

Understanding ECOWAS industrialisation and youth employment policies

Adding value at a regional level?

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This background paper is part of a series on the Political Economy Dynamics of Regional Organisations (PEDRO). It was prepared in March 2017. In line with ECDPM's mission to inform and facilitate EU-Africa policy dialogue, and financed by the Federal Ministry for Economic Cooperation and Development, BMZ, the studies analyse key policy areas of seventeen regional organisations in Sub-Saharan Africa. In doing so they address three broad questions: What is the political traction of the organisations around different policy areas? What are the key member state interests in the regional agenda? What are the areas with most future traction for regional organisations to promote cooperation and integration around specific areas? The studies aim to advance thinking on how regional policies play out in practice, and ways to promote politically feasible and adaptive approaches to regional cooperation and integration. Further information can be found at www.ecdpm.org/pedro.

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1. Introduction

This study presents a brief political economy overview of ECOWAS and its role in promoting regional industrialisation and youth employment in the region, particularly through the West African Common Industrialisation Policy (WACIP); and the ECOWAS Youth Policy. Both address related issues such as economic transformation, decent job creation and poverty reduction while potentially contributing to address other regional challenges such as insecurity, conflict, and social development.

In theory, regional integration provides a bigger market for agricultural and industrial goods, and services, thus allowing economies of scale for national industries. Even without differences in resource endowments or technology, this in turn creates incentives to specialise and trade in differentiated products ([UNCTAD, 2015](#)). Regional integration can therefore be seen as promoting a more competitive and productive industrial development ([Hartzenberg, 2011](#)), contributing to economic transformation and the creation of more and better jobs.

Industrialisation was therefore an important part of the early post-independence discussions on regional integration in Africa as a “remedy to regional fragmentation, small economies and small markets with limited scope for economies of scale” ([Hartzenberg, 2011](#):20). Industrialisation therefore figures in the 1975 Treaty of Lagos establishing ECOWAS that points to three identified steps towards regional industrialisation: i) information sharing on major industrial projects; ii) harmonisation of industrial incentives and industrial development plans and; iii) personal exchange, training and joint-ventures ([ECOWAS, 1975](#)). Institutionally, industrialisation features as part of the commission on Industry, Agriculture and Natural resources. However in practice, no real transformative changes have happened at a regional level and industrialisation of the West African region remains a significant challenge, together with the creation of decent jobs ([AfDB, 2016a](#)).

At the same time, the high dependency on production and export of oil and gas, minerals and agriculture raw materials mean that West Africa has a particularly low production base ([AfDB, OECD, UNDP, 2016](#); AfDB, 2016a). It is among the regions that are least integrated into global value chains, especially concerning processing activities. For ECOWAS Member States, competing in the regional market could therefore provide a basis to learn and upgrade their technical, technological, managerial capacities - which would in turn help them integrate and benefit from, global value chains ([AfDB, 2013](#)). However, there are tensions between industrial cooperation between countries and competition - this then defines the challenge faced by ECOWAS in promoting industrialisation at the regional level.

This report is not an assessment but aims to help better understand the political traction of the industrialisation agenda of ECOWAS, with a view to highlighting some of the key factors and actors that influence and shape how the regional organisation plays its role in supporting and promoting industrialisation in the region. In doing so, the study aims to address the following three questions: i) what is the political traction of ECOWAS in driving or steering the regional industrialisation agenda; ii) what are the interests of member states in using ECOWAS to address their industrialisation challenges; and iii) which are the specific areas or sectors with most potential future traction for ECOWAS to focus in continuing to address food insecurity at a regional level.

The study is based on secondary data/information collected from desk research¹ (legal documents, existing studies on the subject, official websites, etc.) and primary data collected through a series of

¹ That being said, very little information is available in the public domain, making it hard to assess the state of play of these initiatives to date, and the current and future reforms undertaken by the ECOWAS to foster the implementation of its Youth Policy and WACIP 2015-2020.

interviews with relevant stakeholders from the public and civil sectors. These were conducted during a one week field mission in Abuja, Nigeria².

2. On assessing the political traction of ECOWAS industrialisation policies

2.1. Structural and institutional drivers and obstacles

This chapter assesses the political traction of the industrialisation agenda in ECOWAS. It does so by identifying and describing the institutional evolution, the political economy drivers and obstacles of the broad industrialisation agenda, and how these affect what gets implemented or not.

