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Declaration

I declare that I have worked on my master's thesis titled ‘Regional Integration in Africa’ by myself and I have used only the sources mentioned at the end of the thesis. As the author of the master's thesis, I declare that the thesis does not break any copyrights.

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Regional Integration in Africa

Abstract

Integration is an element of the economic unit and also political. The overall objective of this thesis is to analyse the different economic indicators between western African countries and how they were evaluated last years by comparison among countries. Is the similarity in west African countries can expect better outcome economic integration?

The thesis will be divided into three parts.

The first part is a theoretical one based on a literature search. It defines the current state of knowledge in the field of integration. In this part, articles, books, research and different electronic resources will be used to provide information. Methodologically, this part of the thesis is the analysis of documents.

The second part will rely on the theoretical part, and it is the crucial component of the thesis. The secondary data will be used to evaluate the situation of the selected countries.

The final part concludes the results of the previous parts and discusses them with another author.

Keywords: Integration, Africa development, Ecowas, Security, Social, Quality, Poverty, War

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List of abbreviations

ECOWAS	Economic Community of West African States
GDP	Gross domestic product
HDI	Human development index
NEPAD	New Partnership for Africa's Development (African Union Development Agency)
OLSM	Ordinary Least Squares Method (method used in statistics)
PWC	PricewaterhouseCoopers
UN	United Nations
US dollars	United States dollars
VAT	Value-added tax
WAEMU	West African Economic and Monetary Union
WAMZ	West African Monetary Zone
WB	World Bank

1. Introduction

The long age practice of nations' survival has long given way to the concept of integration and coordination among states as an option for a collective development for the sake of the needs of the cooperating countries. Upon the practice, it has shown over time that when countries have a comparative advantage in relation to each other, it gives opportunities for specialization, development of economies of scale as well as declines the cost of production (Pattillo and Masson, 2001).

As a consequence, it increases the purchasing power of people. For the recents year there has been a significant increase in the efforts of developing countries, especially when it comes to the Sub-Saharan part of Africa, while reaching regional economic integration (Pattillo and Masson, 2001). The emergence of the African Union and the new partnership for Africa’s Development (NEPAD) gave a huge gulp of air to the African international and regional integration processes, concentrating its attention on the necessity to take decisive action in order to resolve a range of issues through the means of economic integration strategy (Hanink and Owusu, 1998). This study overviews the estimation of regional integration and analyzes the rationality of the economic integration in West Africa.

Historically speaking, one of the most important strategic agreements was for the Economic Community of the West African States (ECOWAS) established on May 28, 1975 (Pattillo and Masson, 2001). The 15 West African member states' leaders have signed the Lagos agreement. Even though the initial agreement was limited with the economic cooperation, later on, the power was enlarged to the other sectors of political, economic and military development in 1993 (Hanink and Owusu, 1998). The aim of ECOWAS is to promote integration and collaboration in the economic zone in West Africa.

Joining ECOWAS, countries were granted with more benefits as the major objectives of the ECOWAS were to improve the living standards of populations, reach economic stability, promote good relationships within the member states as well as to help each other in the development and progress of the African continent (Pattillo and Masson, 2001).

One of the aims which is also associated with the economic benefit - the creation of the monetary union (Pattillo and Masson, 2001). For instance, large markets as well as regional blocs for negotiating with other groups globally.

Initially, there were several deadlines for the possible integration, but none of the deadline was met. Recently, the leaders and authorities of the cooperating countries have supported the idea of the creation of monetary union in 2020. The policymakers were trying to meet the deadline of 2020. The issue is that back in 2019, the countries have agreed to establish the single monetary union with the states, however, due to the worldwide Coronavirus spread, the African Economic Community set a new deadline for implementation of the single currency - by 2023. The plans of the African Union to integrate further and encourage development of more such unions as an intermediate step, aiming to reach the monetary union.

Within the last two decades, there is an increased concern on the economic development of the African countries. The efforts against the under-development and other issues have not been left unnoticed, they entailed successes and achievements. Nevertheless, the issues with the under-development, lackness of some existential resource, and poverty in the continent not solved yet. The states belonging to the third world, find more and better perspectives for their development in constructing huge, coherent, inter-regional systems due to the fact that integration could create larger opportunities for the markets for the better productivity capacity.

The governments of the West African countries understand that under under-development conditions, there is a need to establish economic integration, which would contribute to the development. The West African states are slowly progressing in their plans and have little steps in economic integration planning, however, the future of this integration still remains uncertain despite the considerable benefits offered with the economic integration

(European Commission, 2022). The issue is that African union member states should promote the development of the region together, however, separate West African countries are reluctant to participate in full.

This problem gives roots to think that the creation of the regional economic community is just theoretical. Issues which are treated by them as serious, in most cases, are just minor obstacles, which can be easily resolved once the integration will be in full. Implementation of coherent integrated development will contribute to each sovereign state within the union. Once the integration starts in full, it is likely to help to soften political conflicts which prevent the countries from economic development. It would also aid to protect the growth environment of newly emerged industries (European Commission, 2022).

This thesis is organized in the following way: introduction, objectives and methodology, theoretical part related to the African countries and regional, political, economic, climate problems, essence of the practical part, results and discussion and ultimately conclusion.

2. Objectives and methodology

2.1. Objectives and research questions

This diploma thesis aims to explain the notion of economic and political integration of the countries. The basic idea is to reveal the idea of integration, including types of them, factors that might lead to the economic and political integration, and problems associated with them. The overall objective is to define and analyze the prerequisites for the integration, problems, barriers based on the statistical data for the selected group of countries.

1. What are the West African countries' general economic and political tendencies for the past 20-30 years?

2. Are indicators such as the human development index (HDI), unemployment and inflation of the West African countries dependent on economic growth, considering the fact that GDP is the main indicator of successful economic integration of the African countries?

3. Based on the results obtained, can the West African countries expect better economic integration?

2.4. Methodology

The work consists of two interrelated parts: theory and practice. The first introductory part covers the literature review, which encloses general issues associated with the integration of the developing world based on the scientific literature, books, reviews, and journals. In addition, the official world organization websites (WB, UN, etc.) are utilised to reference the laws, regulations, and norms. On the other hand, the same websites give access to the reports with statistical data that will be used in the practical part of the thesis. The data is processed and organized into the tables and charts to demonstrate the development of the selected indicators over time and draw a comparative line between the selected African countries.

An example of the West African countries would be used to limit the chosen topic. This thesis aims to analyze and compare a row of selected economic and political integration indicators. The diploma thesis has to analyze the relationship of the political and economic indexes against the level of integration of the selected countries using statistical methods. The standard deviation of the differences of the examined indicators was used to process economic indicators. The value result will show the degree of variance, meaning the higher the value equals a higher degree of variance. Furthermore, a coefficient of variation will be used to compare the scatter of data of the same variable. The last method is the linear regression analysis, the ordinary least-square method (or OLSM). This method allows estimating if the two or more selected variables have relationships between each other.

To conclude, own conclusions would be driven based on the results obtained answering the research questions. To finalize the thesis, the issues and limits of the research would be defined, and recommendations would be given.

3. Literature review

3.1. Defining developing world

The concept of the developing world is also referred to as developing countries. Developing countries consist of lacking areas that possess a high degree of industrialization, infrastructure and other forms of capital investment, advanced living standards, advanced forms of technology, widespread literacy. Such countries include a range of the locations in Africa (except the Republic of South Africa), Latin America, and Asia and Oceania (except Australia, Japan and New Zealand) as well as some European countries like Malta, Cyprus, Former Yugoslavia, and Turkey. They may also be identified as 'emerging economies'.

3.2. Defining integration

The theory of economic integration was developed by Jacob Viner (1950) who defined the trade creation and trade diversion effects. Viner viewed the trade flows between two states before and after their merger, and did a comparison with the rest of the world. The basics of the integration theory was summarized in the 1960s in one of the studies performed by the economist Bela Balassa. Bela's study suggests that, while economic integration increases, the barriers of trade between markets decrease. Balassa (2012) believed that supranational common markets with their free movement of economic factors across national borders naturally generate demand for further integration, not only economically but also politically.

Basically, the term integration is used for describing three or more countries which form an intergovernmental organization to create a larger and more open economy, which is expected to gain benefits for its member countries. This typically includes reduction of trade barriers and coordination of monetary and fiscal policies. Such a notion as economic integration seeks to diminish the costs for both consumers and producers, and on the contrary, to enhance the trade between the countries involved in such agreement. Economic integration is sometimes referred to as regional integration due to the fact that it often occurs among neighboring nations. When the regional economies consent to integration, trade barriers tend to decrease and political and economic coordination incline.

3.2.1.Benefits of economic integration

We can identify three categories of the major benefits of the economic integration among the countries in accordance with Mukisa and Thompson (1995):

- Trade benefits
- Employment
- Political cooperation

First of all, economic integration is followed by an elimination in the cost of trade, improved accessibility of goods and services and a broader choice of them, as well as intensification in efficiency that lead to wider purchasing power among the states within the membership.

Secondly, employment opportunities have a tendency to improve due to trade liberalization. This tendency means that integration leads to market expansion, cross-border exchange related to technology, experience, investments, and many more.

Lastly, integration is a very important driver of political cooperation between countries. Political situations of the merged countries might improve due to cooperation and, as a result, stronger economies, which potentially provide incentives to resolve conflicts in a peaceful manner and stability.

3.2.2.Effects

The outcome of the economic or regional integration can reflect in four potential ways (Kyambalesa, 2004; Kyambalesa and Houngnikpo, 2006). It might have effects which can appear in different forms in either negative or positive scenario:

- Static impact
- Dynamic impact
- Trade deflection
- Counterfeit labeling

To elaborate more on the effects which integration might result with: first and foremost, the static impact refers to the process of integration occurring from shifts in the production of particular export products from one member state to another, or alternatively, from a non-member state to one of the economically integrated member countries (Kyambalesa, 2004).

There is a second type of the potential effect that might emanate from economic integration. This type is called dynamic effect. It results due to changes which appear in economic performance or structure of the member state as a consequence of one country's membership in an intergovernmental organization.

Another type is called trade deflection (Kyambalesa, 2004). This term is aligned with the concept of the import entry into the free trade area of a low-tariff country state from the rest of the world. The aim is to avoid higher tariffs for importers or exporters that are levied by other countries.

The last but not the least important is counterfeit labeling. The dealers which are engaged in trade deflection might cheat on the authorities in the country with lower tariffs from any economic bloc (Kyambalesa, 2004; Kyambalesa and Houngnikpo, 2006). One of the methods that is frequently used for deception is designation of the imports as local production in order to get the certain certificate of origin, which is later used for exporting the needs of the foreign goods from lower-tariff countries to other countries across the globe.

3.2.3. Types of integration

According to Kyambalesa and Houngnikpo (2006), there are various stages of economic integration. They are (1) preferential trade arrangements, (2) free trade area, (3) customs union, (4) common market, (5) economic union, (6) monetary union, and (7) political union.

