Globalization versus Disintegration:
The Travails of Regional Integration Agenda in West Africa

By

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Abstract

Globlisation is a multi-dimensional phenomenon with risks and opportunities for States of the world that have been inextricably linked in a complex and interdependent relationship. Regional integration has been adopted in various regions of the world as one of the strategies for mitigating the risks of globalization while maximizing the opportunities. Meanwhile, despite the quest for regional integration, Africa remains a mosaic economically. This study interrogated the neoliberal proselytisation of globalisation as an inevitable phenomenon that benefits all states and even fosters regional integration. It investigated the role of globalization in undermining regional integration in West Africa. Secondary data were collected from documentary sources while qualitative descriptive method of analysis was employed. We predicated our study on the complex interdependence theory. Hence, the study implicated multilateral trade liberalization and financial liberalization as two aspects of globalization that undermines intra-regional trade and creation of monetary union in West Africa respectively. We noted inter alia that most of the global trade agreements reached under the auspices of the WTO are detrimental to the integration effort of West African countries. The study demonstrated that West African countries trade more with developed countries of Europe and America than they trade among themselves leading to insignificant intra-regional trade. On its own, financial globalization was implicated for undermining the autonomy of West African States in domestic monetary policy making and ipso facto vitiates the efficacy of the mechanisms and strategies initiated for creation of monetary union in West Africa. As a corollary, West Africa also performs poorly in terms Foreign Direct Investment inflow into the region despite the global increase in the volume and value of FDI. By exposing and integrating the economies of Africa into the global market through the instrumentalities of trade and finance, globalization impedes intra-regional trade and creation of monetary union in West Africa, and engenders disintegration of West African economic community. Although regional integration is not an elixir, the paper maintains that regional integration is a veritable strategy required to mitigate the risks posed by globalisation and therefore advocates evidence-based reforms that would ensure involvement of the private sector in the integration agenda, diversification of economies, reduction of external debt owed to Bretton Woods institutions, provision of subsidies for small and medium scale industries to make them competitive locally and globally.

Introduction

Capitalism is not a static socio-economic formation, it is dialectical and has continued to transform and transplant itself due to the quest for appropriation of surplus value by economic agents on the one hand and the consequential internal contradictions on the other hand (Okoli, 2015). Globalization is an outcome of this expansionary character of capitalism (Okoli, 2008; Amin, 2010; Okolie & Okoli, 2014). Globalisation is a multi-dimensional phenomenon which includes trade, financial and investment liberalization on a global scale (Khor, 2001; Anyanwu, 2012). It is a process that brings about the integration of national economies into the global economy involving increasing volume of transnational capital flows through rapid and wide-spread diffusion of technology (See Okolie 2006; Khor 2001; Garcia 1998; Iglesias 1997; Reich 1998).

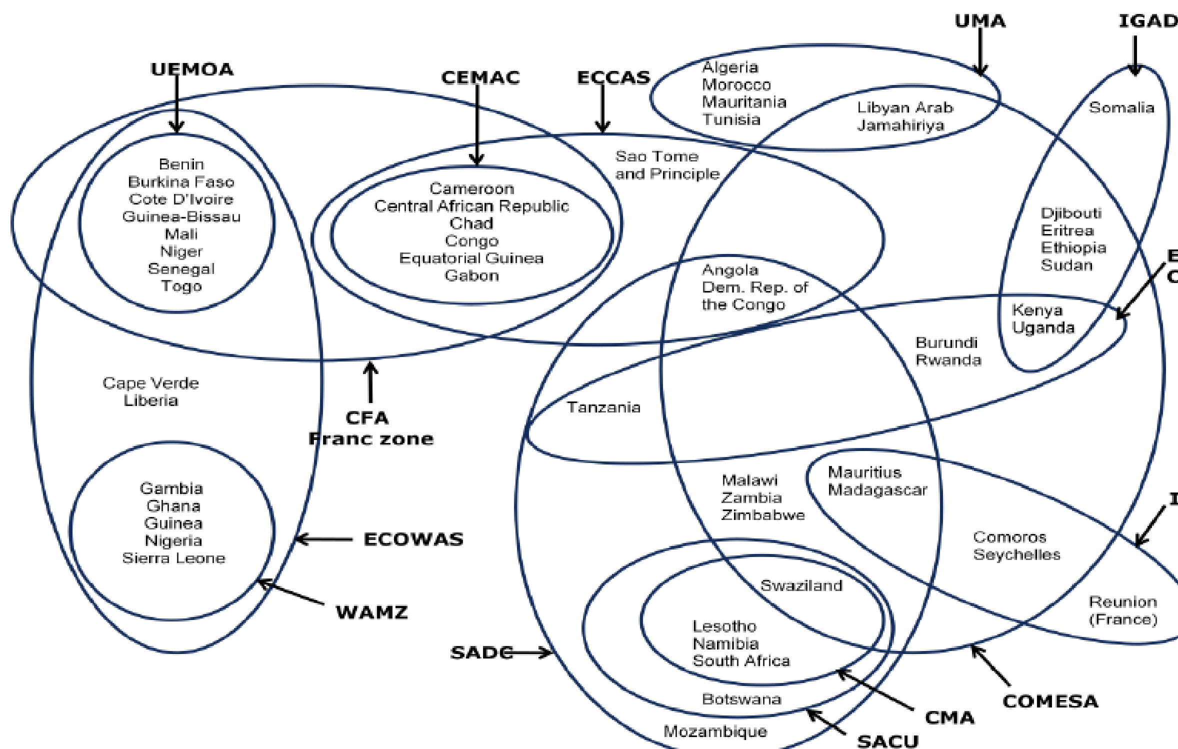
Globalization presents both risks and opportunities to countries of the world. Some scholars tend to eulogize globalization and argue that the benefits of globalization outweighs its risks (see Kose et al, 2009; Schmukler, 2004; Prasad et al, 2003; Fukuyama 1992), other studies have pointed out the adverse effects of globalization especially for Third World countries and Africa in particular (Okolie (2006); Soludo, (2008); Arestis & Basu 2003). The fact remains that every country struggles to maximize the opportunities and mitigate the risks of globalization.

Meanwhile, regional integration has been adopted as a strategic response to the challenges of globalization by most regions. Hence, there has been proliferation of regional and sub-regional groupings in various parts of the globe: the European Union (EU) in Europe; the Association of South East Asian Nations (ASEAN) in Asia; the North American Free Trade Agreement (NAFTA) in America; MERCOSUR in Latin America; ECOWAS in West Africa; SADC in Southern Africa; Common Market for Eastern and Southern Africa (COMESA); only to mention a few.

Despite this effort, Africa remains a mosaic as most of these regional economic groups have not been able to achieve their major objectives rather, what has emerged is a multiplicity of regional economic communities (RECs) and overlapping membership by African countries (see figure 1 below). Intra-regional trade in Africa has not been encouraging while attainment of monetary

union in the subregion remains a mirage. This study attempts to investigate the role of globalization in undermining regional integration with specific focus on West African sub-region.

Figure 1: Various Regional Economic Communities in Africa



Source: UNCTAD, 2009 cited in Keane, Cali & Kennan, (2010)

Statement of the Problem

The complexity of the inter relationship engendered by globalization requires global actors especially states to take actions to mitigate is risks and maximize the opportunities. Evidently, states have continued to make conscious effort to maximize the opportunities of globalization, one of such efforts is the pursuit of regional integration. African countries have also made concerted effort to form regional economic groups in order to mitigate the risks posed by globalization.

With the attainment of political independence by all African countries, end of apartheid and changing global political economy within the context of globalization, African countries have recognized the need for economic cooperation and to properly refocus the goals of regional

groups in Africa. For instance, the Organization of African Unity has metamorphosed into African Union to make it focus more on the contemporary economic realities. In West Africa, the birth of ECOWAS in 1975 was also considered a landmark achievement considering the fact that it focused on enhancing economic cooperation and development among member countries.

Presently, there are about fourteen regional groups within Africa (Yaya, 2015). Despite the proliferation of these regional groupings, intra-regional trade among member states remains abysmally low (Keane, Cali and Kenaan, 2010; Hartzenberg, 2011; Akims, 2014). Again, attainment of monetary union remains a mirage as member countries is still a serious challenge. Further, the region's share of global FDI especially Greenfield investments is also low especially when compared to other regions of the world (United Nations, 2012).