ECOWAS industrialisation strategy origins

Despite the mention of industrialisation in the 1975 Treaty of Lagos, there was no comprehensive and well-coordinated industrial development policy for the region until the West African Common Industrial Policy (WACIP) was agreed in 2010. Previous policies included the 1983 “Cooperation Policy” - which was never implemented, followed by the “Five-year Industrial Development Plan” (1987 – 1991), which led to initiatives such as the investment promotion agreements with the European Union and other regional parties, and efforts led by Member States to promote product standardisation and quality assurance activities (ECOWAS, 2010).

In 2007, along with the restructuring of ECOWAS from Secretariat to a more powerful Commission, the ECOWAS Commission established a Private Sector Department to facilitate the creation of professional associations and businesses at a regional level, encourage cross border investments, business partnerships and SME/SMIs, and create an enabling environment both for endogenous investments and foreign direct investments (WACIP, 2010). The reform was further accompanied by the reestablishment of several business initiatives, including the Federation of West African Manufacturers Association (FEWAMA), the Federation of West African Chambers of Commerce and Industry (FEWACCI) and the Federation of Women and Women Entrepreneurs (FEBWWE).

Following the mandate given in 2002 to ECOWAS by the African Union to lead the integration process in West Africa, thus “effectively subordinating WAEMU[UEMOA] to ECOWAS” (e.g. [Idrissa, 2013:12](#)), the WACIP built on the UEMOA Common Industrial Policy and was adopted in 2010. Its stated aim is to “accelerate the industrialisation of West Africa through the promotion of endogenous industrial transformation of local raw materials; development and diversification of industrial productive capacity and strengthen regional integration and export of manufactured goods” (ECOWAS, 2010, p. 38).

This ambition was translated into ten programmes and four objectives to be reached by 2030:

1. Raise the local raw material processing rate from 15-20% to an average of 30% by 2030;
2. Increase the manufacturing industry’s contribution to the regional GDP from 6-7% to over 20% in 2030;
3. Increase intra-Community trade in West Africa from less than 12% to 40% by 2030, with a 50% share of the region’s trade in manufactured goods, particularly in the area of energy (equipment, electricity, petroleum products, etc.);
4. Increase the volume of exports of goods manufactured in West Africa to the global market from the current 0.1% to 1% by 2030 (ECOWAS, 2010).

² This may help explain why many of the examples noted come from this country.

The WACIP was revised and updated in 2015, with a set of four key areas of actions to focus on:

1. Reinforcement of national industry policies, harmonisation and regional cooperation
2. Promotion of Regional and international Market Opportunities
3. Support to Industry Quality and Competitiveness
4. Mobilisation of Resources.

These were to be accompanied by four priority industry sectors: Food and Agro industry; Pharmaceutical industry; Construction materials industry, and Automotive and machinery assembling industry ([ECOWAS, 2016](#)). Of these sectors, only the pharmaceutical industry benefited from an earlier policy framework, the ECOWAS Regional Pharmaceutical Plan 2014-2020. The latter was approved “to provide a strategic framework within which the pharmaceutical sector in the region will be managed and regulated to provide self-sufficiency in the production, access to and rational use of affordable essential medicines and other medical products of proven quality safety and efficacy” ([ECOWAS, 2014](#)). Among the eight specific objectives, the plan aims to improve and strengthen the governance of the pharmaceutical systems to ensure transparency, accountability as well as patronage of medicines produced in the ECOWAS region by the year 2020 ([ECOWAS, 2014](#)).

Other identified measures include participation at ECOWAS Industry meetings to address the status of industrial development in West Africa and to evaluate the implementation of WACIP ([ECOWAS, 2015](#)). In terms of future reforms, the ministers also urged the ECOWAS Commission to establish an “Eminent Persons Group” to help facilitate the implementation of WACIP and its strategy.³ An ECOWAS Industrial Forum, starting in 2016, would also serve as a consultation framework. Therefore the first ECOWAS Industrial Forum took place in Ghana under the theme “Promoting investment to accelerate the industrialisation of the West African sub-region”, and was organised by the Ghanaian government as the ECOWAS was unable to co-organise the Summit due to some internal challenge from its reorganisation activities⁴.

