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The Economic Community of West African States (ECOWAS): An Analysis and Prospects

by Bruce Zagaris*

The Treaty of Lagos, creating the Economic Community of West African States (ECOWAS), represents the latest attempt in economic integration and regional development among West African states. Leaders of fifteen nations signed the treaty and thereby established the largest single economic union in all of Africa. The author of the following article maintains that the objective of ECOWAS—to foster a homogeneous society ultimately leading to the unity of West Africa through the elimination of all obstacles to the free movement of goods, capital and persons—offers a new hope for future development and stability within a region traditionally burdened by fragmentation and conflicting interests.

INTRODUCTION

ON MAY 28, 1975, fifteen West African states signed the Treaty of Lagos, establishing the Economic Community of West African States (ECOWAS).¹ The Treaty represents a landmark in the history of African integration in that it establishes cohesive trade relations between French and English speaking African countries among which trade and commercial intercourse have been virtually nonexistent. The objective of ECOWAS is to foster economic cooperation and development, especially in the areas of industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial matters, and in social and cultural aspects as well. As a result of such economic cooperation and development, ECOWAS aims to improve the standard of living among its members, augment their economic stability and promote closer relations within the community.

This account first provides an analytical framework for the integration of ECOWAS Member States. Secondly, it relates the historical

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¹Treaty of the Economic Community of West African States, done May 28, 1975, reprinted in 14 INT'L LEGAL MATERIALS 1200 (1975) [hereinafter cited as ECOWAS Treaty]. The signatories of the Treaty are the Republics of: Dahomey, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo, and Upper Volta.

background in the formation of ECOWAS. Next, the institutions for which the Treaty provides and the corresponding substantive areas of the agreement are considered in the following order: customs and trade matters, industrial development policy, monetary and financial policy, and transport and communications infrastructure. ECOWAS developments subsequent to the signing of the Treaty are then considered. Finally, current examples of small-scale integration projects and the resource-bunch approaches among ECOWAS Member States are described.

I. BACKGROUND OF ECOWAS COUNTRIES

ECOWAS embraces a market of approximately 100 million people. The huge geographical area involved spans fifteen countries of widely varying sizes as indicated by the map in Appendix I.²

Prior to the Treaty of Lagos the West African countries had been unable to institute successful long term commercial dealings among themselves. The failure of the Member States within ECOWAS to develop meaningful trade relations is reflected in the statistics found in Appendix II. Statistics in Table 1 indicate that for most ECOWAS members during 1969-73, imports from within the region only amounted to approximately 5% of the total imports. Similarly, the percentage of exports sent within the region as compared to total exports of the ECOWAS members indicates a comparable deficiency. In addition, Table 2 indicates that for the period 1968-74, sub-regional or ECOWAS trade constituted only 3.4% of total trade with all other countries of the world.

As a further indication of West Africa's poor economic development it is instructive to consider some figures on the economic status and labor force utilization among the different Member States which are set forth in Appendix III. Table 1 of the Appendix indicates that in 1972 only one ECOWAS country had a per capita GNP of U.S. \$300, and that several other ECOWAS countries had per capita GNP of less than U.S. \$100. Moreover, there exists a wide variation of per capita GNP figures for the different ECOWAS countries. The per capita income levels of the ECOWAS states are exceedingly low compared to the developed countries of the world. According to 1975 reports, the per capita income in ECOWAS countries ranged from a low of U.S. \$59.3 for Mali to U.S. \$354.4 for the Ivory Coast.³

²See *ECOWAS: Problems and Possibilities*, AFRICA, Nov. 1976, at 27.

³Essien & Ekussah, *Spotlight on ECOWAS*, AFRICA, Dec. 1975, at 51.

Building an economic community with states having minimal trade relations and comparatively low economic development is a difficult task. The job becomes more difficult since geography and climate make the products of the agricultural sectors of the West African economies similar, and similarity of products does not encourage commercial exchange.⁴

The long range objective of ECOWAS is to foster restructuring of the cooperating economies in order to achieve complementarity between Member States. The achievement of this goal will depend on specialization of each Member State's economy to insure that each state will produce a product that will induce exchange with all other Community members. In the short run, priority problems will include: (1) maintaining an economic balance between ECOWAS nations by compensating or assisting countries from which trade is diverted by other Member States and (2) compensating Member States for loss of customs revenue upon which most of the Member States are largely dependent for the bulk of their income.⁵

II. ANALYTICAL FRAMEWORK FOR INTEGRATION ENDEAVORS AMONG LESS DEVELOPED COUNTRIES (LDC'S)

Before considering the mechanisms established by the Treaty of Lagos, it is useful to consider the analytical frameworks which explain integration efforts in developing countries, and particularly in West Africa. Three approaches are discussed.

One analytical framework of integration among LDCs is provided by professors W. Andrew Axline and Lyn K. Mytelka. They have suggested three models of integration within their framework:⁶

TYPE I is a *laissez-faire* integration scheme based upon neoclassical economic theory. This model is constructed on the European pattern of free trade areas and customs unions whose purpose is to expand intra-regional trade.⁷

⁴*Id.* at 51-52. See also Penouil, *Le Traité Lagos de Efface le Clivage entre Pays Francophones et Anglophones*, *Le Monde Diplomatique*, Oct. 1975, at 24.

⁵ECOWAS: *Problems and Possibilities*, AFRICA, Nov. 1976, at 19-24; Penouil, *supra* note 4, at 24.

⁶Axline, *Underdevelopment, Dependence, and Integration: The Politics of Regionalism in the Third World*, 31 INT'L ORGAN. 83, 85 (1977). See also Mytelka, *Regional Integration in the Third World: Some Internal Factors*, in PROCEEDINGS OF THE FIFTH INTERNATIONAL CONFERENCE OF THE INSTITUTE FOR INTERNATIONAL COOPERATION: INTERNATIONAL DIMENSIONS OF REGIONAL INTEGRATION IN THE THIRD WORLD 15-39 (1975).

⁷Axline, *supra* note 6, at 87.

TYPE II grows out of the need to rectify problems which appear in the operations of the first model. In addition to seeking gains from trade expansion, this model includes attempts to distribute the gains of integration more equitably than TYPE I. Structurally, it is much more complex since it includes redistributive measures through which the problems of unequal gains and polarization can be solved collectively. Policies and mechanisms of a compensatory and corrective nature not only require a significantly higher level of commitment to act in areas of "high politics," but also represent a planned economy approach to integration, including such measures as development planning on a regional level, regional development banks, and allocation of industry among countries of the regions.⁸

TYPE III is a more extensive model than either TYPE I or II, although it borrows certain aspects from each of them. It, too, responds to the problems of unequal distribution and polarization by providing for compensatory and corrective mechanisms. However, the most distinguishing characteristic of TYPE III integration is the use of measures to overcome or reduce the pattern of dependence on highly industrialized countries which constitutes a principal limiting force on the operation of the other integrative measures. A regional policy regulating foreign investment and providing for specific mechanisms to supplant reliance on foreign investment is an example of this type of integration.⁹ The use in the Andean Group of joint industrial programming and common treatment of foreign capital is a recent example of TYPE III integration.¹⁰

Another analytical approach to economic integration in the Third World has been offered by Bela Balassa and Ardy Stoutjesdijk. They have suggested the need to consider economic integration in the Third World not merely as a means to extend the policy of import substitution on a regional scale, as was done in the early postwar period, but rather as a policy option available to developing countries in their efforts toward economic advancement.¹¹ Their research indicates that in

⁸*Id.*

⁹*Id.* at 89. See also Axline & Mytelka, *Dependence and Regional Integration: A Comparison of the Andean Group and CARICOM* (paper presented at the annual meeting of the International Studies Assoc., Toronto, Ont., Feb. 25-29, 1976).

