

AFRICAN INTERNATIONAL ORGANIZATIONS AND THE PROMOTION OF ECONOMIC DEVELOPMENT AND INTEGRATION: A FOCUS ON ECOWAS AND AFRICAN DEVELOPMENT BANK

Charity Etor

Department of International Relations,
Dennis Osadebay University, Asaba

Christopher Oghenerioborue Usiemure

Department of History, Strategic and International Studies,
Dennis Osadebay University, Asaba

&

Isonah Teddy Lonagbe

Department of Peace and Conflict Resolution,
Dennis Osadebay University, Asaba

Abstract

This paper examines the role of African International Organisations (AIOs) in promoting economic development and integration within the African continent with focus on the Economic Community of West African States (ECOWAS) and the African Development Bank as case studies. The work assesses the strategies, achievements and key issues militating against these organisations in carrying out their mandates. The specific contributions of ECOWAS in advancing regional trade, security cooperation, free movement; and AfDBs impact through its financing facilities, private sector initiatives and human capital development are examined. The aim of the work is to provide valuable insights into the effectiveness of sub-regional and continental bodies in fostering sustainable growth and deeper integration while pointing attention to areas requiring possible improvement and better collaboration among member countries. The study employs the qualitative methodology. Data are gathered from secondary and primary sources including, policy documents and stakeholders interview available on the news media. The qualitative research methodology allows an in-depth understanding of the issues regarding these multilateral organisations promotion of economic development and integration in the continent. Findings indicate that while the AIO's efforts at promoting economic development and integration in the continent have yielded some positive results, they are still confronted by interplay of certain dynamics impeding implantation of their mandates. It is thus concluded that AIOs have remained significant in promoting economic development and integration in Africa. It is recommended that talented young African graduates should be engaged by these organisations to enhance their activities and relevance to the people's needs.

Introduction

Economic development refers to the general standard of living of the people, their overall well-being and societal progress. In Africa, economic development cannot be said to have been attained as almost all the countries within the continent remain underdeveloped. Although, there had been conceptualisation, formulation and implementation of different kinds of economic policies and programmes, lack of economic development had left Africa with more than low income, declining trade shares, poor hygiene and slow growth rate. There is also prevailing high inequality, social exclusion, uneven access to resources, and environmental degradation among others. Some efforts at economic development and regional integration in the continent had been made. Such efforts included the launch of the 1980 Lagos Action Plan; the Organisation of Africa Unity (now AU) 1986 – 1990 Priority Programme of Economic Redressing; Treaty of Abuja in 1991; the proliferation of Regional Economic Communities in Africa among which are the Southern African

Development Community (SADC); Economic Community of Central African States (ECCAS); Common Market for Eastern and Southern African (COMESA); and the Economic Community of West African States (ECOWAS), UN Programme dubbed Economic Redressing and Development Africa; ECA Alternative Structural Adjustment Programme for Africa etc. But these efforts have not ushered in the needed economic development and integration.

Integration can help to remove obstacles to economic development in Africa. Clark defines integration as “intergovernmental cooperation which would lead to vital policy decision, to encourage exchange of goods, services, labour and capital” (Kishnanind). This means the removal of economic borders between nation states. The overall goal of economic integration is the promotion of trade engagement of members and improvement of economic performance and welfare of their citizenry in the long run. Jean-Paul Rodrigue, highlights five additive levels of economic integration namely: “free trade, customs union, common market, economic union and political union” (Kishnani,nd). Regional integration is significant to diversifying countries economy away from reliance on the export of just a few mineral products to include providing food and energy, security, generating jobs for more number of the young population, improving on shared prosperity and alleviating poverty. The World Bank notes that regional integration enables nations to solve problems of divisions that impede economic development, particularly in third world nations as such divisions affect “the flow of goods, services, capital, people and ideas”(The World Bank Groupnd.). According to the International Monetary Fund, Africa continent is lagging behind in the international economy competition due to fragmented markets that hinder economic growth and limit productivity (Ndukwe,nd.).

