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UNDERSTANDING ECOWAS SINGLE MONETARY POLICY WITHIN THE FRAMEWORK OF INTERNATIONAL ECONOMIC LAW

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ABSTRACT

The driving force behind a single monetary zone can be found in the vision of the founding fathers of Economic Community of West African States (ECOWAS), which is to facilitate economic cooperation and development through monetary integration of the West African sub-region. The main objective of the monetary zone is to achieve price stability via policy harmonization and macroeconomic convergence. There is the concerted efforts by ECOWAS towards the actualization of this policy is an indication of its potential benefits to the sub-region including opening up of the regional market and a stronger economic footing for better competition in the world market. There are, however, factors militating against the commencement of the single monetary zone in the sub-region evidenced by the several postponements of the scheduled take off. The basic problem is policy harmonization among the member states whose individual economies are weak and have not recorded much visible growth. Despite all these challenges, the need for single monetary zone still remains on the front burner of ECOWAS due to its obvious benefits for the sub-region.

Keywords: ECOWAS, competition, Treaties, International cooperation, Fiscal Policy.

1. INTRODUCTION

From the era of its formation in 1975, the notion of monetary integration has been key to ECOWAS through robust integration, improved trade and economic cooperation. In placing itself for economic advancement and development through healthy competition, ECOWAS has embraced monetary integration policies aimed at attaining macroeconomic convergence and monetary policy harmonization. This is premised on the fact that regional integration creates a large market and open economic community that boosts competition, cut costs and attracts investments to jump-start economic diversification and development.

To achieve this objective, in May 1983 in Conakry, Guinea, a Commission was established to create the blueprint towards the attainment of single monetary zone in the sub-region which is aimed at eliminating the challenges posed by multiple currency and unbridled exchange rate and payment system. The region has been described as having some of the most diversified exchange regimes and payment restrictions

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found in any region of the world.[3] Many of the member states are in debt, a condition that discourages private investment, social sector spending or productivity and a breeding ground for balance of payment problem.

A fundamental cause of macroeconomic instability in the sub-region, besides lack of political will, is the lack of commitment to fiscal discipline by member states. However, there has been sustained effort towards establishing a formidable single monetary zone in West Africa, predicated on macroeconomic convergence and policy harmonization. Hence, the intention of the leaders of ECOWAS to create a new political economy for the region in line with the global economic trend has remained unwavering.

The socio-economic and political impacts of globalization have increased the need for regional integration and common monetary zone in the sub-region which will create a formidable platform in the world economic space including Regional Protectionism in order to create local employment. The need for a single monetary zone in the region cannot be overemphasised. Indeed, of all the regional blocs, West Africa has one of the highest monetary inequality rates.[4] The eight Francophone members already belong to the CFA zone which has a more elevated common economic platform than their Anglophone counterparts under the West African Monetary Zone (WAMZ).

The ECOWAS single monetary policy was adopted in May 2009 and seeks to establish a common monetary zone and eventual adoption of a single currency. The policy proposes to have one central bank for the sub-region, a harmonized monetary policy and a single currency. The policy provides for a set of criteria which member states are expected to measure up to in order to achieve macroeconomic convergence and policy harmonization which in turn will usher in joint commitment of member states in reducing economic uncertainty while paving way for currency credibility.

The single monetary zone in ECOWAS has remained a burning subject that has continued to engage the interest of the leaders of the sub-region. The project has suffered various setbacks evidenced in the various postponement of its take off. Nevertheless, concerted effort by ECOWAS towards this is an indication of the resolve to bring it to fruition. By boosting economic growth, regional integration programmes indirectly contribute to poverty reduction in countries of the sub-region.[5]

This paper sets out to interrogate the concept of single monetary zone in ECOWAS and the effort put in place to realize same. The paper will also examine the challenges confronting its successful take off. The paper will evaluate the potential benefits and costs for member states and conclude by making recommendations.

RATIONALE BEHIND SINGLE MONETARY ZONE

Monetary zone comes to life when member states of a region collaborate to adopt a common monetary policy for their region under one common central bank using a common currency. The primary aim of single monetary policy is to stabilize price and economic policy convergence for growth and collective development. Economic stability creates the enabling environment for sustainable growth, low inflation and a breeding ground for healthy competition and investment including employment.

