1279 REGIONAL INTEGRATION IN WEST AFRICA AND THE CASE OF CAPE VERDE

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ABSTRACT

This paper proposes to examine regional integration in West Africa, especially in the case of ECOWAS (Economic Community of West African States, which includes Cape Verde). Initially, ECOWAS was intended to create a free trade zone, a customs union, a common market, and an economic and monetary union following Balassa’s integration process steps. Knowing that the integration project in West Africa was not, nor is it today, merely an economic one, the paper aims to understand the patterns that led ECOWAS to the present reality. In order to achieve this goal, the analysis is conducted at three different levels: 1) the level of the African Union (OAU), as regional communities in Africa are linked to this organisation at a macro-regional level; 2) the regional level of ECOWAS; and, finally, 3) the national level of Cape Verde, the only island state of West Africa, its membership situation, in a moment where it is clear that the country faces several economic and social development challenges. The methodology used was based on a comprehensive literature review on African regional integration, both on primary (institutional and legal documentation) and secondary sources (books, papers and reports). This methodology was also applied to the understanding of Cape Verde’s position in relation to ECOWAS. The field research made in Cape Verde included a collection of data and documentation in the main Cape Verdean official institutions dealing with the issue of regional integration, with specific focus on the Ministry of Foreign Affairs (M/REX), Ministry of Finance and Planning and the Institute of West Africa (WAI-WAI). The authors also conducted some semi-structured interviews near the Ministry of Foreign Affairs staff, for better perception of how Cape Verde considers ECOWAS as an axis of its foreign policy.

Keywords – Cape Verde. ECOWAS. Regional Integration. West Africa.

1. INTRODUCTION

Early theories on regional integration emerged from the 1950’s, with special emphasis on the European case. Later, Ernest Hass (1975) argued that the theory of regional integration was obsolete. However, the 1980’s saw emerge a new wave of studies on the issue of regional integration in different parts of the world, that propose a new perspective of regionalism, where regional integration processes are now understood as a multidimensional factor which includes economic political, social and cultural aspects. These studies went beyond the scope of the creation of free trade and security pacts regimes⁴⁰¹ (Hettne, 2003) and made the debate on regional integration a continuum analysis that still lingers until today.

The concept of regional integration presupposes a geographical context that includes the proximity of countries, including projects of political and economic cooperation, meaning that each state benefits from a wider and institutionally organised space. In Africa, this integration binds to the African Union macro-regional level, comprising an entire political integration process that involved a heated debate between supporters of a single common market, on the one hand, and supporters of sub-regional and intrastate structures on the other (Nye, 1968).

Having pursued through the establishment of regional economic communities (RECs), integration in Africa includes 14 sub-regional organisations, which requires the harmonisation of political and economic spaces and smaller scales (Rocha, 2010). It is in this context that this paper examines sub-regional integration in West Africa, in particular the case of ECOWAS (Economic Community of West African States), which includes Cape Verde.

Initially, ECOWAS was intended to create a free trade zone, a common market, a customs union and an economic and monetary union, according to Balassa classical theory of integration (Asante, 2010).

Knowing that the integration project in West Africa was not, nor is it today, merely an economic one, the authors aim to understand the patterns under which the whole historical process led to the current reality.

In order to achieve this goal, the analysis will be conducted on three different levels: 1) the level of the African Union (OAU), because the regional economic communities are linked to this organisation at a macro-regional level; 2) the level of ECOWAS, in order to see the evolution of this community in a micro-regional framework and, finally, 3) will be an analysis of the case of Cape Verde, the only island state of the West African sub-region, and its membership situation, in a moment where it is clear that this small country faces several economic and social development challenges.

For the analysis of regional integration in Africa, with special attention to the West African case, the authors privileged Joseph Nye’s neo-functionalism theory, taking into account the procedural mechanisms and the integrative potential in this sub-region.