The challenge of regional integration in Africa has drawn attention of scholars. Recent studies attribute the poor success recorded in Africa's integration agenda to factors like poor infrastructure and weak institutions, non diversification of the economy, poor payment systems among member countries, existence of non-tariff barriers (NTBs), trans-border banditry, political uncertainty etc. (see Akims, 2014; Hartzenberg, 2011; Keane, Cali and Kennan, 2010; Akande and Omobowale, 2015; Assoua, 2013). Some other scholars like Yaya (2015); Afesorgbore and Bergeijk, (2011) implicate existence of multiple regional groups or members of multiple regional groups within the region for the poor state of regional integration in Africa. Other studies also drew attention to exogenous factors impeding regional integration in Africa. Such exogenous factors range from contemporary globalization to influence of former colonial masters (see Owusu, 2013; Bilal, 2013; Egwaikhide, and Ogunleye, 2010).

Despite the modest effort of scholars, the link between globalization and the challenge of regional integration in Africa still requires systematic analysis. This study contributes by investigating the impact of multilateral trade liberalization orchestrated under the World Trade Organization (WTO) on intra-regional trade in West Africa. It also interrogated the implication of financial globalization for the West African monetary union agenda. Specifically, the study provokes the following research questions:

i) Does multilateral trade liberalization under the auspices of WTO undermine intra-regional trade in West Africa?

ii) Has financial globalization negatively impacted on the attainment of monetary union in West Africa?

Literature Review

The aim of this review is to examine pertinent literature with respect to the research questions posed in the study in order to locate the gap in existing literature. Accordingly, the study reviewed literature mainly on the link between globalization and regional integration.

Recent studies has tried to explicate globalization and its implications from various perspective. In line with this, Asobie (2002), argued that contemporary globalization is characterized by the dominance of international finance capital which results in the transformation of global capitalism into “casino capitalism”. He noted however, that globalization is not solely market-drive, it has a strong political dimension – “global governance” i.e. the conscious effort by the government of the industrialized countries to govern the world using such multilateral agencies as WTO, IMF, World Bank etc. Similarly, Khor (2001) explained that financial globalization has been driven by several factors including financial liberalization, the development of technology especially electronic communications, the emergence of new financial instruments and institutions and the collapse of the international fixed exchange rate system. He added that globalization of national policies and policy-making mechanisms has led to the erosion of national sovereignty and narrowed the ability of national governments and people to make choices from various other options. Sharing this view, Soludo (2008), believed that contemporary global economy has become more complex in recent times, with cross border financial flows and the integration of financial systems which leaves little room for domestic monetary policy for the existing national governments as it has constrained the landscape for the conduct of monetary policy. Furthermore, Lane (2012) noted that financial globalization contributed to the financial conditions that ultimately gave rise to global financial crisis and contributed to the credit market vulnerabilities that were at the origin of the global financial

crisis. Interestingly, the writer showed that the financial globalization provided a buffer against the crisis for some countries (emerging economies) and amplified the crisis for others (advanced economies).

Conversely, Kose, Prasad, Rogoff & Wei (2009a) proselytized the benefits of financial liberalization which they argued are catalytic and indirect as it promotes the development of the domestic financial sector, impose discipline on macroeconomic policies, generate efficiency gains among domestic firms by exposing them to competition from foreign entrants and unleashing forces that result in better public and corporate governance. In a similar development, Kose et al. (2009b) argued persuasively that the reality is for developing countries to accept financial globalization since closing borders attracts costs in terms of forgone long term economic welfare. They noted that sound economic policies that promote financial sector development, institutional quality and trade openness are important in helping developing countries derive the benefits of globalization. In the same vein, Schmukler, (2004) pointed out that the main benefit of financial globalization for developing countries is the development of their financial system which involves more complete, deeper, more stable and better regulated financial markets. This is done by making new and more capital available to developing countries and provision of a better financial infrastructure.

Prasad et al. (2003), in their study found that there is no clear empirical proof of quantitative significant positive effect of financial globalization on economic growth and macroeconomic volatility of developing economies. They noted that the beneficial effects of financial globalization are more likely to be detected when the developing countries have a certain amount of absorptive capacity. More so, the ability of developing countries to derive benefits from financial globalization and its relatively vulnerability to the volatility of international capital flows can be significantly affected by the quality of both its macroeconomic framework and institutions.

As regards the link between globalization and regional integration in Africa, Akims (2014) attributed the poor performance of intra-regional trade in West Africa to deficiency in infrastructure, non diversification of the subregion’s economy and the absence of efficient and

effective payment mechanism among member countries especially between the Anglophone and Francophone countries.

Hartzenberg (2011) opined that regional integration record in Africa has not been impressive when measured on the level of intra-regional trade in the RECs. He went further to attribute this to factors like reliance on the region's few primary commodities, existence of various Non tariff Barriers (NTBs), weak infrastructure and institution, poor governance etc. He lamented that within the global context, most sub-Saharan African countries ranked very low in Global Competitiveness Index (GCI) with countries within ECOWAS performing worst on the GCI indicators and this undermines the business environment (and inflow of FDI).

Keane, Cali & Kennan (2010) focusing on the Southern African Development Community (SADC) and drew attention to the role of non-tariff barriers (NTBs) in undermining intra-regional trade in sub-Saharan Africa (SSA). The scholars argued persuasively the existence of various forms of NTBs thwart attempts at diversification of the region's economy. The result of their study shows that the introduction of one or more non-tariff measures in a sector significantly undermines intra-regional trade in SADC to the benefit of non-SADC countries whose exports increase thereby validating the hypothesis that NTBs are barriers to intra-regional trade for SADC countries.

Anyanwu (2012) identified FDI as a key element of globalization. Based on empirical results obtained from his study, he argued that the major determinants of FDI inflow to Africa includes market size, openness to trade, extent of financial development, amount of foreign aid inflow, institutional quality and natural resource endowment (especially oil). Based on these determinants, East and Southern African sub-regions are positively disposed to obtain higher levels of FDI inflows.

In his view, Thomsen (2005), argued that FDI inflow to Africa is on the increase. He noted that while the volume of FDI into Africa represents only a small share of global flows, when compared with the size of the African economy, it can be seen that Africa attracts almost as much FDI as Southeast Asia. The scholar attributed the rise in FDI to rising commodity prices, new oil finds in Africa coupled with the desire of major importers to diversify their sources of

supply, and various preferential trading agreements with the EU and the US, improvement in governance etc. Again, the writer argued that such increase in FDI is helping integration of African countries both at the global and regional level.

In another development, Fugazza and Nicita, (2011) noted that the proliferation of preferential trade agreements (PTAs) at both regional and bilateral level in recent past undermines the World Trade Organization (WTO) principle of most favoured nation (MFN) because by providing some countries with a relative advantage, the PTAs engender discriminatory practice in global trade.

Akande & Omobowale (2015) opined that the 21st century West Africa within ECOWAS is best described as a period of the battle for integration. The scholars identified trans-border banditry as a big threat to integration effort in ECOWAS. According to them, trans-border banditry expressed in the form of aided rebellion in member countries like Mali, terrorism in countries like Nigeria, Chad, Niger and Cameroun orchestrated by Boko Haram and cross border armed robbery. The study stressed on ECOWAS integration as it concerns free movement of people and goods and argued that the afore mentioned factors are implicated for the de-integration of the people of ECOWAS. Assoua (2013) stressed that political uncertainty impacts on macroeconomic policy which undermines ability to meet the convergence criteria needed for monetary union. Such political uncertainty according to him results from security challenges such as large scale civil wars and insurgencies with cross border implications all of which heighten the risks in the region.

Owusu, (2013) decried that intra-regional trade among African countries remain weak because most member countries find it more convenient to trade with high-income countries/former colonial masters than their counterparts in the region. In the same vein, Bilal (2013) added that former colonial rulers in Europe have continued to influence the direction of integration in West Africa. for instance, UEMOA was facilitated by France to strengthen monetary ties of member countries with France. He submitted that over-reliance on these external partners can only undermine regional integration effort.

In his study, Yaya (2015) identified ‘multiple regionalisms’ as a problem of Africa’s integration because the objectives and programmes of the various sub-regional groupings complicates the

processes of integration on the continent. According to him, the multiplicity of regional groups leads to dispersal of scarce diplomatic, economic and human resources, creates environment for high politicization of the African integration process all of which undermines attainment of the integration agenda in Africa. He prescribed inter-regionalism as a panacea to challenge of regional integration in Africa. Similarly, Afesorgbore & Bergeijk, (2011) noted the existence of overlapping membership of African countries in various regional trade agreements (RTAs) which impedes the effectiveness of the RTA. Focusing on the two major RTAs in Africa – ECOWAS and SADC, the writers aver that the impact of RTAs for regional integration in Africa is stronger than the trade stimulating impact of PTA with the European Union.