The enabling legal instrument of a monetary zone usually spells out the criteria to be met in joining the monetary zone as well as the yardsticks to be adopted for its application and

[3] ECOWAS, *ECOWAS Monetary Cooperation Programme: Creation of a Single ECOWAS Monetary Zone*, Phase II Report, (ECOWAS, 1986) 5

[4] ECOWAS Technical Steering Committee, *Regional Integration for Growth and Poverty Reduction in West Africa: Strategies and Plan of Action (*WAEMU Commission and the ECOWAS Executive Secretariat 2006) 92

[5] ECOWAS Technical Steering Committee, *Regional Integration for Growth and Poverty Reduction in West Africa: Strategies and Plan of Action*, op. cit.

the Institutions responsible for the policy implementation. Member states that work together under a monetary zone constitutes a monetary union that mostly culminates in adoption of a single currency or the use of several currencies that are fully convertible at a fixed exchange rate. A clear example is the Eurozone where the Treaty establishes a distinct hierarchy of objectives with price stability being of high priority that is aimed at achieving a favourable economic environment and a high level of employment.[6]

Monetary zones are characterised by a single central bank, common policy and currency, and the applicability of a common exchange rate. It is usually targeted at the elimination of any form of trade and economic barriers within the region. The single currency model of integration eliminates all forms of trade restriction. Usually, there are established channels that work in a stabilising way in order to cushion the effect of potentially diverse interests including competitive and risk sharing avenues. As aptly observed by a scholar:

> *In every part of the world, there is a growing enthusiasm for economic integration leading to the ultimate goal of regional economic union. Many countries that are close neighbours or have common problems of economic development strike to maintain some degree of economic cooperation and the universal trend now towards the formation and strengthening of regional economic grouping is a clear manifestation of the growing awareness of the global interdependence of mankind in all factors of economic well-being and the promotion of international understanding. The fact that developed nations that used to have lukewarm attitudes to regional integration now work actively for the promotion of regional cooperation underlines the urgency of the need for developing countries to work together, in order to maintain stability and promote economic development in an increasingly complex world.*[7]

A cardinal requirement in the formation of a monetary union is that all the external resources of the member states must be pooled into a common reserve fund to be managed by a common central bank. The reason for this is to centralise the external reserves that will be needed to support the international convertibility of the common currency. It also admits of unification of the capital market to aid the free movement of financial resources.

OBJECTIVES OF SINGLE MONETARY POLICY

The objective of monetary zone is to promote the use of a common currency in order to consolidate the process of regional economic integration. It is also to harmonise and coordinate monetary, fiscal and exchange rate policies of member states.

Monetary zone promotes joint management of foreign exchange reserves to achieve credibility and external convertibility of the common currency. When the foreign reserves of the member states get pulled together, it will amount to a formidable amount to achieve more for the sub-region than the reserve of the individual members. The backing of a huge reserve gives the currency more credibility.

Exchange rate fluctuations and inconsistencies are disincentive to trade. Business strives better when people can predict what exchange rate they are converting at every point in time. This can be achieved under a monetary zone where the need for currency conversion will be completely

[6] European Central Bank, *Objective of Monetary Policy* <www.ecb.europa.eu> Accessed 21 January 2019.

[7] E.O. Adeniyi, '*The Economic Community of West African States within the Framework of the New International Economic Order'* in Akinyemi A. B. and Others (eds), *Readings and Documents on ECOWAS* (Nigeria Institution of International Affairs 1983) 1

eliminated. The implicit cost of currency adds to the cost of business transactions and or production. A monetary zone targets the elimination of this cost.

Monetary zone targets encouragement of mutual financial assistance to correct temporary disequilibrium in the balance of payments position of any of the ECOWAS member countries. Countries are usually more favourable disposed to rendering assistance to member countries under a monetary zone than outside the union. Such assistance helps to prevent any adverse trends in the common exchange rate.
Information sharing among member states is a target of monetary zone as members are encouraged to freely share information that could be of benefit to other members. As such, it aims at maintaining a permanent system of information and consultation in order to harmonise the means of cooperative action. Members have free access to relevant database kept by various experts manning the common institutions in the zone.