¹⁰Avery & Cochrane, *Subregional Integration in Latin America: The Andean Common Market*, 11 J. COMMON MKT. STUD. 85, 89-90 (1972).

¹¹Balassa & Stoutjesdijk, *Economic Integration Among Developing Countries*, 14 J. COMMON MKT. STUD. 37 (1975).

cases in which market sizes are small or undeveloped, use of a project or resource-bunch approach may be used in place of, or in conjunction with, a trade liberalization scheme.¹²

Integration projects may embrace the following categories: transportation, communications, public utilities, education and research, regional computer facilities, the promotion of tourism, the promotion of regional exports through regional trade centers and the provision of meteorological services.¹³ Another major use of integration projects is the development of natural resources, particularly river basins and agricultural and industrial activities. In many cases resource development projects may be undertaken in conjunction with the other categories of projects mentioned above.¹⁴

In a recent article, George C. Abangwu has analyzed the relations among cooperating states in West Africa, classifying them as being homogamic, anabatic, satellitic, or stochastic.¹⁵ Homogamic integration occurs among neighboring states. Anabatic integration takes place among states non-neighboring but homogamically related by proxy or through a third neighboring state. Satellitic integration takes place among developed central and peripheral states. Stochastic integration describes a random residual system of relations among states.¹⁶ Of paramount importance is Mr. Abangwu's conclusion that, although integrated organizations in West Africa have been purely homogamic-anabatic and are based on the functional project-resources approach, integration policies and discussions are erroneously based on conventional customs union policy.¹⁷

Mr. Abangwu also states that a salient aspect of regional integration in West Africa is that current integration schemes in the sub-region are based on the conventional concept of free trade area or customs union, whereas the preferable strategy should be a system of multinational programming of investment based on viable economic spaces, functional linkage projects and development of transfrontier

¹²*Id.* at 45-47.

¹³*Id.* at 47-55.

¹⁴*Id.* at 48-49. See also Zagaris, *The Rising Utility of the Public International Corporation*, 6 DENVER J. INT'L L. & POL'Y 43, 55-56, 66-71 (1976).

¹⁵Abangwu, *Systems Approach to Regional Integration in West Africa*, 13 J. COMMON MKT. STUD. 116 (1974).

¹⁶*Id.* at 118. See generally G. ABANGWU, *THE STRATEGY OF ECONOMIC INTEGRATION* (1972).

¹⁷Abangwu, *supra* note 15, at 124.

resource areas.¹⁸ He contends that small-scale homogamic integration mechanisms provide the best hope for achieving development. Fortunately, whereas part of the Treaty establishing ECOWAS is based on conventional concepts, many provisions also provide for multinational programming based on functional linkage projects and intersectoral planning and project exchanges.

The significance of these three different analytical frameworks is that they all emphasize the need for a new mechanism and framework by which to assess integration efforts among LDCs.

III. THE HISTORICAL DEVELOPMENT OF ECOWAS

ECOWAS is the result of several prior attempts to form economic groups among Anglo-French nations in West Africa. Consideration of the previous three major attempts to form economic groups provides the background necessary for understanding the creation and objectives of ECOWAS. Before discussing the historical background of ECOWAS, however, it is useful to consider the other major economic integration endeavors which took place among French speaking nations in West Africa.

The Central African Customs and Economic Union [*Union Douanière et Économique de l'Afrique Centrale* (UDEAC)] has as its members the states of Cameroon, Central African Republic, People's Republic of the Congo, Gabon, and Chad, the latter having rejoined in 1976 after temporarily leaving the group. The UDEAC members have harmonized their tariff rates and incidental charges, *i.e.*, port fees, so that many imports are subject to duties at the same level in each country. However, the number of exceptions to the general tariff rates have been steadily increasing and have diminished the effectiveness of the customs union. The tariff is levied on imports from both member and non-member states, yet most of the import duty is refunded to exporters in Member States. The balance of this duty is retained by UDEAC for its expenses and various projects. The UDEAC has also eliminated import quotas.¹⁹

A second economic integration group is the Economic Community of West Africa [*Communauté Économique de l'Afrique de*

¹⁸*Id.*

¹⁹Tchanque, *L'Union Douanière et Économique de l'Afrique Centrale*, 16 J. AFR. L. 339 (1972). See also D. SIDJANSKI, CURRENT PROBLEMS OF ECONOMIC INTEGRATION: THE ROLE OF INSTITUTIONS IN REGIONAL INTEGRATION AMONG DEVELOPING COUNTRIES 110-45, UNCTAD, U.N. Doc. TD/B/422 (1974).

l'Ouest(CEAO)] which replaced a prior, ineffective economic union known as the East African Customs Union. The CEAO includes the French speaking countries of Ivory Coast, Upper Volta, Mali, Mauritania, Niger, and Senegal. Benin City is an observer. The objective of the CEAO is to establish a common outer tariff and eliminate intra-community trade barriers.²⁰ Since its establishment in January 1974, only limited progress has been achieved.²¹

The initiative to form a regional economic grouping of Anglo-French nations in West Africa was made in 1964 by President Tubman of Liberia. On August 24, 1964, representatives from the Ivory Coast, Liberia, Sierra Leone, and Guinea met in Monrovia, Liberia, to discuss the prospects for the establishment of a free trade community among their respective nations.²² As a result of the Monrovia meeting, a committee of ministers and experts was assigned the task of making studies and recommendations for consideration at the next intergovernmental meeting. Agreement was reached among the representatives at the Monrovia meeting that cooperation should go forward in stages.²³

On May 28, 1965, the next intergovernmental meeting was held at Freetown, Sierra Leone, at which time an agreement between Anglo-French nations was signed creating an interim organization based on the study of the committee of experts.²⁴ The agreement provided for the establishment of a ministerial commission, a small claims secretariat, and specialized committees to be established by the ministerial commission and composed of experts and technicians designated by the governments of the Member States. In addition, in September 1965, an administrative office of the West African Interim Organization was created in Monrovia.²⁵

The second major development in Anglo-French economic cooperation among West African states resulted from a series of sub-regional

²⁰Tamboura, *La Communauté Économique de l'Afrique de l'Ouest*, 16 J. AFR. L. 310 (1972).

²¹BUSINESS INT'L CORP., 1 INVESTING, LICENSING & TRADING CONDITIONS ABROAD, *Africa-Middle East Introduction* (Feb. 1977).

²²Ajomo, *Regional Economic Organisations: The African Experience*, 25 INT'L & COMP. L.Q. 58, 94 (1976). For another historical account see Essien & Ekussah, *supra* note 3, at 45-49.

²³Ajomo, *supra* note 22, at 94. See 5 AFRICA DIARY 2116, 2218-19, 2377 (1965).

²⁴Agreement to Create an Interim Organization with a View to the Establishment of a Permanent Organization for West African Economic Cooperation, May 28, 1965, 559 U.N.T.S. 273 (1966).

