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(LECIAD)

Private Sector Engagement, a Catalyst for a Successful ECOWAS Integration

and Development: The Case of Ghana

BY

MINA POKUAA AGYEMANG

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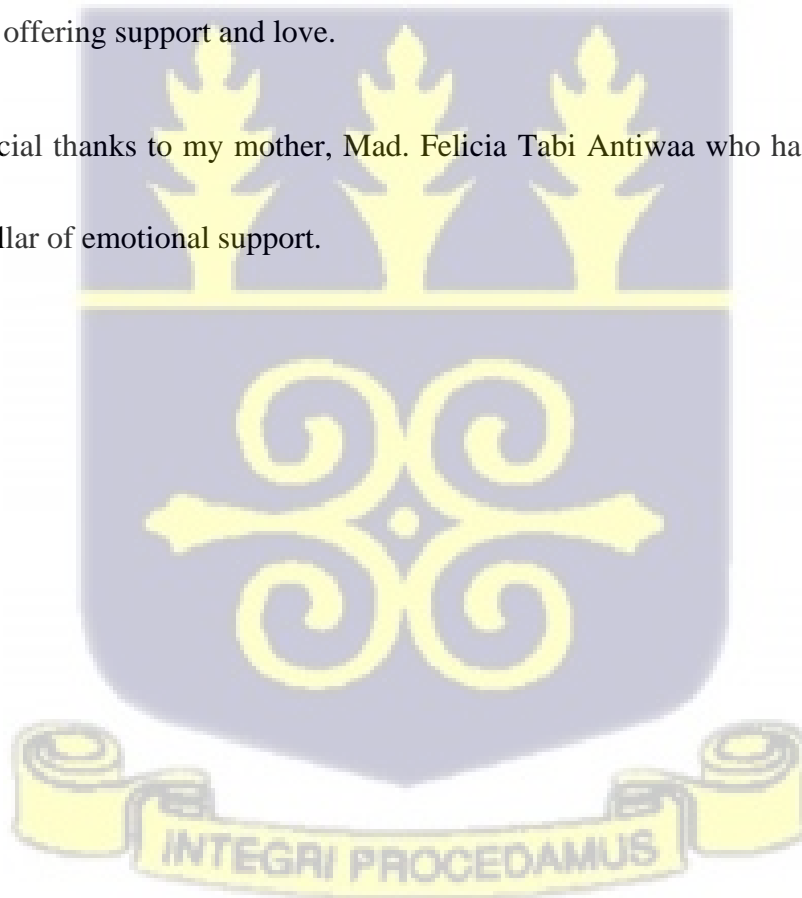
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INTEGRI PROCEDAMUS

DEDICATION AND ACKNOWLEDGMENT

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DECLARATION

I hereby declare that this dissertation is the result of an original research conducted by me under the supervision of Dr. Juliana Abena Appiah and that apart from other works, which are duly acknowledged, no part of it has been submitted anywhere else for any purpose.



MINA POKUAA AGYEMANG
(STUDENT)



DR. JULIANA ABENA APPIAH
(SUPERVISOR)

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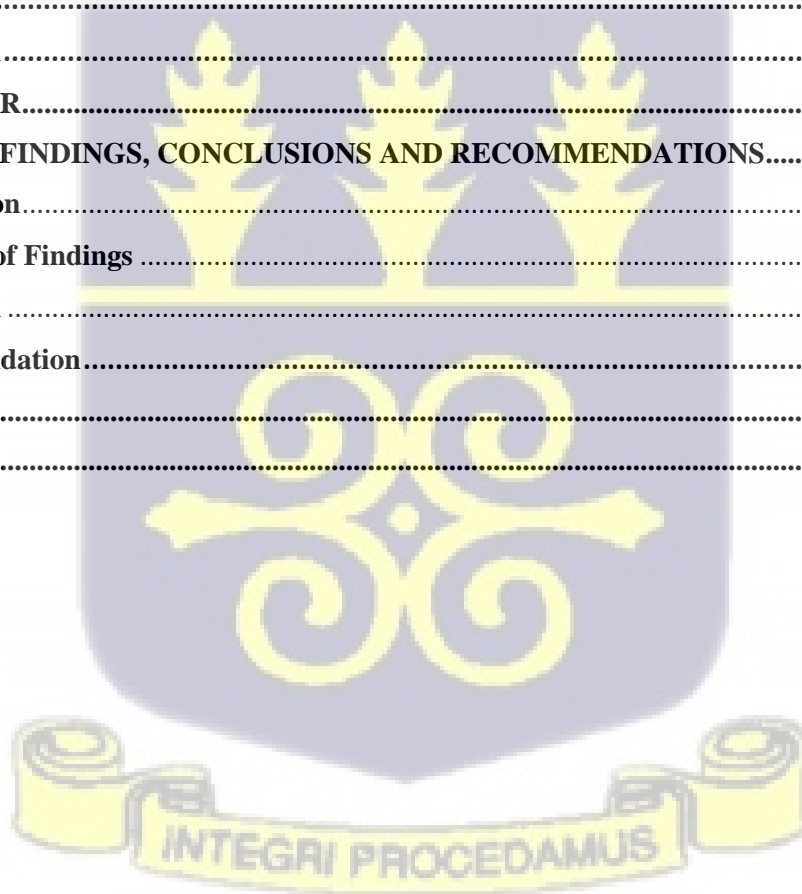
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LIST OF ABBREVIATIONS

ABAC- APEC Business Advisory Council

AfCTA The African Continental Free Trade Agreement

AGI- Association of Ghana Industries

APEC- Asia Pacific Economic Cooperation

ASEAN- Association of Southeast Asian Nations

ASEAN BAC- ASEAN Business Advisory Council

AU -African Union

BAC- Business Advisory Council

CET- Common External Tariff

CSOs- Civil Society Organization

EAC- East African Community

EBCAM- European Business Council for Africa

ECOBIZ- ECOWAS Business Platform

ECOMOG- The Economic Community of West African States Monitoring Group

ECOWAS- Economic Community of West African States

ECSC- The European Coal and Steel Community

EIP- External Investment Plan

EPA- Economic Partnership Agreement

EPSS- ECOWAS Payments and Settlement System

ETLS- ECOWAS Trade Liberalization Scheme

EU- European Union

EXPECT- Export Promotion and Enterprise Competitiveness Initiative

FEWACCI Federation of West African Chambers of Commerce and Industry

GEPA- Ghana Export Promotion Authority

GIPC- Ghana Investment Promotion Centre

GIZ- Deutsche Gesellschaft für Internationale Zusammenarbeit

GNCCI- Ghana National Chamber of Commerce and Industry

ICT- Information Communication Technology

IPC- Investment Promotion Centers

MFA- Ministry of Foreign Affairs

OECD- The Organization for Economic Co-operation and Development

PJAC- Permanent Joint Action for Cooperation

PSD- Private Sector Directorate

SADC- Southern Economic Development Community

TLS- Trade Liberalization Scheme

UNCTAD- United Nations Conference on Trade and Development



ABSTRACT

The success of every economic integration process rest heavily on the effective engagement of all major stakeholders; the government, the civil society and the private sector. The private sector is undoubtedly a key stakeholder in the economic integration process since the sector is broadly the main player of trade which is the core of any economic integration process. The ECOWAS has therefore enacted policies and implemented mechanisms that seek to enhance the participation of the private sector in the economic integration of West Africa. To ensure the efficiency of these policies and mechanisms, there is the need to regularly and carefully examine these efforts. Unfortunately, there is no or little focus on how the sector has been engaged in the integration process. This study, therefore, explored the private sector engagement approaches the ECOWAS has used in promoting private sector participation in the economic integration process of West Africa, by using Ghana as a case study. It assessed how the ECOWAS has engaged the private sector in Ghana by identifying and evaluating the approaches that have been adopted since the ECOWAS institutional reforms as well as investigating the implication such engagement arrangements have had on the economic integration process of the sub- region. The study used a qualitative research approach that enabled the researcher to explore the issues that the study sought to address. The study identified that the ECOWAS key tools of private sector engagement are; policies and mechanisms. The study found that the ECOWAS engages the private sector at the national level through state institutions designated to handle the matters of the ECOWAS. Also, it was realized that such engagements are limited to only business associations. This indicates that the vase number of private businesses that are not members of any business association are left out of the ECOWAS private sector engagement arrangements and states can easily compromise on the ECOWAS policies and directives. To enhance effective private sector engagement within the ECOWAS, the study recommended; the building of synergies between national programs and policies and the ECOWAS programs and policies; the intensive sensitization on the programs and protocols of the ECOWAS for the private sector particularly those at the grassroots; the breakdown of complex bureaucratic and lengthy processes of the ECOWAS; and the filling of the gap between the policies of the ECOWAS and the practices at the national level.



CHAPTER ONE
INTRODUCTION

1.0 Background of the study

The private sector constitutes the aspect of the economy of states run by private individuals or entities intending to make profits. The Organization for Economic Co-operation and Development (OECD, 2016) defines the “private sector” as organizations that engage in profit-seeking activities and have a majority private ownership (that is, not owned or operated by a government)”. These organizations can be either national or multinational on the micro, small, medium, or large scale. The private sector is a crucial non- state actor that cannot be ignored in the economic integration of West Africa therefore, the sector needs to be effectively engaged throughout the integration process. Private Sector Engagement as defined by OECD (2016) is an activity that aims to engage the private sector for development results, which involve the active participation of the private sector. The engagement strategy adopted should lead to the strengthening of the private sector while promoting its participation throughout the integration process. Through private sector engagement, the private sector and other participants can benefit from each other’s assets, connections, creativity or expertise to achieve mutually beneficial outcomes (Crishna Morgado et al., forthcoming; Di Bella et al., 2013).

According to the United Nations Conference on Trade and Development:

“Regional trade has the potential to contribute to sustained growth, poverty reduction, and inclusive development. It has played this role effectively in several countries in Asia and Latin America. But in Africa, the expected results have been slow to come to the fore. Of the many factors that account for this situation, the weakness of the African private sector is paramount and needs to be understood and effectively addressed” (UNCTAD, 2015 pg. 1).

This observation by UNCTAD indicates that the private sector is a key stakeholder which needs to be strengthened and included in the economic integration process. There is the need to therefore assess the private sector engagement approaches adopted by regional and/or sub-regional bodies such as ECOWAS. This will help identify the gaps in the existing strategies and make recommendations on how such gaps can be filled.

The Economic Community of West African States (ECOWAS) was established on May 28 1975 through the Treaty of Lagos with the vision of creating a single market for its members and encouraging intra- trade among them. The achievement of this vision greatly hinges on a strong private sector across the region. The secretariat of the ECOWAS thus, established its private sector directorate in 2007 to handle the promotion of the private sector to ensure inclusive growth, innovation, competitiveness, and development cooperation. The directorate in 2016 published the *“ECOWAS Strategic Framework for Private Sector and Enterprise Promotion 2015 – 2020”* which serves as a roadmap to achieving the vision of ‘a prosperous, dynamic, inclusive, and competitive led regional economy functioning in a single economic space. According to Akadiri (2021), “the ECOWAS has set up a consultative framework with general objective of contributing to and strengthening of regional economic integration through greater involvement of the regional private sector in the decision-making process, formulation, implementation, monitoring and evaluation”. The Federation of West African Chambers of Commerce and Industry (FEWACCI) through its observer status in the ECOWAS, functions as a private sector consultative platform for the ECOWAS at the regional.

In today’s hyper globalized world, an efficient and effective private sector engagement strategy is needed for the successful integration of the economies of states. To help with the design and

development of appropriate strategies, there is the need to look into the already existing methods of engagement.