Members of a monetary zone are more positioned to achieving self-reliance under a monetary zone. This is because of the increased economic activities that are incidental to an enlarged market. Thus, monetary zone can promote and consolidate collective economic self-reliance within the sub-region through the emergence of small - scale enterprises that will be birthed as a result of the enlarged market. Small scale industries are the engine room of economic growth and development which is the whole essence of any form of economic integration. With the present or current dependence on imports by member states, it is doubtful if this policy will succeed in ECOWAS countries, unless there is increased productive capacity amongst member states.

MONETARY UNION IN ECOWAS

One of the principal objectives of ECOWAS has been the harmonisation of Monetary and fiscal policies towards ensuring the expansion of trade and production in a liberalised regional market. However, the evidence indicates that after 10 years of its establishment, not much was achieved in trade and payment liberalisation in the sub-region. There was also no appropriate framework for promotion of exchange rate harmonisation and currency convertibility, which made it difficult to achieve its aim of resolving monetary and fiscal disharmony. For example, in Nigeria there are different or multiple exchange rates which make harmonization almost impossible.

So far, the Authority of Heads of State and Government has adopted many legal instruments for the purpose of implementing the regional integration agenda. This effort depends, to a large extent, on the concerted implementation of the legal instruments which member states have not shown sufficient commitment to. As at the end of 2012, out of fifty-four (54) Protocols/Convention adopted, seventeen (17) have not come into force yet, while twelve (12) are in force only provisionally.[8]

In the year 2000, leaders of six ECOWAS members met in Ghana and demonstrated their commitment to forge ahead with a single monetary zone. The outcome of the meeting is known as the 'Accra Declaration on a Second Monetary Zone',[9] where they declared that: "Member states recognise the need for strong political commitment and undertake to pursue all such national policies as would facilitate the regional monetary integration process."[10] Nigeria and other ECOWAS countries lack the will to embark on protectionism which will boost local production.

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[8] ECOWAS Commission 2012 Macroeconomic Convergent Report (ECOWAS 2013) 7 Accessed 21 April 2017

[9] This is because the CFA ECOWAS members already have a Monetary zone for eight of the Francophone countries known as WAEMU with their common currency issued by a single central bank (the BanqueCentrale des Etats de I'AfriquedeI'Quest (BCEAO) with the currency pegged to the French Franc.

[10] Paul Mason and Catherine Pattillo, 'Monetary Union in West Africa (ECOWAS): Is it Desirable and How could it Be Achieved? (IMF 2001) 1 <www.imf.org/external/pubs/nft/op/204> Accessed 21 January 2019

As a follow up to the meeting of Heads of States and Government held in Abuja on June 15, 2007, a meeting of a technical committee was held in Accra from 25 – 27 September, 2007 which came up with the Accra Report. This step led to series of other meetings aimed at setting out an appropriate strategy for the achievement of a common currency within the sub-region.

West African Monetary Agency (WAMA) convergence report for 2008 indicates that performance under the Macroeconomic convergence programme deteriorated in 2008 in most countries particularly with respect to budget deficit, inflation, gross external reserves, public investment, positive real interest rates and real exchange rate stability.[11]

The West African Monetary Agency (WAMA) was created by ECOWAS in 1996 after its transformation from the West African Clearing House (WACH), which promoted multilateral payment facility, routing and clearing trade transactions within the West African sub-region. WAMA is also responsible for monitoring, coordinating and implementing the ECOWAS Monetary Cooperation Programme (EMCP) for the purpose of fast tracking the establishment of the West Africa Monetary Zone (WAMZ) which was formed in 2000 with the view to establishing common currency, Eco, in 2015.