Abraham (2015) examined financial integration in West Africa and located the challenge of integration within the context of the non integration of the stock markets of member countries (Nigeria and Ghana especially) of the West African Monetary Zone (WAMZ). In another study on monetary integration in WAMZ, Egwaikhide and Ogunleye, (2010) investigated the effects of globalization on the ability of member countries to meet the macroeconomic convergence criteria needed to form monetary union, and concluded that globalization affects all the convergence criteria but effects of globalization depends on the size, level of development, level of integration and management of macroeconomic variables of the member countries.

In sum, our review reveals two discernible clusters of opinion with respect to the challenges of regional integration in Africa. On the one hand, some writers stress on the endogenous factors that impede integration effort (see Akims, 2014; Hartzenberg, 2011; Keane, Cali and Kennan, 2010; Akande and Omobowale, 2015; Assoua, 2013; Yaya, 2015; Afesorgbore and Bergeijk, 2011), on the other hand, other writers document the exogenous factors that undermine Africa's regional integration effort (see Owusu, 2013; Bilal, 2013; Egwaikhide, and Ogunleye, 2010). However, the link between globalization expressed in terms of multilateral trade and financial liberalization and regional integration in West Africa still requires detailed investigation. This forms the gap we set out to address in this study.

Theoretical Framework

Contemporary international political economy is characterized by complex relationship among global actors (states, international organizations, transnational corporations, transnational terrorist groups etc.) in the international community. Thus, there is need for theory that aids in the explication of the *raison d'etre* and dynamics of this complex relationship. Meanwhile, most African scholars and writers from the Third World tend to predicate their analysis on the dependency paradigm which attributes the pathetic and seemingly hopeless condition of underdevelopment in the Third world to the contact with the developed countries. Using the dependency paradigm, they implicate factors like colonialism, neo-colonial and imperialistic exploitation of the Western capitalist countries and institutions like IMF and World Bank. As a logical derivative of their paradigm, they suggest 'delinking' as panacea. Among the leading proponents of the dependency theory are Baran (1967), Frank (1969), Santos (1970), Offiong (1980) etc. We argue that despite the potency of the dependency paradigm, it does not suffice in appreciating contemporary complexity of the international political economy. Again, the inability of realism as a postwar dominant theory to explain contemporary interdependence calls for a more abiding theory.

In the light of the above, we predicate our analysis on the complex interdependent theory as developed by Robert Keohane and Joseph Nye. Their basic assumption is that the world has become more interdependent in economics, communication and human aspirations and the very nature of relationship among actors in the international environment is changing. According to them, complex interdependence refers to the various complex transnational connections (interdependencies) between states and societies. The theory does not see one country as being perpetually dependent on another, but that all countries share in a complex web of interconnectedness and interdependence (see Okolie, 2015). Essentially, Keohane and Nye enunciated three basic characteristics of complex interdependence as outlined below:

1. there exists multiple channels that connect societies. These channels can be in the form of interstate, transgovernmental and transnational relations;

2. the agenda of interstate relationships consists of multiple issues that are not arranged in a clear or consistent hierarchy. This means inter alia, that military security does not consistently dominate the agenda, distinction between domestic and foreign issues becomes blurred while inadequate policy coordination on these issues involves significant costs;
3. military force plays a relatively minor role in international relations mainly because "it is not used by governments toward other governments within the region, or on the issues, when complex interdependence prevails".

In anticipation of the problems of inequality and exploitation, the theorists introduced the concept of 'regimes' to mitigate anarchy and enhance mutual cooperation (Keohane & Nye, 1987). Thus, the main actors of this era are renegotiated global regimes and other non-territorial actors such as multinational corporations, international organizations and institutions etc.

This theory is therefore, relevant to our study because it facilitates comprehension of the inevitable interdependence and inter-relationship among various actors out which we cannot 'delink'. Hence, globalization acts as a centripetal force uniting all countries into the global capitalist system, at the regional level it is acts as a centrifugal force undermining regional economic unity. Again, the theory shall aid understanding of the role played by certain international institutions like the WTO in sustaining the contemporary global interrelationship. Specifically, the theory provides the framework for understanding how inspite of integration agenda, trade among African countries remains low relative to their trade with other developed countries, FDI volume in Africa remains low relative to FDI volume in other regions and attainment of monetary union remains a mirage. Generally, the challenges posed by globalization to regional integration in West Africa are thus, better appreciated and explained within this context.

Propositions

We put forward the following propositions to guide our investigation:

i) Multilateral trade liberalization under the auspices of WTO undermines intra-regional trade in West Africa.

ii) Financial globalization has impacted negatively on the attainment of monetary union in West Africa.

Methodology

The study adopted an *ex post facto* research design which is based on the examination of the independent and dependent variables after the events have taken place and the data already in existence with a view to investigating relationship among the variables (Kerlinger, 1977; Asika, 2006).

Further, the study employed qualitative method of data collection. According to Biereenu-Nnabugwu (2006), qualitative method is used to obtain in-depth information and concept clarification so as to facilitate instrument designs. Qualitative method is considered appropriate for this study because the method is well suited for contextual analysis and useful when the task is to glean, illuminate, interpret and extract valuable information in order to draw inference from the available evidence. Hence, qualitative method was employed to obtain secondary data sourced from institutional and official documents/websites of UNCTAD, World Bank, West African Monetary Institute (WAMI) all of which provided information like trade and investment statistics of the West African sub region. Other secondary sources of data such as textbooks, journal articles, and conference papers were also sourced and utilized.

The mass of qualitative data generated were analyzed using qualitative descriptive analysis which enables the researcher to verify the propositions posed in the study through description of patterns of relationship observed from the data obtained.

Empirical Verification

Multilateral Trade Liberalization under the WTO

The WTO emerged on 1st January 1995 as a result of the Final Act concluding the Uruguay Round which was signed on 15 April 1994, during the ministerial meeting at Marrakesh Morocco also known as the Marrakesh Agreement. The WTO replaced the General Agreement on Trade and Tariff (GATT) as the contemporary global institution that regulates trade between member states and provides a framework for negotiating and formalizing trade agreements, it also provides dispute resolution process aimed at enforcing participant's adherence to WTO agreements, signed by member states and ratified by their parliaments. Presently, all ECOWAS members are also members of the WTO (see Appendix I for dates of accession). Essentially, the WTO through its principles and various other agreements reached under its supervision facilitates multilateral trade liberalization globally. Below are some WTO principles that guides contemporary international trade:

1. Non-discrimination Principles: The nondiscrimination principle which guides the global trade policies has two major components: the Most-Favoured-Nation (MFN) rule, and the national treatment principle both of which are embedded in the main WTO rules on goods, services and intellectual property.

The Most-Favoured-Nation (MFN) component of the nondiscrimination principle applies unconditionally and is a basic pillar of the WTO for trade liberalisation, it requires that a product made in one member country be treated no less favourably than a "like" (very similar) product that originates in any other country. The "national treatment" component of the nondiscrimination principle attempts to ensure that liberalisation commitments are not offset through the imposition of domestic taxes and similar measures. It requires that foreign goods be treated no less favourably, in terms of indirect taxation than like or directly competitive domestically produced goods (Khor, 2001).

2. Reciprocity. The reciprocity principle was conceived as a way to discourage or prevent nations from enacting unilateral trade barriers. Under this principle, all members are to lower their trade barriers together to ensure free flow of global trade. Furthermore, the principle ensures better access to the global market by all member countries and also facilitates multilateral trade liberalisation. It ensures that a nation obtains a reduction in foreign import barriers as a quid pro quo for a reduction in its domestic trade restrictions. Through this principle the WTO ensures free flow of trade across national borders via the elimination of all forms of barriers to trading among nations.

3. Binding and enforceable commitments. This principle ensures that market access commitments are implemented and maintained. This is because trade liberalisation commitments and agreements to abide by certain rules have little value if they cannot be enforced. The principle further ensures that once tariff commitments are bound, it is important that member states do not resort to other, non-tariff, measures that have the effect of nullifying or impairing the value of the tariff concession.

4. Transparency. This principle enables the WTO to actually monitor the trade policies of member countries and to ensure that member countries are committed to trade liberalisation. The principle of transparency requires access to information on the trade regimes that are maintained by members. The principle ensures that all relevant laws, regulations, judicial decisions, and administrative rulings of member countries be made public. Again, by this principle WTO members are required to respond to requests for information by other members, and to notify changes in trade policies to the WTO.