1.1 Statement of the Problem

There is a growing recognition of the role and importance of the private sector to the economic integration and development of states. According to Muhamed Zulkhibri (2018), private firms play a vital role in enhancing inclusive growth prospects as investors, employers, and creators of new and upgraded productive potential. The growing interest in the contribution of private sector in the economic integration process, is faced with the challenges of inadequate tools and resources. Although, there are a number of policy instruments and structures that seek to regulate the integration groups' interactions with the private sector, these instruments and structures are inadequate to harness the contribution of the private sector to the integration process. "A comprehensive gap analysis of the ECOWAS Trade Liberalization Scheme (ETLS) by USAID's West Africa Trade Hub has found substantial disparities between legislation and implementation, limited private sector knowledge of protocols (Engel & Jouanjean, 2015)." If the private sector is not well informed about the existing protocols, then it can be inferred that the sector is not properly consulted during the formulation of such protocols. The sector, therefore, does not associate with the implementation process. For instance, "in Ghana, the private sector was found to be aware of protocols but dissatisfied with their pace of implementation, feeling that informality may be less costly than strict adherence to the rules (Brock et al. 2010b)." This study thereby, sought to explore the private sector engagement approaches of the ECOWAS and the impact it has had on the economic integration process of West Africa.

The literature also, supports the fact that the private sector plays a crucial role in a successful economic integration and development. Scholars such as Rosellon and Yap (2012) have argued that “the private sector is the driver of economic growth in most ASEAN member countries and have attributed the successful private sector engagement within ASEAN Economic Community to the community’s participation in two business advisory councils: the APEC Business Advisory Council (ABAC) and the ASEAN Business Advisory Council (ASEAN- BAC)”. Most Regional Economic Communities (RECs) have adopted policies and approaches to engage the private sector in their economic integration process. Some of these policies and approaches have failed whereas some have equally been successful. The ECOWAS just as the rest of the RECs, has put in place some policies and approaches to enhance its private sector participation in the economic integration of the sub- region. These policies and approaches have their associated constraints and prospects. There is therefore the need to regularly assess these policies and approaches to identify the gaps in them and make appropriate recommendations to address them. Although there are several studies on the relevance of private sector participation in the economic integration and the development of West Africa, there is a limited literature on the assessment of the ECOWAS private sector engagement approaches especially at the member states level. This study therefore looks into the private sector engagement approaches the ECOWAS has adopted over the years with a special focus on their implementation at the national level of member states with Ghana as a case study.



1.2 Research Questions

- ❖ How has the ECOWAS engaged the private sector in Ghana?
- ❖ How has engaging the private sector impacted the economic integration of West Africa?

1.3 Research Objectives

- ❖ To assess how the ECOWAS has engaged the private sector in Ghana
- ❖ To investigate how this engagement has impacted the economic integration of West Africa

1.4 Scope

Contextually, the study gave a historical overview of the Economic Community of West African States (ECOWAS) and a review of its private sector engagement approaches. It also comprised an assessment of the engagement of Ghana's private sector in the identified approaches of ECOWAS and the impact such engagements have had on the economic integration process of West Africa. The period reviewed for the study was from 2007 to 2021. This period considered the era of the institutional reforms in the ECOWAS.

1.5 Rationale

The study provides an in-depth analysis of private sector engagement in an economic integration process which may serve as a knowledge base to integration bodies, governments, and CSOs for the effective design and development of private sector engagement strategies. Also, it serves as a crucial source of assessment information on ECOWAS private sector engagement strategies. The findings from the study give a vivid picture of the state of private sector engagement within the ECOWAS integration process and may serve as a guide for resolving existing challenges. Generally, it adds to the existing literature on the subject matter of the study which is unfortunately limited.

1.6 Theoretical Framework

The study is based on the neo-functionalism theory. This theory was propounded by Ernst Haas in 1958. “The important question that neo- functionalists attempt to ask is: how does cooperation in specific economic policy sectors lead to greater economic integration in Europe and then in wider political integration?” (Anna Sonny, 2015). Three constituent factors interact in the regional integration process. “The development of transnational society, the role of supranational organizations with the meaningful autonomous capacity to pursue integrative agendas, and the focus on European rule-making to resolve international policy externalities” are the three factors neo- functionalists use to describe and explain regional integration (Sandholtz & Stone Sweet, 1997). Central to this theory is the concept of spillovers which explains how the integration of one sector of the economy can lead to the integration of the other sectors as well as explaining the relevance of supranational and subnational actors in the regional economic integration process.

The research accedes with the neo-functionalism view that the establishment of a transnational society is ideal for achieving a successful economic integration that is beneficial to all and sundry. As argued by Ernst Haas (1971), “no state is capable of maintaining its economic growth and its existing economic structures and be capable of satisfying the economic needs of its people, if it does not cooperate with other countries”. In the quest to attain a transnational society, this study argues that integration bodies such as ECOWAS should engage with the private sector in a manner that they (the private sector) can have the capacity to thrive beyond their countries of origin. “The private sector has been noted to constitute a huge portion of the population and engaged in the various socio-economic venture” (Kasim, 2009). The involvement of the private sector in the

transnational society agenda means the wider reach of the populace and high levels of economic development of member states.

The study agrees with neo-functionalism that the formation of a supranational organization like ECOWAS to perform administrative functions is significant. This helps to build mutual trust among all stakeholders (both state and non- state actors). The supranational authority has the potential to build solidarity among these actors with diverse interests. This points out the relevance in assessing how ECOWAS (a supranational authority) has engaged with the private sector (a major stakeholder) in the economic integration of West Africa.

Neo-functionalism is an integration theory that supports multi-level governance of the integration process. It advocates for the inclusivity of non- state actors in the decision-making of an integration body such as ECOWAS. Philippe C. Schmitte (2002) defines this multi- level governance as:

“An arrangement for making binding decisions that engages a multiplicity of politically independent but otherwise interdependent actors- private and public- at different levels of territorial aggregation in more or less continuous negotiation/ deliberation/ implementation, and that does not assign exclusive policy competence or assert a stable hierarchy of political authority to any of these levels” (Schmitte, 2002).

The multi-level governance position of neo-functionalism supports the argument raised in the study that non- state actors especially the private sector are as relevant as state actors thus, they should be engaged right from decision making to the implementation stages of the economic integration process. The engagement of the private sector should be at all levels of decision making which include; the local level, national level, regional level and the global level.

The study acknowledges the several criticisms leveled against neo-functionalism. Intergovernmental scholars such as Andrew Moravcsik have criticized neo-functionalism for the continued dominance of state interest and the neglect of international context. They argue that the powers of the supranational authority are limited as the decision to integrate is decided by states based on their calculated interest. Also, supranational authorities over the years have failed in fostering unity and solidarity among the populace of member states. For example, ECOWAS has failed to resolve the lingering tensions between Ghanaian and Nigerian small-scale traders in Ghana. SADC is also faced with xenophobic attacks on African foreigners in South Africa. “For this, it can be said that neo-functionalism as a theoretical tradition has a weakness in its lack of appreciation of the need to institute legitimacy among citizens” (Sulemani, 2019).

Additionally, the establishment of a supranational body does not undermine the autonomy of states to resist the efforts of the integration body that do not conform to the national interest of the member states. “Member states have coherent unified negotiating positions and were thus able to resist integration when they wanted to” (Eilstrup- Sangiovanni, 2016). In 2018, Nigeria closed its border to Benin intending to encourage local production and discourage arms struggle. This single act of Nigeria undermined the tenet of free trade of ECOWAS.

Bearing in mind the logic and criticisms, this research is based on neo-functionalism because it highlights the relevance of the role of supranational organizations and other non- state actors such as the private sector in a regional economic integration process. Also, it supports the involvement of the private sector in the decision-making process and the implementation of the integration agenda.

1.7 Literature Review

1.7.1 Introduction

This portion of the study is focused on the review of existing literature that provides relevant information on the topic of this study. It explored several pieces of literature on economic integration in Africa and identified the challenges and successes. Also, the review looks at how economic integration has happened within the ECOWAS sub- region, the challenges, and prospects faced by ECOWAS in its integration process. The review assesses pieces of literature on the role of the private sector in economic integration and development as a whole. It is restricted to the pieces of literature which are crucial to the thematic areas of the study. There are several works on economic integration, ECOWAS, and the private. The parameter for literature selection for this review is based on how well the pieces of literature help the researcher to realize the objectives of the study and answer the research questions.

1.7.2 Economic Integration in Africa: Concepts and Forms

Several researchers have attempted to look at the integration process of the various regions in the world. The likes of Brenton & Hoffman (2016), Belassa (1961), Golit & Adamu (2014), Ravenhill (2016), Oloruntoba (2016) and Sulemani (2019) in their works have done extensive analysis on the economic integration of West Africa, its concepts and forms as well as the prospects and the challenges.

According to Belassa (1961), “the theory of economic integration will be concerned with the economic effects of integration in its various forms and with problems that arise from divergences in national monetary, fiscal, and other policies”. Although economic integration may start as a political decision, states that enter into such cooperation expect to reap economic benefits.

“Regional economic cooperation was, thus, planned to elicit the interest of individual countries in the policies of regional partners towards ensuring mutual commitment and attainment of convergence standards. Regional integration was also to allow for greater coordination of national economic policies thereby enabling African countries to pool together their small economies into larger markets to benefit from economies of scale (Golit & Adamu, 2014).” There are two opposing views that show the differences in approaches and objectives of economic integration: the liberalist and the dirigist arguments. According to the liberalists, economic integration is achieved through free trade or trade liberalization whereas the dirigist holds the view that governments should play a rigorous and direct role in the integration process. These two views come with their pros and cons. Hence, there is the need for states to conduct a cost-benefit analysis of the several approaches to economic integration and select the most suitable for their economic wellbeing. Or better still, “there is the need to have a mixed approach to economic integration” as argued by Golit & Adamu, (2014). There is also a need for a private sector engagement strategy in order to have a successful economic integration. Developers of such strategies should bear in mind the different concepts, forms, and ideologies of economic integration as discussed by Belassa (1961). If possible, a mixed approach should be adopted as argued by Golit & Adamu, (2014). Irrespective of the approach adopted, the strategy adopted should be flexible and open to regular assessments and amendments as this study seeks to do.

With regards to regional integration models, Golit & Adamu (2014) have explored Africa’s integration model with a focus on identifying the option most suitable for the expected regional economic growth. Golit & Adamu (2014) argues that although intra- trade is relevant to economic growth, factors such as infrastructural development, human and physical capital accumulation are also critical to the promotion of economic growth on the continent. There is an established

correlation that exists between the factors that influence economic integration. Africa states to transition from the traditional approach to integration which is centered on trade to an approach that allows for investment in infrastructure, human capital development, and building a stock of physical capital. According to Golit & Adamu (2014), Africa should consider the following alternative approaches to regional economic integration: Human and Physical Capital Accumulation, Macroeconomic Stability, Transactions Costs and Infrastructural Services. “Another example of alternative model encompasses the multilateral agreements among individual African countries within a framework that provides for both intra-African linkages and sufficient linkage with the rest of the world under the platform provided by the World Trade Organization (Oyejide, 2000).” The call for a shift from the traditional approach is a step in the right direction. Integration in Africa has fundamentally been state-centric over the years and it has not been beneficial for the continent’s economic integration agenda. Shifting from the traditional approach means, developing new strategies that factor in all relevant stakeholders particularly the private sector. The private sector has the means to address most of the challenges facing economic integration in West Africa and Africa as a whole. Each model may demand a particular private sector engagement approach hence, emphasizing the need to explore the existing private sector engagement approaches of the ECOWAS and basing on the findings to make suitable recommendations.