In 2006, ECOWAS Secretariat became ECOWAS Commission with the establishment of Directorate of Multilateral Surveillance within the Department of Macroeconomic Policy. The Macroeconomic Policy Committee was also established for the purpose of examining all macroeconomic policy documents, including multilateral surveillance Report, and to submit same to the convergence Council in order to ensure effective implementation of the convergence activities. The supplementary Act of June 2012 adopted by the Authority of Heads of State and Government is aimed at better ensuring consistency and synergy of action among regional Institutions and to ensure that Ministries of Finance and Central Banks play their role in the process of regional integration.
One crucial aspect of the ECOWAS single currency programme is free movement of citizens of the member states within the sub-region and the right of establishment in any other member state which is the bedrock of the integration programme.

In this context, ECOWAS has - with the support of technical and financial partners - opened at some borders, information and observation centres on the free movement which will be used to raise awareness of citizens of the community, migrants and government officials on the need for all ECOWAS texts relating to the free movement of persons, right of residence and right of establishment.[12]

Substantial progress has been made in economic integration as evidenced by the adoption of a common external tariff, a cross border transportation road network and open skies.[13] It has been suggested that the only viable way of implementing a convertible currency system is to merge systems in a wider convertibility Network of a regional character with features being the one that is very comparable with existing system of common currency in the region.[14]

IMPLEMENTATION CHALLENGES

Perhaps the most fundamental obstacle to ECOWAS common currency programme is that West Africans have not genuinely accepted it as the only viable weapon for fighting poverty and economic dependence. This scepticism maybe one of the reasons the single monetary zone is

[11] ECOWAS Commission Report of the Fifth Ordinary Session of the ECOWAS Convergence Council on ECOWAS Single Currency Initiative (ECOWAS 2009)

[12] ECOWAS 2012 Macroeconomic Convergence Report. 50

[13] Joseph O. Nnanna, *Monetary Integration in ECOWAS: The case of the West African Monetary Zone (WAMZ)* in Joy Ogwu and WasiruAlli, (eds), *ECOWAS: Milestones in Regional Integration*(Nigerian Institute of Foreign Affairs, 2009)175

[14] ECOWAS, ECOWAS Monetary Cooperation Programme: Creation of a Single ECOWAS Monetary Zone, Phase II Report (ECOWAS, 1986) 58

yet to take off. Even when they do, the fact that all the members of the WAMZ are poor countries that are yet to record significant growth rate since independence and as such do not have much relevance in the global economic arena remains an obstacle in itself.

The inability of members to implement the ECOWAS Trade Liberalisation Scheme (TLS) - which entails liberalisation of tariff on industrial products, creating an arrangement for currency management and payment modalities - remains a challenge. In addition to common external tariff, TLS provides for the removal of all restrictions to movements of factors of production. Also, business cycle harmonisation of member states in terms of real Gross Domestic Product (GDP), inflation, broad money and interest rate have remained weak. Admitting this challenge, a writer noted that: "Unfortunately, the African economies because of their low income base did not have much to invest but support the trend by receiving aid. They also have not shown much investment in capital as most of their annual budgets have great percentage as the recurrent expenditure with comparatively low capital expenditure."[15]

Integration may bring about initial shocks but member states may experience the shocks differently particularly if the integration mechanism operates differently in the sub-region. In recognising some of these challenges under the Euro zone, a member of the European Central Bank posited that: "National economic policies are better instruments to enhance the ability of individual countries to respond to economic shocks and to national, regional or sectoral divergences. Structural policies at the national level can contribute to ensure a smooth adjustment to shocks or changing economic conditions."[16]

The launch date postponement for a record three times from January 2003 to December 2005 and to December 2009 and to January 2015 is an indication of the inability of the leaders to get this programme running. The implementation of ECOWAS monetary policy has suffered repeated setback, which prompted Nigeria and Ghana to take the initiative to prepare a working paper by their respective central banks for the union. All these efforts do not yet seem sufficient to get the union off the ground.

Several attempts have been made towards achieving monetary union in ECOWAS but political considerations and economic policy divergence have hindered its achievement. Apart from the commencement challenges of the monetary zone, the issue of fusing a union with the already existing WAEMU monetary zone is another challenge that needs to be carefully managed in such a manner that will not subject the Anglophone members to the applicable French policies applicable in the Francophone zone.