Some Notable WTO Agreements

Some of the agreements reached under the WTO which has implications for multilateral trade and regional integration in Africa are discussed briefly.

1. **The Agreement on Trade-Related Investment Measures (TRIMs)**

Under the TRIMs Agreement, from January 2000, developing countries are prohibited from applying local-content requirement which obliges firms to use a specified minimal amount of

local inputs, they are also prohibited from applying foreign exchange balancing which limits the import of inputs by firms to a certain percentage of their exports.

2. Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)

The TRIPs was reached under the auspices of the (WTO) and sets down minimum standards for many forms of intellectual property regulation (IPR) as applied to nationals of other WTO Members. The TRIPS agreement introduced intellectual property law into the international trading system for the first time and remains the most comprehensive international agreement on intellectual property to date. Ratification of TRIPS is also a compulsory requirement of World Trade Organization membership, such that any country seeking to obtain easy access to the numerous international markets opened by the World Trade Organization must enact the strict intellectual property laws mandated by TRIPS.

3. The Agreement on Agriculture (AoA)

The Agreement on Agriculture (AoA) which came into effect at the beginning of 1995 basically provides that most of the Third World countries will have to reduce domestic subsidies to farmers, remove non-tariff controls on agricultural products by converting them to tariffs which will be progressively reduced.

Regional Integration in West Africa: An Overview

Regional integration implies an arrangement where states of a geographic region come together to promote trade and development among member states. It grows from the formation of a free trade area, a customs union, a common market, an economic union and ultimately a political union.

Regional integration among African communities has a long and checkered history. Rodney (1972) showed that Africans were cooperating economically among themselves prior to colonialism. He demonstrated that in addition to the trade that existed among the pre-colonial African communities, the monetary system and exchange was also developing and sophisticated in few of the communities beyond the simple barter and subsistence. Apparently, with the advent

of the colonial masters, all forms of economic cooperation among African communities came to a halt. The destruction and disarticulation of African economies during colonialism is well documented by Ake (1981). In West Africa, as in other African sub-region, with the attainment of political 'independence' and end of apartheid, economic cooperation among the 'independent' states started topping the agenda. This marked a resurgence of economic cooperation now orchestrated by sovereign states in Africa.

Meanwhile, the current effort at integration among West African states under the auspices of ECOWAS could be traced back to the milestone attained in 1975 by 15 West African states which established ECOWAS, with the main aim of promoting cooperation and integration in the context of economic union of West African states. Article 3 of the ECOWAS protocol outlined the aims and objectives of the organization to include:

i. Promote cooperation and integration leading to the establishment of an economic union in West Africa in order to raise the living standards of its peoples, and to maintain and enhance stability, foster relations among Member States and contribute to the progress and development of the African Continent.

Furthermore, Article 3(2d & e) set out the stages for achieving the envisaged common market and ultimately an economic union through:

i. The liberalization of trade by the abolition among Member States of customs duties levied on imports and exports, and the abolition among Member States, of non-tariff barriers in order to establish a free trade area at the Community level;

ii. The adoption of a common external tariff and a common trade policy vis-à-vis third countries;

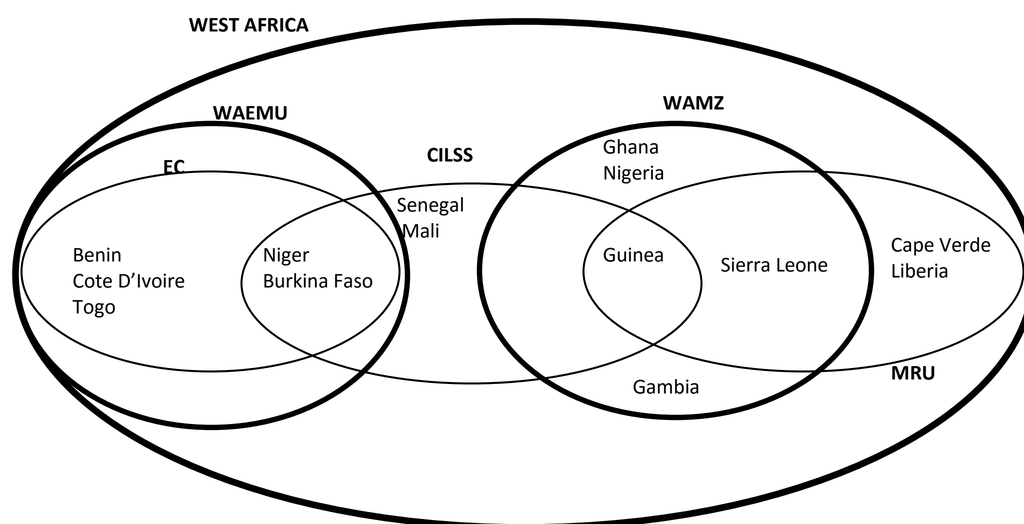
iii. The removal between Member States of obstacles to the free movement of persons, goods, service and capital, and to the right of residence and establishment.

Again, 2(e) of the Protocol provides for the establishment of an economic union through the adoption of common policies in the economic, financial, social and cultural sectors and the creation of a monetary union.

To achieve its objective of creating a monetary union in West Africa, various mechanisms and strategies were put in place, the West African Clearing House (WACH) was set up in 1975 to assist in achieving convertibility of currencies of member countries. By 1987, ECOWAS Monetary Cooperation Programme (EMCP) was adopted with the specific objectives of: improving and strengthening sub-regional payments systems under the West African Clearing House (which metamorphosed to West African Monetary Agency – WAMA in 1986); introducing limited currency convertibility; establishing a single monetary zone, and eventually a common central bank and a single currency by the year 2000.

Presently, there are various regional economic arrangements in West Africa (see figure 1 and table 1 below). Meanwhile, the effort towards attaining a monetary union in West African is better analyzed by looking at the activities in the two monetary zones – the WAEMU and WAMZ.

Fig. 2: Regional Economic Arrangements in West Africa



Source: Afesorgbor & Bergeijk (2011)

Table 1: Regional Economic Arrangements in West Africa

Community/Union	Members	Objective	Status/Achievement
WAEMU	Niger, Guinea Bissau, Senegal, Mali, Burkina Faso, Togo, Benin, Cote d'lvoire	Full Economic Union	- Business law harmonized - WTO notified - Custom Union Achieved
WAMZ – West African Monetary Zone	Ghana, The Gambia, Sierra Leone, Nigeria, Guinea	Single Currency;	- Set out convergence criteria to be met my members
CE – Conseil de I'Entante	Benin, Togo, Cote D'Ivoire, Niger, Burkina Faso	Promoting Economic and Political Cooperation	- Political discussion forum and economic activities
MRU – Mano River Union	Liberia, Guinea, Sierra Leone	Multi-Sectoral Integration	- Intra-Union FTA established - Joint infrastructure projects completed
CILSS – Comite Permanent Inter-Etats de Lutte Contre ta Secheresse dans le Sahel	Mali, Niger, Senegal, Burkina Faso, Gambia, Cape Verde	Coordinating Sahelian Developmental Programmes	- Pursuing establishment of regional projects

Source: Soderbaum 1996; ECA 2004 in Afesorgbor & Bergeijk (2011)

West African Economic and Monetary Union (WAEMU)

This is one of the monetary zones existing in West Africa, it is the most successful monetary zone formed in 1994 by francophone West African Countries. Its members include: Benin, Burkina-Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo. One of the objectives of the WAEMU is to achieve monetary integration through the harmonization and coordination of their macroeconomic policies, to this end, they adopted a set of convergence criteria, established a common external tariff regime. The convergence criteria adopted in 1994 included:

- a ceiling on civil service wage bill of 400% of tax revenue;
- a ceiling on public investment financed by primary basic fiscal surplus of not less than 15% of tax revenue; and
- a declining or unchanged level of domestic and external arrears.

The criteria were later enhanced in 1999, with the adoption of a more stringent indicators under the convergence, stability, growth and solidarity pact. The pact required the member countries

of WAEMU to aim at a balance or surplus, in the basic fiscal balance, an inflation rate of three percent or less, domestic debt/GDP and external debt/GDP ratios of below 70% and a non-accumulation of both domestic and external debt arrears (Nnanna 2006:19-20).

Thus, financial integration in WAEMU monetary zone of West Africa is more advanced when it comes to market participants facing a single set of rules. Progress has also been encouraging in broadening similar access to capital market instruments. Generally, the WAEMU provides a successful mechanism for monetary integration in the francophone West Africa.