Irrespective of the form an integration process takes, there is always some level of threat posed to state autonomy. “All forms of regionalism inevitably impose some constraints on state autonomy” (Ravenhill, 2016). Africa has tested and tried various integration forms usually using the European Union as a yardstick. The various attempts for any of the economic integration forms have been met with several challenges of which the most popular among them is the setting out ambiguous

integration agenda without establishing institutions that can be responsible for the successful execution of the set agenda. It, for this reason, scholars like Brenton & Hoffman (2016) and Oloruntoba (2016) argued for the involvement of non- state actors particularly the private sector to fill in the gaps within a state-centric approach. Additionally, the private sector is noted to be a key driver of economic integration, development and a strong tool for fixing the infrastructural deficits on the continent. Ravenhill (2016) argued that African regional trade areas are not substantially different from other regional economic schemes among developing economies although, it is often characterized by poor economic conditions of the integrating states and less market competitiveness among them. “A half- century of regional economic collaboration has failed to realize the legitimate aspirations of African leaders for closer economic integration and accelerated economic growth (Ravenhill, 2016).” The private sector if properly engaged, can fill the gap in a way that fosters economic growth and development.

The regional economic integration process of sub- Saharan Africa is undoubtedly faced with several challenges such as lack of political will, low infrastructural development, less market competitiveness among many others. Among the several ways African countries can integrate economically, the private sector is noted to be a key determinant of how this integration occurs. According to Brenton & Hoffman (2016), integration can be achieved in sub- Saharan Africa through several pathways among them are; the development of joint infrastructure, cooperation, and private sector contribution. They argued that economic integration can only succeed through the private sector is nearly tautological for market economies as government can provide an inducement for firms to invest and increase trade among a regional economic community (REC) yet it is up to firms to initiate these actions. In the case of EAC, the private sector that is, “the banks within the region although were committed to the integration agenda, they did so because

of the expected gains and not for political reasons”. In many cases, the regional interests of private firms also are quite distinct from those of governments (Alden and Soko 2005). The ECOWAS private sector engagement approach should therefore meet the interest of both the private sector and the governments of member states. This supports the study’s purpose of assessing the existing approaches and identifying the impact they have on the integration process. In agreement with Brenton & Hoffman (2016), RECSs particularly the ECOWAS should prioritize flexibility over rigidity, encourage simplicity over complexity, reach out to the private sector and focus on joint infrastructure.

Some criticisms have been leveled against the relevance of regional economic integration in Africa because member states have often shown more interest in trading and entering into economic agreements with developed countries than doing so with their fellow states within the continent. This is attributed to factors such as colonial ties and lack of commitment on the part of member states. The criticisms may be justifiable however, some scholars argue that irrespective of the challenges economic integration faces on the continent, it is still relevant for states' growth and development. According to Sulemani (2019), the need for regional economic integration in the West African region includes benefits in diverse areas such as the opportunity to possess a strong bargaining power on international platforms; possessing a viable market size that attracts foreign direct investment to their countries; having an improved scope for diversification and its benefit of lower risks for their firms. He acknowledged the existence of the several policies and mechanisms that ECOWAS has put in place to ensure the successful integration of West Africa while stressing the need to strengthen these policies as they are crucial to the success of the integration process. Economic integration is inevitable in such a hyper globalized world regardless of the threats it poses to state sovereignty. If economic integration is inevitable then engaging the

private sector as a key stakeholder and not a beneficiary of the integration process, is also inevitable. Having an effective private engagement strategy does not only catalyze a successful integration process but also, reduces the threats associated with the process. There will be proper and functioning regulatory systems.

1.7.3 Private Sector for Economic Integration

From Belassa (1961), Golit & Adamu (2014), and Ravenhill (2016), it can be deduced that the main rationale for economic integration is the pursuance of economic growth and development through trade liberalization. The benefits of trade can be reaped through industrialization and infrastructural development under a stable political environment. The private sector has over the years been proven to be a key driver of economic integration. Muhamed Zulkhibri (2018) argued that private firms play a vital role in enhancing inclusive growth prospects as investors, employers, and creators of new and upgraded productive potential. The economic activities that are undertaken by the private sector serve as a source of job creation and revenue generation for governments. Private markets are the engine of productivity growth and thus create more productive jobs and higher incomes Zulkhibri (2018). There are several instances that private businesses through their Corporate Social Responsibility have invested in infrastructural development within the sub-region. Again, the private sector is noted to play a catalytic role in human capital development. For ECOWAS to profit from the private sector, it needs to put in place mechanisms and policies that will foster competitiveness, low cost of doing business, and access to basic social services needed for business operations. Muhamed Zulkhibri (2018) concluded his argument by stating that engaging the private sector to promote broad-based growth requires demand-driven approaches and public ‘due diligence’ in the form of appropriate policies, regulations, and capacity. The

private sector is a crucial actor needed for economic growth and development. Integration bodies should therefore consider the sector as a key contributor of the integration process and not just mere beneficiaries of the process.

According to the African Development Report 2011, Africa's private sector, accounts for over four-fifths of total production, two-thirds of total investment, and three-fourths of total credit to the economy, and employs 90 % of the employed working-age population. Similarly, in the case of the ASEAN Economic Community, "the private sector is the driver of economic growth in most ASEAN member countries" (Rosellon & Yap, 2012). When governments can create enabling environment for business activities to thrive, the business community can promote development through job creation, technological and infrastructural investments, and human capital development. These boost the economies of states and make economic integration profitable. Economic Communities such as ECOWAS should therefore entreat its members to regularly engage the private sector in the design and implementation of national development plans as well as their economic integration policies. Rosellon & Yap (2012) attributed the successful private sector engagement within ASEAN Economic Community to the community's participation in two business advisory councils: the APEC Business Advisory Council (ABAC) and the ASEAN Business Advisory Council (ASEAN- BAC). Through the councils, the business community can make proposals and recommendations on issues such as investment promotion, trade facilitation, and post-crisis recoveries. Economic leaders have acknowledged the important role the private sector plays in the formulation of policies and actions for economic integration. As cited by Rosellon & Yap (2012), Jorgensen (1999) explained some rationale following this support from the European business community.

"Firstly, it was in the interest of the businessmen of the member states to move toward a common market first, a single market later, and finally to an economic and monetary union. Secondly, it is part of the entrepreneur's ideals (let's say of the Schumpeterian entrepreneur) to avoid economic sclerosis and always move forward, towards new and more advanced equilibria, not only in the economic and technological field but also in the institutional field" Jorgensen (1999).

The ECOWAS was hugely modeled after the EU and to some extent ASEAN. Thus, it should therefore imitate their way of private sector engagement which goes beyond the development of the sector, and rather, institute policies and mechanisms that will support the private sector's contributions to the economic integration efforts in West Africa.

The literature reviewed gives the different perspectives and arguments from some scholars on the form and context of economic integration with a special focus on Africa's integration and the

ECOWAS integration process in particular. Some of the literature discussed the new trend that is, the involvement of non-state actors particularly the private sector in the economic integration and development of Africa however, there is scarce literature on how regional economic communities such as ECOWAS have engaged the private sector in its economic integration process and how such engagements have been relevant to the success of the process. This study, therefore, seeks to fill this gap in the literature by critically assessing how ECOWAS has engaged the private sector and investigating how this engagement has promoted the economic integration of West Africa.

1.8 Methodology

According to Kothari, C. R. (2004), “when we talk of research methodology, we not only talk of the research methods but also consider the logic behind the methods we use in the context of our research study and explain why we are using a particular method or technique and why we are not using others so that research results are capable of being evaluated either by the researcher himself or by others”. This section of the study therefore, describes the systematic ways that the researcher used to solve the problem of the study. The methodology of this research work includes the design, the sources of data, and the methods of collecting and analyzing data.

1.8.1 Research Design

The study used a qualitative research approach that enabled the researcher to explore the issues that the study sought to address. A qualitative research approach was used because “the uniqueness of the qualitative inquiry is its experiential understanding of the complex interrelationships among phenomena and its direct interpretation of events” (Tuffour, 2017). This approach was thus, used in the study by exploring the existing literature on the economic integration process of West Africa and the private sector engagement strategies which have been adopted. This was intended to assess

how ECOWAS has engaged the private sector in Ghana and how such engagement has impacted the economic integration of West Africa.

1.8.2 Sources of Data

Data collection played a critical role in the successful conduct of this study. This is because the data gathered were necessary for exploring and investigating the issues being addressed by the study. For the purposes of the study, both primary and secondary data were collected.

The primary data was collected by the conduction of structured and semi-structured interviews. The primary data was sourced from three respondents who provided expert knowledge on the issues raised in the study. Mr. Aminou Akadiri, Director of FEWACCI, discussed the genesis and the current state of ECOWAS private sector engagement while Mr. Bonaventure Adjavor, Director at Ministry of Foreign Affairs and Regional Integration of Ghana, gave insight into how ECOWAS through the Ministry has been engaging the private sector at the member state level. The third respondent, Mr. Theophilus Arthur- Mensah, Policy Research Officer at Association of Ghana Industries (AGI) provided data on the private sector perspective of the subject matter. The secondary data was sourced from existing journals, articles, books and policy documents relevant to the study.

- Target Population

The target population of this study included the ECOWAS Commission, the Ministry of Foreign Affairs and Regional Integration, Private Sector Association specifically, the Association of Ghana Industries and Federation of West African Chambers of Commerce and Industries.

- Sampling

In order to get the exact people with the expertise in the study area, purposive sampling technique was used.

1.8.3 Tools of Data Collection

There are several tools such as survey, focus group discussion, questionnaires and interviews available for data collection. This study used interview as its tool for data collection. An interview guide was developed for the interviews. The interview took two forms: online and personal. Some of the participants had the interview questions emailed to them before the interviews were conducted. A period of 6 weeks was used to conduct the interviews.

1.8.4 Data Analysis

The qualitative data which was gathered was transcribed and edited. The researcher edited the data to check for omissions and errors. The data was then subjected to content analysis with descriptive account of the data gathered and interpretative analysis of findings. Approved qualitative data analysis approach was used for the presentation and analysis of the data gathered. The researcher therefore discussed the findings of the study.

1.9 Limitation of the Study

There were several challenges the researcher encountered when conducting the study. One of the key challenges was the difficulty in getting respondents from the Ministry of Foreign Affairs and Regional Integration and the ECOWAS Commission. Limited literature on the study area and time constraints were also some of the challenges the researcher had to deal with when conducting the study. Although these challenges existed, they did not in any way influenced the quality of the work and the researcher was able to conduct the study efficaciously.

1.10 Chapters Organization

The study is in four chapters. The chapter one is the introduction to the study which outlines the research methodology and the design. The chapter two focused on the historical overview of the Economic Community of West African States (ECOWAS) and a review of its private sector engagement approaches. The chapter three focuses on addressing the research objectives which were; to assess how the ECOWAS has engaged the private sector in Ghana and to investigate how this engagement has impacted economic integration of West Africa. The final chapter, which is chapter four presents the summary of findings, conclusions and recommendations.



CHAPTER 2

THE HISTORICAL OVERVIEW OF PRIVATE SECTOR ENGAGEMENT IN THE ECONOMIC INTEGRATION OF THE ECOWAS

2.0 Introduction

This chapter largely covers the historical overview of the economic integration process of the Economic Community of West African States (ECOWAS) and its relationship with the private sector in the sub region. It also highlights the existing ECOWAS private sector engagement arrangements. The chapter concludes with the challenges and prospects of private sector engagement in the economic integration of West Africa.