Example of this is the failure by various governments to implement decisions commonly arrived at in matters of economic cooperation; failure to meet or irregularity in meeting the financial obligations to IGOS, the absence at national level in most countries of any focal point for co-ordinating programmes and policies relating to economic cooperation and the propensity on the part of governments to disregard the economic targets or programmes of IGOs.[17]

BENEFITS OF SINGLE CURRENCY POLICY

Despite the challenges posed by the implementation of single monetary zone in ECOWAS, it is apparent that full economic integration in ECOWAS has the potential of making the sub-region a major player in the global economic stage. This is evidenced from the growing role of regional blocks in world economy. To gain the attention and interest of the world market, full integration remains a

[15] Simeon K. Keffi, and others, *Growth and Development in West Africa* (ECOWAS Commission, 2015) Chizoba Vivian Nwuzor, *Social Dimension of Economic Growth and Regional Integration in West Africa.*

[16] OtmarIssing, *One size fits all! A single monetary policy for the Euro area* (International Research Forum, Frankfurt, May 20, 2005)

[17] Ibid, 187

viable option for ECOWAS. Creating a strong monetary zone is a vital step towards achieving some level of global economic relevance.

A larger market provides a pull for FDI. Investors are interested in areas that have markets large enough to absorb their products. Smaller markets that exist in the member states are usually not enough to attract the kind of foreign investment required for economic development in the region. As such large markets give the region the advantage to collectively negotiate for better deals with multinational Corporations. ECOWAS zone stands a better chance with a larger market, which has been described as an inducement for FDI, and multinational Corporations may accept terms and conditions that they ordinarily would reject from individual countries with small market.[18]

Some of the benefits of economic and monetary integration under a monetary zone are seen in the area of efficient allocation of resources and elimination of currency inconvertibility. One of the activities that help in jump-starting growth and development is small-scale industries. Under a single monetary zone, more industries are expected to spring up in order to carter for the need of multinational Corporations, which in turn encourage capacity building.

Stronger Institutions emerge in a single monetary zone to cater for the affairs of the region. This makes room for more efficient management of the economic activities leading to growth and development. One other advantage of a monetary zone is the effective supervisory and monitoring role that an external Institution like a common Central Bank plays. Individual central banks are often under the direct control of the political class.

Common Institutions and common policy implementation make the members equally answerable to an external body. The provision of external sanction makes compliance more imperative. States will serve as peer review mechanism for one another due to their common interest.

Regional integration can serve as an important political tool among the integrating states. When the economic interests of neighbouring states are linked together under a monetary zone, political cooperation is enhanced and neighbourhood stability and better immigration policies are achieved.

ADVERSE CONSEQUENCES ON MEMBER STATES

Like any other economic venture, common monetary zone has its cost implication which can however be reduced by putting the appropriate legal and structural framework in place. The major disadvantage for member states is the loss of a certain degree of sovereignty as member states are expected to give up their rights to set their own independent domestic policies which they consider beneficial to their individual economy in place of a common policy.[19] This situation has the tendency of making members feel less independent which, fundamentally, is a major characteristic of a state.

For a functional monetary zone, sometimes one of the members must have the willingness to subsidise the programme to provide incentive for the less powerful members. No country in the sub-region has demonstrated this ability. Most of the countries in the sub region are not economically viable and as such, the integration will of necessity be at a greater cost to one of the more viable economies like Nigeria at the early stage. There is no guarantee that some kind of special benefit will accrue for such a role that is above that accruable to other members. Britain and Switzerland though within the European Union but they do not operate the single monetary policy in Europe. This has not diminished the purchasing power of their currency.

[18] Donald Rothchild and Curry R. L. Jr., *Scarcity, Choice, and Public Policy in the Middle Africa* (Berkeley, University of California Press, 1975) 174

[19] Mwanji P. Fwangkwal, *Monetary integration in the ECOWAS* (Understanding Monetary Policy Series No. 37)

ECONOMIC INTEGRATION
IN PERSPECTIVE

Economic integration is a subset of globalization. The economist may want to see the phenomenon called globalization as a process of increasing international division of labour and the accompanying integration of national economics through trade, goods and services, cross-border corporate investments and financial flows[20].