²⁵5 AFRICA DIARY 2116, 2218-19, 2377, 2568 (1965).

meetings to develop regional economic cooperation sponsored by the United Nations Economic Commission for West Africa (ECA). In the second sub-regional meeting at Accra, Ghana, on May 4, 1967, a tentative agreement on seven Articles of Association for the Establishment of an Economic Community for West Africa was signed by thirteen English and French speaking West African states.²⁶

The Articles of Association constituted another stage in the interim organization and movement toward a permanent organization for economic cooperation. The treaty primarily provided for the establishment of an interim Council of Ministers with the responsibility of drafting a treaty concerning a more comprehensive economic community for West Africa. The community would then become governed by the treaty provisions.²⁷

The first meeting of the economic community of West Africa was held in Dakar, Senegal, from November 21 to 24, 1967. There the interim Council of Ministers agreed to aim at achieving economic union rather than limiting themselves to either a free trade area or customs union. From April 23 to 25, 1967, the Heads of State and Government of the West African Regional Group, prior to its official incorporation, signed a protocol establishing it as the West African Regional Group and promulgated the Articles of Association which were drafted by the Ministers for the proposed West African community. The protocol provided for the establishment of the Conference of Heads of State, a Council of Ministers, an Executive Secretariat and various unspecified organs of government.²⁸

Nevertheless, the limited scope of the Articles of Association caused dissatisfaction among a number of the group's members, and in April 1972 the Heads of State of Nigeria and Togo began promoting the establishment of a more cohesive and integrated community. Nigeria and Togo arranged for meetings with officials of other interested West African countries in order to discuss cooperative arrangements and prepare a draft treaty for the West African Economic Community. In 1973, after solidifying proposals for the community, a joint Nigerian-Togolese mission visited West African capitals to lobby for its proposals.²⁹

²⁶Articles of Association for the Establishment of an Economic Community of West Africa, *done* May 4, 1967, 595 U.N.T.S. 287 (1967).

²⁷Ajomo, *supra* note 22, at 95.

²⁸*Id.* at 96.

²⁹*Id.* at 96-97.

The next significant meeting took place in Accra, Ghana during the week of February 11 to 15, 1973. At that meeting lawyers and experts from fifteen West African countries studied a draft treaty for economic integration based on a joint proposal by Nigeria and Ghana. The meeting resulted in an agreement to be forwarded to a ministerial conference of West African states. On January 24, 1975, in a meeting of the ministerial council at Monrovia, the draft treaty was approved and then was recommended to the Heads of State and Government at a meeting held in Lagos in 1975.³⁰ On May 28, 1975, the treaty establishing the West African Economic Community (ECOWAS) was signed by Heads of State of fifteen West African countries.³¹

IV. ECOWAS INSTITUTIONS

Five executive bodies comprise the institutional framework of ECOWAS. They are as follows: (1) the Authority of Heads of State and Government, which is responsible for the general direction and control of the community's executive functions;³² (2) the Council of Ministers, which is composed of two representatives of each Member State and empowered with the responsibility of policy-making as well as acting as intermediary between the Authority and the subordinate institutions;³³ (3) the Executive Secretariat, which acts as the principal executive arm in coordinating and assisting the Authority and the Council in implementing the Treaty;³⁴ (4) the Tribunal, which has the responsibility to settle disputes among Member States concerning the interpretation or application of the Treaty;³⁵ and (5) the Fund for Cooperation, Compensation and Development, which will finance projects and compensate Member States that suffer from liberalization of trade.³⁶ While the Authority is empowered to establish various technical commissions as it deems necessary, the Treaty especially provides for the establishment of four technical and specialized commissions. The subject matter areas of the four commissions are as follows:

³⁰*Id.* at 97.

³¹ECOWAS Treaty, *supra* note 1.

³²*Id.* art. 5.

³³*Id.* art. 6.

³⁴*Id.* art. 8.

³⁵*Id.* art. 11.

³⁶*Id.* art. 50. Although the Fund is not included in the list of official ECOWAS institutions, it is in fact a substitute for a development bank and is expected to assume the status of an institution.

Trade, Customs, Immigration, Monetary and Payments; Industry, Agriculture, and Natural Resources; Transport, Telecommunications, and Energy; and Social and Cultural Affairs. Each commission has only two express functions: (1) to submit reports and recommendations from time to time to the Council, and (2) to possess "such other functions as are imposed on it under this Treaty."³⁷

The success of ECOWAS institutions may well depend upon the ability of the commissions to perform meaningful and autonomous activities. In the past, the failure of governments to surrender sovereignty to inter-governmental organs has prevented the establishment and efficient functioning of organizations capable of achieving regional integration.³⁸ The actual responsibilities and roles to be assumed by the Tribunal, Secretariat, and the Fund will be critical in the development of ECOWAS.

V. THE TREATY OF LAGOS: SUBSTANTIVE AREAS

The substantive areas of the Treaty of Lagos will be discussed under the following topics: customs and trade matters; industrial development policy; transport and communications policy; and monetary and financial policy.

A. *Customs and Trade Matters*

ECOWAS takes a gradual approach to the evolution of a common tariff policy and the liberalization of trade. It provides for a program of automatic liberalization to take effect in three stages over a fifteen-year period.³⁹

The ECOWAS agreement dictates that during the fifteen-year period customs duties or other charges with equivalent effect on imports must be eliminated. In addition, quota, quantitative, and other non-tariff barriers have to be removed. During the transition period a common customs tariff vis-a-vis goods imported from third countries will be established.⁴⁰

³⁷*Id.* art. 9, para. 4.

³⁸Stoutjesdijk, *LDC Regional Markets: Do They Work?*, 5 COLUM. J. WORLD BUS. 53 (Sept.-Oct. 1970); Sundström, *The Legal Procedures and Techniques of Economic Co-operation*, 16 J. AFR. L. 229 (1972); and Zagaris, *supra* note 14, at 48. For historical background on African balkanization see R. GREEN & A. SEIDMAN, *UNITY OR POVERTY? THE ECONOMICS OF PAN-AFRICANISM* 11-17, 33-37 (1968).

³⁹ECOWAS Treaty, *supra* note 1, art. 12.

⁴⁰*Id.*

The Treaty provides that its goals will be accomplished in three stages. It sets forth an initial two-year grace period from the entry into force of the Treaty during which time a Member State may not be required to reduce or eliminate import duties. On the other hand, a Member State may not impose any new duties on foreign imports. Following the two-year grace period, and continuing over eight years (the Second Stage), Member States are obliged gradually to reduce and ultimately to eliminate import duties. During the remaining five years of the fifteen-year transition period (the Third Stage), Member States gradually must abolish existing differences in their external customs tariffs.⁴¹

No specific remedies are provided to redress injuries to Member States due to deflection of trade. Instead, the Council of Ministers is empowered to deal with its causes.⁴² The Treaty provides that Member States must eliminate revenue duties and internal taxes on imported goods from Member States not later than one year after the First Stage of the transition period.⁴³ All quota and quantitative restrictions on trade within ECOWAS must be removed not later than ten years from the Treaty's entry into force.⁴⁴

The Treaty stipulates that where a customs duty is collected by an importing Member State on goods re-exported to another Member State (consuming state), the full amount of the duty collected by the importing state (and used in the manufacturing of goods) will subsequently be transferred to the consuming state. If such manufactured goods are re-exported, the Member State from whose territory such goods are re-exported will refund to the Member State into whose territory such goods are imported, the customs duty charged and collected on the goods.⁴⁵ The duty so collected, however, must not exceed that applicable to such goods in the territory of the Member States into which such goods are imported.⁴⁶ To illustrate the application of this Treaty provision, the following example is provided. Liberia, an ECOWAS Member State, imports screws from the United States, a non-ECOWAS member, and collects a duty of 40%. Liberia then makes a machine using the screws and exports the machine, thereby re-exporting the screws to a consuming state such as Sierra Leone

⁴¹*Id.* art. 14.