West African Monetary Zone (WAMZ)

The idea of a second monetary zone in West Africa was championed by Nigeria (Under President Obasanjo) and Ghana (Under Jerry Rawlings). In December 1999, the two countries met in Accra and agreed to set up a second monetary zone in West Africa that would embrace all the non CFA Franc West African Countries. In April 2000, The Gambia, Ghana, Guinea, Liberia, Sierra Leone and Nigeria signed an agreement (the Accra Declaration) for the establishment of a second monetary zone in West Africa. This second monetary zone has since been named the West African Monetary Zone (WAMZ) and was expected to come into force in January 2003 with the establishment of a West African Central Bank and the introduction of a Common Currency for the participant countries.

The West African Monetary Institute (WAMI) was also set up to help achieve the above objectives by 2003. Specifically, WAMI has been charged with certain objectives amongst which is the harmonization of the laws and regulations of financial markets and institutions in member countries. To achieve its objectives WAMI has set out four primary and six secondary convergence criteria for member countries to adopt before the achievement of a single currency (Uche, 2002:22).

WAMZ Primary Convergence Criteria

i. Single digit inflation rate by 2000 and 5.0 percent by 2003;
ii. Fiscal deficit (excluding grant)/GDP ratio of equal to or less than 5 percent by 2000, and 4.0 percent by 2002;
iii. A ceiling on central bank financing of budget deficit of equal to or less than 10 percent of previous year's tax revenue by 2000; and
iv. Maintenance of official foreign reserves of equal to or greater than 3 months of imports by 2002; and at least 6 months by 2003.

WAMZ Secondary Convergence Criteria

The following six secondary criteria would also be observed in support of the primary criteria:

i. Prohibition of new domestic debt arrears and liquidation of all existing ones by end of 2003;
ii. Tax revenue to GDP ratio to be equal to or more than 20%;
iii. Wage bill to total tax revenue ratio to be equal to or less than 35%'
iv. Public investment as a ratio of total tax revenue to be greater than 20%
v. Maintenance of exchange rate stability; and
vi. Achievement of positive real interest rates.

The West African Monetary Zone (WAMZ) essentially aims at facilitating the evolvement of a single currency (Eco) within the Anglophone region which will coexist with the CFA before the merger of both leading to the use of a single currency and ultimate formation a monetary union in the whole of West Africa (Okolie and Okoli, 2014).

Globalization and regional integration in West Africa

As noted earlier, globalization is multi-dimensional. The implication of globalization for regional integration in West Africa is explained here by juxtaposing multilateral trade and financial liberalization on the one hand and intra-regional trade and monetary union in West Africa on the other hand.

Implications of Multilateral Trade Liberalization for Intra-regional trade in West Africa

Creation of a free trade area is a first step towards formation of economic union. A free trade area implies a form of trade liberalization among member states of a particular region, it involves removal of tariffs, non-tariff barriers (NTBs) and quotas with the main aim of stimulating intra-regional trade among member states. Creating a free trade area is one of the major objectives of ECOWAS and the member states have agreed to eliminate all forms of barriers to movement to trade with each other.

Meanwhile, the multilateral trade liberalization facilitated by WTO is antithetical to intra-regional trade in Africa because it ensures that goods from other developed countries are given same treatment enjoyed by good from member countries thereby engendering influx of goods from 'outside' which displaces local goods and undermine intra-regional trade among member countries.

Under the WTO, the West African region like most other developing countries does not get the protection it need to stimulate intra-regional trade thereby facilitating the influx of cheap imports from developed countries into African countries. For instance, the Agreement on Agriculture (AoA) allowed the developed countries to maintain some high subsidies that existed before the conclusion of the Uruguay Round while most developing countries which had little or no domestic or export subsidies are now circumscribed by the Agriculture Agreement from introducing such. (See Das, 1998 cited in Khor, 2001).

Furthermore, by providing that MNCs operating in African countries can import inputs from their parent countries even when such inputs are readily available in the host African countries, the Agreement on Trade-Related Investment Measures (TRIMs) enforced by WTO provides a gateway for influx of trade items into West African countries hosting MNCs to the detriment of the intra-regional trade. Under such condition, it becomes easier for African countries to trade with developed countries than trading among themselves. Again, This stifles the growth of local firms in the developing countries and thwarts the forward and backward linkages that should arise when local inputs are used in productive activities taking place within the developing countries

Again, As noted by Khor, (2001), the provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) will undermine the ability of the developing countries to develop indigenous technology because they will be circumscribed by the Agreement from incorporating technology originating from abroad in their local systems. He argued that the developed countries did not have such hindrance during their industrializing period. More so, the agreement will bring about dependence and increase the royalties /licence fees to MNCs that own most of the world's patents.

Under the current dispensation of multilateral trade liberalization, West African economies continue to be monocultural, supplying primary goods required by the industrialized capitalist countries and lacks the diversification needed for intra-regional trade. Table 2 shows the composition of trade items of West African economies.

Table 2: Trade Composition of West African Countries

	Country	**Primary Exports**	**Primary Imports**
1	Benin	Cotton, crude oil, palm products, cocoa	Foodstuffs, capital goods, petroleum products
2	Burkina Faso	Cotton, livestock, gold	Capital goods, foodstuffs, petroleum
3	Cape Verde	Fuel, shoes, garments, fish hides	Foodstuffs, industrial products, transport equipments
4	Cote d'Ivoire	Cocoa, coffee, timber, petroleum, cotton, bananas, pineapples, palm oil, fish	Fuel, capital equipment, foodstuffs
5	Gambia	Peanut products, fish, cotton lint, palm kernels	Foodstuffs, manufactures, fuel, machinery and transport equipment
6	Ghana	Gold, cocoa, timber, tuna, bauxite, aluminum, manganese, ore, diamonds	Capital equipment, petroleum, foodstuffs
7	Guinea	Bauxite, alumina, gold, diamonds, coffee, fish agricultural products	Petroleum products, metals, machinery transport equipment, textiles, grain and other foodstuffs.
8	Guinea-Bissau	Cashew nuts, shrimp, peanuts, palm kernels, sawn timber	Foodstuffs, machinery and transport equipment, petroleum products
9	Liberia	Rubber, timber, iron, diamonds, cocoa, coffee	Fuels, chemicals, machinery, transportation equipment, manufactured goods; foodstuffs
10	Mali	Cotton, gold, livestock	Petroleum, machinery and equipment, construction materials, foodstuffs, textiles
11	Niger	Uranium ore, livestock, cowpeas, onion	Foodstuffs, machinery, vehicles and parts, petroleum, cereals

12	Nigeria	Petroleum and petroleum products (95%), cocoa, rubber	Machinery, chemicals, transport, equipment, manufactured goods, food and live animals.
13	Senegal	Fish, groundnuts (peanuts), petroleum products, phosphates, cotton	Foods and beverages, capital goods, fuels
14	Sierra Leone	Diamonds, retile, cocoa, coffee, fish (1999)	
15	Togo	Re-exports, cotton, phosphate, coffee, cocoa.	Machinery and equipment, foodstuffs, petroleum products.

Source: *Central Intelligence Agency, World Fact in Ajayi (2005:65).*

From the table above, it is evident that the primary exports of West African economies remain raw materials like groundnuts, cocoa, crude oil etc while their major imports remain finished goods like food items, machinery, refined petroleum products etc. With these similarities in the imports and exports of member countries of West Africa, it is difficult for these countries to engage in significant trade among themselves.