The first four stages of economic integration were described by Gerber (2017) as 'shallow integration', the other three represent 'deep integration'.

The 'shallow integration' can be any stage of economic integration, the scope of which is limited to border-related issues, such as tariffs and non-tariff trade barriers. On the other hand, the types which go under the umbrella term 'deep integration' are going above border-related problems. It is followed by harmonization of member states' most crucial institutional, legal, product-safety, labeling, environmental and technical standards (Gerber, 2017).

In order to understand the differences of all above mentioned stages of economic integration, the terms have been elaborated by Gerber (2017) as per below:

(1) Preferential trade arrangements

- This is the form of free economic integration, in which the participating countries decrease or limit certain barriers to trade to make cooperation easier with each other (Mshomba, 2000).

(2) Free trade area

- This type entails a full elimination of trade barriers among member states. At the same time, member countries maintain distinct trade policies with non-members of economic integration.

(3) Customs union

- In this form member states are going beyond the elimination of trade barriers, and adopt a common external trade policy with the states which are not a part of their economic membership.

(4) Common market

- The type is pretty similar to the previous one, however, the nature of the common market includes liquidation of all barriers to assist the factor movements among countries within the membership as a complement to the requirements of a customs union (Mshomba, 2000).

(5) Economic union

- This stage of the economic integration essentially entails going above the requirements of a common market by deciding to unify economic institutions and coordination of implemented economic policies in the member states of the agreement.

(6) Monetary union

- Additionally to economic union requirements, the member states also adopt common currency as well as use a common supranational centralized bank.

(7) Political union

In this case, the cooperation reaches the level at which economically integrated countries create a regional bloc that is alike to a nation-state (Mshomba, 2000). It implies maintenance of the common centralized political institutions, involving the regional parliament.

3.2.4.Prerequisites

There are several reasons as well as conditions that are required to be met in order to implement any economic integration level among the cooperating countries (Mukisa and Thompson, 1995). The major prerequisites why the countries are willing to integrate are promotion of economic, social and cultural development; establishment of the framework for development, mobilization and utilization human and material resources; promotion of cooperation around the member states; and coordination and harmonization of the policies around the existing and future subregional economic communities (Mukisa and Thompson, 1995).

(1) Peace and stability

- One of the most important prerequisites and the reason for the integration is a sustained peace and stability in all collaborating countries. Another important factor is transparency and nation-wide participation in the implementation of important intergovernmental organization-related decisions, agreements, protocols and treaties in each of the member countries (Blough and Behrman, 1968).

(2) Sustained political will

- This is a natural desire among the cooperating countries' authorities to establish a successful economic bloc and to find a compromise on the delicate issues and problems connected to national sovereignty.

(3) Competitive economies

- In order to cooperate, economies of potential collaborative countries should be initially competitive. In case the economies are complementary to each other, it is complicated to procure a competitive business environment in the regional economy which can ultimately be created (Mutiso, 1975).

(4) Similar stage of development

- For economic integration, it is crucial that national economies of the potential member states are more or less on the similar stages of industrial development (Novicki, 1989). It allows to circumvent issues pertaining to mass migration of citizens from lower income to higher income member states, supremacy of one or a few participating countries in supply of produced goods or industrial inputs, as well as distinctions in labor, environmental and product safety norms and standards (Mutiso, 1975).

(5) Geographical proximity

- The necessity of geographical proximity within the cooperating member states is required for creating a developed and efficient transportation system for a distribution of the inputs for industrial use and finished products among regional economies (Novicki, 1989).

(6) Pre-integration trade ties

- Strong trade ties before the economic integration and long lasting economic and/or political relationships with other countries is an important driver of successful cooperation (Mutiso, 1975). Such relationships should show the specialization by cooperating countries in the manufacturing of different commodities. Besides, as it was mentioned before, successful cooperation implies a similarity of economic systems of the members.

(7) High pre-integration trade barriers

- Another reason why countries choose to cooperate is due to the high tariffs and implementation of lower tariffs or removal of any trade barriers between cooperating members (Langhammer and Hiemenz, 1990). In such a way, it might result in lowering the prices of tradable products within the regional economy.

(8) Low post-integration trade barriers

- Implementation of the lower tariffs policies and/or removal of any trade barriers on the imports of cooperative regions from non-member states, so as the trade with those countries is sustained to contribute to the creation of tariff revenues by coalition participants.

(9) Large number of countries

- Engagement of a large number of countries in the establishment of an intergovernmental organization for the purpose of expanding the potential for inclusion of more members with lower cost industries in intergovernmental organization, as well as build a larger economic zone for both investment opportunities and size of the market (Langhammer and Hiemenz, 1990).

(10)Preferential treatment

- This is an umbrella term used to refer to a tendency of each member state to import more commodities from the cooperating countries in relation to non-members. This is again associated with the fact that the member states have lower barriers to trade and more opportunities to exchange the means of production via import and export of goods and services.

(11)Sharing of gains and losses

- As per the agreement of the countries, they usually tend to share and accept the gains and losses between each other on the agreed terms. Each member country should have an acceptable mechanism for estimating qualitative and quantitative costs related to membership of the countries in an intergovernmental organization (Johnson, 1991). Moreover, each country as a member state, should ensure that the benefits of their economic integration are distributed in a fair and efficient manner among members, including revenues gained from tariffs levied on imports from non-participant countries.

(12)Fair distribution of intergovernmental institutions

- As above mentioned, the gains and losses are accepted and shared by all member states as a part of the economic integration. Fair distribution stands for the fairly dispersed commercial, industrial, administrative, educational, training, health, and other essential and communal facilities and institutions in the economic bloc (Kyambalesa and Houngnikpo, 2006).

3.2.5.Problems and barriers

There are a number of unsettled problems that exist concerning progress towards economic integration. The problems would be discussed in relation to the West African sub-region.

One of the most frequently met problems is the free movement or distribution of goods and services (Edomah, 2020). This issue can be clearly identified at the road transportation level. In the West African region, people and traders are exposed to the bad roads while traveling in the sub-regions. The customs and immigartion offices have the existing protocols in place, however, they are not implemented in reality. Such obstacles as roadblocks immensely hinder a free flow of the products and services.

Another issue is an increase in the West African Monetary Zone (WAMZ) trade (Ekpo, 2019). The WAMZ is a West-African organization established for economic integration among such countries as Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone. Due to this coalition, the trade between the members has drastically increased in 2015-2016.

The trade within the West African Monetary Zone improved the economic situation of the member states from 1.6 bln US dollars billion accounting 0.3% GDP, to 2.8 bln US dollars accounting 0.71% of GDP, showing better results in Gambia, Nigeria, and Sierra Leone (Edomah, 2020). Furthermore, the level of the intra-WAMZ trade in comparison to the rest of the world inclined from 1.2% to 2.6% in 2016 (ECOWAS, 2015; 2016a). Since their membership in the West African Monetary Zone, Gambia, Nigeria, and Sierra Leone enhanced their indexes, whereas Ghana, Guinea, and Liberia reported declines. As a part of the agreement of gain and losses sharing, during the period from 2015 to 2016 the WAMZ trade participants reported lower statistics in comparison to the rest of the countries as part of the Economic Community of West African States (ECOWAS). Therefore, the index in the review period showed 5.95 bln US dollars as 1.1% of GDP in 2015 dropping by 3.09 bln US dollars as 0.8% of GDP in 2016 (ECOWAS, 2015; 2016a).

Thirdly, a huge problem and barrier is the infrastructural deficit within the West African zone (Edomah, 2020). There is a lack of development of transportation means such as roads, railways and air transport connections alongside poor supply of energy and other essential goods, which in the end jeopardize economic integration. It is crucial to improve infrastructure in order to be in line with the potential cooperating countries.

Fourth issue to highlight is fiscal consolidation and coordination (Ekpo, 2019). The West African countries have to address and resolve issues associated with the fiscal imperatives of economic integration. This problem goes above the framework discussion of deficit-to-GDP ratio (Edomah, 2020). The issue is that the aim of all integrative actions is to create a monumental union. The question is whether the counties are prepared for the unified budget and share the fiscal responsibility amongst the member states. One of such examples is the European Union. As per the EU experience, the fiscal aspect of the economic integration is one of the key factors to the consolidation process of the monetary union (Mongelli, 2008). Besides, it is important to balance indirect taxation within the cooperational zone. In 2022, the standard value-added tax rate in Ghana is 12.5%, whereas in Nigeria - it accounts for 7.5% (PWC, 2022a). In comparison to 2020, the VAT rate for Nigeria rose by 2.5% (PWC, 2022b).

Fifth, there is an issue with economic diversification. The highest vulnerability of the economies of West-Africa is also seen in the necessity of economic diversification. One of the reasons is that economies in the cooperating region must gain the revenue from sources other than export of primary commodities (Usman and Landry, 2021). It can imply agriculture or natural resources. As per the number of studies and upon performed numerous panel regression analyses, the drivers of the economic diversification include investment to a private sector of the economy, economic growth, raise of GDP per capita, improvement of infrastructure, trade openness, and public investment (Jolo et al., 2022). In the case of African cooperation, economies share the export of similar goods and services - this is one of the obstacles which makes it complicated to maintain the trade between them. As a consequence of the diversification of the goods and services offered among the cooperating countries, the country shall industrialize very fast. On the other hand, the selected countries have similar climate, environment as well as availability of natural resources, thus, it is hard to find new ways of cooperation and diversify the range in the limited capacity of resources.

Sixth point is the political commitment (Gilpin and Gilpin, 2001). Unfortunately, political commitment is an integral part of economic integration and no cooperation can be held without it. Despite the fact that economics is the critical part, it cannot be one hundred percent decisive in all terms. Only the politicians can make the decision and consider the main economic aspects in order to understand whether the country is worth cooperating with or not. Politicians are also the ones who may endeavor to adjust the economics and its variables in order to match the requirements towards economic integration. There is no linear or straightforward algorithm on how to achieve economic integration, it has its ups and downs, but the existence of the political commitment allows it to address issues and challenges in a timely manner and proceed with the process (Gilpin and Gilpin, 2001).

The seventh barrier cannot be fully considered as an obstacle. With the emergence of the cooperational communities such as the ECOWAS and the WAMZ, countries started to integrate more with each other in terms of the movement of people between countries

(Ekpo, 2019). Besides, countries started to accept the currencies of member countries. The issue is that each of the African regions owns different currency units. For instance, Ghanaian local currency cedi is accepted in Nigeria, while the Nigerian naira is accepted in most markets among the member states (Edomah, 2020). The challenge is in spite of the fact that the currencies are exceptionally accepted by other markets, people are still in doubt how to convert this money into the local currency. The authorities and policymakers still did not formalize the process for currency conversion within the economic integration zones such as the ECOWAS and the WAMZ. On the contrary, there is a very exponential example of the East African experience. For instance, in the east part of Africa, the local Kenyan currency shilling is quoted in banks in Tanzania, the same logic works in opposite.