⁴²*Id.* art. 16.

⁴³*Id.* art. 17.

⁴⁴*Id.* art. 18.

⁴⁵*Id.* art. 22.

⁴⁶*Id.*

which is another ECOWAS member. Pursuant to the Treaty of Lagos, Liberia will be required to refund to Sierra Leone, the consuming state, the duty it originally collected, namely a customs duty collected at 40%.

The Treaty also requires that Member States, upon the Trade Customs, Immigration, Monetary and Payments Commission, harmonize and standardize their customs regulations and procedures.⁴⁷

Certain safeguard provisions are contained in the Treaty as well. Most importantly, the Council of Ministers, on the report of the Executive Secretary and recommendations of the appropriate commission(s), must determine the compensation to be paid a Member State which suffers loss of import duties resulting from the lowering and elimination of customs.⁴⁸ A protocol approved in November 1976 provides for contributions by Member States out of import revenues from outside ECOWAS. Additionally, the protocol requires contributions by Member States to the organization's budget as well as funds for cooperation and compensation for development.⁴⁹

The gradual but automatic approach to trade liberalization is similar to the mechanism for trade liberalization employed in the Andean Group.⁵⁰ In the Andean Group, the adoption of an automatic but phased mechanism for trade liberalization has enabled the organization to avoid delays which have been encountered in the Latin American Free Trade Association (LAFTA). In LAFTA, liberalization measures must be negotiated and delays have resulted from the inability of Member States to reach an agreement. However, in the Andean Group, the automatic but phased procedure has proven to be an effective method to achieve specific goals while simultaneously allowing Member States the time to make adjustments resulting from trade liberalization effects. It is also expected that the mechanism adopted by ECOWAS will promote beneficial trade relations between its member nations.

B. *Industrial Development Policy*

Before describing ECOWAS arrangements for an industrial

⁴⁷*Id.* art. 23.

⁴⁸*Id.* art. 25.

⁴⁹*The Making of ECOWAS*, AFRICA, Dec. 1976, at 32-33.

⁵⁰See, e.g., Mollins, *The Andean Common Market: The Sectoral Program for Development of the Petrochemical Industry*, in D. SHEA & F. SWACKER, *BUSINESS AND LEGAL ASPECTS OF LATIN AMERICAN TRADE AND INVESTMENT* 85 (1976).

development policy, reflection on the characteristics of the current industrial state serves as a useful background.

West African countries produce primarily commodities for export, and import finished products. While the prices of raw materials have declined, those of the finished goods, such as automobiles, tractors, agricultural and mining equipment, and processed food, have risen, causing excessive trade deficits. Moreover, the developed nations are no longer capable of or willing to supplement the earnings through foreign investment aid as was done in the 1960's.⁵¹

The industrial structures of Member States of ECOWAS are directed primarily towards local consumption only. Such a pattern requires a complimentary advantage in the domestic agricultural sector of the countries. As a result, the composition of manufacturing production is concentrated largely in the areas of light industries, especially in the food and beverage market sub-sectors. For example, in 1971 these two sub-sectors contributed more than 42% to gross manufacturing output.

It is contemplated that in the future much effort will be directed toward developing the engineering industries which tend to foster labor, technology, and management skills.⁵² The lack of complementarity makes difficult the industrial development through specialization of functions, which is the underpinning of economic integration groups such as the European Economic Community (EEC) and the European Free Trade Association (EFTA).

Similar to ECOWAS' gradual approach to trade liberalization, the Treaty provides a gradual, three-stage plan for industrial development and harmonization. STAGE I calls for the exchange of feasibility studies and reports on foreign investors as well as joint studies on prospective industrial projects and the transfer of technology.⁵³ STAGE II obliges Member States to harmonize policies relating to industrial investment and incentives, as well as to induce exchanges of industrial plans in order to avoid unhealthy duplication and to achieve optimum allocation of production factors.⁵⁴ STAGE III requires the exchange of personnel to operate industrial projects, joint ventures, and the overall training of ECOWAS citizens.⁵⁵

⁵¹Essien & Ekussah, *supra* note 3, at 61-63.

⁵²*Id.*

⁵³ECOWAS Treaty, *supra* note 1, art. 29.

⁵⁴*Id.* art. 30.

⁵⁵*Id.* art. 31.

The industrial cooperation will be facilitated by requiring Member States to abolish all obstacles to free movement for residents within ECOWAS as well as to allow all ECOWAS citizens the ability to work and undertake commercial activities in other Member States without holding visas and resident permits.⁵⁶

The Council of Ministers has the responsibility of constantly reviewing the implementation of industrial development policy and of directing the appropriate commission to remedy the disparities which may develop in the different levels of industrial development among the Member States.⁵⁷

Cooperation in agriculture and natural resources is to be realized by Member States in two stages. In STAGE I, cooperation will be achieved by harmonizing internal and external policies in relation with one another, regularly exchanging information on experiments and research, and joint programming for training.⁵⁸ In STAGE II, Member States have agreed to pursue a common policy, especially in the fields of research, training, animal husbandry, and fisheries. The Industrial, Agriculture and Natural Resources Commission then will recommend to the Council of Ministers methods to harmonize and exploit the natural resources of the Member States.⁵⁹

Equally important to industrial development are the provisions for the Transport, Telecommunication, and Energy Commission, which call for recommendations to the Council of Ministers on matters dealing with energy utilization activities among the Member States. In this regard, Member States have agreed to coordinate policies regulating energy and mineral resources and to plan joint programs for training technicians and other personnel.⁶⁰

The principal strategy on which ECOWAS' industrial development policy is based consists of joint programming and sectoral integration. The strategy utilizes progressive and relatively novel approaches. The industrial development programming and intersectoral integration concept was employed in the Latin American Andean Group.⁶¹ More recently, the Caribbean Community and Common Market⁶² and the

⁵⁶*Id.* art. 27.

⁵⁷*Id.* art. 32.

⁵⁸*Id.* art. 38.

⁵⁹*Id.* art. 34.

⁶⁰*Id.* art. 48.

⁶¹D. SIDJANSKI, *supra* note 19, at 131-32.

⁶²In 1973 the Caribbean Common Market (CARICOM) and the Caribbean Community were established among 13 Member States. See Treaty Establishing the Carib-

Association of South East Asian Nations (ASEAN)⁶³ have adopted this approach. In ECOWAS, the industrial programming is set forth expressly, whereas the sectoral integration is implied.⁶⁴

C. *Transportation and Communications Policy*

A chapter in the Treaty of Lagos provides for the development of infrastructure in the areas of transportation and communications. Since infrastructure development is presently concentrated only in port cities and in enclaves which have been created for the purpose of natural resource extraction, infrastructure between Member States is almost entirely non-existent. Since infrastructure is a basic requirement to the development of trade, the pace of infrastructure development will determine the overall pace of integration.⁶⁵

Substantial progress towards realizing integration goals can be attained through successful transportation and communication projects.

bean Community, done July 4, 1973, reprinted in 12 INT'L LEGAL MATERIALS 1033 (1973). The principal objectives of the Caribbean group are: to promote regional economic integration, to coordinate foreign policy, and to strengthen functional cooperation, especially the efficient operation of common services. In addition, the Treaty establishing the Caribbean Community distinguishes between LDC's and MDC's (more developed countries). Annexed to the Treaty is the agreement establishing CARICOM, which aims at: establishing a customs union, promoting free movement of capital, coordinating national development planning, promoting industrial programming, facilitating joint development of natural resources, and providing for a special regime for LDC's. Initial activities of CARICOM have included the establishment of joint ventures such as the Caricom Corn and Bean Co. For historical background on the Caribbean Community see F. PHILLIPS, FREEDOM IN THE CARIBBEAN: A STUDY IN CONSTITUTIONAL CHANGE (1977); on the establishment of joint ventures see BUSINESS INT'L CORP., OPERATING IN LATIN AMERICA'S INTEGRATING MARKETS: ANCOM/CACM/CARICOM/LAFTA 236-39 (1977).