As such, the 2010 WACIP gave figures for rising regional average value added with a view to underpinning intra and extra-regional trade, raising question marks about how the increased rate of processing and manufacturing share of GDP the regional might be distributed among countries. In contrast, the 2015 WACIP focuses more on regional means to support national industrial policies.

Mining as a key industrial sector

The AU’s 2009 African Mining Vision also triggered ECOWAS efforts to ensure greater linkages between the mining sector and other economic sectors. This included the ECOWAS Directive on the Harmonisation of Guidelines and Policies in the Mining Sector, and the Mineral resources Policy, adopted in 2011 ([OSIWA, 2016](#)). These aim to ‘attract endogenous and foreign investment to this sector, enforce transparency [sic] and good governance and make available to the people the fruits from harnessing the wealth contained in their lands, while preserving the environment and safeguarding future generations’ (ECOWAS, 2010). The sectoral choice can be justified by the fact that mineral commodities are spread and exploited across most countries in the region, though with limited linkages with industrialisation strategies and objectives.

Besides the WACIP and the Mineral Resources Policy, the ECOWAS directorate on industrialisation and private sector also launched several initiatives related to the regulation and stimulation of investment, the most important of which are the harmonisation of the Investment rules and policies of Member States into a Community Investment Code (ECOWIC) and the plans for a Common

³ See <https://www.ecowas.int/ecowas-ministers-back-quick-implementation-of-west-africa-common-industrial-policy/>.

⁴ See: <http://www.africa-platform.org/resources/ghana-hold-ecowas-industrial-summit-july>.

Investment Market (ECOWAS, Directorate of Private Sector, n.d.).⁵⁶ The regional charter of SMEs which aims to improve the business environment by increasing SMEs access to finance and capacity building was recently launched, and is additionally supported by the MoU recently signed with the Tony Elumelu Foundation. The latter contributes to deepen and amplify both institutions' efforts in supporting micro, small and medium enterprises (MSMEs) as well as promoting entrepreneurship and wealth creation.⁷

In parallel efforts to finance the region's economic transformation, in 1999 ECOWAS transformed the ECOWAS Fund into the holding company EBID with two subsidiaries: the ECOWAS Regional Development Fund (ERDF) and ECOWAS Regional Investment Bank (ERIB). This aimed to bring a private sector focus, thus responding to the multiple privatisations in the region and aiming to support the private sector as the engine of sustainable growth ([Ogwezzy, 2014](#)). Operationalised in 2003, the Bank has multiplied its cumulative net commitments from UA 121 to UA 805m although mobilising resources remains a challenge ([UNECA & ECOWAS, 2015](#)). Other ongoing initiatives include the Investment Guarantee Mechanism in West Africa, a project targeting ECOWAS Member States to bring a high level of assurance to the safety and security of investments while facilitating access to finance and related services; and the ECOWAS Payments and Settlement System (EPSS), which has been designed to lead to the emergence of ECOWAS as a single payment area.⁸

Creating a regional youth strategy

The industrialisation agenda is also about creating opportunities for individuals. ECOWAS adopted the Abuja Youth Development and Empowerment Strategy Communiqué at the First ECOWAS Youth Forum in August, 2003.⁹ In 2005 the Summit of Heads of States and Government took a decision (A/DEC/13/01/05) to transform the Conference of Ministers of Youth and Sports to the ECOWAS Youth and Sports Development Centre (EYSDC) and in 2012 launched the ECOWAS Youth Employment Action Plan for 2013-2018 to promote youth development and empowerment, "mobilise youth to contribute effectively to economic, social and cultural development and integration", provide capacity building and organise regional socio-cultural activities such as the ECOWAS Peace Pageant, recreational sports activities¹⁰

The ECOWAS Youth Employment Action Plan aims to address "unemployed youths, young women, youth in rural areas, young people in countries just coming out of civil wars, highly skilled and

⁵ Not mentioned here, but highlighted in an ECOWAS ministers meeting, a number of issues are discussed; including validation of the Revised Strategy for Industrial Development (2015-2020); an ECOWAS Industrial Database and Information System framework; Support for the implementation of the third-phase of the West Africa Quality Programme; validation for adoption of the ECOWAS Harmonised Standards (ECOSTAN); support of development partners in the area of agro-industry value chains and construction industrial ([ECOWAS, 2015](#)); an information system on the ECOBIZWORLD market (ECOINVEST Project) and a CASUA Platform (E-Commerce) to support ECOBIZ; a Youth Entrepreneurship Programme, an ECOWAS Diaspora Programme, and a Regional Policy on Public Private Partnership (PPP). Last but not least, ECOWAS intends to set up an investment monitoring platform in collaboration with UNIDO and the African Union, as part of the AfrIPANet (Africa Investment Promotion Agency Network) programme.

