Health Organisation (WAHO) to co-ordinate the efforts of Member States in fighting diseases, among others, is another important initiative of ECOWAS that is contributing to poverty reduction. Some of the Member States have developed joint initiatives to combat HIV/AIDS through such projects as the Abidjan-Lagos Transport Corridor project which involved Côte d'Ivoire, Ghana, Togo, Benin and Nigeria.

In its First Strategic Plan, WAHO undertook measures to combat malaria, malnutrition, HIV/AIDS, and maternal and infant mortality. WAHO was also engaged in efforts for the prevention of blindness, access to medicines and vaccines, epidemiological surveillance, as well as training and health information management. In its Second Strategic Plan, the organisation is still pursuing this agenda in addition to the treatment of non-communicable diseases. Given the lack of access to basic health facilities, particularly in rural West Africa, and the associated cost, the activities of WAHO is certainly contributing significantly to both preventive and curative healthcare in the region.

## **ix. Gender Promotion**

The ECOWAS Gender Development Centre based in Dakar was established to promote gender issues in West Africa. The Centre collaborates with Member States to, among others, collect data on the situation of women in the region; implement apprenticeship programmes for the acquisition of skills; and provide assistance to women to promote their sources of livelihood. Ghana is currently benefitting from three programmes of the Centre; namely, the Obstetrics Fistula programme; the Scholarships of Excellence for Girls programme, and the Food Processing, Fisheries and Handicrafts programme.

These programmes are healing and transforming the beneficiaries into economically self-sufficient women, enabling them to easily able to translate the gains into caring for their families.

#### **x. Vision 2020**

Some of you may be aware of the new ECOWAS vision, called Vision 2020, which was launched in June 2007. The vision essentially shifts focus from an

“ECOWAS of States” to an “ECOWAS of People”, with the aim of building a “borderless, prosperous and cohesive region where people have the capacity to access and harness its enormous resources through the creation of opportunities for sustainable development and environmental preservation.”

Before now, the processes to build ECOWAS had been concentrated mainly on Heads of State and other top political appointees, acting on behalf of Member States. The new thinking, however, is that in order for the process to work, ordinary grassroots people need to be involved.

Vision 2020 therefore rests on five pillars; namely, governance; infrastructure; private sector; women, children and youth; and sustainable environmental practices. The vision is gradually transforming the workings of ECOWAS, allowing it to consult and collaborate more with Member States as well as non-state actors such as the private sector and civil society organisations. This realisation, albeit late, is indicative of a regional body that is willing to examine its performance and to redefine its mission. It is hoped that all actors in the region will now be drawn to the new vision so that collectively we can diagnose our common problems and reach common ground, going forward.

#### **The Way Forward**

In the post-Cold War international system which is driven largely by globalisation, regional integration is not an option; it is an imperative, particularly for smaller and weaker states such as those in the West African region. We must therefore be prepared to either integrate our efforts for sustainable economic development or gradually fade into oblivion.

A lot still needs to be done in this regard to deepen economic, social and political ties in order to promote development and enhance the quality of lives of our people. Successful integration will equip the region with the necessary tools for the fierce competition that is taking place across the globe. ECOWAS therefore needs to continue to create an atmosphere of peace and stability as preconditions for sustainable development. In this regard, its conflict management mechanisms and capacity need to be continually strengthened to enhance its credibility at all levels. Everything needs to be done to maintain the peace and stability that has returned to Member States that had been in conflict, whilst efforts are also made to stabilise existing conflict zone. But more importantly, ECOWAS needs to strengthen its conflict prevention mechanisms rather than the continual resort to reactive measures. Prevention is by far, the only sustainable and cost effective strategy.

Closely related to the above is the need for the regional body to continue to deepen democracy and strengthen institutions among its Member States. This has the effect of internalising the spirit of accountability and transparency, thereby ensuring that resources are used effectively for the improvement of the quality of lives of the people.

Expanding intra-regional trade, which currently stands at less than 20 per cent, is one other objective that should preoccupy ECOWAS in its efforts to reduce poverty in the region. This will, however, not materialise unless Member States become fully committed to the total eradication of artificial barriers which presently constitute major impediments to the free movement of people, goods and services across the region. Intra-ECOWAS trade will also be significantly improved if national production structures are properly coordinated and aligned to complement one another. ECOWAS needs to effectively engage the private sector in the region to identify realistic ways of promoting intra-community trade. The Private Sector has expressed its challenges and the call on national Governments is to effectively deal with them.

The implementation of the Joint Border Post arrangements should make it less cumbersome to deal with the administrative bureaucracy at our borders; agreeing on the Common External Tariff which will hopefully take place in October this year in Dakar, should make it easier for us to do business with the world and each other; whilst improving payment systems is key to trade facilitation. Equally important is the need for economic transactions in the region to be conducted transparently and speedily in order for it to attract the badly needed external investments that are indispensable to integration, sustainable economic development and, ultimately, poverty reduction.

The region's agricultural sector also deserves critical attention and transformation. Whilst close to 70 per cent of the region's population rely on agriculture, much of the activities in the area are of a subsistence nature which does not allow the citizens to become self-sufficient in food production, much less expend on other areas of poverty alleviation like education. The resultant over-reliance on food importation drains the region's foreign exchange earnings and only worsens the harsh economic conditions. ECOWAS must, therefore, commit itself to the development of the region's agricultural sector by effectively coordinating the agricultural policies of Member States and properly aligning them with its own.

Another area that requires serious attention by ECOWAS is human resource development. An educated and capable human resource remains indispensable to the efficient exploitation of the region's enormous resources for its development. It is, undoubtedly, the panacea to the widespread poverty, technological backwardness, and economic and social deprivation of the region. Member States, therefore, need to consciously increase budgetary allocations to education as a strategy to produce an intelligent, creative, capable, and reliable workforce that will drive the desired economic growth and sustainable development which are prerequisites for poverty reduction.

Finally, we cannot look at the way forward without talking about continued cooperation to improve our infrastructure deficit: expand the roads, ports, railways and airports that are critical to enhancing integration and making it cost effective to do so.



## **Conclusion**

I hope that I have succeeded in sharing some perspectives with you on the subject matter of regional integration and its impact on poverty reduction. Of course, I do not presume to have covered all the issues that the topic entails. But I do hope that I have raised some critical issues that will engender more discussions and debates beyond these walls.

Please allow me to conclude by once again expressing my profound gratitude to the organisers of this event for inviting me to this platform. I will also like to thank all of you for your kind attention.

Thank you very much.