⁶³In 1977 the Member States of ASEAN—Singapore, Malaysia, Thailand, Indonesia, and the Philippines—signed the Agreement on ASEAN Preferential Trading Agreements, which *inter alia*, provides for tariff reductions on a product-by-product basis. On ASEAN see BASIC DOCUMENTS ON ASIAN REGIONAL ORGANIZATIONS 1236-40, 1269-84 (M. Haas ed. 1974). The intersectoral integration and joint planning have been implemented by exchanging economic plans and information and by allocating industrial projects. The initial allocation of plants has been as follows: Singapore, a diesel factory; Malaysia, a urea plant; Thailand, a soda ash plant; Indonesia, an ammonia plant, and the Philippines, a superphosphate facility. Business Int'l Corp., *Business Asia*, July 8, 1977, at 210.

⁶⁴D. SIDJANSKI, *supra* note 19, at 127-34; Behrman, *International Sectoral Integration*, 6 J. WORLD TRADE L. 269 (1972).

⁶⁵Penouil, *supra* note 4.

Transportation projects bring direct and indirect benefits by means of job creation and efficiency of operation. These benefits may be realized by coordinated planning, building and/or the operation of transportation facilities, such as Air Afrique, a joint airline system, replacing the now defunct East African Airlines, a regionally integrated railway network with identical railway gauges, regional shipping companies, or an integrated highway system.⁶⁶ Similarly, communication projects utilizing coordinated planning and joint operations may provide cost savings and quality improvements. A regional communications network will require tariff agreements and the rationalization of signalling systems in the case of telecommunications.⁶⁷

The Transport, Telecommunications and Energy Commission has important responsibilities with regard to establishing transportation and communications infrastructure. These responsibilities include: formulating plans for a comprehensive network of roads within the community; directing the improvement, reorganization and linking of railways; supervising the rapid completion of the West African section of the Pan-African telecommunications network and establishing the links necessary for the economic and social development of the community; planning the harmonization of policies on shipping and international waterways of the Member States; and formulating proposals designed to improve postal services.⁶⁸

The Treaty also calls for the merger of the national airlines which are owned by the governments of several Member States.⁶⁹ Some ECOWAS Member States, such as Liberia and Sierra Leone, are already undergoing plans to merge their national airlines.⁷⁰

D. *Monetary and Financial Policy*

Due to the problem of the low rate of savings and the difficulty of generating funds internally, Member States of ECOWAS long have been saddled with the necessity of relying on foreign assistance funds—whether in the form of government loans and grants or private investment. As a result of their reliance on foreign funds, Member States of ECOWAS also have been plagued by unfavorable trade balances and budgetary restrictions. Between 1969 and 1973, only four ECOWAS countries—Ghana, Nigeria, Ivory Coast, and Liberia—had favorable balances on the trade

⁶⁶Balassa & Stoutjesdijk, *supra* note 11, at 47.

⁶⁷*Id.*

⁶⁸*Id.*

⁶⁹ECOWAS Treaty, *supra* note 1, art. 44.

⁷⁰ECOWAS: *Problems and Possibilities*, AFRICA, Nov. 1976, at 19-20.

account.⁷¹ In some ECOWAS Member States the debt-servicing burden or the amount of outstanding interest on external loans has increased to a point where 20% -30% of each government's annual budget is allocated to such a debt-servicing account. The effect of trade deficits of this nature is twofold: first, governments must undergo a major rescheduling of debts; and, secondly, nations must impose stringent exchange control measures to protect the national economy, which in turn inhibits interstate economic cooperation. An additional problem in designing financial and monetary arrangements for ECOWAS has been the continued existence of two monetary areas.

The Treaty of Lagos takes a relatively conservative to moderate approach towards promoting cooperation in monetary and financial policy.

The Trade, Customs, Immigration, Monetary and Payments Commission has chief responsibility in regard to the fostering of monetary and financial cooperation among ECOWAS nations. Its responsibilities include making recommendations to the Council of Ministers on the harmonization of the economic and fiscal policies of the Member States, and attending to the maintenance of a balance of payments.⁷² It will also make recommendations to the Council of Ministers on the short term establishment of bilateral systems for the settlement of such accounts.⁷³

A Committee of West African Banks, to be headed by the governors of the central banks of the Member States, will supervise the system of payments within the Community and make recommendations to the Council of Ministers concerning the operation of the system of payments, and on other monetary issues of the Community.⁷⁴

A Capital Issues Committee will insure the free flow of capital between Member States. The Committee, which will be composed of one representative from each of the Member States, will be responsible for mobilizing capital within the Community by means of developing programs which will increase availability of stock investments and facilitating capital flow within the Community.⁷⁵ Since only two national stock exchanges are presently in operation within the Community (Nigeria and Kenya), the free flow of capital between West African nations is particularly limited.

All ECOWAS expenditures, with the exception of the Fund for Cooperation, Compensation, and Development, must be approved by

⁷¹Essien & Ekussah, *supra* note 3, at 53.

⁷²ECOWAS Treaty, *supra* note 1, art. 36.

⁷³*Id.* art. 37.

⁷⁴*Id.* art. 38.

⁷⁵*Id.* art. 39.

the Council of Ministers as part of the annual budget. The sum of all expenditures financed by annual contributions from Member States, and the amount of each contribution is to be determined by a formula set forth in the Treaty.⁷⁶

The formula for assessing contributions has been established in a protocol adopted in the fall of 1976. The formula is based on each Member States' Gross Domestic Product (GDP) and per capita income, as well as the GDP and per capita income of the community as a whole. Specifically, the contributions of each Member State to the total GDP of all Member States, plus two-thirds of the ratio of the per capita income of each Member State to the total per capita income of all Member States constitutes the formula. The statistics employed for the calculation of the GDP and the per capita income of the Member States will be based on the data compiled by the United Nations. ECOWAS Member States also agreed that, on the recommendation of the Commission of Trade, Customs, Immigration, Monetary and Payments, the formula's co-efficient should be reviewed every three years by the Council of Ministers.⁷⁷

In the event that at the end of the fiscal year a Member State falls in arrears in the payment of its contributions for reasons other than those caused "by public or natural calamity or exceptional circumstances that gravely affect its economy," the Member State so affected may, by a resolution of the Authority, be suspended from participation in the activities of ECOWAS.⁷⁸

The most significant financial provisions set forth in the Treaty concern the establishment of the Fund for Cooperation, Compensation and Development. The potential for insuring equitable operation of ECOWAS policy depends on the successful implementation of the objective of the Fund: to provide compensation to Member States which suffer losses as a result of the location of ECOWAS enterprises; to provide compensation and other forms of assistance to Member States which have suffered losses from the application of the Treaty provisions on the liberalization of trade within the Community; and to promote development projects in the less developed Member States of ECOWAS. In addition, the Fund will be used to finance projects in the Member States and to guarantee foreign investment made in

⁷⁶*Id.* art. 53.