⁶ ECOWAS is also considering "an information system on the ECOBIZWORLD market (ECOINVEST Project) and a CASUA Platform (E-Commerce) to support ECOBIZ. Other initiatives include the establishment of a Youth Entrepreneurship Programme, an ECOWAS Diaspora Programme, and a Regional Policy on Public Private Partnership (PPP). Furthermore, ECOWAS intends to set up an investment monitoring platform in collaboration with UNIDO and the African Union, as part of the AfrIPANet (Africa Investment Promotion Agency Network) programme" (UNECA, 2015:70).

⁷ Other ongoing programmes include: Implementation of the regional Guaranty system; implementation of the regional payment system; Implementation of Ecowas business house; Implementation of the Sealink project; Implementation of the Investment Climate; improvement project. See <http://www.ecowas.int/ecowas-signs-mou-with-tony-elumelu-foundation-to-promote-entrepreneurship-in-ecowas-region/>

⁸ See <http://www.comm.ecowas.int/departments/industry-private-sectore-promotion/directorate-of-private-sector/>.

⁹ See <http://www.ecowas.int/life-in-the-community/travel/>.

¹⁰ See <http://www.comm.ecowas.int/departments/social-affairs-gender-2/directorate-of-gender-youth-sports-cso-employment-and-drug-control/>.

educated young people, and creative, and gifted young men and women” (Leonard, 2015, p. 10). To operationalise this action plan, the ECOWAS launched the Youth Empowerment and Development Fund in 2014, and the Employment Programme to promote job creation, appropriate skills and decent work, a conducive environment for job creation and employment particularly for youths in the region and help develop youth capacities and skills.¹¹ All this led to the creation of the ECOWAS Youth Council in 2014 to encourage youth participation, tackle violence and help support other ECOWAS agendas.

Industrialisation and youth synergies?

While the WACIP acknowledges the importance of women, children and the youth as one of the five pillars interlinked with industrial development, the ECOWAS Youth Policy and WACIP are dealt with by different commissions. Further, the Commission for Social Affairs and Gender; and the Commission for Industry and Private Sector Promotion do not seem hence closely connected at the institutional and policy levels. However, ECOWAS is also changing its approach to address this issue of policy fragmentation. For example the Strategic Community Framework 2016-2021, instead of focusing on sectors, focuses on issue in order to get all relevant staff to come together to address issues relevant to their respective work.

While the ECOWAS industrialisation agenda is broad, policies reportedly remain mostly on paper without a strong impact on the ground. Some factors analysed in the below section help explain why there seems to be very little progress in terms of policy implementation, though some of them are being tackled by ECOWAS, while the above already raises the potential challenge of promoting industrialisation and employment across a region of often competing countries.

2.2. Narrowing agenda and implementation challenges

A narrowing but sharpened agenda

The WACIP is by far the most comprehensive attempt yet to foster industrialisation at the regional level, and responds to the increasing appetite of Member States for a more active and efficient approach to industrial policy - even though this appetite mainly translates at the national rather than regional level. The WACIP touches upon issues such as infrastructure development; the establishment of a regional funding mechanism, and the creation of a regional information system for the dissemination of business opportunities. Such an approach agenda provides flexibility for the end users (such as Member States), which can pick and choose some of the issues highlighted in the WACIP, according to needs, encouraging ownership.

However, of the ten WACIP programmes, only the area of standardisation, quality assurance, accreditation, and metrology (SQAM) achieved significant progress, with member states expressing satisfaction with the concrete efforts made via WACIP (OSIWA, 2016). As part of it, the Quality Policy (ECOQUAL) and its Implementation Framework were adopted in February 2013, together with the document on the model and standards harmonisation procedures. Implementation of the Standards Harmonisation Model (ECOSHAM) resulted in the definition of ECOWAS Standards and Code of Good Practices on a range of foods as well as minimum standards on the efficiency of electric lighting ([UNECA & ECOWAS, 2015](#)).¹² This programme also allows for the establishment of national subcontracting grants, the West African 39 Accreditation System (SOAC), the harmonisation of regional standards for more than 320 products, and the certification of local entities for certain 40 industrial goods (OSIWA, 2016).