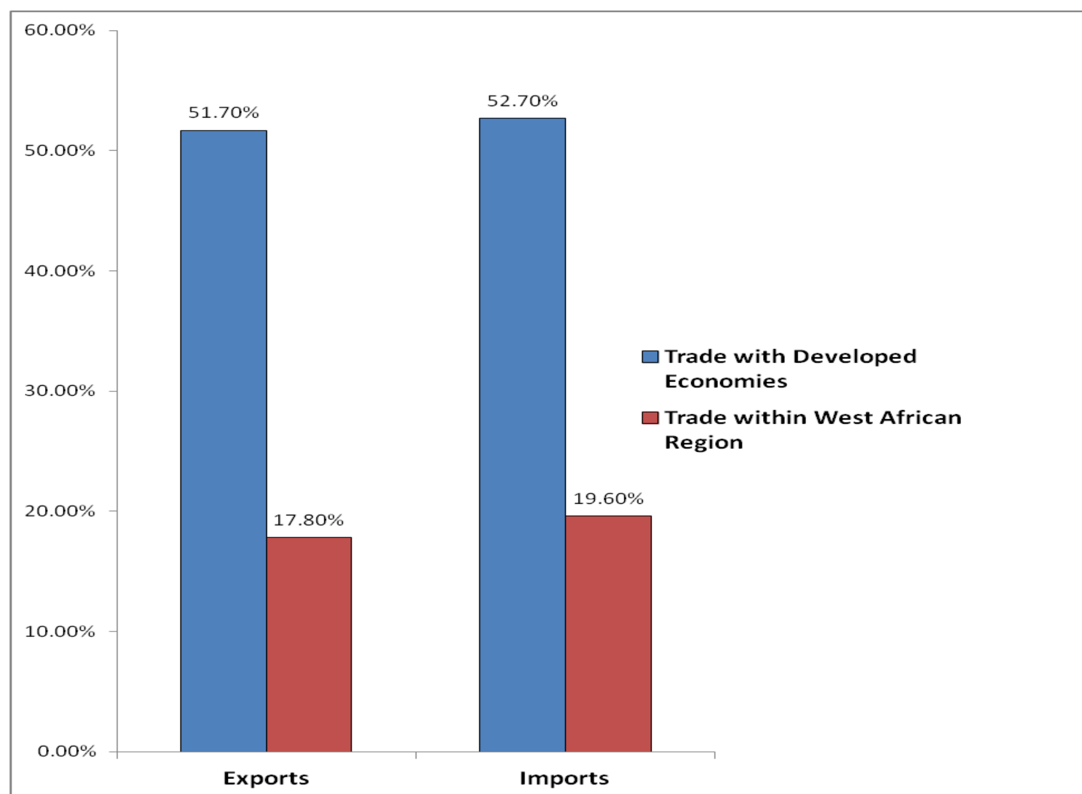
Again, the direction of trade of West African countries further buttress the fact that West African countries trade more with developed western countries than they do among themselves. Table 3 shows that West African countries trade more with the developed economies more than they trade among themselves (see also figure 3).

Table 3: Merchandise Imports & Exports by West African Countries (as a % of Total Merchandise)

Trade Direction	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average
Import Within the Region	16.8	17.9	17.0	19.9	20.5	18.9	17.1	16.3	17.1	16.3	17.6	17.8
Export within region	15.2	17.0	17.7	22.0	21.0	18.3	18.6	18.3	22.7	19.7	24.8	19.6
Export to developed economies	60.2	58.4	58.6	53.9	53.9	51.7	51.7	48.3	44.0	46.9	41.4	51.7
Import from developed economies	63.2	60.2	60.3	55.8	52.3	53.6	49.7	48.5	46.2	46.1	43.8	52.7

Source: Adapted from World Bank Indicator 2012 in Owusu 2013

Figure 3: Bar chart of Merchandise Imports & Exports by West African Countries



The table reveals that while 51.7% of merchandise export from West Africa goes to the developed countries of Europe, Asia and North America, only 19.6% of export takes place within West Africa. Similarly, 52.7% of merchandise import comes from the developed countries while only 17.8% takes place within the sub region. This information is also presented in figure 3 above.

A consequence of the above is that instead of cooperation among West African countries, they have to compete among themselves. Presently, despite the agreement for elimination of all forms of Non-Tariff Barriers (NTBs) among ECOWAS member states, movement across West African border has been a nightmare for economic agents trading across West African borders as a result of NTBs encountered at various border. One of such NTBs is the proliferation of checkpoints by various security agents along borders of ECOWAS countries. A study conducted by CLEEN

Foundation presents a vivid picture of the official and unofficial NTBs in West Africa as measured by the checkpoints encounters by travelers along the borders of selected West African Countries (see Table 4 below).

Table 4: Checkpoints Encountered By Traders

Country	Agency	% who encountered one checkpoint	% who encountered more than one checkpoints
Benin	Customs	53.7	20.3
	Immigration	29.5	12.3
	Police	69.3	4.7
	Health	15.2	0.4
	Military	4.7	0.3
	Unidentified	22.6	5.4
Ghana	Customs	19.6	3.5
	Immigration	20.7	2.2
	Police	7.9	1.4
	Health	10.9	0.5
	Military	0.9	0.1
	Unidentified	0.9	0.6
	Others	1.0	0.0
Nigeria	Customs	22.1	9.4
	Immigration	28.8	2.5
	Police	29.4	2.0
	Health	27.4	0.4
	Military	5.8	0.0
	Unidentified	16.3	0.4
Togo	Customs	53.1	1.9
	Immigration	39.0	2.4
	Police	45.9	0.4
	Health	5.6	0.1
	Military	4.9	0.3
	Unidentified	3.4	0.5

Source: *Called from Ibeanu (2007) Report to CLEEN FOUNDATION (www.CLEENFOUNDATION.org)*

The table above shows that 53.7% of traders interviewed encountered one customs checkpoint in Benin Republic, while 20.3% encountered more than one customs checkpoint. On same journey, 69.3% encountered at least one police checkpoint, while 4.7% encountered more than one police checkpoint in Benin Republic above. Similar things are obtainable in other West African borders all of which points to the presence of official and unofficial barriers to free movement of goods and trade in the sub-region.

Financial Liberalization & Monetary Union in West Africa

Financial liberalization is an integral aspect of globalization. According to Amin (2010), financial liberalization has been made necessary by on the one hand, the generalization of the system of floating exchange rates (where the rates are determined day to day by the market) and on the other hand, the parallel deregulation of interest rates also now determined by the market. At the global level, it acts as a centripetal force uniting all states of the world in the global financial market, for regional economic groups in Africa it remains a centrifugal force which undermines effort to attain single monetary union. Again, the Bretton Woods institutions play significant role in the whole process by integrating African economies into the global financial market and processes through instrumentalities of external debt.

Amin (2010) aptly opined that financial globalization implies expansion of investments on the monetary and financial markets which has led to proliferation of financial investments (rather than investments in real economy) by financial oligopolies which in turns accounts for global financial crisis. In line with this, the integration of African countries into the global financial system has exposed them to macroeconomic volatility of the global financial markets and contagious effects of financial crises taking place in other parts of the world especially the developed countries etc. Recent studies have also shown that financial and currency crises resulting from financial globalization can take the following forms among developing countries:

- Destabilization of developing countries resulting from momentum trading and herding by international investors;
- International investors may (together with domestic residents) engage in speculative attacks on developing countries currencies, thereby causing instability that is not warranted based on the economic and policy fundamentals of these countries.
- The risk of contagion presents a major threat to otherwise healthy countries since international investors could withdraw capital from these countries for reasons unrelated to domestic factors.
- A government, even if democratically elected, may not give sufficient weight to the interest of future generations. This becomes a problem when the interests of future and current

generations diverge, causing the government to incur excessive amounts of debt. Financial globalization, by making it easier for governments to incur debt, might aggravate this "over-borrowing" problem. (see Prasad et al, 2003).

As a corollary, by exposing the 'unprepared and weak' states of West Africa to the volatility of the global financial system, financial globalisation impacts negatively on the macroeconomic performance of these states thereby undermining their ability to meet convergence criteria required for the formation of a regional monetary union. Evidently, the global financial crisis of 2008 affected negatively the macroeconomic activities in West African countries, in Nigeria for instance, the adverse effect was evident on both the oil and gas sector and the Nigerian capital market leading to deterioration in the quality of banks' assets which in turn led to liquidity constraints across the country (CBN, 2011).