⁷⁷Duodu, *ECOWAS: Progress on Protocols*, AFRICA, Sept. 1976, at 14.

⁷⁸ECOWAS Treaty, *supra* note 1, art. 54.

Member States with respect to enterprises established pursuant to the Treaty provisions on the harmonization of industrial policies.⁷⁹

The Fund will be financed by contributions of Member States, income from ECOWAS enterprises, receipts from foreign sources, and other sources such as subsidies and contributions of any kind. The contributions of Member States shall be determined by the Council of Ministers according to a formula contained in the Third Protocol agreed to by the Council of Ministers at the fall 1976, meeting in Accra, Ghana.⁸⁰

In discussions at a meeting of experts held at Lagos in the fall of 1976 to discuss the implementation of the Treaty of Lagos, recommendations urged the creation of a West African Draft (WAD) as a supranational currency and suggested the funding of a multinational stabilization scheme by Member States as a means of transferring reserves from strong to weak countries. Unless investment incentives can successfully channel capital and other factors of production to less developed ECOWAS countries, such as Nigeria and the Ivory Coast, the most highly developed West African nations, may dominate the money markets, and even attract investment from relatively capital-scarce countries.⁸¹ The implementation of the recommendations and outline for the development of financial and monetary policies described above will be critical to the future success of the Community.

VI. EXISTING PROJECTS AMONG ECOWAS MEMBER STATES

The success of ECOWAS most likely will depend on its ability to promote and facilitate functional project-resource-bunch approaches to developmental activities.⁸² Substantial achievement exists already in this regard and it is instructive to consider a few examples. Projects already existing among Member States of ECOWAS include Air Afrique, a Guinea-Liberian joint mining venture, and an agreement between the Ivory Coast, Upper Volta, Togo, and Nigeria to build a tar plant in the Ivory Coast. Several multinational river basin development projects among ECOWAS nations serve as examples of successful joint enterprises.

One of the most successful enterprises in Africa has been Air Afri-

⁷⁹*Id.* art. 52.

⁸⁰*Id.* art. 51.

⁸¹ECOWAS: *Problems and Possibilities*, AFRICA, Nov. 1976, at 19-20.

⁸²Balassa & Stoutjesdijk, *supra* note 11, at 46-47. See also Axline, *supra* note 6, at 95-96, 102-05.

que,⁸³ an international, publicly-held corporation whose equity stockholders include many of the Member States of the Afro-Mauritian Common Organization (OCAM). Since its creation in 1961, OCAM has been able to quadruple its capital as well as increase its airline fleet. Air Afrique has been able to acquire an affiliate, Hotafric with the added reserves. In spite of the withdrawal of certain Member States, such as Gabon, from the shrinking OCAM, several other states have retained partnership interests in the Air Afrique network.

On November 13, 1976, an example of both joint development of natural resources by states and the accelerated effect of linkages was manifested when the Liberian and Guinean governments invested in the Mifergui-Nimba joint venture. The Nimba mountain range straddles the borders of Guinea, Liberia, and the Ivory Coast.⁸⁴ The Latin-American Mining Company (LAMCO) joint venture, a consortium of Swedish-United States companies and the Liberian government, with the Swedish shareholder also operating as the manager, mines iron ore on the Liberian side. As a result of the concession agreement between Liberia and LAMCO substantial infrastructure development has been accomplished through the building and operation of a railroad as well as the building of regional housing and roads.⁸⁵

The joint venture agreement between Liberia and Guinea further enhances the linkage effect. It calls for the building of a fifteen kilometer extension of the Liberian railway into Guinea. The Liberian railway system itself is to be strengthened along its 267 kilometers in order to increase its carrying capacity from 15 million to 30 million tons. Two French companies, Usinor and Solmer, have also agreed to participate in the joint venture.⁸⁶ Therefore, the Mifergui-Nimba joint venture demonstrates not only the types of cooperation exhibited in the area of natural resource development, but also reflects a healthy infrastructure linkage effect simultaneously expanding among ECOWAS nations.

⁸³13 AFRICA RESEARCH BULL. (Sept. 1976). Other specialized groups in OCAM are: the African and Malagasy Problems and Telecommunications Union, the African and Malagasy Office of Industrial Property, the Organization for the Development of Tourism in Africa, the Interstate School of Sciences and Veterinary Medicine, and the Interstate School of Engineers and Rural Equipment. See Tall, *L'Organisation Communale Africaine, Malgache et Mauricienne*, 16 J. AFR. L. 304 (1972).

⁸⁴13 AFRICA RESEARCH BULL. 4089-90 (1976).

⁸⁵For a description of LAMCO see T. GARDLUND, *LAMCO IN LIBERIA* (1968); and R. STORETTE, *THE POLITICS OF INTEGRATED SOCIAL INVESTMENT* (1971).

⁸⁶13 AFRICA RESEARCH BULL. 4089-90 (1976).

Another type of development for which a joint venture constitutes a useful mechanism is the processing and development of natural resources.⁸⁷ An example of such a project is the recent formation of a partnership of the Ivory Coast, Upper Volta, Togo and Nigeria for the purpose of producing tar at a plant to be built in Abidjan, Ivory Coast. Petroci, the state oil company of the Ivory Coast, will hold 51% of the capital with the balance split between private shareholders and partner African states. The venture will cost approximately U.S. \$30 million.⁸⁸

The project and resource-bunch approach to integration in West Africa is demonstrated by various river basin development projects.⁸⁹ Examples of river basin development projects include: L'Organisation pour la Mise en Valeur du Fleuve Sénégal (OMVS), the Lake Chad Basin Commission, the Niger River Commission, the Permanent Drought Control Committee for the Sahel and the Mano River Union. These multinational endeavors are examples of the achievement of integration based on projects fueled by river basin development. The river basin projects utilize the international public corporate mechanism so that the operations may be implemented through a permanent body with technical capability, access to international aid, and the capability of coordinated and oftentimes rapid action.⁹⁰

The OMVS, of which Mali, Mauritania, and Senegal are members, was created in 1972, in conjunction with the signing of a Convention concerning the Senegal River. The essential aim of OMVS is to promote the economic development of the river basin and its resources.⁹¹ It is structured in such a manner as to encourage organizational flexibility. The Conference of Heads of State is the chief organ, and is the designated decision-maker on generally important political matters. The Council of Ministers, which meets once a year, sets priorities with regard to the management of the basin and development of resources, as well as establishing the budget. The most important organ of the OMVS is the executive authority, the Secretariat. The Secretary General directs the Secretariat, and is appointed by the Heads of State for a three-year term. The Secretary encompasses a Technical Branch

⁸⁷Balasa & Stoutjesdijk, *supra* note 11, at 48-49.

⁸⁸13 AFRICA RESEARCH BULL. 4058 (1976).

⁸⁹Balassa & Stoutjesdijk, *supra* note 11, at 48.

⁹⁰Zagaris, *supra* note 14, at 67.