The private sector constitutes a huge portion of global populace and serves as a major driver for economic growth for most countries, as the sector is engaged in various socio- economic venture. Due to this, the engagement of the sector for broad- based growth and development demands appropriate policies and programs. The European Union (EU) for instance, over the years have been intentional about their engagement with the private sector. The European Coal and Steel Community (ECSC), which was the initial attempt of Europe to integrate economically and politically involved the private sector in the community's administration. The High Authority, which was one of the four institutions of the ECSC, comprised independent appointees who were mainly from the private sector. "It helped in the practical field of financial aid: under Article 54 of the Treaty, it provided funds for companies which decided to build training centers to meet present day needs" (European Community Information Session). The private sector has since been engaged in the design and implementation of development programs in Europe. This is because the sector is a key driver of growth and development which are the core objectives of every

economic integration body. The EU engages several private sectors actors amongst them are; the European Private Sector Organizations such as Business Europe and the European Business Council for Africa (EBCAM), the European Chambers of Commerce, European Business Organizations and their network in partner countries, individual companies and private financial institutions. The private sector is engaged in three key areas:

- Implementation of aid programs such as *the Sustainable Business for Africa Platform (SB4A)*
- Formulation of policies such as *the Policy Framework for EU- Private Sector Engagement: 2014 European Commission Communication*
- Mobilization of private resources such as *the External Investment Plan (EIP)*

The approaches used by the EU sought to inform, consult, involve, collaborate and empower the private sector at all times. This helped to promote an enabling environment for business and investment. Similar to the EU, the ECOWAS, over the years, have adopted integrative agenda that seeks to involve the private sector in their activities.

2.1. The Historical Overview of Economic Community of West African States (ECOWAS)

The ECOWAS is one of the eight RECs recognized by the AU. “In the early 1970s the leaders of West Africa recognized that intra-regional integration would be an important step towards the sub region’s collective integration into the global economy” (Adepoju, 2001). Similar to the EU, the ECOWAS was established in 1975 with the aim of creating a single market for member states by removing the barriers to trade and encouraging intra-trade among its members. It is made up of 15 member states including Ghana, Togo, Burkina Faso, Nigeria, Niger, Mali, The Gambia, Guinea,

Guinea Bissau, Senegal, Cape Verde, Cote d'Ivoire, Benin, Sierra Leone and Liberia common geographical ties and colonial experiences. "On May 28, 1975, these fifteen West African countries met in Lagos, Nigeria, to sign the ECOWAS Treaty, also known as the Treaty of Lagos that led to its establishment" (Sulemani, 2019). Prior to the signing of the Lagos Treaty, a number of events happened. "It is believed, within African circles, that the Former Liberian President, William Tubman, was first to conceive the idea of a West African economic community, which stimulated the signing of an agreement between Cote d'Ivoire, Guinea, Liberia and Sierra Leone on February 1965, though this did not go far" (Global Edge, 2014). Also, there is the believe that the first attempt of economic integration of West Africa dates to 1945 when the CFA franc was introduced. The CFA franc brought together West African francophone states under one single monetary union. From the ECOWAS desk, "it was not until 1972 that a proposal for a union of West African States emerged". This proposal was spearheaded by the then heads of state of Nigeria and Togo namely Gen. Yakubu Gowon and Gnassingbe Eyadema respectively.

The Lagos Treaty, which led to the establishment of the ECOWAS was revised in 1993 to widen the scope and the powers of the ECOWAS. The revision can be linked to the ever-changing dynamics of the social and political needs of member states, which influenced economic stability as well as the success of the ECOMOG in the control of the conflicts in Liberia and Sierra Leone in the 1990s. Articles 3 and 4 of the Treaty highlights the numerous objectives and principles of the ECOWAS, which spans from peace and security to democracy to human rights to cooperation to economic and social justice.

According to Article 6 of the Lagos Treaty, "the institutions of the Community shall be; the Authority of Heads of State and Government; the Council of Ministers; the Community Parliament; the Economic and Social Council; the Community Court of Justice; the Executive

Secretariat; the Fund for Co-operation, Compensation and Development; Specialized Technical Commissions; and any other institutions that may be established by the Authority”. It is worth noting that the Executive Secretariat, which is the administrative instrument of the ECOWAS is now referred to as the ECOWAS Commission. The transformation that was done in 2007 was motivated by the need to transform the structures of the secretariat to meet contemporary demands. Again in 2007, the Commission established its private sector directorate to handle the promotion of the private sector in order to ensure inclusive growth, innovation, competitiveness and development co-operation. The directorate in 2016 published the *‘ECOWAS Strategic Framework for Private Sector and Enterprise Promotion 2015 – 2020’* which serves as a roadmap to achieving the vision of ‘a prosperous, dynamic, inclusive and competitive led regional economy functioning in a single economic space.

2.2. The ECOWAS and the Private Sector

The private sector played a crucial role in the creation of ECOWAS but along the line there was a shift in focus which somehow led to the marginalization of the private sector. The establishment of ECOWAS although may have been started by a discussion between two political leaders that is, the former President of Nigeria, General Yakubu Gowon and the former President of Togo, General Gnassingbe Eyadema, it was still on the basis of trade of which most of it, is private sector driven. Prior to the decision of the political leaders to integrate their economies, the private sector within the various West African Countries had started integrating their trading activities under the National Chambers of Commerce and Industry in West Africa. It is undoubted that this act of the private sector facilitated the establishment of ECOWAS. Unfortunately, the treaty that led to the creation of the ECOWAS in 1975, in its architecture and structure made no provision for a

mechanism that allows for direct private sector participation in the integration process. Although the National Chambers of Commerce and Industry in West Africa existed then, the treaty failed to mainstream the private sector into the integration process.

Again, the treaty failed to envisage the future happenings on the continent in terms of conflicts, due to this, the escalation of conflicts within the sub- region had a massive impact on the mission of the ECOWAS. The Liberia civil war in the late 1980s and some boundary wars like the Mali-Burkina War led to a shift of focus from economic integration to conflict prevention and conflict management. The ECOWAS legal framework was then not well established to deal with conflicts of such nature. The Liberian civil war shot ECOWAS to focus on how to strengthen its muscles in the areas of conflicts prevention and conflict management. This new dynamic and series of activities that occurred within the sub- region firmed up the shift from private sector participation to civil society which was prominent in the conflict resolution process. The series of happenings within the sub region eventually diminished the role of the private sector in the economic integration process.

The National Chambers of Commerce and Industry in West Africa in order to enhance the private sector participation in the economic integration process established the Federation of West African Chambers of Commerce and Industry (FEWACCI) in 1976. The FEWACCI through its observer status in the ECOWAS, functions as a private sector consultative platform for the ECOWAS. It makes proposals and shares the views of the private sector on ECOWAS protocols and programs which are focused on the economic integration of West Africa. The FEWACCI is made up of 15 chambers of commerce with each coming from the 15 member states of the ECOWAS. It became dormant in the 1980s and in the 1990s however, the private sector directorate which was established in 2007 ensured the revitalization of FEWACCI in 2009.

The ECOWAS in its attempt to promote private sector engagement, created a secretariat in 2007 to handle its private sector activities. The Private Sector Directorate which was created has the mandate to handle the promotion of the private sector in order to ensure inclusive growth, innovation, competitiveness and development co-operation that attracts domestic and foreign direct investment.

2.3. The ECOWAS Private Sector Engagement Approaches

It is worth noting that the ECOWAS does not have any direct engagement with the private sector of the member states. The ECOWAS has a two- tier level of engagement with the private sector in West Africa. The two- tier levels are the sub-regional level of engagement and the national level of engagement. The main approaches of ECOWAS in dealing with the private sector within the sub region are; policy and mechanisms. The main policy approach used, is the ECOWAS Revised Treaty and its associated protocols whereas the main mechanism which has been adopted is the establishment of the private sector directorate that led to the revitalization of FEWACCI.

2.3.1 The Policy Framework

The ECOWAS primary approach towards private sector engagement is the formulation of a private sector- oriented policy. In the ECOWAS today, the revised treaty of ECOWAS and its associated protocols are directed towards the development of the private sector and the enhancement of the sector's participation in the economic integration process of West Africa. The ECOWAS revised treaty and its associated protocols shed more light on the need for private sector engagement and as well seek to eradicate any obstruction to the involvement of the private sector in the economic integration process of West Africa.

2.3.1.1 The Revised Treaty of ECOWAS

The 1993 Revised Treaty of ECOWAS acknowledges the essence of the private sector in the economic integration of West Africa. Due to this, provisions have been made in the Treaty to ensure the participation of the private sector to promote industrial growth, science and technology, energy, transportation, communication and trade. According to Article 3(2), the ECOWAS seeks to achieve its aims by ensuring “the promotion of joint ventures by private sector enterprises and other economic operators, in particular through the adoption of a regional agreement on cross-border investments and the adoption of measures for the integration of the private sectors particularly the creation of an enabling environment to promote small and medium scale enterprises”. The promotion of joint ventures has led to the promotion of public- private partnership in West Africa. Many countries are undertaking major infrastructural development under the “Build, Operate and Transfer” (BOT) arrangement under PPP. According Osei- Kyei, et al (2014), “the private sector is well known for its ability to better manage risk through efficient asset procurement and service delivery” hence, the sector complements public entities in mitigating such risk. Again, several projects such as the “Quality Management Training” have been implemented by the community in collaboration with other development partners like GIZ. The chapters V, VII and VII give priority to the strengthening the private sector and encouragement of the sector in industrial projects in the areas of science and technology, energy, transportation, communication and trade which are likely to boost economic integration of the sub- region.

2.3.1.2 Protocols:

The ECOWAS aside its revised treaty has enacted certain protocols which seeks to eradicate all forms of trade barriers and encourages the free movement of persons, goods and capital. The following are the protocols that have been adopted to achieved this objective of the ECOWAS:

- ECOWAS Trade Liberalization Scheme (ETLS)
- ECOWAS Community Enterprises framework
- ECOWAS Common biometric passports and identity cards
- Common External Tariff (CET) and harmonized customs code was adopted implement in member States
- Harmonized quality policy was adopted to facilitate market access for regional products,
- Investment policy and code framework
- Competition strategy and framework
- Harmonized payment system with an investment guarantee mechanism

2.3.2 The ECOWAS Mechanism for Private Sector Engagement

The ECOWAS as part of its restructuring in the early 2000s, created the private sector directorate as its main mechanism for dealing with private sector promotion and participation within the sub region. The directorate has developed its strategic framework for private sector engagement and has also, revived the Federation of West African Chambers of Commerce and Industry which functions as the private sector consultative wing of the ECOWAS.

2.3.2.1 The Private Sector Directorate

The directorate is mandated to ensure inclusive growth, innovation, competitiveness and development co-operation by promoting the Private Sector. It has 14 departments including;

- Agriculture, Environment & Water Resources;
- Education, Science and Culture;

- Energy and Mines;
- Finance;
- Financial Controller of ECOWAS Institutions;
- General Administration and Conference;
- Human Resources Management;
- Industry and Private Sector Promotion;
- Infrastructure;
- Macro- Economic Policy and Economic Research;
- Political Affairs, Peace and Security;
- Social Affairs and Gender;
- Telecommunication and Information Technology;
- Trade, Custom and Free Movement.

The departments focus on the various aspects of the private sector economy of member states. This is to aid the sustainable development of the sector in a way that attracts both domestic and foreign direct investment. The development of the private sector is expected to have a ripple effect on the economic development of member states. The private sector directorate since its inception has implemented several projects/programs such as the ECOWAS Export Promotion and Enterprise Competitiveness Initiative (EXPECT), ECOWAS Investment Climate Monitoring Mechanism Framework, Investment Guarantee Mechanism, ECOWAS Payments and Settlement System (EPSS), Common Investment Market and Capital Markets Integration in West Africa. Aside the creation of an enabling environment for investments, these projects are initiated to encourage private sector involvement in the integration process in order to stimulate growth. The directorate in 2016 published “the ECOWAS Strategic Framework for Private Sector and Enterprise

Promotion 2015 – 2020” which serves as a roadmap to achieving the vision of ‘a prosperous, dynamic, inclusive and competitive led regional economy functioning in a single economic space.