In that since, globalization represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place with resulting internationalization of production (firms, securing goods, labour, labour and services from different locations around the globe to take advantage of national differences in cost and quality of factors of production such as labour, land, capital, energy and technology, and selling to the world as one market[21]. According to Lubbers et al[22], globalization is a process in which geographic distance becomes less a factor in the establishment and sustenance of border-crossings, long distance economic political and socio-cultural relations, whether seen in terms of internationalization, westernization or deterritorisation. Since the scope of this paper is on economic integration, this paper will be limited to the economical aspect of globalization.

Following from the above, economic integration is synonymous with trade liberalization, international trade or global economics or international transactions. Free trade among nations is largely seen as key to economic growth[23], peace and better standards of living, leading to a happier state of human existence at a global level[24]. Economic integration is therefore a principle of non-discrimination which requires that a contracting party should treat all contracting states alike so that where a trade advantage has been contracted by one contracting party to another, that advantage should be granted equally to all other contracting parties. Also, no discrimination should be made between imported products and domestically produced like products[25].

As a result of international trade, countries are free to trade with one another through international economic and financial transactions, resources are transferred from the rich nations of the world to the poor ones. Hence, it is generally accepted that the rationale behind international trade is to facilitate the process of rapid economic growth and development. However, over the years, there had been fundamental structural changes in the world economy. These structural changes includes trade and payment liberalization shift in economic management from regulatory controls to economic deregulation, and rapid integration of national economics had characterized the world economy[26].

[20] H. Kohler, "The Challenges of Globalisation and the Role of IMF". Address delivered at the Annual Meeting of the Society for Economics and Management at Humboldt University, Berlin, on May 15, 2003

[21] A. Olunta, Political Economy of the Third World: A Discourse, (Olusola Concepts, 2011) 129

[22] M. Lubbers, P. Scheepers, F. Western, "Ethnic Minorities in Dutch Newspapers 1990-1995" in A,. Olunta, Opcit (n. 8)

[23] This view owes much to the work of Adam Smith (An Inquiry into the Nature and causes of the Wealth of Nations, 1776, Status and Coldwell) and David Records (on the Principle of Political economy and taxation, 1817, John Murray)

[24] There are trade theorists who think that free trade does not provide best solution in economic terms. Protectionism and unfair trade practice are seen as providing greater economic benefit to a country (see Kingman, "Increasing Returns, Monopolistic Competition and International Trade 1979, 9(4) Journal of International Economics 467 in C Indira; International Trade Law (5th Edu, Rouledge-Cavendish, 2010) xiii

[25] C Indira; International Trade Law (5th Edn. Rouledge-Cavendish, 2010) xiii

[26] A.N. Gbosi, Global Economic Meltdown and the Nigerian Financial System, (Harey Publications Company, 2009)7

Economic integration is the unification of economic policies between different state through the partial or full abolition of tariffs and non-tariff restrictions on trade taking place among them prior to their integration. This meant in turn to lead to lower prices for distributors and consumers with the goal of increasing the level of welfare, while leading to an increase of economic productivity of the states.

The trade stimulation effects intended by means of economic integration are part of the contemporary economic theory of the second best: where, in theory, the best option is free trade, with free competition and no trade barriers whatsoever. Free trade is treated as an idealistic option, and although realized within certain developed states, economic integration has been through of as the 'second best' option for global trade barriers to full free trade exists.[27]

ECOWAS LEGAL FRAMEWORK FOR ECONOMIC INTEGRATION

The legal framework which affects the rights and obligations of the parties entering into business transactions at the international or regional level needs to be clear and certain. Lack of legal certainty has the potential to act as an impediment to trade. After all, all parties would wish to know the nature and extent of the obligations they undertake and the remedies available for them should they breach the contractual terms. Given the plurality of legal systems and the variations in liability schemes, harmonization through international conventions is widely seen as the best option of imparting certainty to the legal questions that arise in the context of international transaction. International organisations such as the United Nations Commission on International trade Law (UNCITRAL) and the United Nations Conference on Trade and Development (UNCTAD) took on the task of addressing various legal aspects of affecting international commercial of goods, agency, factoring, and stand by letters of credit using international conventions as the preferred method for achieving the desired harmonization[28].