Resources reserves are often not neatly contained within a country's borders and appear to cut across several countries. As such inter-state mining transport will need to be put in place to exploit and convey such resources. This has consequences for regional integration. Experience from around the world shows that the building of such infrastructure needs concrete cooperation and management among the states involved (Ndukwe, nd.). By connection to larger economy raw materials mining can enable diversification. For instance continental value chains in minerals and metals will generate demand for products and services that contribute to that value chain. Here regional integration is important because population, products and, services ought to move without hindrance across boundaries to reduce costs and to help firms become competitive enough to link to these value chains. More cooperation of regional markets by the removal of non-tariff obstacles can ease trade and operating costs. It can also minimise limitations confronting many firms in gaining access not only to demand for their products but also to the essential services and skills that they need so as to improve efficiency and diversify to more-value-added areas. Thus increasing regional integration among African countries, offers problems and prospects for excellent coordination “of extractive resources and translating wealth from these resources in to diversified economies and equitable growth” (African Development Bank, 2018).

Several African International Organisations have been at the forefront of promoting economic development and integration in the continent. International Organisations are those organisations which have membership in more than one country, bound together by an agreement and whose activities cut across several countries. We can identify two broad categories of international organisations, namely are: non-governmental and governmental organisations (Introduction to Political Science, 2022). The need for sovereign states to collectively resolve issues of common interests such as economic development and integration, which are beyond national laws and borders motivated the formation of international organisations. There has been burgeoning number of international organisations both at the global and regional level in recent times.

Thus, in addition to sovereign states in the contemporary international system, international organisations help to govern our world. Their work contributes to enhancing the quality of life of people. They vary in their function, membership criteria and membership. They may be concerned with issues of common interest to countries in a particular region, like protection, trade, climate change, migration, or human trafficking. International Organisations made up of mainly democratic states such as those in Africa help to promote and reinforce democratic norms, sanctioning member states that go against democratic practices. For example, the African Union in 2013 suspended Egypt's membership as a result of military coup in that country (Introduction to Political Science, 2022). Some international organisations are usually specific in their nature, normally concerning themselves with a given issue such that from their names one can tell the work they do. Regional Intergovernmental Organisations may broaden their focus, increasing the levels of cooperation between member states over time. For instance the European Union which was originally an economic union grew to encompass a plethora of internal and external policy issues like labour, the environment, security and immigration. So, what started as a union of states with focus on individual and regional economic growth evolved into an organisation advocating common values and objectives that included a number of issues that were conventionally within the main area of individual sovereign states (Uexkull and Lulu, nd.)

There are equally some international organisations whose activities focus in a given geographical area such as Africa, Asia, and Europe etc. International Law experts used the term “Regional Organisation” which limits membership of such International Organisations in principle and practice based on geographical contiguity (European Council on Foreign Relations, nd.). It is the International Organisations whose activities are limited to a geographical region, specifically those whose membership are made up of only African states and are operating within the African continent that form the focus of this study. In spite of the various efforts put in place by African International Organisations to foster economic development and integration in the continent, significant challenges still exist with regard to attainment of economic development and regional integration in Africa. Individual African countries are currently buffeted with economic woes and confronted with fragmented markets by trade policies. It leaves to be understood the success of activities of African international organisations like SADC, African Development Bank, ECOWAS and IGAD since inception. This study attempts to appraise the effectiveness of the African International Organisations in promoting economic development and integration in the continent and advance further the discourse on barriers impeding their success in achieving these feats, using the Economic Community of West Africa States and the African Development Bank as case studies.