¹¹ See <http://www.comm.ecowas.int/employment/>.

¹² The foods with ECOWAS Standards are enriched oils, tomato puree, natural mineral water, frozen fish fillet, smoked fish, Shea butter, with a Code of Good Practices on Fish and Meat, mango, raw cashew nut, Irish Potatoes.

Some of the factors allowing for such progress were that i) the programme benefited from sufficient funding; ii) built on previous efforts and programmes tackling the same issue - including through UEMOA; and iii) relied on a historically well-developed institutional framework well with sufficient capacities to accompany the various actors efforts in the field of SQAM - as underlined by some of the interviewees; iv) plays a critical role in market access and enhancing enterprise and national competitiveness ([Pradhan & Das, 2015](#)); and therefore, v) built on the need of private sector actors (facing exports rejection) for laboratory accreditation.

Thus, both the government and the private sector are strongly engaged in the quality process, as witnessed by the number of certified companies, which has been increasing in recent years ([Calzadilla-Sarmiento & Marianne, 2014](#)). OSIWA (2016, p. 33) highlights that “the strides made have been favored by the collaborative efforts of ECOWAS and UEMOA, which had already made progress in its member countries with regards to the certification of local entities for the production of certain industrial goods.” Therefore this success seems to point to a convergence of interests between ECOWAS, its member states and their national private sectors in the name of trade. Although data is not available to date on the type of companies and sectors/industries taking advantage of the SQAM progresses, it would be interesting to investigate this issue to understand better ECOWAS traction.

Beyond the SQAM programme, the WACIP implementation progresses have been rather weak with nine out of ten programmes yet to be implemented. This is explained by several factors, among which figure its design and the lack of coordination between industrial policies and other sectoral policies such as trade, and between national and regional policies. According to interviewees, the WACIP was designed based on thorough studies available but did not include a formal consultation process with private sector actors, CSOs or Member States because of the limited funding available to the ECOWAS Private Sector Development¹³. But more inherently, it relates to the question raised above: what is the added value of a regional industrialisation policy in the context of ECOWAS? Why (or in what specific areas benefits) would Member States favour a regional rather than national approach to industrialisation policy? While SQAM appears to have a specific logic, the discussion of member states interests below WACIP helps explain some of the above observations.

The first WACIP (2010) tackles several important issues and sets targets, but without defining regional industrialisation priorities - thus providing less visibility to individual issues; or allocating specific resources to each of the issue. This in turn makes the first WACIP look like a document of intentions, rather than an operational document, which would guide and explain Member States and other relevant actors on how to achieve these policy's objectives ([Endacacid, 2011](#)). This flexible approach did not seem to be fruitful, as Member States did not demonstrate much ownership and commitment towards the WACIP (as explained below). There was therefore a gap between WACIP, and the Member States in charge of its implementation.

This was to some extent rectified in the updated WACIP (2015 - 2020)¹⁴, which lays out the priority sectors (listed above). Although it is too early to assess progresses done in each of these sectors, focusing on four sectors may help Member States to have a better sense of what and how they can benefit from the WACIP to foster their national industrialisation processes and where opportunities for regional value chains and linkages might lie.

In terms of youth employment, while the ECOWAS Youth Policy is in place and several Member States have designed policies and strategies supporting youth employment in line with the ECOWAS Youth Policy (such as Nigeria), regional efforts are yet to be translated into concrete actions. As

¹³ Besides the SQAM, the other nine programmes of the WACIP remain mostly on paper, reportedly due to the low funding for industrial programmes ([UNECA & ECOWAS, 2015](#)).

¹⁴ Only a presentation of the revised WACIP was available on the internet.

observed by Abdullahi et al. (2013) and an UNOWA report (2005, p. 9), "... arguments in favour of investing in the youth, although they are reiterated in speeches, particularly during election campaigns, are rarely put into practice." This may again reflect the questionable basis for addressing youth employment at a regional level though at the time of the research, very limited secondary data was available regarding the ECOWAS Youth policy and its status of implementation.