The methodology used in this study was based on a comprehensive literature review on African regional integration, on primary sources (institutional and legal documentation) and secondary sources (books, papers and reports). This methodology was also applied to the understanding of Cape Verde’s position in relation to ECOWAS. The field research made in Cape Verde included a collection of data and documentation in the main Cape Verdean official institutions dealing with the issue of regional integration,

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⁴⁰¹ Today there is already a debate that goes beyond the new regionalism. In this sense, authors like Hettne (2005) try to understand the role of regionalism in the world order, i.e., in order to understand the interrelationships between regions in the world and the wider global context. Thus, looking to comprehend the extent to which regionalism can affect the world order, as defined governance structure and legitimacy. For example, today we can speak of a recent emphasis by the European Union on inter-regionalism and the shift from a state system to a regionalised world order. This is the case of EU and ACP countries in the framework of the Economic Partnership Agreements. For more details see Hettne, B. (2005).
with special focus on the Ministry of Foreign Affairs (MIREX), Ministry of Finance and Planning and the Institute of West Africa (WALI). The authors also conducted some semi-structured interviews near some staff of the Ministry of Foreign Affairs, for better orientation and perception of the way Cape Verde considers ECOWAS as one of axis of its foreign policy.

2. CONTEXT OF THE ANALYSIS

Having Joseph Nye’s neo-functionalism as the main conceptual framework, the objective of this research is to explain how West African regional integration has took place.

As such, one starts to present the main theories that try to explain regional integration, in a post World War II scenario. Such a brief survey is no easy task, given the existence of different and sometimes opposing views. The first integration theories were born in the 1950’s and 1960’s, today categorised as the “old regionalism” theories. One can divide them in Political Science explanations (Functionalism, Neo-functionalism, Liberal institutionalism, Inter-governmentalism) and Economic Science explanations (the theory of regional integration and neoliberalism).

The functionalist approach seeks to explain the integration through “pragmatic functional approach”. The functional method gradually leads to peace and prosperity, with each function generating other functions. Most of the various technical issues can only be resolved through cooperative action, going beyond the national states. Such internal affairs of states would be best handled by specialized staff, replacing politicians (Mitrany, 1966).

In turn, the neo-functionalism approach seeks sheds light in a less prescriptive form, on how the nationalist interests could be achieved through functional and political “spillovers” and the “upgrading” of common interests (Hass, 1958; Nye, 1968; Schmitter & Hass, 1964). This approach reformulates, at a certain extent, the assumptions of functionalism, improving its analytical tools, but focusing on regional and not international integration.

Regarding the approach of liberal institutionalism, this theory tries to explain why states become institutions. The states would act in an attempt to solve the problems of cooperation, since the institutions provide information on other preferences, intentions and behaviours, establishing obligations, thereby reducing uncertainty and low transaction costs (Keohane, 1984; Ruggie, 1993).

Finally, Inter-governmentalism argues that regional integration can be better understood through a series of negotiations between the heads of government, with every political leader trying to maximise its national power (Moravcsik, 1991). In fact, the big states exercise a power of veto.

The economic theory of regional integration argues for a continuum increase of interdependence. According to Bela Balassa (1962), there are five stages of economic integration: the Free Trade Area (where states withdraw all or part of customs barriers and other non-tariff barriers between member states); Customs Union (a free trade zone + a Common External Tariff); Common Market (Customs Union + free movement of labour and capital among member states); Single Market (Common Market + coordination of economic policies); Economic and Monetary Union (Single Market + a common currency, where most of the policies of the member states are common); and, finally, Political Union (in the case of total renunciation of States’ national sovereignty).

Finally, it remains to allude to neoliberalism that argues that the regional groupings are predominantly formed by states in response to an external threat to its security (Waltz, 1979).

This first wave of integration theories suffered strong criticism. In the case of functionalism, it can be considered that more than a theory it is a normative approach, in the sense that explains how the states can achieve peace, not specifying the conditions under which this objective can be achieved. On neo-functionalism, although it reformulates the functionalism’ assumptions, in the sense that in order to succeed, integration has to consider the economic, social and technical aspects, the kick-off of the integration process must begin in the economic and social dimensions. But economic and political relationships are inseparable. However, this particular theory fails to explain why some integrative schemes failed focusing exclusively in the EU.

From the 1980s, a second wave of studies appears, titled “New Regionalism”. New perspectives on regional integration arose, such as inter-governmentalism which argues that regional integration is a negotiations’ continuum between the heads of government of the member states, trying not to sacrifice their national sovereignty wherever possible in the name of common goals. However, focusing only on the negotiations between states ignores other social and economic aspects that influence integration.

Thus, between the years 1990-2000 even more recent approaches emerged. This new wave of regionalism goes beyond the political and economic aspects. Today, there is even a reference to a post new regionalism approach, in which an increasingly globalised world, going beyond the European case, is taken into consideration.