The Economic Community of West Africa (ECOWAS)

The Economic Community of West African States (ECOWAS) is one of the International Organisations in Africa which had committed some efforts towards the promotion of Economic Development and Integration in the Continent. Formed in May 1975 through the treaty of Lagos, the ECOWAS has as its mandate, the promotion “of economic integration in all fields of activity of the constituting countries” (European Council on Foreign Relations, nd.). It aims *inter alia*:

...to promote cooperation and integration. It aims to establish an economic union in West Africa in order to raise the living standards of its peoples, and to maintain and enhance economic stability, foster relations among member states, and contribute to the progress and development of the African continent. (Kishnani, nd.)

Membership of the organisation cut across 15 countries. It was designed to build a single, huge trading bloc via economic integration. The anticipated integrated economic endeavours include transport, energy, telecommunications, agriculture, energy, natural resources, commerce, and monetary, social and cultural issues. This is to ensure that the people can move freely, have access to its resources and exploit them by creating opportunities in a sustainable environment; access efficient education, healthcare and participate in both economic activities and trading (African Development Bank, 2018).

In January 2007, ECOWAS headquarters in Nigeria changed its secretariat to a commission now headed by a president who had replaced the title of Executive Secretary. The Commission also has a Vice President, 12 Commissioners and an Auditor-General. The 15 officials have 4 year tenure each. Over time, in addition to liaising with other regional and international institutions, the organisation had embarked on a number of initiatives and programmes geared towards promoting economic development and integration in the African continent. The organisation had made some achievements in this regard. These achievements include humanitarian assistance and socio-economic recovery and reintegration programmes. The ECOWAS mission had offered humanitarian assistance to and powered the socio-economy recovery and reintegration of vulnerable and less privileged groups (Internally Displaced Persons (IDPs), refugees, returnees) in Nigeria, Liberia, Sierra Leone, Guinea, Mali, Guinea Bissau etc. Health facilities, housing, equipment for agriculture, water and sanitation, education, income generating activities were also provided to about 51,000 people within the region. The organisation equally provided capacity building trainings to government agencies, Civil Society Organisations (CSOs) and local stakeholders. In addition, ECOWAS had successfully rehabilitated and equipped the prosthetic/handicap centre in Guinea Bissau. The facility is currently providing artificial limbs to maimed persons from across the country and beyond, thus restoring their dignity and healing process (Horvey, 2024).

Other projects and initiatives of the African Economic Community bloc include, ECOWAS Trade Liberalization Scheme (ETLS). Article 3 of the Revised ECOWAS Treaty, stipulates that the objectives of ECOWAS are to promote the economic integration of West African region by setting up *inter alia*, a Free Trade Area (FTA). The ECOWAS Trade Liberalisation Scheme (ETLS) founded in 1979 is the mechanism put in place to actualise that objective. It removes the payment of custom duties and similar taxes on importation into ECOWAS countries, thus promoting free flow of goods within the region. The ETLS equally envisaged fostering rapid economic development in West Africa. At the beginning, the ETLS covered only handmade crafts and agricultural products, but by 1990, it was expanded to cover industrial goods as well. Adedeji Ademola points out that the ETLS had not fully actualised its purpose (Alhassan et al., 2024). Its implementation has been fraught with sharp practices, economic sabotage and abuse of rules of origin. These were injurious to the economies of member states instead of developing them. The performance was so discouraging that lawmakers in Nigeria recommended technically abandoning it.

Another initiative of the ECOWAS is the Common External Tariff (CET). It is an integrated tariff system meant to create a common external tariff for all goods imported into ECOWAS member states from outside West Africa. This initiative promotes trade harmonisation, reduces trade barriers, and facilitates a more unified regional market. The CET ensures that every country in a customs union stops operating their individual tariff structure with which they trade with other countries. "The same customs duties, import quotas, preferences or other non-tariff barriers to trade apply to all goods entering the area, regardless of which country within the area they are entering," (Gavrilova and Kostelyanets, 2022).