⁹¹See Amar, *L'Organisation pour la Mise en Valeur du Fleuve Sénégal*, 16 J. AFR. L. 299 (1972).

which includes the Energy, Transport, Agriculture, and Hydroagricultural Departments, Financial and Administrative Services and a Documentation Center.⁹² Each of these divisions is engaged in a series of short and long term programs.⁹³

The OMVS projects include the construction of a hydro-electric dam at Manatali in Mali; an irrigation dam on the Delta at Da, which will benefit both Mauritania and Senegal; and the improvement of port facilities at St. Louis in Senegal and Kayes in Mali. In addition, tenders are now being processed by the Secretariat for the survey of the Manatali dam on the Baling River, with the intention of utilizing the energy produced to expand mining and manufacturing industries of both Senegal and Mali, including Mali's important marble industry.⁹⁴

In 1964, the Lake Chad River Basin Commission, consisting of the four riparian states of Cameroon, Niger, Nigeria, and Chad was created. Its objectives are to further Member States' cooperative efforts in the economic development of the river basin, and the use of surface and ground water in the basin. The Commission also has the responsibility to promote cooperation and development on agriculture, livestock, minerals, industry, transportation and telecommunications.⁹⁵ The Commission is composed of two Commissioners from each state, and five permanent subcommissions. The Secretariat is operated by an Executive Secretary who is assisted by a small administrative and technical staff, a number of foreign technical experts, and miscellaneous local personnel.⁹⁶ The Secretary-General coordinates the work of the sub-commissions and regional infrastructure projects, such as tsetse fly eradication, livestock development, and an agricultural experimentation station.⁹⁷

The Niger River Commission, consisting of Niger, Nigeria, and Mali, also demonstrates the use of a corporate mechanism for river basin development. It has the following goals: to maintain a liaison between the riparian states for the most effective use of the river basin resources; to conduct studies and recommend to the Member States joint projects for utilization of the basin; and to examine complaints

⁹²*Id.* at 300.

⁹³*Id.* at 301-02.

⁹⁴*OMVS Backers Meet*, AFRICA, Aug. 1976.

⁹⁵Tonwe, *The Lake Chad Basin Commission*, 16 J. AFR. L. 343, 343 (1972).

⁹⁶*Id.*

⁹⁷*Id.* at 344.

and settle disputes.⁹⁸ The unique organization of the Commission has as its highest organ nine Commissioners, one from each riparian state, but not necessarily the Heads of State or even Ministers. Decisions are made by a two-thirds vote of a quorum.⁹⁹ The executive is the Administrative Secretary, appointed by the Commission for a three-year term, with limited powers.

Another recently formed organization, triggered as a result of the severe drought in the Sahel in 1973, is the Permanent Interstate Drought Control Committee for the Sahel, which has as its members Chad, Mali, Mauritania, Niger, Senegal, and Upper Volta.¹⁰⁰ Its functions are to coordinate all actions attempting to minimize the impact of the drought by seeking financial and technical assistance for Member States.¹⁰¹ Its organizational structure consists of a Conference of the Heads of State and a Council of Ministers.¹⁰² However, broad power is conferred upon an executive, known as the Regional Coordinator, who is appointed by the Council for two years.¹⁰³ The Regional Coordinator is assisted by a Technical Secretariat and a staff,¹⁰⁴ and is to take all steps required to fulfill the aims of the Convention.¹⁰⁵ The Committee may be joined by any African state whose economy is directly affected by Sahelian conditions.¹⁰⁶

The survival and viability of the Sahel region will be determined by the success of these and similar mechanisms. Recognition of this fact has caused African states to limit their sovereignty to the extent necessary to promote cooperative projects.¹⁰⁷ This is reflected in the relative autonomy of the Commission executive in areas such as river basin management. Through use of a corporate mechanism, in which the Heads of State retain only major political decision-making powers, the executive possesses substantial power and is charged with the coor-

⁹⁸Agreement Concerning the Niger River Commission and the Navigation and Transport on the River Niger, *done* Nov. 25, 1964, 587 U.N.T.S. 19 (1964), art. 2.

⁹⁹*Id.* arts. 3-5.

¹⁰⁰Convention Establishing A Permanent Inter-State Drought Control Committee for the Sahel, Sept. 12, 1973, *reprinted in* 13 INT'L LEGAL MATERIALS 537 (1974).

¹⁰¹*Id.* art. 4.

¹⁰²*Id.* art. 3.

¹⁰³*Id.* art. 5.

¹⁰⁴*Id.* art. 8.

¹⁰⁵*Id.* art. 6.

¹⁰⁶*Id.* art. 13.

¹⁰⁷Sohn, *The Organs of Economic Co-operation in Africa*, 16 J. AFR. L. 212, 218 (1972).

dination of the work of functional subdivisions or committees, thereby allowing efficiency, technical skills and continuity to be achieved.

In the Mano River Union, an economic integration organization between Sierra Leone and Liberia, the proposed use of the publicly held international corporation has been desired for the production of power, the development of the Mano River Basin, and even for telecommunications.¹⁰⁸ In January 1976, a 580-foot bridge was completed which spans the Mano River and connects the two countries. The bridge will nearly halve the journey between Monrovia and Freetown, the two capitals.¹⁰⁹ Other international corporations have been proposed for certain research and training boards and for the training of technical personnel for telecommunications.¹¹⁰ Some of these corporations can be structured so as to permit participation by other states, such as members of the recently signed Treaty for the Economic Community of West African States (ECOWAS).¹¹¹

The real test of whether ECOWAS will succeed may depend upon its ability to coordinate the ongoing small scale projects, some of which have been illustrated above. These projects provide the states with experience in working with autonomous organizations and corporate mechanisms, which require the surrender of sovereignty by those states. In addition, the cumulative effect of the small scale projects give dynamism to ECOWAS objectives.

VII. RECENT ECOWAS DEVELOPMENTS

Since the signing of the Treaty of Lagos, the Community has sustained its momentum. In the early fall of 1976, the Council of Ministers met in Accra, Ghana, and approved three of five proposed protocols concerning the following: contributions that Member States will make to the budget for the operation of ECOWAS; re-exportation within the Community of goods imported from third countries; and the Fund for Cooperation, Compensation and Development. At a November 1976 meeting, the Council of Ministers approved two more protocols on the loss of revenue to be suffered by Member States from

¹⁰⁸Mano River Declaration, Oct. 3, 1973, and Protocols to the Declaration, Oct. 3, 1974, Liberia-Sierra Leone (available from the Secretariat, Mano River Union, Freetown, Sierra Leone).

¹⁰⁹*Across the Bridge*, AFRICA, Feb. 1976, at 74.

¹¹⁰Sundström, Legislative Measures: Mano River II, Preliminary Report Prepared for the Mano River Union Secretariat, IS/RAF/74/092/11-01/10 (July 31, 1975).

¹¹¹ECOWAS Treaty, *supra* note 1.

the gradual elimination of customs barriers, and on the definition of products originating in Member States.¹¹²

At another meeting, Lagos, Nigeria, was chosen as the headquarters for the Fund. Hence, the two countries which took the initiative in creating ECOWAS were rewarded. In addition, at the same meetings, it was agreed that the first executive secretary would come from the Ivory Coast and the first director general of the Community Fund would come from Liberia. Hence, in the initial allocation of headquarter sites and directorships, a geographical balance was reached.¹¹³

One example of trade cooperation among ECOWAS countries vis-a-vis the Treaty of Lagos has been an experiment to transfer goods from Nigeria's notoriously congested ports to Ghana's relatively underutilized modern Tema harbor. However, a Togo-Benin City dispute resulted in the closing of Togo's border, which temporarily terminated the cooperation between Nigeria and Ghana.¹¹⁴

VIII. CONCLUSION

The Economic Community of West African States (ECOWAS) offers a flexible approach to economic integration. Structurally the Community does not seem to set precedents. The Commissions, however, may facilitate autonomous decision-making on significant policies. In conjunction with the usual trade liberalization and gradual but automatic establishment of tariffs are measures providing for industrial programming and intersectoral integration. Since no meaningful trade can occur without basic infrastructure integration, developments in the areas of transportation and telecommunications are important prerequisites to the achievement of prolific trade within ECOWAS. As a result of the major influxes of capital expected to come from the extraction of natural resources, the best hope for rapid development should depend on the Community's ability to maximize infrastructural linkage. Technological-educational development from such joint projects as the above mentioned Nimba mining project would exemplify the maximization of infrastructural linkage.