2.3.2.2 The ECOWAS Strategic Framework for Private Sector and Enterprise Promotion

In 2007, the ECOWAS revised its vision to:

“ECOWAS of peoples which is a move from ECOWAS of States and bureaucrats to ECOWAS of citizens therefore placing greater emphasis on fostering regional development and integration agenda that is people- centered, private sector driven and promoting international competitiveness” (ECOWAS, 2007).

This strategy is, therefore, designed to create an improved business environment, foster public-private partnerships and build institutional capacities which enhance trade and investment as well as increase market productivity. It acknowledges that the private sector is the driver of development for the sub- region therefore, the main rationale for the framework is to promote the private sector and enhance their participation in the economic development policies of the sub-group. The contribution of the private sector to the growth of Asia and Europe inspires the ECOWAS to pursue its private sector development agenda. The strategic framework is, therefore, drafted along the lines of the EU and ASEAN models.

2.3.2.3 The Federation of West African Chambers of Commerce and Industry

The Federation of West African Chambers of Commerce and Industry (FEWACCI) was originally established in 1976 by the National Chambers of Commerce and Industry in West Africa with the aim of enhancing the private sector participation in the economic integration process. The FEWACCI through its observer status in the ECOWAS, functions as a private sector consultative platform for the ECOWAS. It makes proposals and shares the views of the private sector on ECOWAS protocols and programs which are focused on the economic integration of West Africa.

The FEWACCI is made up of 15 chambers of commerce, with each coming from the 15 member states of the ECOWAS. It became dormant in the 1980s and in the 1990s however, the private sector directorate revitalized it in 2009.

The FEWACCI within the ECOWAS private sector mechanism implements programs such as the organization of ECOWAS Business Forums and an ECOBIZ platform where all trade related information is shared. It arbitrates and mediates trade related conflicts at both national and sub-regional levels. The FEWACCI works with the National Chambers of Commerce and Industries to disseminate the ECOWAS trade information and programs to the domestic businesses.

2.4. The Challenges and Prospects of the ECOWAS Engagement with the Private Sector

According to E. Chijioke Ogbonna, Bayode Aluko and Kofi Awuah, the challenges of the ECOWAS can be broadly put into two categories: firstly, trade, infrastructural and regulatory challenges and secondly, challenges of governance, conflicts and socio-culture.

It is believed that intra- regional trade is the lifeline of any economic integration process. The actors of the integration process are expected to trade among themselves in order to achieve full levels of economic integration.

“The best of integration, or better put, the essence of integration is best achieved when the economies of the integrating countries are so heterogeneously diffused in trade commodity as to accommodate a reasonable interdependence within the region first and secondly sustain a collective trading bloc in relation to other states outside the bloc” (Ogbonna et al, 2013).

Unfortunately, the economies of the member states of the ECOWAS rest heavily on imports and most of the members are producers of similar raw materials, which does not encourage intra-trade amongst them. On the global market, African countries are noted for the production of raw materials particularly, agricultural products. Most of these products produced on the continent or within the sub-region are so similar that, trade is only possible with countries outside the borders of the continent who may not be producers of such goods. For instance, Ghana and Cote d' Ivoire are noted to be leading producers of cocoa in West Africa and since they cannot trade in the cocoa between themselves, they rather, compete for external buyers. This, if not properly regulated may lead to tensions between the two countries thus, retarding the integration efforts within the region.

Another key challenge that faces the ECOWAS integration process and its private sector engagement, is the infrastructural deficits that faces member states. The ECOWAS members are faced with issues of poor road networks, inefficient power and telecommunication services.

“The lack of adequate infrastructure by way of roads, energy, power, rail, telecommunication and other links for the facilitation of the free movement of goods, capital, services and persons, including the right of residence poses a major challenge to the consummation of the integration dream in the West African sub-region” (Bala, 2017).

Although ECOWAS has initiated programs and activities such as the Gas-pipeline and the proposal of a fused telecom network, the struggles of individual states in these areas challenges the optimization of such projects. The inadequate infrastructure within the sub-region continues to hinder intra- regional trade. It is pointed out in the ECOWAS Strategic Framework for Private Sector and Enterprise Promotion that “ECOWAS in 1975 had 10% level of intra-regional trade and it was still at 10% even in 2012 while the EU over that same duration, has grown to 67% -

70%”. Other factors may have contributed to this poor performance of trade however, it is obvious that fundamental to this failure is the inadequate infrastructure within the sub-region.

Moreover, the lack of political will on the part of member states in implementing some of the policy directives of the ECOWAS thwarts the progress of the economic integration process of West Africa. For instance, the domestic laws of Ghana forbid small scale trading by foreigners in the local markets of Ghana. Such laws undermine the ECOWAS principle of free movement of goods, services and people. The ECOWAS relies solely on its members for the implementation of its protocols hence, the refusal of members to abide by the provisions of the protocols means that the ECOWAS would not be able to achieve the goals for which the protocols were adopted. Unfortunately, the ECOWAS framework does not have any punitive measures that serves as a form of deterrence to members from breaching the protocols.

In addition to the challenges of the ECOWAS and its private sector engagement is the issue of corruption and political instability.

“The personalization of power and other political instability vis-à-vis development-suppressing malpractices involving the abuse of stewardship, looting of the states treasury, election rigging, and its attendant regime of troubled and turbulent polity has been a bane in the development of the region” (Ogbonna et al, 2013).

The integration process is just a means to an end which is development. Sadly, the resources needed for the developmental goal to be achieved are often misappropriated by government officials. Most regimes within West Africa are sunk in corruptions and the abuse of power. Some of these instituted regimes contribute to the rampant spread of terrorism and political unrest within the subregion. In the presence of corruption and political instability, member states of the

ECOWAS are unable to create a conducive environment for the promotion and development of the private sector. It as well, discourages private investment within the region.

Finally, the complex nature of ECOWAS schemes hinders the private sector participation at the state level. Traders who trade across the borders of West African states have raised complaints on the complex bureaucratic and cumbersome nature of ECOWAS schemes and processes. This leads to waste of time that may impede the movement of goods. For example:

“Ghanaian exporters continue to complain about their inability to register as companies entitled to benefit from the ECOWAS Trade Liberalization Scheme (TLS). The complaints range from lengthy bureaucratic procedures to register under the TLS, to product registration difficulties they face when dealing with the Nigerian National Agency for Food and Drug Administration Control” (Hoppe and Aidoo, 2012).

If the complexities in onboarding the private sector onto ECOWAS schemes persists, their interest in the integration process would fade. The private sector as already established in the chapter one plays a critical role in the success of any economic integration efforts therefore any hurdle that discourages their participation should be eradicated.

A key prospect for the ECOWAS is the pool of private authority in the sub-region. “New actors in the form of private authority of indigenous multinational companies and other non-state actors are emerging, which could facilitate integration in the sub-region in a more sublime and functional sense than the approach taken by political elites over the past 50 years” (Oloruntoba, 2016). Not only is there a pool of private sector entities, there is also some improved collaborations between governments and the private sector. The ECOWAS can build on this collaboration to foster growth and development in West Africa. Clearly, with unstable economies, no state could single handedly drive development. It is important that the Revised ECOWAS Treaty takes into consideration the

participation and the development of the private sector. The ECOWAS should therefore, commit to make deliberate efforts to engage efficiently with the private sector. If this is done well, member states, may be able to mobilize enough resources for their development through the private sector. The effective engagement of the private sector may serve as a major driver for the economic integration process. Oloruntoba (2016) puts it that “there is new dynamics of integration, which involve indigenous multinational companies such as banks, civil society organizations and cross border networks”.

Again, the willingness of governments in West Africa to invest in industrialization is a prospect the ECOWAS can explore to achieve the economic integration agenda. According to Sulemani (2019), “the exigencies of the time have awakened African leaders to industrialize their economies and eat what they grow”. In Ghana, the Akuffo Addo has initiated the one district, one factory policy as a means of industrializing the economy of Ghana. Member states of the ECOWAS through their domestic policies, are proving their commitment to industrialization which is essential to the ECOWAS integration process.

Moreover, the spread of democracy in West Africa is a great tool for enhancing economic integration. “The advent of democracy in most ECOWAS countries particularly in Nigeria, which is the dominant economy in West Africa” are signs that ECOWAS can make progress with the economic integration of the sub-region (Bala, 2017). A stable political atmosphere is one step towards the creation of conducive environment for the private sector within West Africa, to trade among themselves efficiently.

Last but not least, improved connectivity in terms of transportation and technology have the potential of smoothing economic integration. The ECOWAS, in modern times, can leverage on

the existing digital innovation tools to improve the ease of doing business. Djeneba Traore (2019) opines that “ICTs offer African countries the opportunity to broaden the scope of regional integration by facilitating inter- state exchanges for the harmonization of economic, social and commercial policies within regional and intercontinental spaces”. On the transportation side of connectivity, it is obvious that some of the initiatives such as the road transport development program of the ECOWAS have improved the transport infrastructure in West Africa. This can be used to fast- track the free movement of goods and persons within the sub-region.

2.5 Conclusion

The vision of the ECOWAS to create a single market, encourage free movement of goods and persons, alleviate poverty and promote development within West Africa, has been clear from the very onset of its establishment. The ECOWAS has undergone several institutional reforms in an attempt to reposition itself to best address the issues of the sub-region that threatens the economic integration agenda.

The new model of ECOWAS through the Revised Treaty, acknowledges that for there, to be a successful economic integration, there should be mechanisms that creates the platform for the private sector development and participation in the integration process. Due to this, the ECOWAS has adopted some approaches which include policy frameworks and mechanisms that enhance its engagement with the private sector.

The effort of the ECOWAS to engage with the private sector is marred with several challenges ranging from trade deficits, to infrastructural inadequacies, to lack of political will, to corruption and political instability. In the mix of these challenges, there are still some prospects the ECOWAS

can fall on to attain its ambition. The pool of private authority, governments commitment to industrialization, spread of democracy and improved connectivity in West Africa, can serve as building blocks for the ECOWAS to promote the private sector and to enhance their participation in the integration process.

Notwithstanding the fact that the ECOWAS has a clear policy direction and mechanisms for its private sector engagement, it is undeniable that the effectiveness of these efforts is dependent on the applicability of the approaches at the national levels of members states. The next chapter therefore, presents Ghana as a case study of how ECOWAS has been engaging the private sector at the national level and the impacts such engagements have had on the economic integration process of West Africa.



CHAPTER THREE

THE ECOWAS ENGAGEMENT WITH THE PRIVATE SECTOR OF GHANA AND ITS IMPLICATION ON THE ECONOMIC INTEGRATION OF WEST AFRICA

3.0 Introduction

Economic integration is a means to an end whereby the end is development therefore all member states of any economic grouping such as ECOWAS would want to see some level of developmental transformation due to their membership to the group and Ghana is no exception. Intra- trade among member states is notably a key means of achieving this expectation of member states. The fostering of intra- trade is aimed at promoting economic growth and development. Intra- trade is likely to be ineffective or impossible in the absence of an effective participation and promotion of the private sector, whose players constitute the highest actors of trade in a state. It is therefore crucial to adopt approaches that ensures that private sector players at the regional, national and local levels are fully engaged and well represented in decision making and programs. The private sector of each member state should be involved in the processes.