Through the CET framework, consumers stand to benefit in terms of lower prices for goods and services as a result of lower customs tariffs on imports, and a good percentage of manufacturing firms will benefit from this. It can also enhance trade within the region by allowing the free movement of goods in the customs area without the need for smaller businesses to go through cumbersome clearance and certification. Nigeria firms contribute about 12% of the population in employment generation. Many manufacturing companies are projected to gain from the CET, which will, in turn, cause the rise of employment opportunities in industries which benefit from lower costs of production and increased marketability. Though there is the CET strategy, it is also envisaged that prices may rise by about 0.7% affecting the low-income households more. All these could stretch overly the national companies, while those in the textile and apparel activities would likely lose profits owing to the falling output prices, and they might need some adjustment help. The net revenue impact of the CET is likely to be negative unless import tariffs are retained, although some of this will be offset by the greater formality of imports, (Gavrilova and Kostelyanets, 2022).

The CET is designed to boost intra-regional trade and in turn economic development among member states by harmonising tariffs within the region. However, the efficacy of that framework has been reduced by problems such as informality and weak regional institutional linkages. The obstacles to trade within Africa persist resulting in a disequilibrium that reflects a superficial adherence to neo-liberal economic reforms without addressing the continent unique issues, hence bringing to the fore, the urgent need for adaptive strategies that integrate informal sectors with formal economic frameworks. Moreover, as discussed by Clement Oteng, the focus on renewable energy and sustainable practices (Horvey, 2024) implies that the CET could also promote investment in green technologies, bolstering economic resilience and trade balances in the long run. The interplay between trade balances and revenue is important to the economic development of ECOWAS nations.

The CET goal to promote trade through reducing tariffs on intra-regional exchanges can result in trade deficit in the event member states could not increase their competitive production capacities. Such deficits can threaten fiscal stability, underlining the importance of having a harmonised and well-implemented policy instrument that fosters local production.

Political instability and governance problems in the West Africa region remain challenge to the goals of economic integration within the region; most member countries of the ECOWAS struggle with corruption, civil unrests and poor governance. These inhibit cooperative initiatives meant to foster regional economic development. For instance, the political disturbances and humanitarian crises bedevilling many states both disrupt domestic economies and weaken collective efforts to promote regional stability, (Alhassan et al, 2024). While countries like Sierra Leone and Liberia face political turmoil and poor infrastructure, other countries like Nigeria, Ghana, and Cote d'Ivoire boast of economies which are attracting foreign investment and driving trade. This is indeed an unequal economic scenario. The West African states had witnessed flagrant unconstitutional transfers of power, politically induced insecurity and democratic decline in recent years. The entire region is faced with legitimacy and governance crises, which challenge ECOWAS ability to deliver on its mandate and implement its protocols, (Mutai, et al. 2024).

Another challenge to ECOWAS efforts at economic development and integration is trade link with former colonialists. Most West African countries continue to trade with their former colonial masters instead of with other West African neighbours. Those colonised by France such as Cameroon and The Republic of Benin virtually remain tied to France commercial influence. In a bid to improve intra-regional trade and end this scenario ECOWAS is making trade within West Africa easier by reducing bureaucratic bottlenecks. The approach involves first building regional

blocs in West Africa and then eventually merging them into one big economy together that is easier than negotiating with 15 countries at the same time, (Gavrilova, 2022). There are also efforts by ECOWAS at a common West African currency. (Horvey, 2024). Many Francophone nations already have one, the CFA France, which is guaranteed by the French treasury, it would be an arduous task for the ECOWAS to break this French connection, although it must be broken if the ECOWAS is to achieve its set objectives, (Alhassan, 2024).

Furthermore, intra and inter State violent conflicts pose problems to ECOWAS efforts at promoting integration and economic development. Even though the cold war which was seen as the reason for frequent conflicts has ended, peace has not been achieved. Rather violent conflicts have intensified with secessionist struggle in Nigeria; Election crises in Gambia, *coup d'états* in Mali and Niger. The recent conflicts in Mali and Liberia have accentuated the fact that all is not well in the West Africa region. These challenges ECOWAS efforts and disrupts its promotion of stability and rapid economic development in the region, (Gavrilova and Kostelyanets, 2022).