Another nonetheless important barrier is the conflict between the English-speaking (Anglophone) and French-speaking (Francophone) countries. The problem is whether the French-speaking countries with the given strong historical relationships with France will break the ties (Weinstein, 1976). It is quite beneficial for the Francophone part as the West African franc has a fixed parity with Euro and all reserves of the Francophone states are placed in Paris under particular conditions (Edomah, 2020). If it happens that the Francophone part of Africa breaks the connection with France, the result of it would be that the major macroeconomic indicators as inflation would surpass the benchmark set by the economic union as the ECOWAS.

Last but not the least, the growth trajectory, on contrary to the misery index. The misery index is dedicated to measure the level of the economic distress which is experienced by the regular people due to the risk of or actual unemployment combined with inclining cost of living (Cohen et al., 2014). The misery index is computed by summing the unemployment rate to the inflation rate.

3.3. Defining African countries

3.3.1. Formation of ECOWAS

The history of the Economic Community of West African States (ECOWAS) goes back to the mid-1970s. The union was established on May 28th, 1975 by the Treaty of Lagos and a revised version of this treaty was implemented in 1993 in Cotonou. Before the creation of this economic union, the collective territory was known as West Africa. Although the member countries have three official languages, which are English, French, and Portuguese, there are also more than 1000 local languages as well as cross-border native ones (ECOWAS, 2016b). The community has been initially formed from the regions of former French, British and Portuguese colonies as well as an independent Liberia, which has gained its post-colonial independence in the 1960s and 1970s in particular.

Nowadays, 15 member states of the economic community ECOWAS consists of Benin, Burkina Faso, Cabo Verde, Côte D'Ivoire, Gambia, Ghana, Guine, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo (Pattillo and Masson, 2001).

The main aim of this community is to promote regional economic cooperation among member countries for the sake of increasing living standards and contributing to economic development of them. Today ECOWAS is also covering security issues by developing peace-keeping measures in case of any potential conflicts in the region. Besides, the community has also evolved to include political cooperation.

One of the pillars of the formation of ECOWAS of the African Economic Community (AEC), the aim was to reach 'collective self-sufficiency' among the participating countries by establishment of the single trade bloc with the help of building a huge economic and trading union (Pattillo and Masson, 2001).

As it was mentioned before, the ECOWAS also serves as a military and peacekeeping measure within the region, in which the participant countries provide joint military and peacekeeping forces in order to intervene into the member states in case of any potential threat, political instability or disorders. Within the past two decades, such interventions happened in the Ivory Coast in 2003, in Liberia in 2003, in Guinea-Bissau in 2012, in Mali in 2013 and Gambia in 2017(Adetuyi, 2021).

The ECOWAS was aiming to support the shift towards democracy since the 1990s against authoritarian attacks, considering the region as a ‘coup belt’ (Pattillo and Masson, 2001). Despite this fight, the response in the 2020s was recognized to be very weak and inefficient. The three member countries have gone through a number of coup d’etats - two times in Mali, one in Nigeria and Guinea, which ECOWAS has failed to address efficiently (Adetuyi, 2021). ECOWAS adopted the development plan for the next 10 years with the future insight on 2020 which accompanies with policies for science and technology development.

3.3.2.Regional constitution of ECOWAS

We can identify countries which are in ECOWAS separately and specificities of those countries in alphabetical order briefly below.

Table 1. Major ECOWAS member states’ specifications

Country	Population (million people)	Area (thousand sq km)	GDP (billion US dollars)
Benin	12.12	115.00	15.65
Burkina Faso	20.90	274.00	17.93
Cape Verde	0.56	4.03	1.70
Gambia	2.42	11.00	1.87
Ghana	31.07	239.00	68.53
Guinea	13.13	246.00	15.68
Guinea-Bissau	1.97	36.00	1.43
Ivory Coast	26.38	322.00	61.35
Liberia	5.06	111.00	3.20
Mali	20.25	1,240.00	17.47
Niger	24.21	1,267.00	13.74
Nigeria	206.14	924.00	432.29
Senegal	16.74	197.00	24.64
Sierra Leone	7.98	72.00	4.06
Togo	8.28	57.00	7.57

Source: Author's own processing based on the World Bank (2022) data.

(1) Benin

- The official name is the Republic of Benin, formally known as Dahomey. This is a country which is located in West Africa, neighboring with Togo, Nigeria, Burkina Faso, and Niger (Forde and Kaberry, 2018). The population is more centralized as the majority of people prefer to live in the southern coastline of the Bight of Benin. This is a part of the Guinea gulf in the northernmost tropical area of the Atlantic Ocean. The capital of Benin is the city of Porto-Novo, however, the government is settled in Cotonou, which is the largest city in the country, hence, was granted a degree of economic capital of the state (Forde and Kaberry, 2018). The country area of Benin accounts for 114,763 square kilometres with a population of 12.12 million people estimated back in 2020 (The World Bank, 2022c). As a tropical country, Benin is widely dependent on agricultural production and is considered to be one of largest exporters of cotton and palm oil. The major part of the employment and income is due to the development of substantial farming.

(2) Burkina Faso

- Burkina Faso is the landlocked West African country with an area of around 274,400 square kilometres (Forde and Kaberry, 2018). Burkina Faso shares the neighborhood with lots of countries as Mali, Niger, Benin, Togo, Ghana, and Ivory Coast. The population amounted to 20.9 million people in 2020 (The World Bank, 2022c). Previously this country was called the Republic of Upper Volta from 1958 to 1984; later it was renamed to Burkina Faso in 1984 by the President Thomas Sanakara. The citizens of this state are called Burkinabe (Forde and Kaberry, 2018). The largest city as well as its capital is Ouagadougou.

(3) Cape Verde

- Cape Verde, or Cabe Verde, is not a part of the West African continent, but it is an archipelago and island state in the Atlantic Ocean (Forde and Kaberry, 2018). Despite this fact, Cape Verde is a part of the African Union. It covers an area of only 4,033 square kilometers with the population of 555,988 people reported back in 2020 (The World Bank, 2022c). The official language is Portuguese. The country has a steady representative democracy, which makes Cape Verde the most developed and democratic state in Africa (Forde and Kaberry, 2018). The capital city is Praia.

(4) Côte d'Ivoire

- The Republic Côte d'Ivoire, or Ivory Coast, is a country located on the South coast of the West African area. Its political capital is Yamoussoukro, which is located in the center of the state, whereas, the largest city as well as the economic capital is placed in the port city of Abidjan (Forde and Kaberry, 2018). It borders Guinea, Liberia, Mali, Burkina Faso, Ghana and the gulf of Guinea (or a part of the Atlantic Ocean). The population size is 26.3 million people in 2020 within the area of 322,463 square kilometres (The World Bank, 2022c).

(5) Gambia

- Gambia, or the Republic of the Gambia, is the smallest country within the African continent, which is mostly surrounded by Senegal and the Atlantic Ocean (Forde and Kaberry, 2018). The Gambia is located on both sides of the Gambia River. It covers an area of 11,295 square kilometers with a population of 2.41 million people as of 2020 (The World Bank, 2022c). The capital of Gambia is Banjul, which is at the same time the state's largest metropolitan area (Forde and Kaberry, 2018). There are also two more strategically wide cities, Serekunda and Brikama.

(6) Ghana

- The Republic of Ghana covers the area of the gulf of Guinea and the Atlantic Ocean. The neighboring countries are Cote D'ivoire, Burkina Faso and Togo. Ghana is situated in the area of 238,535 square kilometers, having a wide range of geographical and ecological means - from dry savannahs to tropical rainforests (Forde and Kaberry, 2018). The population number reported back in 2020 is 31.07 million people, which makes Ghana the second most populous state in West African part, after Nigeria (The World Bank, 2022c). The largest city, which is also the capital of the country, is Accra. Other large cities include Tamale, Kumasi and Secondi-Takoradi (Forde and Kaberry, 2018).

(7) Guinea

- The Republic of Guinea, formerly known as French Guinea, is a country in West Africa located on the coast of the Atlantic Ocean (Forde and Kaberry, 2018). Furthermore, it borders Guinea-Bissau, Senegal, Mali, Côte d'Ivoire, Sierra Leone and Liberia. The modern state is sometimes called Guinea-Conakry (Forde and Kaberry, 2018). The duplicate name appeared after its capital Conakry in order to differentiate it from other territories like Guinea-Bissau and Equatorial Guinea. The Republic of Guinea has a territory of 245,857 square kilometers with the population of 13.13 million people in 2020 (The World Bank, 2022c).

(8) Guinea-Bissau

- Guinea-Bissau, or the official name of the Republic of Guinea-Bissau (Forde and Kaberry, 2018). This is one of the smallest countries in West Africa covering only 36,125 square kilometres with an estimated population of 1.96 million people in 2020 (The World Bank, 2022c). It has borders with such countries as Senegal and Guinea.

(9) Liberia

- The Republic of Liberia is the English-speaking country in the neighborhood with Sierra Leone, Guinea, Ivory Coast, and the Atlantic Ocean (Forde and Kaberry, 2018). It has a population of around 5.06 million people, covering an area of 111,369 square kilometers (The World Bank, 2022c). The capital city is Monrovia. Even though English is an official language of the country, there are 20 more languages spoken on the territory. Each of the languages represents a country's ethnic and cultural diversity (Forde and Kaberry, 2018).

(10)Mali

- Mali, or the official name is the Republic of Mali. Mali is a landlocked country in West Africa (Forde and Kaberry, 2018). Mali is one of the largest countries in Africa, taking eighth place with an area of over 1,241,000 square kilometers and population of 20.25 million people reported in 2020 (The World Bank, 2022c). Back in the year of 2017, 67% of its population was estimated to be under the age of 25. The capital as well as the largest city is Bamako. The sovereign state of Mali consists of eight regions and neighbors with the Sahara desert. The southern part of the state is in the Sudanian savanna, where the majority of the population is concentrated (Forde and Kaberry, 2018). Besides, the rivers Niger and Senegal pass through this country. The economy of Mali aims at agriculture and mining of such resources as gold, which makes Mali to be the third largest producer of gold on the African continent and exporter of salt.

(11)Niger

- The Republic of Niger is also a landlocked country named after the Niger River. Niger is a unitary state bordered by Libya, Chad, Benin, Burkina Faso, Mali, and Algeria (Forde and Kaberry, 2018). Niger covers an area of 1,267,000 square kilometers, which makes the country the second largest land in West Africa. Over 80% of its land area belongs to the Sahara desert. According to the Ministry of Interior of the Republic of Niger 98% of population was reported Muslim out of 24.2 million people accounted for 2020 (The World Bank, 2022c). The largest city and the capital of Niger is Niamey.