Although the road to integration appears long, dusty, and endless, ECOWAS provides a potential to development that may be unprece-

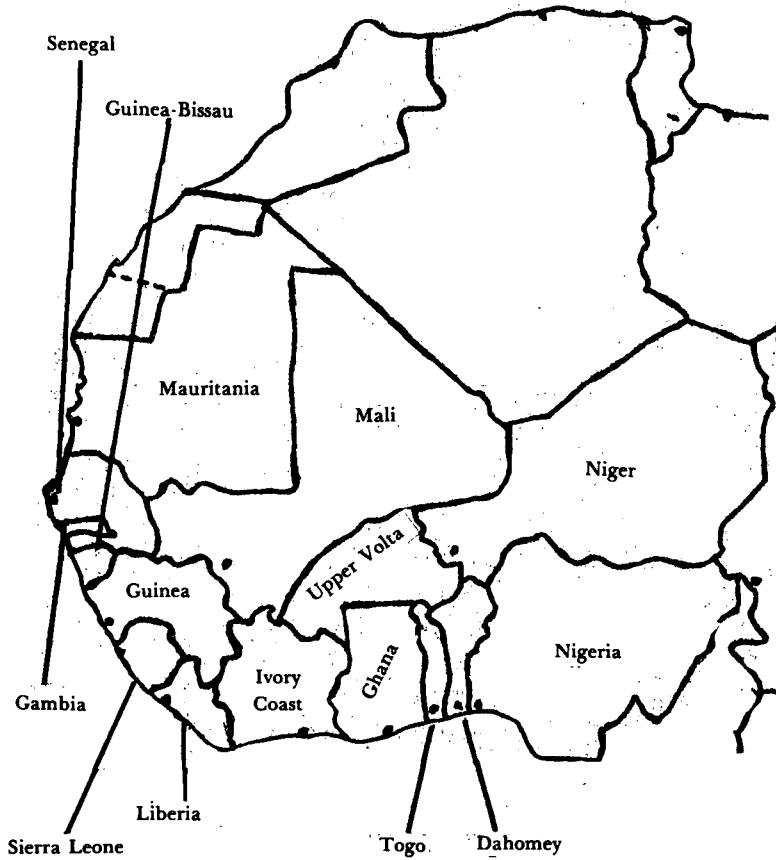
¹¹²Duodu, *supra* note 77, at 14-15.

¹¹³*Id.*

¹¹⁴*Id.*

ded. Indeed, the tremendous possibilities inherent in the Community presently, combined with the dynamics of the ECOWAS activities, and the structural flexibility of ECOWAS institutions, signal future economic integration never before realized in West Africa.

APPENDIX I



APPENDIX II

TABLE 1

Imports/Exports into West African Countries
Originating from Within the Region

US\$ (Millions)

COUNTRIES	External Trade 1969-73		Intra-West African Trade 1969-73		Col. (3)	Col. (4)
	Imports (1)	Exports (2)	Imports (3)	Exports (4)	Col. (1) %	Col. (2) %
Senegal	1,289	872	18	37	1.4	14.6
Ivory Coast	2,286	2,845	85	168	3.7	5.9
Upper Volta	296	111	72	54	24.3	48.6
Dahomey	393	191	24	15	6.1	7.9
Togo	408	283	25	7	6.1	2.5
Niger	266	203	30	26	11.2	12.8
Mali	246	107	46	26	18.7	24.3
Gambia	115	92	3	neg.	2.6	
Sierra Leone	622	556	28	3	4.5	0.9
Ghana	1,903	2,127	71	15	3.7	0.7
Nigeria	7,153	9,111	23	119	0.3	1.3
Liberia	799	1,309	10	9	1.3	0.7

Source: Direction of Trade IMF and IBRD Annual Report 1969-73

APPENDIX II

TABLE 2

Share of Intra-West African Trade* In Trade With Other Countries

Description of Trade	Amount in U.S. \$ million e.o.p.							Average for the period (%)
	1968	1969	1970	1971	1972	1973	1974	
(a) Total trade with all countries of the world	3,846.6	4,546.6	5,683.4	6,684.5	7,503.5	10,548.5	21,435.3	
(b) Intra sub-regional trade (ECOWAS)	144.8	135.9	162.3	236.4	241.9	428.3	795.3	
(c) (b) as % of (a)	3.8	2.9	2.9	3.5	3.2	4.1	3.7	3.4
(d) Exports to countries in the sub-region (ECOWAS)	75.1	66.1	86.2	140.4	127.1	231.2	411.3	
(e) (d) as % of (b)	3.7	2.8	2.9	4.1	3.1	3.8	3.0	3.3
(g) Imports from all countries of the world	1,829.1	2,154.5	2,728.5	3,287.3	3,377.1	4,454.0	7,533.0	
(h) Imports from countries within the sub-region (ECOWAS)	69.7	67.8	76.1	96.0	114.8	197.1	384.0	
(i) (h) as % of (g)	3.8	3.1	2.8	2.9	3.4	4.4	5.1	3.6

*Excludes Guinea Bissau

Sources: IMF, IBRD, Direction of Trade 1968-1972, 1969-1973, 1970-1974

e.o.p. = except otherwise provided

APPENDIX III

TABLE 1
Economic Facts of ECOWAS
(Gross National Products)

G.N.P.	G.N.P. per (Million U.S.S.)*1	of G.N.P. capita U.S.S.*1	Growth rate per capita (per cent)**
Member states			
1. Dahomey	300	110	1.7
2. Gambia	50	140	1.4
3. Ghana	2,700	300	1.0
4. Guinea	440	90	-0.3
5. Guinea Bissau	130	230	3.4
6. Ivory Coast	1,840	340	4.1
7. Liberia	410	250	4.0
8. Mali	400	80	1.3
9. Mauritania	210	180	2.0
10. Niger	400	90	-5.1
11. Nigeria	9,350	130	5.4
12. Senegal	1,050	260	-0.7
13. Sierra Leone	520	190	1.8
14. Togo	330	160	3.3
15. Upper Volta	400	70	0.6

Source: World Bank Atlas (1974)

*1 For 1972. ** Between 1965 and 1972.

TABLE 2
Labour Force Utilization

Member states	Populations (millions)	Total (000)	Labour Force	
			% in agriculture	% in Industry & services
Dahomey	2.4	1318	52.0	48.0
Gambia	0.4	168	78.0	22.0
Ghana	9.1	3492	58.0	42.0
Guinea	5.1	1870	83.0	17.0
Guinea Bissau	0.5	2172	89.0	19.0
Ivory Coast	5.4	2302	8.10	19.0
Liberia	1.6	478	74.0	26.0
Mali	5.3	2848	91.0	9.0
Mauritania	1.2	366	85.0	15.0
Niger	4.3	1217	91.0	9.0
Senegal	4.0	1739	76.0	24.0
Sierra Leone	2.7	1054	74.0	26.0
Togo	2.0	800	75.0	20.0
Upper Volta	5.6	2997	89.0	11.0

Source: Bulletin of Labour Statistics (L.L.O.)