Industrial policy implementation challenges

The fundamental WACIP challenge is the lack of clarity on what concrete actions should be taken, and by whom, in order to apply regional plans to specific national circumstances (OSIWA, 2016, p. 10). At the same time, it faces the inherent challenge of how the principle of subsidiarity mentioned in the WACIP can be implemented; what issues should be tackled at the regional rather than national level? (Endacacid, 2011).

In fact, ECOWAS Member States have implemented "national industrial policies with very limited consultations at the regional level" (Otoo, 2013, p. 59). Therefore, even though Member States have access to technical support from the ECOWAS Commission for the formulation of industrial policy they have not made any requests (OSIWA, 2016). This in turn generates a situation where national policies may overlap or contradict each other, which some see as impeding the development of a coherent regional industrialisation policy (Endacacid, 2011). Lange et al (2016, p. 98) therefore explain that the implementation of national industrial policies developed in the context of the WACIP has been "inefficient and has not (yet) produced the desired results – for example in terms of increasing value added exports – or even counterproductive outcomes such as competing production facilities". This then takes us back to the added value of a regional approach to industrialisation.

The WACIP does not provide monitoring, evaluation (at regional level) and/or a mechanism to encourage compliance with regional agreements. Going beyond these mechanisms and if we take the example of one of the objectives of the WACIP - to raise the local raw material processing rate from 15-20% to an average of 30% by 2030; this is only very indirectly under control of ECOWAS Member States and so a difficult commitment to honor. Equally important, WACIP does not provide significant additional means to support local industries. These could be used as an incentive to adopt a regional approach to industrialisation for ECOWAS Member States and reverse the current export incentives, which currently favor raw materials to processed goods: exporting raw material is beneficial on the short term, even though margins are lesser than for processed products. On the other hand, industrialisation demands lots of investments and risks, which only pay back in the mid or long-term, hence the need for support measure for local industries to switch from raw material to processed products exports. This type of measure seems most relevant, especially if we look at the objective afore mentioned and the dependency on exports of raw materials of West African countries.

In the context of ECOWAS industrialisation objectives, the ECOWAS is on the way to adopt an ECOWAS Investment Code and Policy, based on the need for the region to build a larger regional investment market to develop crucial sectors such as the steel industry (Bamba, n.d.). As a result and as acknowledged by the ECOWAS Commissioner for the Private Sector, 'the private sector, including large multinational corporations at regional and national levels have an important role to play' (ECDPM, 2015). However, the link between this policy and the other industrialisation objectives such as the promotion of SMEs is not evident. The ECOWAS competition policy, enacted in 2008, has also been criticised for favouring FDI over the promotion of the development of the local industry (NGom, 2011).

In some cases regional trade and industrialisation policies may be inconsistent and impede one another. While the pharmaceutical industry is defined as a priority sector of the WACIP, private sector actors have warned that the Common External Tariff (CET) benefits foreign suppliers over domestic

ones, severely harming local pharmaceuticals production¹⁵. However, raising tariffs to protect the regional pharmaceutical industry would also raise prices for consumers of medicines, creating a difficult tradeoff. At a different level, the lack of implementation of regional trade policies also has negative implications on the private sector: the ETLs scheme which is supposed to foster intra-regional trade by eliminating tariffs on some agricultural and industrial products, is not being fully implemented. In turn private sector actors face several obstacles, would they wish to exploit regional business opportunities.

Last but not least, sometimes regional and national interests diverge - something that can also be linked to the characteristics of a sector. For example, ECOWAS adopted a Mining Policy, a sector where the “main policy levers for supporting local procurement are available at a national level [which in turn] presents a challenge for regional policy to be implemented, monitored, and enforced at a national level” ([World Bank, 2012:61](#)). In addition, when regional and national mining legislation differ, law enforcement becomes an issue where for example, national mining laws and regulations apply preferences at national rather than regional level. In Ghana, for example, private sector actors and CSOs have complained about the lack of implementation of the ECOWAS directive on harmonisation of policies, despite apparent government support for the regulation.¹⁶ Member States’ interests thus prevail, as further discussed in the following section.

While the WACIP was originally supposed to integrate the UEMOA Common Industrial Policy, the UEMOA and ECOWAS regional industrial policies continue to coexist along with the two institutions. Looking forward, this raises question of coherence and efficiency for those countries that are member of both: if coordination was effective in the SQAM programme of the WACIP, will it be so for four sectors targeted by the WACIP?