In the African case, there has been an attempt to apply both old and the latest theories on regional integration. In a first phase, with the creation of the OAU and its regional economic communities (RECs), there was a strong use of the neo-functionalist theory. The process of African integration was triggered by the action of states, but rebounded in results not much positive. Only with the recent transformation of the OAU into the AU, in a context where theories of new regionalism began to being applied, it is possible to understand the shortcomings of African integration from systemic and structured explanations²⁰².

On a continental scale, the AU must make an effort to rebalance the different development strategies, surpassing the approach of official development assistance (ODA) towards a more sustainable development framework, in a context in which greater account must be given to regional integration and the private sector²⁰³. It is also necessary to promote a rationalisation of the regional

²⁰² Already in 1970 and 1974, authors like Abangwu and Adedeji realised that the old theories of integration, particularly the theory of regional economic integration failed and, this way, they tried to explain what led to the failure of the first integrative efforts in West Africa with the formation of ECOWAS, in which the influences of exogenous sociopolitical inputs are taken into account.

²⁰³ To overcome these constraints, the NEPAD (New Partnership for Africa’s Development) was created, , an initiative that was born from the merger of the Millennium Partnership Program for Africa Recovery proposed by Presidents Mbeki of South Africa, Nigeria Obasanjo and Bouteflika of Algeria (MAP Millennium Partnership for Africa’s Recovery Programme) and the Omega Plan proposed by President Wade of Senegal, which was completed on July 3, 2001. From this merger arises the New African Initiative (NAI, New Africa initiative), approved on July 11th by the AU. This new initiative is a strategy developed for the development of the African continent in an
economic communities in order to end the problem of multiple memberships, known for "spaghetti bowl". Thus, the redesign of the African regional construction map will depend on its priorities and assets (Kuehnhardt, 2008). African states need to be strong so that the process of integration advances, reinforcing aspects such as the rule of law, good governance and promoting the market economy.

On the other hand, the African Union has to be designed at a supra-regional level as an organisation to support the regional communities, keeping the struggle for African unity, especially with regard to security-issues, promoting human rights, peace and good governance.

3. THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

A major obstacle to a further development of the West African integration (which, incidentally, applies to the entire continent) relates with the lack of pragmatic and realistic policies. The absence of the said policies eventually resulted in the CER’s proliferation that today constitutes a serious obstacle to the success of African integration in general. Adebayo Adejey (1970) had called attention to the need for the process of African integration to follow the example of the by-steps establishment of the EU.

ECOWAS was formed by member states that acquired their political independence at a time when they were more concerned with building and consolidating their nations. The private and industrial sectors were almost non-existent, coupled with the fact that trade, capital movements, communication and exchange of people and ideas were practically non-existent.

There is a general agreement that West Africa needs to accelerate and improve infrastructures, to harmonise the monetary systems, to promote intra-regional trade among ECOWAS member states. We are in the presence of a very heterogeneous regional community, facing a major problem that is linked to the large asymmetry and inequality among its member states. On the other hand, there is poor complementarity between the political and economic elites and lack of socialisation within the Community of what major plans, projects and programs of the constituted bodies are concerned.

Moreover, this reality is intrinsically linked to the matters of responsibility and commitment of member states in relation to the integration objectives. Issues such as free movement of people, border control and security depend heavily on the competences of member states, which have little complied with the ECOWAS decisions.

Throughout the integration process, there was a particular concern in trying to apply the neo-functionalism approach, seeking to follow the EU example. But the inputs that led to the European integration, can never be applied to West Africa, especially with regard to the degree of commitment and each state’ preconditions.

4. CASE STUDY – CAPE VERDE

Cape Verde, since the beginning of its political independence, has shown interest in joining and participating in ECOWAS.

However, over time the relationship of Cape Verde with ECOWAS went through controversies, even if in the last years an increasing approximation can be detected. In particular, from Cape Verde side, one can detect a growing interest on what would be the country’s projection as a result of a greater integration in ECOWAS particularly at a time when the question of the geostrategic potential of the archipelago, as a point of intersection between Europe, Africa and the Americas, is most stressed.

Cape Verde joined the Lagos Treaty in 1977, and four years later the Cape Verdean Parliament ratified it (Correia e Silva, 2008). However, during the 1980s and 1990s, there wasn’t a visible effort in terms of a real integration of Cape Verde. This process only gained expression since after 2000.

Insularity and its small market (population of 500,000 inhabitants), accompanied by difficulties in attracting FDI gave origin to huge economic and financial difficulties. The territorial fragmentation and the distance to the main markets, in particular, results in high transport costs and demands larger investment in telecommunications, health, education, and administrative machine (Nascimento, 2008).