Triggered by the above, and the desire to foster a regional economic integration within the West African region, the Economic Community of West African States (ECOWAS) has developed a treaty of ECOWAS with the aims of promoting co-operation and integration, leading to the establishment of an economic union in West Africa in order to raise the living standards of its peoples, and to maintain and enhance economic stability, foster relations-among member states and contribute to the progress and development of the African continent[29]. The implication of the above treaty is to establish the ECOWAS to be the sole economic community in the region for the purpose of economic integration and the realization of the objectives of the African Economic Community[30].

In order to achieve the aims set out in the paragraph above[31] and in accordance with the relevant provisions of the Treaty, the community shall by stages, ensure:

> *... the harmonization and coordination of national policies and the promotion of integration programmes, projects and activities, particularly in food, agriculture and natural resources, industry, transport and communications, energy, trade, money and finance, taxation, economic reform policies, human resources, education, information, culture, science, technology, services, health, tourism, legal matters.*[32]

[27] <https//www.wikepedia.org/wiki/Economic-Integration> Accessed 02/08/2018

[28] C. Indira, Op. cit xxiii-xciv

[29] Economic Community of West African States (ECOWAS) Revised Treaty (ECOWAS Executive Secretariat, Abuja) Article 3, Sec 1

[30] Ibid, Article 2 Sec 1

[31] Ibid, Article 3 Sec 2, referring to Article 3, Sec 1

[32] Ibid, Article 3, Section 2 (a)

The harmonization and co-ordination of policies for the perfection of the environment;[33] *The promotion of the establishment of joint production enterprises;*[34] *The establishment of a common market through;*[35] *The liberalization of trade by the abolition, among member states, of customs duties levied on imports and exports, and the abolition, among member states of non- tariff barriers in order to establish a free trade area at the community level.*[36]

CONCLUSION

Much as the prospect of creating a monetary zone is quite attractive considering its numerous advantages, monetary integration alone may not be sufficient to solve the economic problems of the sub-region. Hence, there is the need for member state to get it right even before the commencement of the monetary zone. This is because, as a write puts it, 'a common market of beggars or destitute masses remains a poor market.' [37]

There is need to study the different procedure for the proper implementation of a monetary zone; the problems associated with its operations, the cost of its implementation and printing new currency and eventual withdrawal of individual currencies, and harmonization of member states policies and setting up of the relevant institutions. Regional integration in Africa remains a critical piece of the Bank's work to improve connectivity, leverage economies of scale, and enhance productivity.[38]

To place emphasis on effective coordination between fiscal and monetary policies and to support price stability mandate and create appropriate macro-economic environment that is conducive for enhanced trade within the sub-region is advisable. Given the widespread lack of fiscal discipline and stable macroeconomic policies, it is vital to use the goal of monetary union to encourage greater discipline and better governance.[39]

The process of harmonization has to be a general move towards liberalization. Policies should be directed at positively affecting the structure of production and of consumption in the direction of achieving a better balance. The need to take into account the ECOWAS convergence criteria in the formulation and implementation of national policies and programmes, especially with development partners is imperative.

[33] Ibid Article 3, Section 2 (b)
[34] Ibid Article 3, Section 2 (c)
[35] Ibid Article 3, Section (d)
[36] Ibid Article 3, Section 2 (d) (i)
[37] Asante S. K. B, *The Political Economy of Regionalism in Africa: A decade of the Economic Community of West African States* (Praege Publishers 1986) 197
[38] The World Bank, *Ensuring accountability and improving operations at the World Bank* (The World Bank Annual Report 2015) 30
[39] Paul Mason and Catherine Pattillo, Monetary Union in West Africa (ECOWAS): Is it Desirable and How could it Be Achieved? (IMF2001).www.imf.org/external/pubs/nft/op/204 Accessed 24 April 2017