This chapter looks at how the ECOWAS has engaged the private sector in Ghana and the impacts the engagement arrangement has had on the economic integration process of West Africa by analyzing the data collected. Also, in an attempt to address the main objectives and the research questions of the study, the chapter test the essence of neo- functionalism, which serves as the theoretical framework of the study, by demonstrating how its principles of transnational society, supranationalism and multi- level governance are applied within the ECOWAS private sector engagement arrangements. The main objectives as outlined in chapter one, are; to assess how

ECOWAS has engaged the private sector in Ghana and to investigate how this engagement has impacted the economic integration of West Africa.

3.1. Overview of Ghana's Involvement in ECOWAS and Its Private Sector Engagement Approaches

Ghana is one of the pioneers of economic integration in West Africa and Africa as whole. It has since its independence in 1957 pushed the economic integration agenda of Africa through its foreign policies and has advocated of the same agenda on most of the international platforms it accessed. Ghana in the 1970s played a key role in the establishment of the ECOWAS thus, it is identified as one of the founding and leading members of ECOWAS. The Ministry for Foreign Affairs and Regional Integration is the ministry designated to handle all of ECOWAS affairs in Ghana. The ministry is a member of the ECOWAS member states ministry of foreign affairs. The national office of ECOWAS is housed by the Ministry of Foreign Affairs and Regional Integration under the Africa and Regional Integration Bureau. Ghana has a permanent representative to ECOWAS and also, hosts ECOWAS special representative to member state. Administrative wise, two Ghanaians namely; Dr. Mohamed Ibn Chambas and Mr. James Victor Gbeho served as executive secretaries of ECOWAS from 2002 to 2012. Then again, out of the five presidents Ghana have had since the fourth republic, four have one time been the chair of ECOWAS. Currently, the president of Ghana, Nana Addo Dankwa Akufo Addo, is the chairperson of the ECOWAS. Ghana, as part of its foreign policy guidelines, has the principle of adherence to the provisions of ECOWAS treaties and ideals.

The private sector within the sub- region contributed massively to the establishment of the Ecowas. Unfortunately, the sector's participation was not sustained when the intergovernmental

organization became fully fleshed due to the rise of internal conflicts within the member states. The escalation of civil wars among other intra- state conflicts led to a shift of focus from economic development to security and as a result, civil society engagement became more emphasized at the expense of the private sector engagement. Fortunately, under the chairmanship of the then president of Ghana, John Agyekum Kuffour and the leadership of Dr. Mohamed Ibn Chambers, both Ghanaians, the ECOWAS was transformed to prioritize private sector engagement. The transformation led to the establishment of the private sector directorate and it also led to the revival of the Federation of the West African Chambers of Commerce and Industry (FEWACCI). In an interview with Aminou Akadiri, he recounted that:

“Ghana played a crucial role in the revitalization of the FEWACCI which is the private sector consultative platform for the ECOWAS. Till date, the FEWACCI works closely with the Ghana Chamber of Commerce and Industry to address issues relating to the private sector” (Akadiri, 2021).

It is worth noting that Ghana is a member of the ECOWAS Parliamentary Committee on Industry and Private Sector. All this show Ghana’s commitment to the enhancement of private sector participation in the economic integration process of West Africa. Moreover, Ghana is a signatory to all ECOWAS protocols on private sector development and promotion.

3.2. The ECOWAS Engagement with the Private Sector of Ghana

The chapter two of the study identified that the ECOWAS does not have direct engagement with the private sector at the national level. Although there is no direct contact with the private sector at the national level, the ECOWAS approaches to the private sector at the national level remains same as at the sub-regional level. The private sector is engaged through the formulation and

implementation of policies and the activities and programs of the private sector directorate. Any form of such private sector engagement is done through the existing state bureau and institutions. The ECOWAS demonstrates its supranational authority by ensuring that through its policy dialogue platforms, unity is fostered between the states entities and the private sector. This explains why the ECOWAS does its private sector mobilization and engagements through the designated state agencies. This supranational authority of the ECOWAS is challenged as member states are still reluctant to cede their sovereignty to the body.

3.2.1. The ECOWAS Policies and the Private Sector of Ghana

The ECOWAS has enacted several protocols to promote the development and the participation of the private sector in the economic integration of West Africa. Bonaventure Adjavo in an interview on how the ECOWAS has engaged the private sector of Ghana through policy stated that the protocols below have been adopted by the ECOWAS to develop the private sector of members states including Ghana to enhance their participation in the economic integration process:

- *ECOWAS Trade Liberalization Scheme (ETLS)*
- *Joint Border Post*
- *ECOWAS Common biometric passports and Identity Cards*
- *Common External Tariff (CET)*
- *Harmonized quality policy*
- *Harmonization of Educational Systems*
- *Competition strategy and framework*
- *Common Agricultural Policy*
- *Harmonized payment system with an investment guarantee mechanism*

He explained that:

“The government of Ghana, a signatory to all these protocols, is expected to align its national policies in a manner that allows its private sector to benefit from the existing ECOWAS protocols. The state institutions such as the Ministry of Trade and Industry, Ghana Investment Promotion Center (GIPC), the Ghana Export Promotion Authority (GEPA) among other state institutions are therefore expected to enact national policies that ensures the development of the private sector of Ghana such that they can benefit from the protocols through their trading across the sub-region” (Adjavor, 2021).

Ghana as a member state of ECOWAS has the responsibility to ensure that domestic laws are in tandem with the revised treaty and its associated protocols. “At the core of this new treaty was the principle of supra-nationalism- the essence of which is that ECOWAS law will now supersede the domestic laws of its members, if ever there is a clash between the two” (Kuffour, 2013). Unfortunately, some policy objectives of Ghana do not align with the goals of the revised treaty of ECOWAS and its protocols. For instance, “the 1994 Ghana Investment Act expressly prohibits non- Ghanaians from engaging in certain commercial activities, which is at variance with ECOWAS law on the right of non- nationals to reside in Ghana and carry out business on the same terms as Ghanaians” (Kuffour, 2013). A private sector representative in an interview argued for such a protectionist policy by debating that:

“Every country has its regulations that helps the local economy. If we open our doors and everything to foreigners, it will come to a time that our economy will be run by foreigners. Every country has a strategic direction as a result, they have instituted rules and regulations of setting up a business. If you go through the GIPC Act, before you are able set up a business in Ghana, you should meet certain criteria and there are certain jobs that are left for the local people to do” (Arthur- Mensah, 2021).

According to him, this is the only way the government of Ghana can protect its private sector from being taking over by foreigners. The ECOWAS framework on trade unlike the African Continental

Free Trade Agreement (AfCTA) does not have any mechanism that ensures compliance to the protocols of ECOWAS. In an interview with Theophilus Arthur- Mensah, he explained that:

“Over the period, what has been happening is that even though we have all these frameworks and policy on trade liberalization, some countries are still able to get up randomly and decides to close its borders. Some of these governments in the presence of existing protocols still do things that benefits their countries while disregarding the protocols. Unfortunately, within the protocols and the revised treaty of the ECOWAS, there are no punitive measures against countries that do not observe them as a result, a lot of the ECOWAS countries are often seen doing their own things which contradict the existing protocols on trade liberalization. The government of Ghana therefore, has no option than to protect its own” (Arthur-Mensah, 2021).

Kuffour (2013) notes that “there does seem to be some reservations among the members regarding the lowering of barriers to trade within ECOWAS”. It is undoubted that governments particularly that of Ghana compromise on the ECOWAS due to the interest of the national private sector. This brings out the need to intensify the involvement of the national as well as private sector entities right from the beginning of the formulation of the protocols to their implementation. This would augment the sector’s understanding and appreciation of the protocols and in the end, own them. If this is to persist, the mission of ECOWAS to build a transnational society of West Africa where member states easily trade among themselves will be shattered.

Notwithstanding this, it is essential to add that the formulation of the trade protocols is not left in the hands of the state actors alone. The private sector is often invited to contribute through national stakeholder engagements or policy dialogues which are regularly organized by states institutions such as the Ministry of Foreign Affairs and Regional Integration, GIPC and the Ministry of Trade and Industry. Theophilus Arthur- Mensah confirmed that:

“Over the period what governments have done for the private sector among the ECOWAS countries is to initiate bilateral agreements, usually they call it the Permanent Joint Action for Cooperation (PJAC) and because the Ministry of

Foreign Affairs and Regional Integration is responsible for regional integration and communications, they host these bilateral talks because they are the agency of the government. The private sector associations particularly, the Association of Ghana Industries (AGI), is always engaged in one way or the other during policy formulations” (Arthur- Mensah, 2021).

The ECOWAS has managed to ensure some level of multi- level governance as a principle of neo-functionalism in its engagement with the private sector. The private sector is engaged at the sub-regional and national levels of decision making but unfortunately, such engagements have not reached the local level or the grassroot level yet. This has led to a gap between ECOWAS activities and the private sector at the local level thus, leading to the resistance to most ECOWAS protocols at the local level.

Under policy enactment as an approach of the ECOWAS Private Sector engagement, one of the main roles of the private sector entities, is to make recommendations and advise government on policy matters relating to trade and the sector as a whole. Exploring in this line, Theophilus Arthur Mensah asserted that:

“The private sector are the actual people on the ground who understand the issues better because they are operators. It is in the good interest of the government to always engage with them to understand what is actually on the ground before they are able to make policy and frameworks regarding trade or anything like that” (Arthur- Mensah, 2021).

According to him, having the private sector players at the policy table is the only way the government and ECOWAS can gain expert knowledge on the issues of the private sector that need to be addressed in order to enhance economic integration within the sub-region. This enables the sector to benefit from the instruments of the ECOWAS while contributing expert knowledge and skills. Unfortunately, the current role of the private sector in decision making is limited to the making of recommendations thus, the private sector players are distanced from the implementation

of the decisions made. If the private sector is considered to be a key stakeholder, then they should have the responsibility of ensuring the implementation of the decisions made.

3.2.2. The Private Sector Directorate

The Private Sector Directorate (PSD) is the department of ECOWAS in- charge of private sector affairs and its development. The ECOWAS through the directorate creates a platform for addressing the development of the private sector, its needs and challenges, as well as fulling the vision of the ECOWAS treaty. The private sector directorate just like any other department of ECOWAS does not have a national wing. In Ghana, the Bureau of Africa and Regional Integration of the Ministry of Foreign Affairs and Regional Integration, is the office in- charge of mobilizing the private sector in Ghana for the PSD's engagements. According to Bonaventure Adjavor:

“In the ECOWAS framework, it is the Ministry of Foreign Affairs and Regional Integration which is the national office that takes care of ECOWAS matters. If ECOWAS is organizing any program, the invitation comes to the ministry to inform relevant institutions based on the agenda or the ministry as part of its program organize dialogues with state institutions, the private sector and civil society to do engagement. All programs and activities of the ECOWAS are handled by the national units” (Adjavor, 2021).

The PDS organizes annual meetings at the national level of member states. In Ghana such meetings are facilitated by the Ministry of Foreign Affairs and Regional Integration. The report on the meeting which contains the issues of the private sector raised during the meeting is then sent to the PDS at the ECOWAS headquarters. The PDS forwards the report to the council of Ministers a policy action to be taken. Bonaventure Adjavor added that:

“None of the actors, both states and non- states, works in isolation. We work as a team based on the subject matter or the problem. How do we resolve the issues? MFA takes the lead, bring on board other stakeholders to see how they can mediate through bilateral engagements to address the concerns of the private sector. Private sector engagements are therefore organized to one, understand their issues and see how best you can address them” (Adjavor, 2021).