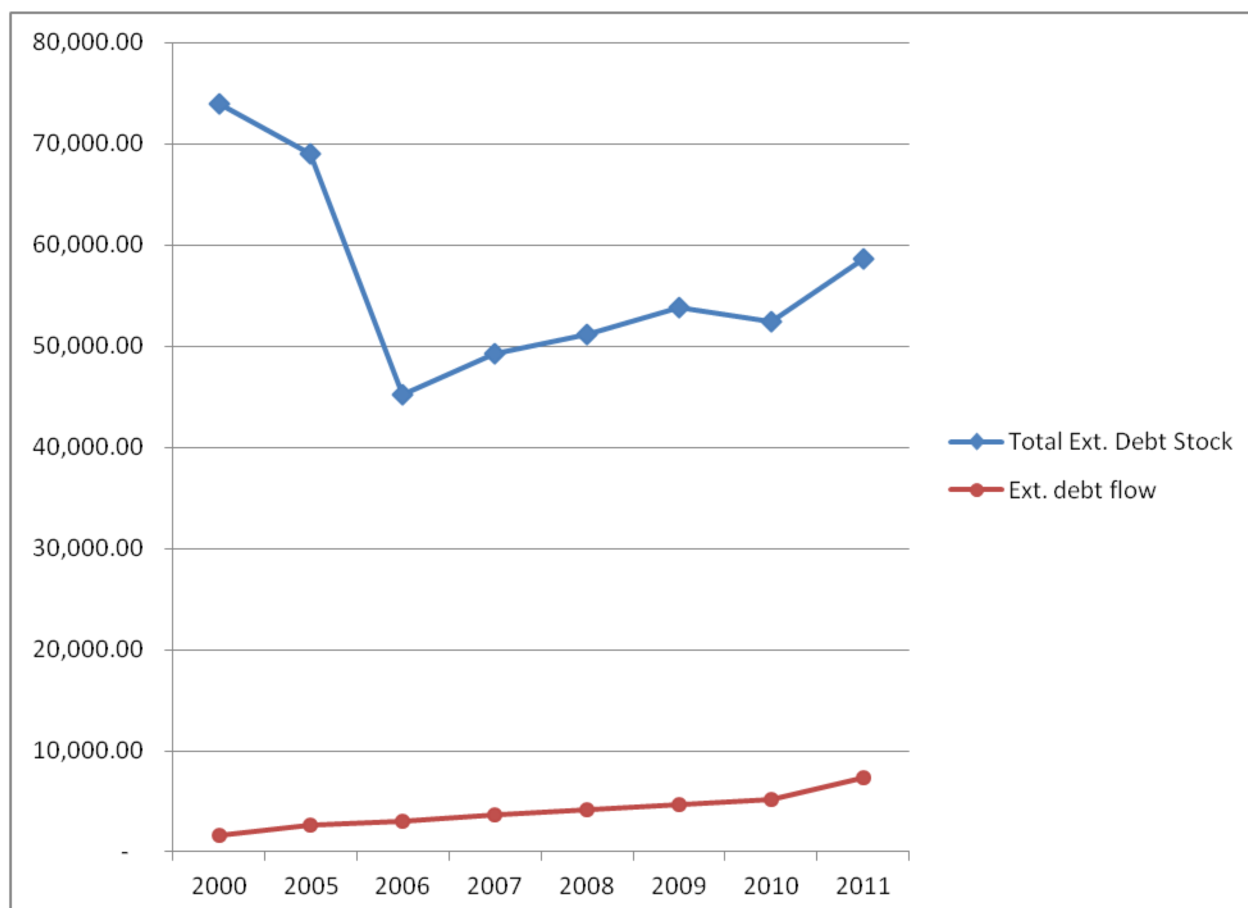
West Africa is a home to highly indebted and aid-dependent poor countries forced to implement donor (IMF and World Bank especially) programmes which vitiates the capacity of these countries to make and implement independent economic policies that are in line with the regional economic objectives and further constrains their capacity to pursue policies that may enable them meet the macroeconomic convergence criteria required for formation of monetary union (see Soludo, 2008). Available evidence as can be seen in Table 5 shows that all the sixteen West African states have high external debt stock, similarly FDI flow into these states have continued to increase over the period.

Table 5: External Debt Stock and Debt Flows to West African Countries 2000 to 2011

Country		2000	2005	2006	2007	2008	2009	2010	2011
Benin	Ext. debt. Stock	1400	1551	647	771	924	1147	1288	1423
	Ext debt flows	48	98	154	160	162	155	202	145
Burkina Faso	Ext. debt. Stock	1435	2000	1132	1465	1689	1921	2179	2420
	Ext debt flows	99	223	303	232	316	272	299	183
Cape Verde	Ext. debt. Stock	320	477	524	581	626	727	892	1025
	Ext debt flows	29	78	49	51	75	102	207	179
Gambia	Ext. debt. Stock	490.1	667.1	717.8	700.1	373	506.2	512.1	466.5
	Ext debt flows	29.7	54.3	51.4	46	43.6	49.3	46.3	18.2
Ghana	Ext. debt. Stock	6261	7182	3691	5114	5690	7191	9318	11289
	Ext debt flows	460	599	621	1312	757	1110	1435	1724
Guinea	Ext. debt. Stock	3083	2968	3127	3234	3175	3128	3135	3139
	Ext debt flows	71	93	74	85	91	42	32	33
Guinea Bissau	Ext. debt. Stock	949	1023	1047	1092	1099	1150	1130	284
	Ext debt flows	22	16	10	16	13	9	20	17
Ivory Coast	Ext. debt. Stock	12187	11966	12821	13925	12632	13922	10794	12012
	Ext debt flows	148	55	116	140	119	408	263	976
Liberia	Ext. debt. Stock	2836.3	3950.6	4191.8	3778	3160.8	1850.3	418.7	447.6
	Ext debt flows	0	0	0	0	880.5	17.6	13.6	34.4
Mali	Ext. debt. Stock	2981	3224	1615	1815	2056	2211	2464	2931
	Ext debt flows	109	282	151	261	263	497	318	338
Mauritania	Ext. debt. Stock	2390	2322	1633	1719	2001	2144	2556	2709
	Ext debt flows	123	143	175	197	297	263	446	313
	Other non-debt resource	40	814	155	139	343	-3	131	45
NIGER	Ext. debt. Stock	1721	2006	816	1135	988	1173	1268	1408
	Ext debt flows	87	152	126	92	109	108	95	194
NIGERIA	Ext. debt. Stock	31582	22309	7955	8807	11600	10362	10389	13108
	Ext debt flows	153	379	777	532	409	519	1057	2047
SENEGAL	Ext. debt. Stock	3653	3865	1941	2591	2857	3742	3911	4320
	Ext debt flows	156	387	280	497	560	935	482	997
SIERRA LEONE	Ext. debt. Stock	1213	1776	1500	551	634	857	931	1049
	Ext debt flows	90	71	40	31	87	81	109	109
TOGO	Ext. debt. Stock	1443.9	1684.8	1794.3	1966.5	1638.3	1737.1	1241.8	643.1
	Ext debt flows	24.4	9.9	48.3	3.1	51.6	75.9	127.7	42.4
Totals	**Total Ext. Debt Stock**	**73,945.30**	**68,971.50**	**45,152.90**	**49,244.60**	**51,143.10**	**53,768.60**	**52,427.60**	**58,674.20**
	Ext. debt flow	**1649.1**	**2640.2**	**2975.7**	**3655.1**	**4233.7**	**4643.8**	**5152.6**	**7350**

Source: World Bank International Debt Statistics 2013 cited in Okolie and Okoli, 2014

Figure 4: Graphical Representation of Debt Stock and Debt Flow to West Africa 2000 - 2011



Source: Okolie and Okoli, 2014

Although, the table shows that the total external debt stock for the subregion reduced by 20.7% within the period 2000 – 2011 , this is mainly as a result of debt relief granted Nigeria – the largest debtor of the subregion. Meanwhile, external debt flow to the region grew steadily and astronautically in the same period by 345% (see also figure 4) . This trend signifies growing financial integration of these countries into the global financial system, the concomitant subservience of these economies to the dictates of the Bretton Woods institution, the distortions and disarticulation of the macroeconomic performance of the countries all of which undermines monetary integration in the region.

Apparently, available evidence reveals that WAMZ has not achieved its stated objectives. Table 6 gives a situational report and shows that the primary convergence criteria required for the emergence of a single currency have never been met by all WAMZ member countries. Generally, the efforts so far have not produced the desired result of harmonization of financial laws and institutions leading to creation of a single currency and emergence of a monetary union in the West Africa. The subregion remains economically fragmented and member states have continued to postpone the set date for the attainment of single currency within West Africa.

Table 6: Number of Countries Meeting Primary Convergence Criteria 2000 - 2008

Criteria	**Number of Countries Meeting Criteria 2000 – 2008**								
	2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Inflation Rate	3	3	2	0	1	1	3	2	1
Fiscal Balance	5	1	1	1	1	2	3	3	3
Central Bank Financing of Fiscal Deficit	Na	4	2	1	3	5	3	5	4
Gross Foreign Reserve	Na	3	3	3	4	4	4	4	3

Source: WAMZ Database (Accessed June 2010) in Egwaikhide & Ogunleye 2010

Implications of Poor Progress Regional Integration for Foreign Direct Investment (FDI) in West Africa

Globally, the volume of FDI has continued to skyrocket (Anyanwu, 2012), unfortunately, West Africa's share of global FDI remain marginal especially due to the region's poor attraction for FDI. Although, some studies have shown growth of FDI in Sub-saharan African in recent time (Ernst & Young, 2014), the share of the sub-region relative to other regions of the world remains insignificant. Again, when we analyze the type of FDI flowing into the subregion, it is disappointing to find that there is absence of Greenfield FDI flow into the whole of Africa in the past two decades.