(12)Nigeria

- The Federal Republic of Nigeria is the most populous state in Africa. Geographically speaking, the country is situated between the waters of the Sahel, the Gulf of Guinea, Atlantic Ocean (Forde and Kaberry, 2018). The country has an area of 923,768 square kilometers with a population of over 206.14 million people, as of 2020 (The World Bank, 2022c). Nigeria borders Niger, Chad, Cameroon, and Benin. As a big country, it consists of 36 sub-states and the Federal Capital Territory (Forde and Kaberry, 2018). The capital city is Abuja, however, the largest metropolitan city is Lagos.

(13)Senegal

- The Republic of Senegal is bordered by Mauritania, Mali, Guinea, and Guinea-Bissa. Senegal is closely surrounded by Gambia. The country occupies 196,722 square kilometers with 16.7 million people in 2020 (The World Bank, 2022c). The land banks of the Gambia River separates Senegal's region of Casamance from the rest of the state. Senegal also shares a marine border with Cape Verde (Forde and Kaberry, 2018). Senegali economic as well as political capital is Dakar.

(14)Sierra Leone

- The Republic of Sierra Leone is also called informally as Salone. Salone is neighboring Liberia and Guinea (Forde and Kaberry, 2018). It has a diverse environment with dominating tropical climate from savannas to rainforests. The total area is 71,740 square kilometers with the population of 7.97 million people as reported in 2020 (The World Bank, 2022c). The majority of the population are Muslims, which accounts ¾, but there is an influential Christian minority. Salone has a high religious tolerance, which is a norm and a part of the country's cultural identity (Forde and Kaberry, 2018). The state is split into 5 administrative regions, which are subdivided to 16 districts. The capital city is Freetown (Forde and Kaberry, 2018).

(15)Togo

- The official name of Togo, as a part of the West Africa, is the Togolese republic. This is a country bordered by Ghana, Benin, and Burkina Faso. The country enlarges to the Gulf of Guinea, where the capital and city Loma is located (Forde and Kaberry, 2018). Togo covers 56,785 square kilometers only, which makes it as the one of the smallest countries in Africa, with a population of approximately 8 Million as well as the one of the narrowest states in the world. The width of the land is less than 115 kilometers between Ghana and Benin. The population is just 8.28 million people reported in 2020 (The World Bank, 2022c).

3.3.3.Political situation

Whereas the donor states and international development organizations have a general tendency to concentrate on issues related to governance, corruption, conflicts, and safety of multi-economic societies (Hyden, 2012); the political realities of the separate African countries having their own exceptional characteristics, does not accept the generalization of all of them into one stereotypical point of view (Allen, 1995).

Elimination of such stereotypical views is one of the major aims of African political science. For instance, one of the most crucial stages of the African countries' development is the transition to democracy in the 1990s, when the military order and single party policy has been substituted by the multi-party order in almost all African countries (Allen, 1995).

Some African countries had a smoother transition after the one or several successful free and fair elections, on the other hand, other states felt completely insecure about the democratization procedure (Thomson, 2010) (see Table 2). Concerning the civil wars and overall unrest, there were states which were suffering from the chronic war. Other countries were able to reach a certain degree of success on the path of national reconciliation after the conflict termination. The distinctions are only observable when it comes to the studies, when the political situation in some countries is thoroughly analyzed and compared with the current status of other countries in this particular region (Hyden, 2012).

Table 2. ECOWAS member states' political party constitution

Country	Multiparty	Two party	Dominant party
Benin	•		
Burkina Faso			•
Cape Verde		•	
Côte d'Ivoire			•
Gambia			•
Ghana	•		
Guinea			•
Guinea-Bissau	•		
Liberia	•		
Mali	•		
Niger	•		
Nigeria	•		
Senegal	•		
Sierra Leone	•		
Togo			•

Source: Author's own processing based on Thomson (2010).

Table 3. List of ECOWAS member states' political parties

Country	Party name (English)
Benin	National regulations only
Burkina Faso	Alliance for Democracy and Federation-African Democratic Rally
	Congress for Democracy and Progress
	National Union for Democracy and Development
	Party for Democracy and Progress/ Socialist Party
	Union for Rebrith/ Sankarist Movement
Cape Verde	National regulations only
Cote d'Ivore	National regulations only
Gambia	People's Progressive Part
	United Democratic Party
	National Convention Party
	National Reconciliation Party
	Alliance of Patriotic Reconciliation and Construction
	People's Democratic Organization for Independence and Socialism
Ghana	National regulations only
Guinea	National regulations only
Guinea-Bissau	National regulations only
Liberia	National regulations only
Mali	Democratic Republican Union
	Malian People's Rally
	Party for Education, culture, health and Agriculture in Mail.
	Sudanese Union-African Democratic Rally
Niger	National regulations only
Nigeria	All Nigeria People's Party
	All Progressive Grand Alliance
	Alliance for Democracy
Senegal	Alliance of Progress Forces
	Democtratic League-Movement for the Labour Party
	Senegalese Democratic Party Socialist Part
	Union for Democtratic Party Socialist Party
	Union for Democratic Renewal
Sierra Leone	National regulations only
Togo	National regulations only

Source: Author's own processing based on Thomson (2010).

One of the questions that might occur is whether there is a necessity to limit the comparison framework with other African nations? A comparison of African states versus non-African countries is a different but critical approach. There are some necessary methodological arguments for restricting the scope to that particular region (Thomson, 2010). In spite of the fact that the discipline and a theoretical background of political science including the comparative type of it, has been improving extremely fast after WWII, this theoretical basis did not imply an account of the experience of newly emerged African states, which gained their independence since 1960 (Allen, 1995; Hyden, 2012). It entailed a huge disconnection between the theoretical background of politics and its realities in African states. Many scholar researchers of the African politics have an issue as they are unable implement the common political science theories for the analysis of the African countries. The surprising thing - African politics do not fit any framework of political science, however, the scientists have been immensely ignoring the experience of African states.

This is why there was a formation of the conceptual framework called "African politics" (Allen, 1995). This is an umbrella term which is intended to bridge the gap in between theory and reality the political science in implementation for African politics. This framework is a good suit for a study of a smaller size region with common issues. While comparing African countries separately, the theoretical part of the study is simultaneously developed by adding up unique characteristics of each country (Hyden, 2012). In other terms, such investigations are based on the re-construction of regional research and help to unify with the existing theory.

In the actual context, almost in all West African countries a multi-party democracy is in place. The road to multi-party democracy is completely different from one case to another (Hyden, 2012). If some countries implement the transition of multi-party politics, others have pressure from the donors as the key drivers of the openness for the multi-party political space (see Table 2 and Table 3).

3.3.4.Economic situation

The history of the West African economy goes back to the ages when the earliest humans were hunters and gatherers living in very small groups (Bauer, 2010). At these times, there was already trade which was able to cover longer distances. Archeologists were able to find evidence of trade with such goods as luxury items, precious metals all around Africa (Hart, 1982). People who lived in dry areas became nomadic herders, and the one who were living in Savannah grasslands cultivated crops, hence, made the permanent settlement possible.

The economic history of Africa is frequently focused on poverty and dims out other various aspects such as achievements of the African people as farmers, traders and states (Bauer, 2010). There were lots of improvements in food security, and also development of economic growth.

Despite the fact that Africa is less investigated in economic studies, it has the longest and oldest history. Ever since human societies emerged, economic activity did so too. Agriculture supported larger towns, and with time the large trade networks developed (Bauer, 2010).

4. Practical part

4.1. Economic growth

According to the studies, economic growth in West African countries tends to rise steadily (USAID, 2022). In the outlook which was presented in the year of 2019 by the African Development Bank report, West Africa projected to have 3.6% of economic growth in 2019 and 2020, triggered by recovery of commodity price and developed manufacturing and service sectors within the region, with all challenges and uneven performance remaining in place (United Nations, 2021).

The Development Bank issued ‘Regional Economic Outlook for West Africa for 2019’ along with an annual flagship report, which demonstrates how economic integration can induce structural transformation and promote economic development on the continent (United Nations, 2021). The presentation of the outlook was presided by the Minister of Finance of Nigeria. It included the major highlights of the annual report followed by debate (USAID, 2022). The level of engagement into the live discussion showed the value of the reports and importance of the economic integration to the West African countries as well as future transition towards prosperity and inclusive development.

Since Nigeria has the largest economy in the region and in Africa as a whole, after the recession times continues to dominate in the economic and integrational processes of the continent, continuously affecting neighborhood and economic performance of the community (United Nations, 2021). On the other hand, for the other states from the region, the report advocates developing a more dynamic industrial base with production of exports (United Nations, 2021).

The diversification process and improvement of the infrastructural basis demands a considerable sponsorship, which is received from the private sector of economy and development partners (United Nations, 2021). The member states are committed to their partnership with the African development bank and many other crucial stakeholders which sponsor to support ambitions of the member states for bigger scale development and diversification. Economic and infrastructure are the most demanding and strategically important for resolving the major African problems - poverty and inequality (Oketch, 2006). Since the West African states merged into one union and aimed to implement the single currency, they were able to struggle with the continental climate issues together, diminish the domestic prices, reach lower levels of inflation and increase the volume of the external debt (Eggoh et al., 2015).

The economic outlook which is provided annually gives a detailed analysis and brings a huge value to the stakeholders (United Nations, 2021). Moreover, it triggers the dialogue and decision-making process across the states. There is also a more focused report - regional economic outlook, which gives a comparative analysis among regions (Eggoh et al., 2015).

The regional economic diversification is reported to be seen in the fluctuation in the GDP per capita incomes from 565.06 US dollars in Niger to 3064.27 US dollars in Cabo Verde in 2020. At least 9 countries out of 15 grew at least 5% in 2018 and 2019 (United Nations, 2021). In accordance with the report, such countries as Cote d'Ivoire and Ghana continue to gain the highest performance with the growth rates of 7% and above (United Nations, 2021). The stakeholders believe that the western countries can benefit a lot from a diversity of opportunities such as diversification and infrastructure development. As a result, connect the production to international value chains, which can potentially offset the risks in the future (Oketch, 2006). However, it is important to bear that these opportunities will demand conscious efforts of the authorities and policy makers to implement economic and structural policies at all levels.

The topic of implementation of the annual reports resonates with the concept of African integration, which is the highest priority of the bank (Eggoh et al., 2015). Definitely an economically integrated Africa, West African region in particular, is important for the economic transition and share of growth benefits.

4.1.1.Human development index (HDI)

From the very beginning, ECOWAS was considered to be a potential blessing for West Africa. The region has been maintaining an extremely low Human Development Index (HDI) (Kpolovie et al., 2017). HDI is a complex compound index, which takes into account such factors as level of health, income, education, life security, and many other indicators necessary for the analysis (Ilesanmi, 2007). In other words, HDI is the index which demonstrates how prosperous the states are in the most crucial fields of good human development: healthiness, knowledge and standards of living at the existential level.