He went on to explain that:

“The PDS of the ECOWAS as part of their program for the year, always engage the private sector in several meetings through the ministry of foreign affairs and regional integration. The PDS although operates at only at the sub-regional level, it brings its activities to the member states then they mobilize the private sector in the member state for discussions” (Adjavor, 2021).

Basically, the PSD is centered at the ECOWAS headquarters and it conducts its activities and programs at the national level through the ministry designated for ECOWAS affairs which in the case of Ghana is the Ministry of Foreign Affairs and Regional Integration. The programs are usually stakeholder meetings and policy dialogues on the issues of the private sector. The challenge with the PSD arrangement is that the annual meetings are not enough for private sector participation at the national level. Again, the PSD activities are unable to reach the local private sector players such as the petty traders due to this, they are always resisting the ECOWAS protocols.

3.2.3. The Federation of West African Chambers of Commerce and Industry (FEWACCI)

The private sector of Ghana is represented by the Ghana National Chamber of Commerce and Industry (GNCCI) on the Federation of West African Chambers of Commerce and Industry (FEWACCI), the private sector consultative platform for the ECOWAS. The businesses in Ghana are therefore able to contribute to ECOWAS protocols and programs through their active involvement within the federation. In an interview with Aminou Akadiri, the executive director of FEWACCI:

“The Ghana National Chamber of Commerce and Industry played a crucial role in the revival of FEWACCI in the early 2000s and it continues to serve as a key actor within the federation” (Akadiri, 2021).

The ECOWAS Treaty anticipates a private sector that fully complements the public sector in policy formulation and implementation through advocacy, policy dialogue, and active participation in economic development agenda of the Region. The GNCCI represents Ghana's private sector through the FEWACCI at the sub-regional level during the formulation and implementation of ECOWAS policies.

According to Aminou Akadiri:

“ECOWAS has set up a consultative framework with general objective of contributing to and strengthening of regional economic integration through greater involvement of the regional private sector in the decision-making process, formulation, implementation, monitoring and evaluation” (Akadiri, 2021).

The membership of the GNCCI in FEWACCI indicates that at least the private sector of Ghana has a representation at the sub-regional level on ECOWAS matters. Aside Ghana's private sector participation in policy dialogues, the sector benefits for ECOWAS Business Forums and an ECOBIZ platform which are organized by FEWACCI through the national chambers within each member states. Aminou Akadiri stated that such forums have been organized in Ghana recently through the Ghana National Chamber of Commerce and Industry. The FEWACCI works through the GNCCI to disseminate the ECOWAS trade information and programs to the domestic businesses.

It is part of the vision of ECOWAS to harmonize the private sectors of all member states however, there have been instances within the subregion where there have been clashes and misunderstanding among the private sector of member states. The FEWACCI as part of its functions arbitrates and mediates trade related conflicts at both national and sub-regional levels. A trade related conflict peculiar to Ghana is the conflict between the petty traders of Ghana and that of Nigeria. The federation is working effortlessly to address this conflict so that Ghanaian traders

and Nigerian traders can go about their businesses peacefully. When asked about how the federation the conflict between Ghanaian petty traders and the Nigerian petty traders, Aminou Akadiri said that:

“The federation has been engaging all the stakeholders involved to find a lasting solution to the conflict. Several discussions and meetings have been held between the representatives of both sides. We hope to ensure cooperation among the parties involved” (Akadiri, 2021).

In general, the FEWACCI which is the private sector consultative platform of the ECOWAS, membership comprise of the Ghana National Chamber of Commerce and Industry. The GNCCI represents the private sector of Ghana in the federation. The FEWACCI thus, performs its ECOWAS related roles in Ghana through the GNCCI. The issues and needs of Ghana’s private sector are therefore addressed by the FEWACCI through the platform created by GNCCI at the national level.

3.3. The Impacts of the ECOWAS’ Private Sector Engagement on the Economic Integration of West Africa

A primary impacts of the ECOWAS private sector engagement is that it promotes inclusive growth and development which is the hallmark of a successful economic integration process. The main rationale for economic integration is the pursuance of economic growth and development through trade liberalization. Over the years, the private sector has undoubtedly proven to be a key driver of growth and development. “Private firms play a vital role in enhancing inclusive growth prospects as investors, employers and creators of new and upgraded productive potential” (Zulkhibri, 2018). The economic activities that are undertaken by the private sector serve as a source of job creation and revenue generation for governments. “Private markets are the engine of

productivity growth and thus create more productive jobs and higher incomes” (Zulkhibri, 2018). Program initiatives such as the Quality Management Training and the Business Incubator for African Women Entrepreneurs Empowerment (Biawe) have strengthened the capacity of private enterprises within the sub- region. As the private sector is engineered to grow, competitiveness is fostered and trade is enhanced thus, leading to the achievement of the objectives of the ECOWAS.

Again, the development of the private sector, through the ECOWAS private sector engagement framework, has led to the attraction of foreign direct investments and economic partnerships such as the European Union’s Economic Partnership Agreement (EPA). The ECOWAS protocol on free movement, right of residence and establishment has encouraged multinational companies such the Dangote Group and the United Bank of Africa to easily expand their activities beyond their mother countries. The impact of this is that intra- trade is boosted and profit margins are increased. The policy framework for ECOWAS private sector engagement for the most part seek to develop the capacities of the private sector and as well create a conducive environment for doing business. This positions the private sector to be ready to access external sources of funding. Members states like Ghana for this reason, has set up the Investment Promotion Centers (IPCs) to increase foreign investment portfolios in Ghana. The IPCs work with other state institutions to ensure that the businesses at the national level are well equipped to receive such investments. In the case of Ghana, the Ghana Investment Promotion Center organizes investment fairs annually to connect businesses in Ghana to investment opportunities. The programs of the ECOWAS implemented at the national level by the National Chambers of Commerce and Industry thereby prepare the businesses at the national level to access such opportunities.

The economic benefits gained from engaging the private sector in the integration process encourages member states to comply to the ECOWAS treaty and protocols. According to the African Development Report 2011, “the Africa’s private sector, accounts for over four-fifths of total production, two-thirds of total investment, and three-fourths of total credit to the economy, and employs 90 % of the employed working age population”. Member states are able to boost the production capacity of their private businesses through the ECOWAS projects and programs for the private sector. Unfortunately, the efforts of ECOWAS to ensure the promotion and the development of the private has not been very successful. This has led to the problem of rent seeking at the national level. “In market transactions, economic actors pursue profits and thus seek to gain an advantage over their competitors in doing so- pressure is put on governments to eliminate market rivals through legislation” (Kuffour, 2013). This pushes governments to compromise on the existing protocols of the ECOWAS by adopting policies that give preference to local businesses. For instance, the government of Ghana in an attempt to protect the interest of its private sector enacted the 1994 Investment Act which contradicts the 1979 Protocol Relating to Free Movement of Persons, Residence and Establishment. If the private sector at the national level is well engaged, they would serve as advocates of the protocols of the ECOWAS framework within the individual states.

On the policy side, the ECOWAS through its private sector engagement, sources proposals and recommendations on issues such as investment promotion, trade facilitation and post crisis recoveries from the private sector. Economic leaders have acknowledged the important role the private sector play in the formulation of policies and actions for economic integration. According to Theophilus Arthur- Mensah:

“The private sector are the actual people on the ground who understand the issues better because they are operators. It is in the good interest of the government to always engage with them to understand what is actually on the ground before they are able to make policy and frameworks regarding trade or anything like that” (Theophilus Arthur- Mensah, 2021).

This shows that whenever ECOWAS or any of its member states needs an expert knowledge on the key sectors that affect trade and investment within the subregion, the existing frameworks give room for the private sector to be brought to the table.

3.4 Conclusion

It is evident that private sector engagement is a cardinal catalyst for the successful economic integration of West Africa and, the ECOWAS over the years, has shown its commitment to enhancing private sector participation and development. From the analysis of the data gathered, the ECOWAS within its supra- national powers has sought to establish a transnational society in West Africa by involving both state and non- state actors such as the private sector in its economic integration process. It can be deduced from the data analysis that the ECOWAS approaches to the private sector at the national level remain same as at the sub-regional level. The private sector is engaged through policies and mechanisms such as the establishment of the Private Sector Directorate but works through state bureau and institutions at the national level. The effectiveness of the approaches adopted by the ECOWAS at the national level therefore, heavily rests on the shoulders of state institutions that are mandated to handle ECOWAS matters as well as the needs of the private sector. The business associations that are engaged at both the national and sub-regional levels have the responsibility of disseminating the information on the protocols and programs of the ECOWAS to its members at the grassroots. Unfortunately, this is often inadequate

as the grassroots players are mostly left out. From the study, although the ECOWAS is a supranational authority per the institutional reforms, its powers are still limited at the state level due to the unwillingness of states to comply absolutely to its protocols and directives. The ECOWAS private sector engagement framework calls for a collaborative effort among the ECOWAS departments, state institutions and private sector groupings or business associations yet, its multi-level governance system is not fully representative enough to enhance compliance to the ECOWAS protocols and directives at all levels such that inclusivity in the integration process can be ensured.



CHAPTER FOUR

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

4.0 Introduction

The chapter presents the summary of the findings of this study in respect to the research objectives and the research questions. Also, the chapter provides the conclusion to the study. Finally, the chapter ends by providing well-informed recommendations which is based on the numerous literatures on the study reviewed and the research conducted.

4.1 Summary of Findings

Aside the general aim of the study which was to assess private sector engagement arrangements within the economic integration process of the ECOWAS sub- region and their impacts on the integration process, by critically reviewing the approaches that ECOWAS has adopted, the study aimed to address two specific objectives that comprised:

- ❖ To assess how the ECOWAS has engaged the private sector in Ghana
- ❖ To investigate how this engagement has impacted the economic integration of West Africa

In terms of the first objective, which was to assess how the ECOWAS has engaged the private sector in Ghana, the study found out that the ECOWAS as an organization and its departments, do not have direct engagements with the private sector at the national level and in this case, Ghana. The ECOWAS therefore, engages the private sector of member states (Ghana) through state institutions designated to handle the matters of the ECOWAS and the private sector development

and promotion. In Ghana, the Ministry of Foreign Affairs and Regional Integration is the main state institutions that facilitates ECOWAS private sector engagement activities. Also, the study realized that such engagements are limited to only business associations. This indicates that vase number of private businesses that are not members of any business association are left out of the ECOWAS private sector engagement arrangements. The study identified that the ECOWAS key tools of private sector engagement are; policies and mechanisms that include the establishment of the Private Sector Directorate and the revitalization of the Federation of West African Chambers of Commerce and Industry to serve as the private sector consultative platform for the ECOWAS. In the context of the neo- functionalism which forms the theoretical basis of this study, the limited engagement of ECOWAS at the national level is a hinderance to the principle of multi- level governance which is crucial for a successful economic integration and development.

With respect to the second objective, which was to investigate how this engagement has impacted economic integration of West Africa, the study found that engaging the private sector in Ghana (at the national level) promotes inclusive economic growth and development. With the platform created by the ECOWAS through its private sector engagement efforts, the country level private sector is able to participate in the discussions on the issues of the sector as well as contribute to the development of the ECOWAS subregion. The study established that through the ECOWAS private sector approaches, the private sector of member states is strengthened and positioned well to attract foreign direct investment into the subregion. It was identified in the study that the ECOWAS can enhance compliance of member states to the provisions of its protocols through the private sector engagements. The engagements have the potential of equipping the private sector players to serve as advocates and watchdogs for the ECOWAS protocols. Finally, it was revealed in the study that the private sector is a great pool of expertise that the ECOWAS can tap into for

the development of the subregion. The private sector can serve as a source of proposals and recommendations for issues of investment and trade. This supports the neo-functionalists' argument for the establishment of a transnational society which is ideal for achieving a successful economic integration that is beneficial to all and sundry.