Poverty is another challenge confronting majority of West African countries. Today, two-third of these countries depends on foreign aids. The report of West Africa Sub-Regional Office for the United Nations Economic Commission for Africa (UNECA) and the United Nations World Food Programme (WFP), reveals that the number of people in the region living with less than \$1.90 per day increased from 2.3 percent in 2020 to 2.9 percent in 2021. Poverty has resulted to violent-conflict, war and impoverishment of most states in West Africa. This deteriorating economic situation has negatively affected the security of the people in the region. More than 25million people in West Africa are not able to meet their basic needs in the region, an increase of 34% compared to 2020. In order to actualise the goals of ECOWAS these problems need to be addressed, “(Mutai, et al. 2024).

Physical infrastructural decay also remains a challenge to regional integration. The position of infrastructure in West Africa States has been correctly described by Aribisola³¹ who says that the poor infrastructure access and services leave the whole of West Africa at a greater disadvantage by hampering efforts of the region to attract new foreign investment and by limiting domestic investment owing to high costs of doing business. It is well-known that the development of physical infrastructure requires huge financial investments. The poor situation is further exacerbated by the poverty level of most West Africa States that have been bedevilled by the consideration of national sovereignty and egoism. In the main, the system of physical infrastructure includes energy, aviation, water supply, telecommunication, transportation and among others, ((Mutai, et al. 2024).

The African Development Bank (AfDB) Contributions

The African Development Bank (AfDB) was established in 1964; it provides both financial resources and promotes regional cooperation and policy reform to address systemic issues such as poverty alleviation, infrastructure deficits, and environmental sustainability. The Bank's strategic interventions serve as a critical conduit for translating investment into tangible outcomes, thereby facilitating a transformative economic trajectory across the region. Understanding the Bank's strategies and impacts will illuminate the broader implications for sustainable development in Africa.

In the context of promoting economic development across Africa, the African Development Bank (AfDB) harnesses various financial instruments that are crucial to driving systemic change. These instruments include loans, grants, and equity investments, which are channelled to meet the various needs of member countries while fostering sustainable growth. Financial inclusion, for example, is

a key area where the AfDB has made significant strides. Through enhanced access to financial services it maximizes the impact of foreign direct investment (FDI) on economic wealth. Moreover, as highlighted in recent studies, the synergy between digital economies and financial development is crucial; a stable financial system amplifies the positive effects of digitalisation on renewable energy initiatives (Mutai, et al. 2024).

Particularly, the use of bank loans has been seen as a crucial factor in promoting sustainable growth, as evidenced by a positive correlation between financial support and economic performance in Sub-Saharan Africa (Mutai, et al. 2024).. This reflects the strategic emphasis the AfDB places on mobilizing resources that directly stimulate productive sectors. Grants, however, serve a complementary role by addressing the foundational needs of low-income countries, facilitating projects that might not attract immediate commercial investment. Additionally, investment strategies, particularly those focusing on attracting foreign direct investment (FDI) and diaspora remittances have shown significant long-term benefits for countries like Kenya, (Transparency International, 2021). Together, these financial mechanisms reveal the AfDB commitment to creating a conducive environment for economic development, ultimately aiming to improve living standards across the region.

The African Development Bank (AfDB) plays a significant role in enhancing infrastructure development across the continent, a key factor that underpins economic growth. By implementing strategic programmes aligned with its mission, the AfDB not only funds infrastructure projects but also fosters sustainable development in sectors such as energy, agriculture, and transportation. Furthermore, the AfDB's approach to addressing food security within this infrastructure framework, particularly in regions like East Africa, underscores the interconnectedness of food systems and overall development. Policies aimed at enhancing infrastructure directly influence agricultural efficiency and market accessibility, thereby contributing to food self-sufficiency goals in the region (Alesina et al, 1996). Experts assert that an integrated infrastructure strategy is essential for sustained economic progress, solidifying the AfDB's role in shaping Africa's future. The strategic focus of the AfDB on both entrepreneurship and infrastructure development primes nations for a more resilient economic future, demonstrating the bank's integral role in Africa's progress toward sustainable development.