The most critical objective of HDI is to assist the countries to share a comprehensive estimation of the environment they give for the citizens as opportunities for the individual needs (Kpolovie et al., 2017). The higher the HDI in the country, the better conditions the states have for their people to live, study and work. People are the true value of any state, and the security and well-being of people's lives is the main objective of each state (Ilesanmi, 2007).

4.1.2.Unemployment

Unemployment in Africa seems to be one of the challenging and catastrophic indicators in the world. Despite this first glance, the rates are moderate in comparison to many states all around the world. Official statistics show the African unemployment rate is very low. For instance, in a country like Benin the unemployment rate did not exceed 2.2% within 17 years for the period from 2000 to 2017 (The World Bank, 2022b). The next country is Burkina Faso, where the unemployment rate was lower than 5% within the same period. All in all in other West African states, the unemployment rate does not go over the thresholds of 10% to 15% (The World Bank, 2022b). The most notable discrepancies in unemployment rates are usually in higher or lower income states, and in most cases the poorer ones have much lower rates. Considering youth unemployment, it accounts for only 6.5% in middle-income countries (The World Bank, 2022b). Partially, this is a blame on the income: when younger people are at least slightly better off, they tend to give up employment (Callaway, 1963); whereas poorer youngsters have to choose to work to survive.

The distinctions in unemployment rates in West African states demonstrate the ways in which statistical data is collected in different countries, which are more than various economic structures or labor markets (Callaway, 1963). Low quality jobs are one of the reasons why people get unemployed, thus, it requires a particular attention in terms of unemployment rates re-consideration. Officially speaking, this is a wrong perception of the unemployment rate as it is not appropriate to measure the performance of the labor market as people tend to quit jobs due to the job conditions.

4.1.3.Inflation

From the very beginning of the Economic and Monetary Cooperation Programme in 1978, the aim was to reduce inflation 5% in all member states (Canetti at al., 1991). Some of the countries have reached the goal, while others had challenges to control the inflation and balance on the approximate level. ECOWAS states were affected with all global challenges during the global economic crisis in 2008, when import was in deficit and food and energy-related goods. By the end of the crisis, all countries within the West African union experienced the highest inflation rates (Thornton, 2008). The row of the most impacted states included Benin, Burkina Faso, Niger, and Togo. Exceptionally Senegal and Gambia did not face such a challenge in terms of sharp inflation raise or drop (Thornton, 2008).

The next shock was in 2016, there was a dramatic incline in the price index of commodities in Nigeria. Energy and petrol prices rose and the inflation hit the ceiling of 67% of the total GDP of ECOWAS states (The World Bank, 2022b).

A good trend has been dictated in 2018 and 2019 and the pandemics had its impact on the economy and inflation of the countries, nevertheless it made the inflation to raise by 0.9 in 2019 in comparison to 2018 (The World Bank, 2022b). As per the latest records, the inflation index of the ECOWAS is forecasted to be at the average of 9.5% in 2021 (The World Bank, 2022b).

4.2. Essence of practical part

The practical part of this thesis would be concentrated on African countries which are a part of ECOWAS. There are 15 member states, however, for the analysis in this thesis, only 6 countries will be taken. The selection happened on the basis of the highest and lowest countries' GDPs. Therefore, Gambia, Guinea-Bissau and Ivory Coast were taken into consideration due to the lowest GDP rate and Cape Verde, Ghana, and Nigeria because of the leadership in GDP rate in the region.

Due to the data availability and the fact that it is complicated to analyze more than 40 years from the year of ECOWAS creation, the period of analysis has been shortened for the past 20 years, i.e. from 2001 to 2020. For the past few decades the union has built a plan of economic development and prosperity, which they are aiming to fulfill and implement a single currency within the region by 2023. The analysis of this period will show the tendency and effectiveness of the implemented policies.

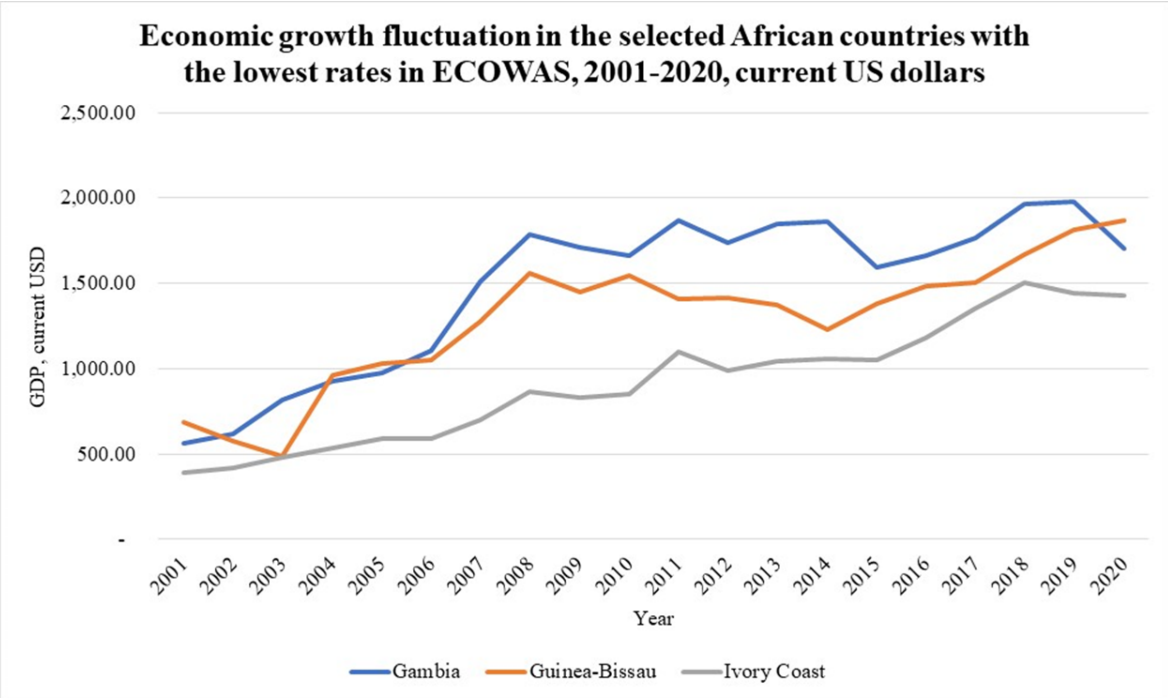
4.3. Description of the data

The data which would be analysed in this part of the thesis has been collected via means of the official statistical websites - World Bank and UN. The indicators which will be taken into consideration and analysed are human development index, unemployment rate and inflation rate in correlation with the economic growth. The first part of the practice will be descriptive statistical data, the second - regression analysis and correlation calculations of the selected African countries, which are a part of ECOWAS.

- **Economic growth**

Figures 1 and 2 represent the economic growth fluctuation over the past 20 years. The raw data is presented in Appendix 1. Figure 1 shows three countries with the lowest GDP rates in the ECOWAS region. The lowest parameters belong to Ivory Coast, with the minimum of 192.62 million US dollars in 2011 and maximum 1,504.63 million current US dollars in 2020. Guinea-Bissau took the second place in this chart - it has a higher rates than Ivory Coast, and even intersects with Gambian statistical data. All three countries have a similar tendencies - the trend is positive as all lines go up, there is a drastic increase from 2006 to 2008, and a small decline after, which is associated with the global economic crisis.

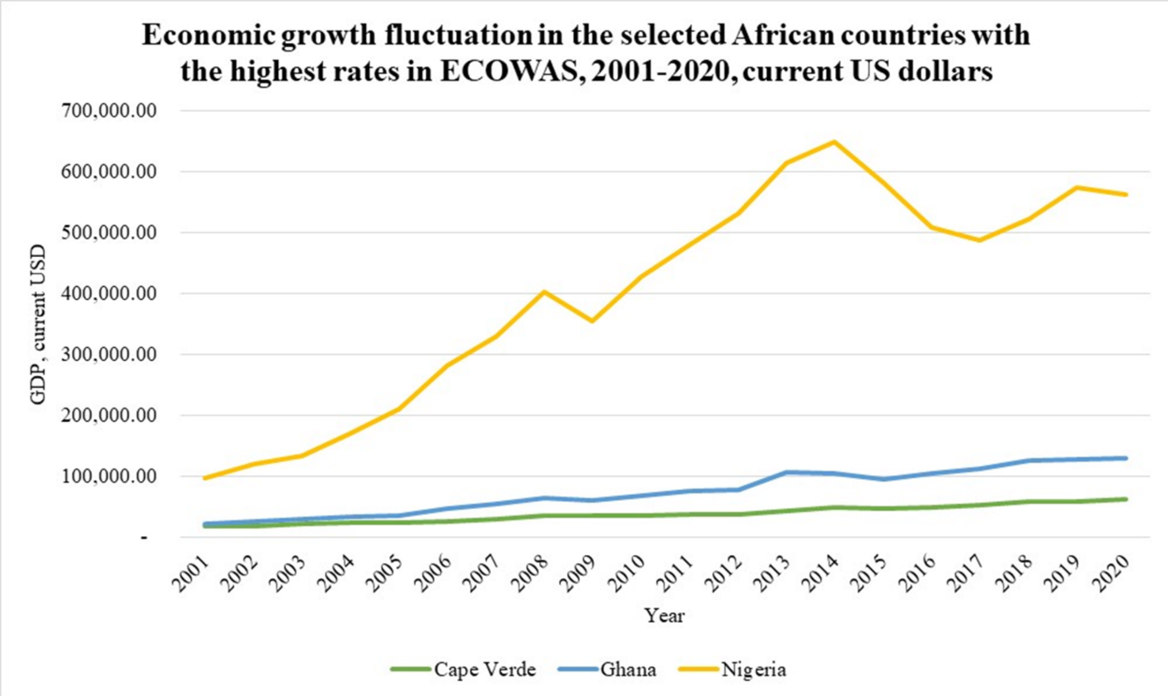
Figure 1. Economic growth fluctuation in the selected African countries with the lowest rates in ECOWAS for the period from 2001 to 2020 in million current US dollars (Appendix 1)



Source: The World Bank, 2022a.

The year of 2011 has a positive impact on Gambia and Ivory Coast as the chart shows a harsh raise of the GDP in Gambia and Ivory Coast by 11% and 23% respectively. Afterwards, there was a fall, getting back to the same level in 2012. Since 2013 all three countries' indices went on their own way: Gambian indicator had a slight increase, which led to a decline by 16% in 2015 following with raise till 2019; Guinea-Bissau's and Ivory Coast's GDP continued to incline. The indicator started to fall for Ivory Coast only in 2018, but recovered later in 2019 with the continuous growth in 2020.

Figure 2. Economic growth fluctuation in the selected African countries with the highest rates in ECOWAS for the period from 2001 to 2020 in million current US dollars (Appendix 1)



Source: The World Bank, 2022a.