4.2 Conclusion

It can be inferred from the study that even though the ECOWAS is a state-oriented economic integration grouping, non-state actors such as the private sector are relevant to its progress and success. It is therefore, pertinent to invest in private sector engagement approaches that enhances the role and the participation of the private sector in the economic integration process of West Africa. It is evident in the study that the ECOWAS acknowledges the essence of the private sector to its economic integration process that is why the Revised Treaty made provisions for private sector promotion and participation. This supports the principle of multi-level governance under the neo-functionalism theory which presupposes the inclusivity on non-state actors at all levels of decision making and the relevance of the private sector to the economic integration process. Also, the ECOWAS Protocols such as ECOWAS Trade Liberalization Scheme (ETLS), Joint Border Post, Common External Tariff (CET), Competition Strategy and Framework among many others are geared towards easing the activities of the private sector across the subregion as it is found to be a key strategy for boosting trade and fostering economic integration.

In brief, the ECOWAS would be able to achieve its main objective of reaching economic integration by bringing all the countries on board to harmonize policies that would alleviate poverty and increase the living standards of people, if it has working and sustainable private sector

engagement strategies. The ECOWAS, by fulfilling its supranational role, has put in place measures that build trust among all the stakeholders, which include; government, civil society and the private sector in the economic integration of West Africa. This supports the neo-functionalists' argument that for an economic integration to be successful, there ought to be a supranational body that takes charge of the administration of the integration process by fostering unity among all stakeholders. From the study analysis, the current private sector approaches of the ECOWAS are challenged although there are some prospects that can be explored. The prospects affirm the fact that private sector engagement is indeed a catalyst for a successful economic integration and that, there is more room for the improvement of the existing ECOWAS private sector arrangements especially at the national level. The ECOWAS should therefore make a conscientious effort to enhance its private sector engagement in the development of a transnational society as proposed by the neo-functionalists.

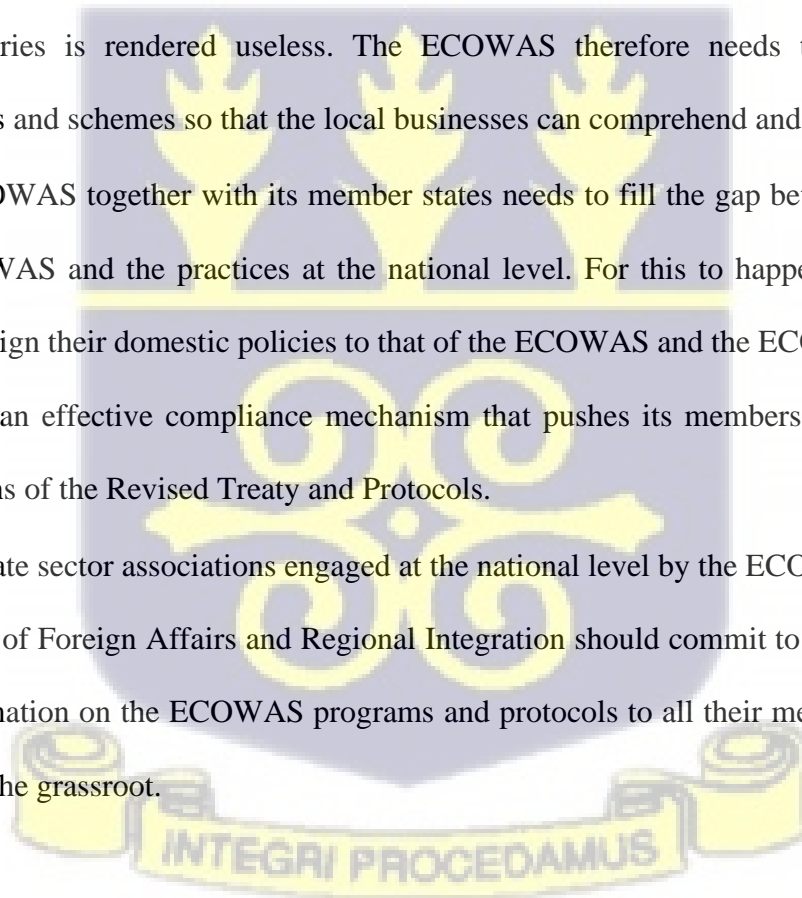
4.3 Recommendation

From the literature reviewed and the researched conducted, below are recommendations on how ECOWAS effectively engage the private sector at the national level:

- The ECOWAS should work with member states to build synergies between the national programs and policies and the ECOWAS programs and policies. This would encourage the ownership of ECOWAS programs and policies at the national level thus, enhancing compliance to ECOWAS directives.
- Member states should have continuous engagement with the private sector on matters of the ECOWAS and there should be an intensive sensitization for the private sector

particularly those at the grassroots, on the programs and protocols of the ECOWAS. The state institutions in- charge of the ECOWAS activities at the national level should have an annual plan for private sector engagement on the programs and protocols of the ECOWAS and not just focus only on hosting policy dialogues. The business associations also have the responsibility to keep their members abreast on ECOWAS matters.

- The ECOWAS should work to break all the complexities associated with accessing its private sector development schemes. The complex bureaucratic nature and lengthy nature of the ECOWAS processes now, discourages the private sector of member states from enrolling on such programs. A scheme which cannot be accessed by its targeted beneficiaries is rendered useless. The ECOWAS therefore needs to simplify these processes and schemes so that the local businesses can comprehend and then access them.
- The ECOWAS together with its member states needs to fill the gap between the policies of ECOWAS and the practices at the national level. For this to happen, member states should align their domestic policies to that of the ECOWAS and the ECOWAS should put in place an effective compliance mechanism that pushes its members to comply to the provisions of the Revised Treaty and Protocols.
- The private sector associations engaged at the national level by the ECOWAS through the Ministry of Foreign Affairs and Regional Integration should commit to the dissemination of information on the ECOWAS programs and protocols to all their members especially, those at the grassroots.



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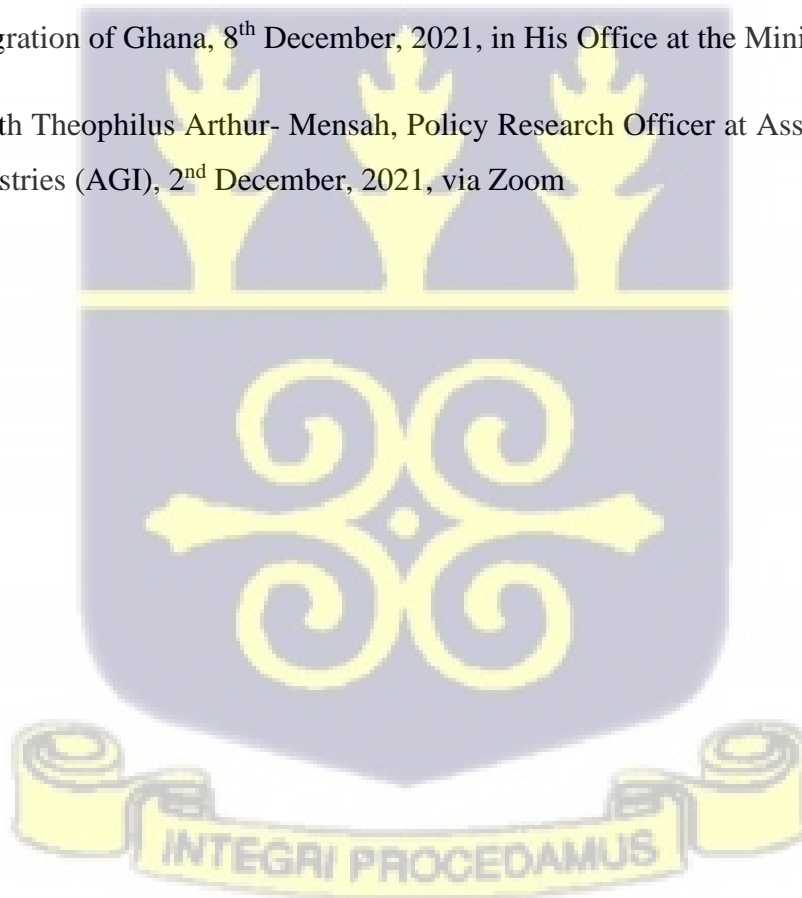
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E. Interviews

An Interview with Aminou Akadiri, Director of FEWACCI, 3rd December, 2021, via Phone Call

An Interview with Bonaventure Adjavor, Director at Ministry of Foreign Affairs and Regional Integration of Ghana, 8th December, 2021, in His Office at the Ministry

An Interview with Theophilus Arthur- Mensah, Policy Research Officer at Association of Ghana Industries (AGI), 2nd December, 2021, via Zoom



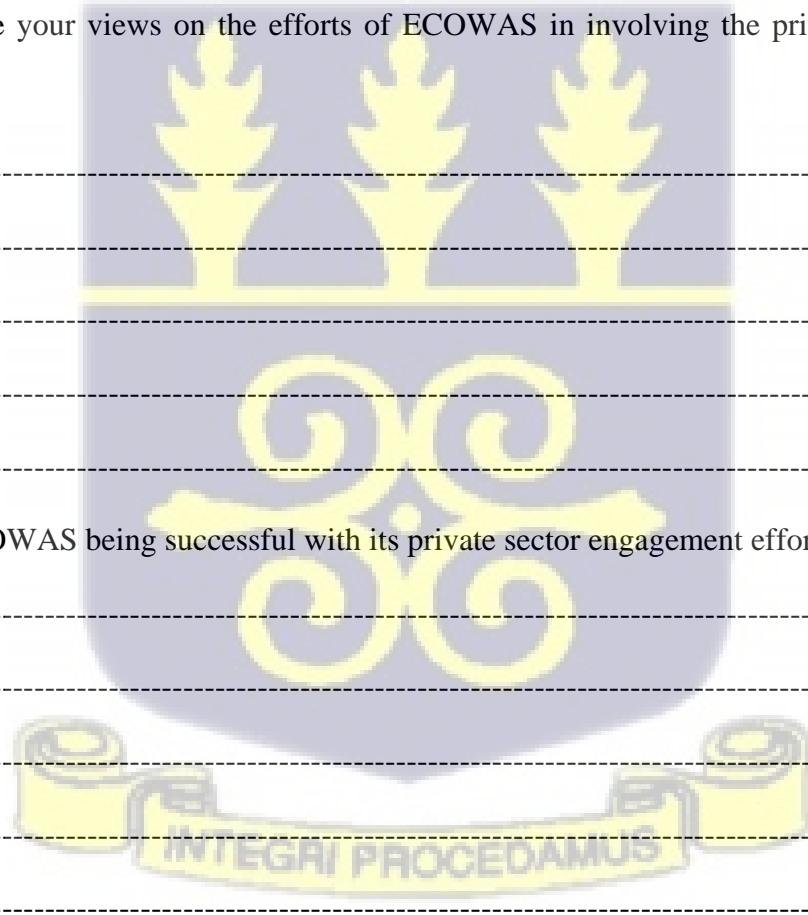
APPENDIX

Interview Guide

1. Is there the need for private sector engagement in the economic integration in ECOWAS sub- region?

2. What are your views on the efforts of ECOWAS in involving the private sector in the process?

3. Has ECOWAS being successful with its private sector engagement efforts?



4. What are the mechanisms or strategies ECOWAS need to adopt to enhance its private sector engagement in the economic integration process of the sub- region?

5. What are the prospects for private sector engagement within the sub- region?

6. What are the challenges of private sector engagement within the sub- region?