The AfDB efforts at promoting economic development and integration in the continent are however impeded by interplay of some dynamics despite its successes in some areas. These factors include political instability, (OECD. Development Co-operation Report, 2021). In many African countries, political instability remains a threat to the AfDB's initiatives. Frequent changes in government, conflicts including trans-border terrorism disrupt development projects and prevent external investment. Countries like South Sudan and Central African Republic are immersed in raging conflicts that threaten economic integration. In a similar manner, military takeovers in Mali and Niger deter efforts at integration. There is also the problem of infrastructure deficits that impedes economic development and integration. In addition majority of African countries heavily rely on few commodities, thereby making them susceptible to global price fluctuations (Transparency International, nd.). This results from lack of diversification which limits affecting economic development negatively.

Conclusion

The study underscores the role of African International organisations in promoting economic development and integration in Africa. Based on the findings, it is concluded that international organisations have been active in Africa in varied forms and have made significant contributions

towards promoting economic development and integration in Africa. Although these organisations like ECOWAS and the African Development Bank have made significant progress in their commitment to promoting economic development and integration in the continent, they have been confronted with a number of challenges which include political instability, poor infrastructure, insecurity and civil unrests as well as dependence on their former colonial masters and lack of diversification.

References

- African Development Bank (2018). Importance of regional and continental integration for Africa's development. <https://www.afdb.org/en/news-and-events/importance-of-regional-and-continental-integration-for-africas-development-18773>
- Alesina, A., & Perotti, R. (1996). Income Distribution, Political Instability, and Investment. *European Economic Review*, 40(6), 1203-1228.
- Alhassan, T. Eugenia O. A., Shakizada N., Tatiana K. B. (2024). The impact of foreign investment in financing sustainable development in Sub Saharan African countries.
- Erik von U. and Lulu S. Africa Trade Practice Working Paper Series Number 5. <https://documents1.worldbank.org/curated/en/456741468298475824/pdf/888430REP>
- European Council on Foreign Relations, Mapping African Regional Cooperation, <https://ecfr.eu/special/africancooperation/ecowas/#:~:text=ECOWAS%20aims%20to%20promote%20cooperation,development%20of%20the%20African%20continent.LACEM0Box385245B00PUBLIC0.pdf>
- Gavrilova N. and Kostelyanet. S. (2022) Food security in East Africa.
- Horvey S. S. (2024). Digital economy, financial development and energy transition in Africa: Exploring for synergies and nonlinearities.
- Introduction to Political Science (2022), Houston, Texas. <https://openstax.org/books/introduction-political-science/pages/15-4-how-do-regional-igoss-contribute-to-global-governance>
- Jean de la Croix Nkurayija. Basic information," <https://www.ecowas.int/basic-information>
- Kishnani, N. (2015). International and Regional Organizations. *International Journal of Creative Research Thoughts*.
- Mutai, N., Lawrence I., Manh C. N., Kiarie J. W., Ikamari, C. (2024) Sustainable economic development in Kenya: influence of diaspora remittances, foreign direct investment and imports.
- Ndukwe F. O. Promoting Trade: Regional Integration and the Global Economy. The International Monetary Fund.
- OECD. Development Co-operation Report 2021: Shaping a Just Digital Transformation. OECD Publishing.
- Ofori-Sasu, D. (2024). "Financial globalization, digital financial system and economic wealth in Africa".
- The World Bank Group, "Regional Integration; The World Bank Group helps its client countries to promote regional integration through common physical and institutional infrastructure. <https://www.worldbank.org/en/topic/regional-integration/overview>
- Transparency International. Corruption Perceptions Index 2021. Transparency International.