The other Figure 2 demonstrates the three leaders in terms of the economic growth in the West African part of the continent. Similarly to the previous chart, all three countries show a very good trend. Nigeria is definitely the leader in all terms as this is the largest country in the ECOWAS. There is a very steady growth from 74,030.36 million current US dollars in 2001 to 339,476.22 million current US dollars in 2008, increasing the index by 4.59%.

The fall in 2009 is conditioned by the global economic crisis in 2008, which made the index fall to 295,008.77 million current US dollars. Since 2009 to 2014 the trend line is solely positive, which followed by decrease till 2017. In 2018, the economy started to recover up until today. For Cape Verde and Ghana, the growth is pretty much stable with a small fluctuation. A harsher increase is only seen in 2012 to 2013 for Ghana, when the rate grew by 35%.

The Table 4 below represents the descriptive analysis of the data on the economic growth of the above-mentioned countries. The major tendency of all countries is that there is a huge interval between the maximum and minimum values. This is not surprising as with the closer cooperation, the economic situation in the countries develops.

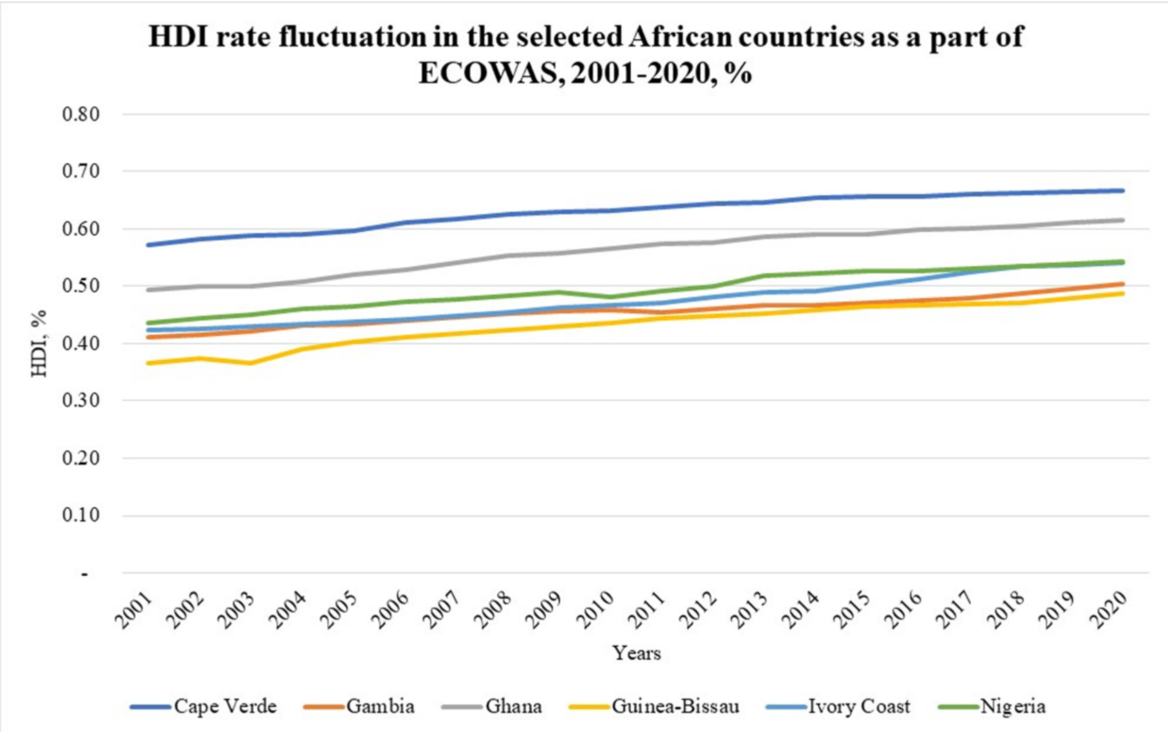
Table 4. Descriptive statistics of Economic growth (GDP) in Cape Verde, Gambia, Ghana, Guinea-Bissau, Ivory Coast, Nigeria for the period from 2001 to 2020 in current US dollars (Appendix 1)

	Cape Verde	*Gambia*	*Ghana*	*Guinea-Bissau*	*Ivory Coast*	*Nigeria*
Mean	37,423.64	1,483.99	36,964.69	1,289.00	919.40	327,759.42
Standard Error	3,108.44	103.62	5,104.68	85.77	79.04	32,759.27
Median	35,619.31	1,684.00	35,767.29	1,393.94	928.71	368,601.55
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviation	13,901.36	463.39	22,828.80	383.56	353.47	146,503.90
Sample Variance	193,247,877.84	214,727.26	521,154,271.44	147,116.14	124,939.33	21,463,393,864.37
Kurtosis	-1.09	-0.62	-1.50	-0.06	-1.10	-1.00
Skewness	0.22	-0.93	0.00	-0.73	0.11	-0.46
Range	44,538.04	1,418.82	63,217.37	1,381.05	1,112.01	472,646.01
Minimum	16,810.54	563.02	5,314.91	487.04	392.62	74,030.36
Maximum	61,348.58	1,981.85	68,532.28	1,868.09	1,504.63	546,676.37
Sum	748,472.81	29,679.80	739,293.90	25,780.02	18,387.95	6,555,188.39
Count	20	20	20	20	20	20

Source: Author's own processings based on the data of The World Bank, 2022a.

- **Human development index (HDI)**

Figure 3. HDI rate fluctuation in the selected African countries in ECOWAS for the period from 2001 to 2020 in %



Source: United Nations Development Programme, 2022.

This is one of the most straightforward charts, represented in Figure 3 and Table 5. All six countries selected for the analysis have a straight line, slowly raising from 2001 to 2020. There is no critical ups or downs in the diagram, the only issue is that all of them are approximately on the same level, synchronically saving the proportion between each other.

However, it is interesting to see that such countries as Cape Verde, Ghana and Nigeria are on different levels of the chart, despite the fact that they are the leaders of the economic growth. Cape Verde is even taking the first place in terms of the human development index, which means that in this country has a good level of knowledge, education, healthcare, etc. The last place is taken by Guinea-Bissau.

Table 5. Descriptive statistics of HDI rate fluctuation in the selected African countries in ECOWAS for the period from 2001 to 2020 in % (Appendix 2)

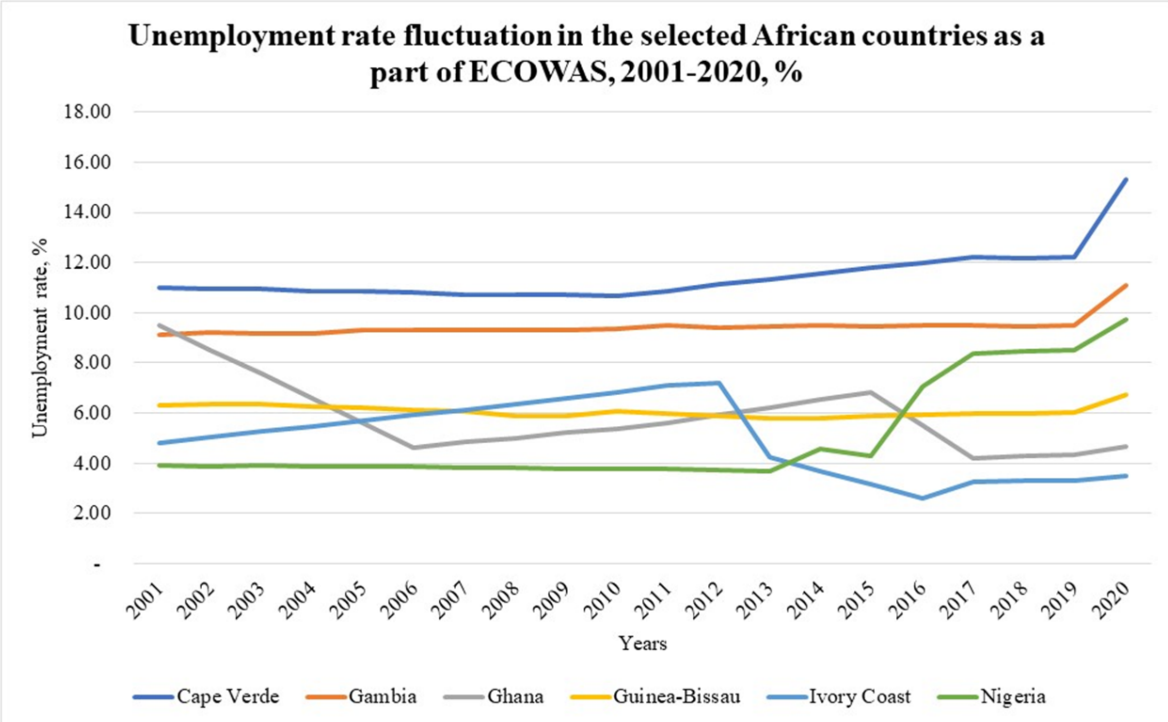
	Cape Verde	*Gambia*	*Ghana*	*Guinea-Bissau*	*Ivory Coast*	*Nigeria*
Mean	0.63	0.46	0.56	0.43	0.48	0.49
Standard Error	0.01	0.01	0.01	0.01	0.01	0.01
Median	0.64	0.46	0.57	0.44	0.47	0.49
Mode	#N/A	#N/A	0.59	0.37	#N/A	0.53
Standard Devia	0.03	0.03	0.04	0.04	0.04	0.03
Sample Varianc	0.00	0.00	0.00	0.00	0.00	0.00
Kurtosis	-1.09	-0.52	-1.24	-0.85	-1.21	-1.26
Skewness	-0.52	-0.05	-0.39	-0.49	0.33	-0.14
Range	0.09	0.09	0.12	0.12	0.12	0.11
Minimum	0.57	0.41	0.49	0.37	0.42	0.44
Maximum	0.67	0.51	0.62	0.49	0.54	0.54
Sum	12.60	9.13	11.22	8.66	9.52	9.90
Count	20	20	20	20	20	20

Source: Author's own processings based on the data of the United Nations Development Programme, 2022.

- ## Unemployment rate

The lowest unemployment rate at the level of 3.7% in 2013 is shown by Nigeria, and in general, Nigerian rate is quite good in comparison with other states. The highest unemployment rate is demonstrated in Cape Verde of 15.31% in 2020. The increase of the unemployment in the western countries in 2019 and 2020 is conditioned by the pandemics as more and more people got unemployed due to the numerous lockdowns and closure of the smaller businesses.

Figure 4. Unemployment rate fluctuation in the selected African countries in ECOWAS for the period from 2001 to 2020 in %



Source: The World Bank, 2022a.