By Greenfield FDI we refer to investment projects that entail the establishment of new entities and setting up of offices, buildings, factories, plants and machineries from the scratch. Greenfield FDI goes beyond mere speculation by external investors in the form of financial capital injection and withdrawal at the discretion of the investors. Table 7 below shows that between 1990 and 2008, no single Greenfield investment was recorded in Africa. Yet, within the same period, the region recorded some outflows of the existing Greenfield investment. The reason is simple, in the world of globalization, it is easier for investors to move their investments out of a region to other regions considered more competitive.

Table 7: FDI Flow in and out of Africa

	Item	1990s (average)	2003	2007	2008 [a]	Share in the World Total (%)			
						1990s (average)	2003	2007	2008 [a]
Inward FDI	FDI inflows ($ bil and %)	6.6	18.7	53.0	61.9	1.6	3.3	2.9	4.3
	FDI inward stock ($ bil and %)	59.0[b]	202.2	393.4	-	3.0[b]	2.5	2.6	-
	Cross-border M&A sales [c]								
	Value ($ bil)	3.0	5.4	10.2	26.3	0.9	1.3	0.6	2.2
	Number of deals	84	80	142	141	1.5	1.2	1.4	1.5
	Greenfiled investments (number of cases)	-	-	-	-	-	-	-	-
Outward FDI	FDI outflows ($ bil and %)	2.0	1.2	6.1	4.5	0.5	0.2	0.3	0.3
	FDI outward stock ($ bil and %)	19.8[b]	40.4	72.8	-	1.1[b]	0.5	0.5	-
	Cross-Border M&A Purchases [c]								
	Value ($ bil)	3.0	1.4	5.5	13.6	0.9	0.3	0.3	1.1
	Number of deals	55	49	77	89	1.0	0.7	0.8	1.0
	Greenfield investments (number of cases)	-	66	60	-	-	0.8	0.8	-

Source: UNCTAD, 2012

Similarly, available data reveals that West African countries also perform poorly when measured in terms of the number of patents (US patents) granted to selected developing countries (see table 8). The story is the same when we examine number of subsidiaries of major Global Corporations located in Africa (see table 9).

Table 8: Number of US Patents Granted to Selected African and other developing Countries, 2000 - 2013

Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Algeria	0	1	0	0	1	0	1	0	0	0	1	0	0	0	4
Benin	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1
Cameroon	0	0	0	0	0	0	0	1	0	1	4	0	3	4	13
Cote d'Ivoire	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
Gabon	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1
Egypt	..	6	5	6	4	7	4	12	2	3	20	21	28	34	152
Ghana	0	0	0	0	0	0	0	1	0	0	1	1	3	2	8
Kenya	3	4	1	10	16	10	3	1	4	7	1	3	0	4	67
Mauritius	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Morocco	1	1	0	1	1	1	3	1	4	3	1	4	2	1	24
Namibia	1	0	0	0	0	0	0	0	1	0	0	0	0	0	2
Nigeria	2	1	4	4	1	0	0	1	1	0	0	1	3	1	19
South Africa	125	137	123	131	115	108	127	116	124	139	142	144	158	181	1870
Uganda	0	1	1	0	0	0	0	0	0	0	0	0	0	0	2
Tunisia	0	0	1	0	1	1	2	0	2	0	2	3	5	4	21
Argentina	54	51	54	63	46	24	38	37	32	50	59	51	67	80	706
Brazil	113	125	112	180	161	98	148	118	133	148	219	254	256	286	2351
Chile	15	13	11	11	15	9	14	25	13	26	27	35	38	57	309
Costa Rica	8	12	8	10	10	13	26	17	13	18	11	16	10	9	181
Dominican Republic	5	0	1	0	0	2	2	2	3	6	2	2	2	8	35
Mexico	76	81	94	85	86	80	66	56	54	80	115	117	153	204	1347
China (excluding Hong Kong	161	265	390	424	597	565	970	1 235	1 874	2270	3303	3786	5341	6597	24669
Indonesia	14	10	15	12	23	23	16	15	19	18	6	11	12	15	209
Republic of Korea	3 472	3 763	4 009	4 132	4 671	4 591	6 509	7 264	8 731	9566	12508	13239	14168	157445	206926
Singapore	218	296	410	427	449	346	412	393	399	493	633	696	841	857	6870
Thailand	15	24	44	25	18	16	31	11	22	39	60	73	46	104	528

Source: Onyeiwu, S. Z. (2015).

Table 9: Major Global Corporations & Their Subsidiaries in Different Regions

Corporation	Home Country	Core Activities/ Industry	Number of Country Locations	Number of Country Locations in Africa	% of Subsidiaries Located in Africa
Google	United States	Computer Services	35	1	2.9
Amazon	United States	Consumer goods	23	3	13.0
Walmart	United States	Consumer goods	27	12	44.4
3M	United States	Conglomerate (consumer products, electronics & energy, healthcare, industrial, safety & graphics)	100	7	7
Industrial and Commercial Bank of China	China	Banking	30	0	0
BP	UK	Oil and gas	55	5	9.1
Gazprom	Russia	Oil and gas	17	3	17.7
Daimler	Germany	Auto Manufacturing	42	2	4.8
IBM[35]	United States	Computer Services	56	1	1.8
Nestle	Switzerland	Food Processing	104	21	20.2
Dow Chemical	United States	Diversified Chemicals	48	3	6.3
Caterpillar	United States	Heavy Equipment	49	4	8.2
ADM	United States	Food Processing	33	3	9.1
Motorola	United States	Communications Equipment	68	4	5.9
Hyundai	South Korea	Auto Manufacturing	186	42	22.6
GE Research	United States	Innovation and research	6	0	0.0
Honda	Japan	Auto Manufacturing	139	23	16.6

Ford	United States	Auto Manufacturing	23	1	4.5
Siemens	Germany	Conglomerates	101	16	15.8
SC Johnson	United States	Household and Personal Products	66	6	9.1
L'Oreal	France	Household and Personal Products	130	33	25.4
Deere & Co.	United States	Heavy Equipment	30	1	3.3

Source: Onyeiwu, S. Z. (2015).

Generally, the poor progress in regional integration in West Africa in the face of globalization further undermines the attraction of FDI into the region. Again, the low FDI inflow (especially Greenfield FDI) into the region further makes it difficult for diversification of the economies of West African countries to enhance integration in the sub-region.

Conclusion and Policy Recommendations

The study investigated the role of globalization in undermining regional integration in Africa with particular focus on West Africa. Globalization simultaneously acts as a centripetal force and a centrifugal force. As a centripetal force, because it eliminates all barriers to free movement of trade and finance across state boundaries thereby integrating economies world into one global market. As a centrifugal force at the regional level, because it weakens the barriers set up by regional economic communities of African countries against none member developed capitalist countries. The study implicated multilateral trade liberalization under the facilitated by WTO for the poor intra-regional trade in West Africa. financial liberalization was equally implicated for undermining attainment of monetary union in Africa. As a result, the study demonstrated that ECOWAS has performed poorly in integrating economies of West Africa when measured in terms of intra-regional trade and creation of monetary union. Furthermore, the West African subregion has performed poorly in terms of FDI (especially GreenField FDI) inflow as a result of

its poor competitive environment relative to other regions of the world competing for available FDI.

Based on the foregoing, the study recommends strong private sector involvement in the integration effort in West Africa. Again, effort should be made by individual countries to reduce external debt owed to Bretton Woods institutions. There is also need for member states to encourage local industries via subsidy provision and granting of tax holidays.

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APPENDIX I: ECOWAS Members' Date of Accession to WTO

S/N	Country	Date of Accession
1	Benin	22, February 1996
2	Burkina Faso	3 June, 1995
3	Cape Verde	23 July, 2008
4	Cote d'Ivoire	1 January, 1995
5	Gambia	23 October, 1996
6	Ghana	1 January, 1995
7	Guinea	25 October, 1995
8	Guinea-Bissau	1 May, 1995
9	Liberia	Not Available
10	Mali	31 May, 1995
11	Niger	13 December 1996
12	Nigeria	1 January, 1995
13	Senegal	1 January, 1995
14	Sierra Leone	23 July, 1995
15	Togo	31 May, 1995

Source: Author's Compilation