Hence, one can understand the apparent contradiction (e.g., during the 1990s) between the fact that Cape Verde faces its foreign policy as the key tool to convert threats into opportunities (which includes its integration in ECOWAS), and the need to solve the national problems that result from the scarcity of resources and the small market.

But from 2006 onwards, with the transformation of the ECOWAS Executive Secretariat into the ECOWAS National Commission, there has been a new consciousness towards a more active participation of Cape Verde in the West African framework (Rocha, 2010). Stand out in this area and as catalysts, among others, the country’s accession to the WTO (World Trade Organisation) and the establishment of a special partnership with the EU. The latter covers two axes: (a) the integration of Cape Verde in the space of the Macaronesia, in line with the EU policy of a “wider neighbourhood” and (b) the EU support to Cape Verde’s deeper integration within ECOWAS.

This renewed vision of the need for Cape Verde’s integration in West Africa is found in some ECOWAS documents which stress the need to fight poverty and define a development strategic framework in the time horizon of 2020. This perception of an evolution towards economic and social reorganization of West Africa was perfectly perceived by the Cape Verdean authorities in the sense that they should benefit from ECOWAS market (more than 331 million consumers).

In this regard, Cape Verdean diplomacy follows four main levels of action: i) the election of a bilateral strategy with key trading partners; ii) the definition of a regional strategy to create and enhance benefits that may result from the Cape Verde insertion in
larger markets, iii) deepening further balanced relations with its neighbours, and iv) build a multilateral strategy to ensure a more effective participation of the country in a more fair and equitable trading system (Duarte, 2004, p. 119).

A closer analysis of Cape Verde external trade brings out the fact that its transactions with ECOWAS had little significance. In 2013-14, the EU was the main trade partner (Figures 1 and 2).204

Figure 1 – Cape Verde Exports (2000-2007, in %)

Figure 2 – Cape Verde Imports (2000-2007, in %)

Being the only island country in the context of ECOWAS, Cape Verde is also the smallest country in the region in physical and population terms. This has led the Cape Verdean authorities to raise some caveats in the areas of security, free movement of persons and goods, common external tariff, Economic Partnership Agreements (in the negotiations with the EU), and creation of a monetary union. Specifically, Cape Verde has advocated an approach in the light of Article 68 of the Revised ECOWAS Treaty (1993), which reads that "taking into account the economic and social problems affecting member states, in particular the archipelagos and landlocked states, member states agree to provide, if necessary, a special treatment to those states, as regards the application of certain provisions of this Treaty and to provide other assistance needed".

Therefore, the strategic imperative of regional integration cannot be exhausted in the analysis that sometimes has been done internally in Cabo Verde over ECOWAS performance. This perspective tends to have influenced a more ambiguous political discourse in the country in recent years205. ECOWAS must be seen as a preliminary stage and a learning way that will prepare the Cape Verdean economy for its insertion in the world economy.

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204 Some underlying reasons may explain this state of affairs, particularly: (1) the fact that the economies of ECOWAS member countries are, in fact, little diversified, not complementing each other and (2) the fact that imports and exports to/from ECOWAS summarize just a few items on the agenda of the Cape Verdean foreign trade, in a context where issues related to commercial exchange are complex and dependent on the point of almost non-existent transport means. But this is not enough to justify a possible withdrawal from the ECOWAS, unlike many Cape Verdean analysts have argued.