Table 6. Descriptive statistics of unemployment rate fluctuation in the selected African countries in ECOWAS for the period from 2001 to 2020 in % (Appendix 3)

	Cape Verde	*Gambia*	*Ghana*	*Guinea-Bissau*	*Ivory Coast*	*Nigeria*
Mean	11.45	9.45	5.85	6.08	4.98	5.04
Standard Error	0.24	0.09	0.32	0.05	0.33	0.46
Median	10.98	9.39	5.56	6.01	5.14	3.88
Mode	10.73	9.50	#N/A	5.98	#N/A	#N/A
Standard Deviation	1.06	0.40	1.42	0.24	1.50	2.06
Sample Variance	1.13	0.16	2.03	0.06	2.24	4.26
Kurtosis	9.15	15.73	1.13	1.68	-1.43	0.18
Skewness	2.73	3.75	1.17	1.23	-0.03	1.38
Range	4.64	1.97	5.28	0.93	4.62	6.01
Minimum	10.67	9.11	4.22	5.80	2.60	3.70
Maximum	15.31	11.08	9.50	6.74	7.22	9.71
Sum	228.94	188.94	116.92	121.59	99.51	100.78
Count	20	20	20	20	20	20

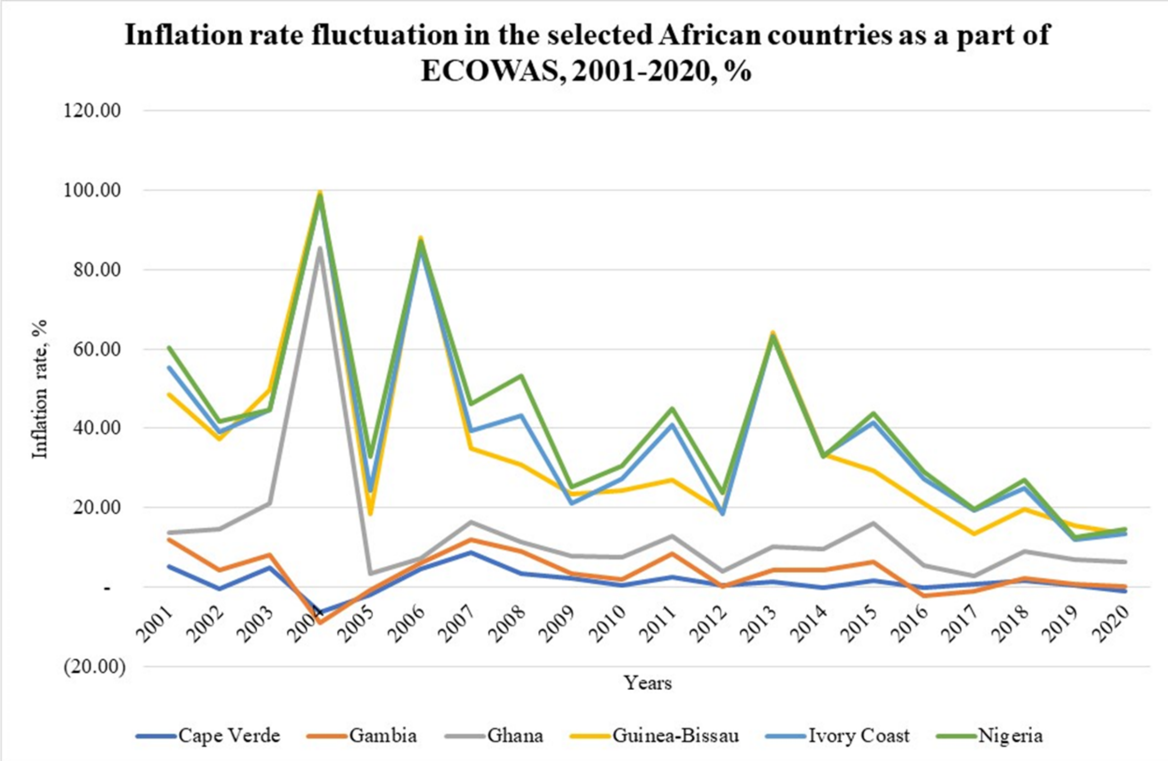
Source: Author's own processings based on the data of The World Bank, 2022d.

The descriptive analysis in Table 6 shows that the range between minimum and maximum rates is almost in 3 times. The drastic falls are seen since 2012 in Ivory Coast, where the recovery happens only in 2017; and in Ghana from 205 to 2017, then stabilises. However, Ivory Coast and Ghana keep the same low level unemployment rate from 2017 up until today, which demonstrates a good stability in economy-wise.

- **Inflation rate**

Inflation rate is a very interesting value to analyze as this is the only indicator which goes negative in some countries. Figure 5 and Table 7 represent the tendency of the inflation rate in the selected West African countries. Such countries as Ivory Coast and Cape Verde are the countries which gone thorough the negative inflation quite frequently over the past 20 years. The lowest value is observed in 2004 in Cape Verde, when it went below the threshold and reached the number -6.33%. The negative tendency was shown in 2002, 2004, 2005, 2014, 2016, and even the recent one in 2020, which accounted -0.86%. The highest and the most critical value was hit by Ghana in 2004, when the inflation raised and was 94.19%, followed by Guinea-Bissau with the rate of 80.74%. Seems in 2004 all the countries had an economic shock as the values are either extremely high or extremely low. In comparison to all chaos in the inflation world in the ECOWAS countries over the past 20 years, the values as of 2019 and 2020 have more or less stabilised. In 2020, Gambia, Ivory Coast and Nigeria are sharing the positive value below 1%, which are 0.97%, 0.1%, and 0.9% respectively. Ghana and Guinea-Bissau have the rates of 6.26% and 7.11% correspondingly, whereas Cape Verde stays negative.

Figure 5. Inflation rate fluctuation in the selected African countries in ECOWAS for the period from 2001 to 2020 in %



Source: The World Bank, 2022b.

Table 7. Descriptive statistics of inflation rate fluctuation in the selected African countries in ECOWAS for the period from 2001 to 2020 in % (Appendix 4)

	Cape Verde	*Gambia*	*Ghana*	*Guinea-Bissau*	*Ivory Coast*	*Nigeria*
Mean	1.46	2.06	10.11	21.98	3.06	2.95
Standard Error	0.70	0.60	4.47	3.90	1.23	0.68
Median	1.06	1.44	5.43	15.71	2.38	2.21
Mode	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Standard Deviati	3.11	2.70	20.00	17.44	5.50	3.02
Sample Variance	9.68	7.27	399.81	304.02	30.20	9.12
Kurtosis	1.96	-0.83	19.05	6.74	-0.51	0.35
Skewness	-0.03	-0.01	4.32	2.50	0.58	1.00
Range	15.08	9.38	92.89	73.64	19.04	10.53
Minimum	-6.33	-2.50	1.30	7.11	-5.01	-0.41
Maximum	8.75	6.88	94.19	80.75	14.03	10.13
Sum	29.13	41.24	202.24	439.62	61.23	59.10
Count	20	20	20	20	20	20

Source: Author's own processings based on the data of The World Bank, 2022b.

4.4. Analysis

In order to perform the last step, which is the regression analysis, it is necessary to introduce the scale in accordance to which the analysis will be held. The Table 8 represents the Rule of Thumb by Mukaka (2012). The relationship, or the strength of the correlations would be measured in correspondence with the scale.

Table 8. Rule of Thumb

Range	*Description*
0.8 - 0.9	Very high
0.6 - 0.79	High
0.4 - 0.59	Moderate
0.2 - 0.39	Low
0 - 0.19	Very low

Source: Mukaka, 2012.

The regression formula is as follows: y = b * x + a, in which y is a dependent variable and x is an independent variable. For the regression analysis in this thesis economic growth will be a dependent variable, whereas other indicators will be x'es of the formula, hence, it will show the dependency of economic growth from unemployment rate, inflation rate and human development index.

Table 9. Regression analysis of economic growth rate versus human development index in the selected African countries in ECOWAS for the period from 2001 to 2020

Regression Statistics	*Cape Verde*	*Gambia*	*Ghana*	*Guinea-Bissau*	*Ivory Coast*	*Nigeria*
Multiple R	0.96	0.86	0.98	0.91	0.98	0.89
R Square	0.92	0.75	0.95	0.83	0.96	0.79
Adjusted R Square	0.91	0.73	0.95	0.82	0.95	0.77
Standard Error	4,157.64	239.83	5,177.92	163.30	75.94	69,631.99
Observations	20	20	20	20	20	20

Source: Author's own processings based on the data of The World Bank (2022a) and United Nations Development Programme (2022).

Performing all the necessary mathematical actions in Excel, the regression analysis for economic growth rate versus human development index represented in the Table 9 showed that most likely there is a strong correlation between those two indexes. All countries have shown very high relationship, based on the result of coefficient of correlation. The r-squared, which shows how good the data fits the model, is also very high, or close to very high status. The result of this analysis can be explained by that without the necessary human development needs, it is hard to raise the economy on a decent level.

Correlating the second value, which is unemployment rate with the economic growth, the results were completely distinct. Gambia, Guines-Bissau and Nigeria showed low dependence of economic growth to unemployment, Ghana and Ivory Coast have a moderate tendency, and Cape Verde alone took the place of the high dependence (see Table 10).

Table 10. Regression analysis of economic growth versus unemployment rate in the selected African countries in ECOWAS for the period from 2001 to 2020

Regression Statistics	*Cape Verde*	*Gambia*	*Ghana*	*Guinea-Bissau*	*Ivory Coast*	*Nigeria*
Multiple R	0.74	0.38	0.58	0.32	0.53	0.36
R Square	0.55	0.14	0.34	0.10	0.28	0.13
Adjusted R Square	0.53	0.10	0.30	0.05	0.24	0.08
Standard Error	9,532.13	440.79	19,050.67	373.56	308.39	140,169.68
Observations	20	20	20	20	20	20

Source: Author's own processings based on the data of The World Bank (2022a; 2022d).

Technically speaking, unemployment rate is definitely one of the drivers of the economic growth, however, it should not necessarily have a harsh impact on the economic development. Besides, the r-squared for all countries is quite low, which again confirms that the unemployment rate is not a very good fit of the model and methodology.

Table 11. Regression analysis of economic growth versus inflation rate in the selected African countries in ECOWAS for the period from 2001 to 2020

Regression Statistics	*Cape Verde*	*Gambia*	*Ghana*	*Guinea-Bissau*	*Ivory Coast*	*Nigeria*
Multiple R	0.21	0.21	0.28	0.39	0.13	0.23
R Square	0.04	0.04	0.08	0.15	0.02	0.06
Adjusted R Square	-0.01	-0.01	0.03	0.11	-0.04	0.00
Standard Error	13,966.71	465.90	22,507.99	362.43	359.96	146,320.50
Observations	20	20	20	20	20	20

Source: Author's own processings based on the data of The World Bank (2022a; 2022b).

The last but not the least important indicator on the menu of the thesis is inflation. Table 11 demonstrates the outcome of the regression analysis in correlation of inflation rate towards the economic growth. It is obvious that the relationship is very poor, hitting the lowest threshold of the rule of thumb, thus showing that there is a weak, and even no relationship between the inflation rate and economic growth of the selected countries.

5. Results and discussion

As the result of the regression analysis performed in this thesis, it was observed that there is almost no relationship between economic growth and unemployment rate as well as economic growth and inflation rate in the selected ECOWAS countries. The only strong relationship is shown in economic growth versus the human development index. The summary of all analysis is covered into Table 12 for a visibility.

Table 12. Regression analysis results

Country	*Correlation*	*R*	*R-squared*
Cape Verde	GDP vs. HDI	0.96	0.92
	GDP vs. Unemployment rate	0.74	0.55
	GDP vs. Inflation rate	0.21	0.04
Gambia	GDP vs. HDI	0.86	0.75
	GDP vs. Unemployment rate	0.38	0.14
	GDP vs. Inflation rate	0.21	0.04
Ghana	GDP vs. HDI	0.98	0.95
	GDP vs. Unemployment rate	0.58	0.34
	GDP vs. Inflation rate	0.28	0.08
Guinea-Bissau	GDP vs. HDI	0.91	0.83
	GDP vs. Unemployment rate	0.32	0.10
	GDP vs. Inflation rate	0.39	0.15
Ivory Coast	GDP vs. HDI	0.98	0.96
	GDP vs. Unemployment rate	0.53	0.28
	GDP vs. Inflation rate	0.13	0.02
Nigeria	GDP vs. HDI	0.89	0.79
	GDP vs. Unemployment rate	0.36	0.13
	GDP vs. Inflation rate	0.23	0.06

While doing this analysis we should take into consideration the fact that there is a number of the limitations of this study exist. The linear regression analysis assumes that the input values remain stable and unchanged over the ages. Thus, the output of this correlation cannot be 100% precise, and the development of the ECOWAS ties can change the current trajectory of the study. As it was mentioned before, some of the countries' GDPs are dependent on such factors as unemployment in the country, inflation, human development index. Nevertheless, there is no guarantee that it will not change in the future.

Moreover, the issue of the availability of the data did not allow to see the full picture of the states' economy evolution from the creation of ECOWAS. The more data is available for the input, the more chances to have more functional relationship.

The last but not least important limitation of this study is that the coefficient of determination which is one of the values in the regression analysis takes into account only the notion of the independent variable, which might give a mistake in this particular study.

6. Conclusion

As it has been stated before, this diploma was aimed to explain the notion of economic and political integration of the countries on the example of African states, which are a part of the ECOWAS.

The basic idea has been revealed, shared the integration level, factors that might lead to the economic and political integration, and challenges, problems associated with them. Besides, the descriptive and regression analyses have been performed in order to understand the drivers of the economic development and if those can be potential contributors to the economic integration.

The general economic and political tendencies for the past 20 was quite positive, West African countries were able to cope with the challenges and they have a quite stable economic growth. It is definitely not very harsh and goes in a very slow pace, but in the long run, the statistical data gives more positive scenario of the economic development and future relationships.

Another aim was to answer the question on whether the indicators such as the human development index (HDI), unemployment and inflation of the West African countries dependent on economic growth, considering the fact that GDP is the main indicator of successful economic integration of the African countries. The answer is yes and no. The analysis showed that such indicator as HDI is the only which has a strong interdependence with the economic growth in particular. Otherwise, such indicators as unemployment and inflation are less likely to be a fit.

Unfortunately, due to the lack of the available data for the ages before 2001, it is difficult to observe the concrete dynamics of the economic indicators and prove whether the ECOWAS is for the better off of the West African countries or not. However, in my opinion, this is a very great step forward if the countries within this region will implement the single currency. There indeed would be challenges in individual regions because of the exchange rates and re-construction of economics.

All in all, with the emergence the West African countries' union helped the poorer states to stabilise the economy, the richer countries feel the importance of their contribution. Besides, the integration is indeed contributed to the political and economic development.

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8. Appendices

Appendix 1 - Economic growth (GDP) in Cape Verde, Gambia, Ghana, Guinea-Bissau, Ivory Coast, Nigeria for the period from 2001 to 2020 in current US dollars

Country	Gambia	Guinea-Bissau	Ivory Coast	Cape Verde	Ghana	Nigeria
2001	563.02	687.41	392.62	16,810.54	5,314.91	74,030.36
2002	620.97	578.24	417.81	18,054.38	6,166.33	95,385.82
2003	813.96	487.04	477.46	21,251.76	7,632.41	104,911.95
2004	924.32	961.90	532.06	23,510.58	8,881.37	136,385.98
2005	971.98	1,027.70	587.03	24,036.92	10,744.68	176,134.09
2006	1,107.89	1,054.11	592.37	25,281.41	20,440.89	236,103.98
2007	1,513.93	1,279.70	696.91	28,760.09	24,827.84	275,625.68
2008	1,789.33	1,561.76	868.15	34,078.24	28,678.70	339,476.22
2009	1,711.82	1,450.14	830.13	33,886.81	26,048.11	295,008.77
2010	1,664.31	1,543.29	849.88	34,936.31	32,197.27	361,456.62
2011	1,865.92	1,409.69	1,099.82	36,693.71	39,337.31	404,993.59
2012	1,741.81	1,415.01	989.27	36,302.31	41,270.95	455,501.52
2013	1,850.47	1,375.61	1,046.09	42,760.24	62,823.04	508,692.96
2014	1,859.90	1,229.46	1,054.92	48,843.01	54,782.85	546,676.37
2015	1,596.80	1,378.18	1,048.23	45,814.64	49,406.57	486,803.30
2016	1,663.00	1,484.58	1,179.00	47,964.23	56,165.17	404,650.01
2017	1,768.32	1,504.91	1,350.18	51,588.16	60,406.38	375,746.47
2018	1,966.50	1,670.67	1,504.63	58,011.47	67,299.28	397,190.48
2019	1,981.85	1,812.53	1,439.64	58,539.42	68,337.54	448,120.43
2020	1,703.70	1,868.09	1,431.76	61,348.58	68,532.28	432,293.78

Source: The World Bank, 2022a.

Appendix 2 - Human Development Index in Cape Verde, Gambia, Ghana, Guinea-Bissau, Ivory Coast, Nigeria for the period from 2001 to 2020 in %

Country	Cape Verde	Gambia	Ghana	Guinea-Bissau	Ivory Coast	Nigeria
2001	0.57	0.41	0.49	0.37	0.42	0.44
2002	0.58	0.42	0.50	0.37	0.43	0.45
2003	0.59	0.42	0.50	0.37	0.43	0.45
2004	0.59	0.43	0.51	0.39	0.43	0.46
2005	0.60	0.44	0.52	0.40	0.44	0.47
2006	0.61	0.44	0.53	0.41	0.44	0.47
2007	0.62	0.45	0.54	0.42	0.45	0.48
2008	0.63	0.45	0.55	0.42	0.46	0.48
2009	0.63	0.46	0.56	0.43	0.46	0.49
2010	0.63	0.46	0.57	0.44	0.47	0.48
2011	0.64	0.46	0.57	0.45	0.47	0.49
2012	0.64	0.46	0.58	0.45	0.48	0.50
2013	0.65	0.47	0.59	0.45	0.49	0.52
2014	0.65	0.47	0.59	0.46	0.49	0.52
2015	0.66	0.47	0.59	0.46	0.50	0.53
2016	0.66	0.48	0.60	0.47	0.51	0.53
2017	0.66	0.48	0.60	0.47	0.53	0.53
2018	0.66	0.49	0.61	0.47	0.53	0.53
2019	0.67	0.50	0.61	0.48	0.54	0.54
2020	0.67	0.51	0.62	0.49	0.54	0.54

Source: United Nations Development Programme, 2022.

Appendix 3 - Unemployment rate in Cape Verde, Gambia, Ghana, Guinea-Bissau, Ivory Coast, Nigeria for the period from 2001 to 2020 in %

Country	Cape Verde	Gambia	Ghana	Guinea-Bissau	Ivory Coast	Nigeria
2001	11.01	9.11	9.50	6.30	4.80	3.93
2002	10.96	9.22	8.53	6.38	5.03	3.88
2003	10.93	9.16	7.56	6.37	5.26	3.90
2004	10.87	9.19	6.59	6.25	5.46	3.88
2005	10.85	9.29	5.62	6.21	5.69	3.87
2006	10.80	9.30	4.64	6.14	5.92	3.86
2007	10.73	9.30	4.84	6.06	6.14	3.84
2008	10.73	9.30	4.99	5.89	6.37	3.82
2009	10.73	9.32	5.22	5.90	6.59	3.80
2010	10.67	9.36	5.38	6.08	6.84	3.78
2011	10.88	9.51	5.60	5.98	7.13	3.77
2012	11.12	9.42	5.91	5.87	7.22	3.74
2013	11.35	9.45	6.20	5.81	4.25	3.70
2014	11.57	9.50	6.52	5.80	3.70	4.56
2015	11.80	9.47	6.81	5.87	3.15	4.31
2016	12.01	9.50	5.53	5.95	2.60	7.06
2017	12.24	9.48	4.22	5.99	3.27	8.39
2018	12.17	9.48	4.28	5.98	3.29	8.46
2019	12.22	9.50	4.32	6.04	3.32	8.53
2020	15.31	11.08	4.65	6.74	3.49	9.71

Source: The World Bank, 2022d.

Appendix 4 - Inflation rate in Cape Verde, Gambia, Ghana, Guinea-Bissau, Ivory Coast, Nigeria for the period from 2001 to 2020 in %

Country	Cape Verde	Gambia	Ghana	Guinea-Bissau	Ivory Coast	Nigeria
2001	5.16	6.88	1.81	34.82	6.77	5.01
2002	(0.36)	4.58	10.39	22.82	1.80	2.57
2003	4.92	3.28	12.89	28.70	(5.01)	(0.19)
2004	(6.33)	(2.50)	94.19	14.35	(1.39)	0.39
2005	(1.79)	1.22	4.11	14.96	5.80	8.58
2006	4.64	1.36	1.30	80.75	(2.27)	1.50
2007	8.75	3.09	4.41	18.63	4.38	7.04
2008	3.55	5.37	2.48	19.41	12.48	10.13
2009	2.17	1.21	4.51	15.67	(2.46)	4.19
2010	0.51	1.52	5.64	16.60	2.97	3.48
2011	2.68	5.71	4.57	13.91	14.03	3.97
2012	0.55	(0.40)	3.85	15.21	(0.85)	5.31
2013	1.43	2.88	5.93	54.01	(0.93)	(0.37)
2014	(0.15)	4.41	5.21	23.94	(0.15)	(0.41)
2015	1.74	4.78	9.72	13.25	12.10	2.25
2016	(0.23)	(2.09)	7.82	15.75	6.10	1.79
2017	0.69	(1.84)	3.92	10.68	5.94	0.37
2018	1.52	0.63	6.95	10.57	5.25	2.18
2019	0.56	0.20	6.26	8.48	(3.42)	0.41
2020	(0.86)	0.97	6.26	7.11	0.10	0.90

Source The World Bank, 2022b.