205 This is the case of some intellectuals, diplomats and Cape Verdean economists who have called into question the Cape Verde integration in ECOWAS (see Lover, Manuel (2007, July 7). Cape Verde and ECOWAS: Newspaper & Semana, pp.1-12 when he says that the economies of the subregion are poorly diversified (intra-regional trade down to around 13%), and the weak presence of Cape Verde at the institutional level, considering that charges annual with the Community are too high, emphasizing the issue of free movement and security threat level migration to the islands. Also in an interview, Fidalgo, Victor (2014, October 1). Interview: Cape Verde in ECOWAS. Chamber of Commerce, Industry and Tourism Green Portugal Cable available in http://www.portugalacoverde.com/news_detail.php?id=487. More directly and clearly Fidalgo says ECOWAS is an "illusion" because of the almost non-existent trade within the community, saying that Cape Verde has no role within ECOWAS, arguing that the country has become a country of immigration, serving of "refuge for some labor in West Africa working in construction and street vendors. Still some economists, argues that the archipelago should anchor itself to Europe, since the integration process for an island country like Cape Verde assumes a dynamic space with previously established economic links. See Stephen’s articles, John (2004). Cape Verde's Development and the Model of International Economic Integration. Strategy. 20: 139-157 and Monteiro, Fatima (2004). Cape Verde in the Atlantic Crossroads. Strategy. 20. 19-28.
In recent years, Cape Verde has faced typical externalities of the process of their greater integration into the world economy, both in cases of accession to the WTO and the negotiations of the new partnership agreements with the EU. In this context, several Cape Verdeans analysts have advocated greater attention to the integration of the country in the context of ECOWAS, in particular for the following reasons: 1) This organization is the regional body responsible for management of EU funds allocated to sub-region; 2) The projected Economic Partnership Agreement between ECOWAS and the EU cannot result in a Cape Verde stay out of this process; 3) ECOWAS will be one of the African sub-regions that will receive support to study EPA macroeconomic impact, so it is important that Cape Verde can participate in these studies; 4) The need to find markets and conditions that allow the export of manufactured products, taking into account proposals and negotiations leading to a redefinition of origin rules; and 5) the importance of the ECOWAS market for national economic recovery and for the country’s development strategy (José Duarte, 2004, p.120).

In this sense, it is not here suggested an abandonment of the Cape Verde relations particularly with Europe, but the national strategy should ineluctably go through reinforcement of bilateral relations with its neighbours. These trade relations should push Cape Verde’s access to larger markets. It is time to Cape Verde abandon prejudices and a certain proselytism, much influenced by the good performance of the country in democratic terms vs Africa. In fact, against the deadlock of Cape Verde’s engagement in relation to ECOWAS, there is already strong competition nearby. With Cape Verde’s intention to develop its economy mainly with the deepening of the sea, the tourism and the air transport clusters, it must take into account that many West African countries have advanced in competitive terms in these areas.

Cape Verde still fails to define a clear strategy of integration (although there is some mention to ECOWAS in recent government programs). This way, a greater role in ECOWAS needs to be supported by a major national political will. It is true that the country should always resort to safeguard their specific characteristics and be aware of the main problems plaguing West Africa, but it cannot ignore the benefits derived from the insertion into this community, which may be a trampoline for extension of its market and for the use of the programs and funds under the regional EPA.

Ambivalence has guided the relations between Cape Verde and ECOWAS. Cape Verde knows little and is little known in the region. It is a small country, has yet to build a strong external image and strong partnerships. Cape Verde presence is still too timid in the African crucial areas of decision and all these weight. What can be the solution? Cape Verde relation with Africa needs to be developed in several areas beginning, particularly, in Cape Verdean people education in terms of knowing better the African reality, strengthening trade, cultural and diplomatic relations.

5. CONCLUSION REMARKS
There remains a need to incorporate Africa in various perspectives from a political point of view, since we are talking about a fragmented continent of over 55 countries and territories, with complex boundaries and difficult delimitations, but that is experiencing democratic governments. In the cultural aspect, there is a wide web of values, beliefs, ethnic, linguistic, religious and social organisations that spread from one end to the other of the continent, now converging and connecting demographically significant groups, forming strong and stable identities. Sometimes these organisations by opposing one another promote isolation and give form to more flexible and unstable identities.

From an economic and social point of view it is the least developed continent, with the highest inequality and proportion of poor people rates. Cape Verde has some difficulty understanding the modus operandi of the other African countries, because there is the assumption that the “Cape Verde model” should be some sort of “an ideal model” to follow. African countries have worked, sometimes fairly, other times poorly, according to a long run logic and the authors believe that these nations understand better Cape Verde than the opposite, that is, there is an asymmetry of knowledge unfavourable to Cape Verde.

It is important, therefore, to stop and think about the strategies and priorities of foreign policy over the past years. Cape Verde authorities should reason over the last 40 years as an independent country, about political choices, critical dimensions that define the engagement (or the lack of) of a country. Cape Verde should establish itself as a country with strong credibility in the region, see what for are human resources prepared and able to engage with the countries of the Continent.

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204 Senegal, for example, that presents itself as a major competitor of Cape Verde for its site, development and commercial power, having invested heavily in the deep water port of Dakar. Also, the hub level in the aviation sector emerged sky airlines on the initiative of ECOWAS, based in Lome, making Cape Verde lose its strategic location. Senegal is also well positioned at regional level as the main competitor of Cape Verde tourism.