Youth employment implementation challenges

Although increasingly part of the development policy rhetoric and election debates, job creation and youth employment has not been viewed historically as a priority issue within the framework of the development strategies of the West African countries. None of the first Poverty Reduction Strategy (PRSs) of member states mention either of the two themes. However, references appeared in the second-generation PRSs of the West African countries (after 2005), with Liberia, Ghana, Niger, Mali and Ghana articulating job promotion and youth employment (for Ghana) as a priority measure within the PRS framework.

Therefore, while most ECOWAS Member States did not put youth employment as a priority in the past, this issue has become increasingly important as witnessed by the creation of policies and institutions aiming to tackle this issue. However, national unemployment policies often fail to “take systematically into account the very specific constraints which are peculiar to the young, namely, lack of expertise and experience, unfamiliarity with the labour market, inaccessibility of bank credit facilities etc., and the diversity which exists within this section of the population” (UNECA, 2010, p. 49). In addition, only Ghana has called ECOWAS to tackle the issue of youth employment at the regional level¹⁷. Looking at the lack of implementation of the ECOWAS Youth Policy, it seems that most Member States do not seem interested in a regional approach to tackle such an issue, which is foremost seen as a national one.

Employment programmes should be context specific, well targeted and engage youth as partner and beneficiary (UNICEF, 2011). This is to some extent allowed in ECOWAS Youth policy, which is meant to give the broad institutional and policy framework, while allowing programmes to target the specific

¹⁵ See <https://www.naij.com/477482-save-us-from-collapse-pharmaceutical-companies-begs.html> and <https://www.thecable.ng/ecowas-tariff-will-ruin-drug-industry-pharmacists-warn-govt/>.

¹⁶ See: <http://www.todaygh.com/govt-dumps-ecowas-mining-policy/>.

¹⁷ See <http://citifmonline.com/2015/05/19/ecowas-must-tackle-youth-unemployment-in-africa-mahama/>.

needs of the member states. But this does not guarantee Member States' nor their private sector's interest in a regional approach to tackle youth employment. In fact, while private sector associations can be quite vocal in regards with trade or transport's reforms, they seem less concerned by youth employment issues, although they are ultimately one of the key actors (as employers and economic actors) able to make the difference in this field and empower the youth. This weakens ECOWAS traction, as their approach target mainly Member States (although the private sector is included in terms of consultation).

As for the WACIP, the ECOWAS Youth policy is impeded by the implementation (or lack of) of other related policies in the field of migration or trade. This to some extent demonstrates that a regional approach to youth employment is relegated behind the more strategic (trade) interests of Member States. For example, the EYSC aims to promote cross border trade and free citizenry movement. In practice, while there is thorough institutional and policy framework in place at ECOWAS level for migration issues (figure below), ECOWAS Member States apply only part of it (e.g. the right of entry) while determining the conditions for the obtention of the work permit; restrictions on foreign-owned businesses; heavy documentation to obtain the right of residence... (Dimechkie, 2015).

Figure 1 - Rights and protections of migrant workers under ECOWAS protocols

Main rights and protections granted by the Free Movement Protocols to migrant workers from ECOWAS countries
<ul style="list-style-type: none"> • The right to enter, reside and establish in Member State (Protocol A/P.1/5/79, Article 2) • Protection of property, goods or fixed assets legally acquired in Member States, and equal treatment with nationals in regard to tax laws. (Supplementary Protocol A/SP.1/7/85, Article 7) • The right of residence in Member States "for the purpose of seeking and carrying out income earning employment," including the right to apply for jobs, to travel and reside in Member States to take up employment, and to live in Member States after having been employed there. (Supp. Protocol A/SP.1/7/86, Articles 2 and 3) • Protection from mass expulsion; individual expulsion must be based on "a well-founded legal or administrative decision" and must be carried out in respect of their fundamental rights. (Supp. Protocol A/SP.1/7/86, Article 14) • The right to transfer earnings or savings without impediment from Member States (Supp. Protocol A/SP.1/7/86, Article 17) • The right to equal treatment with nationals in regard to employment security, re-employment in case of job loss, training and professional education (Supp. Protocol A/SP.1/7/86, Article 23) • The right to create and manage enterprises under the same conditions as nationals. (Supp. Protocol A/SP.2/5/90, Article 2) • Protection from confiscation of assets and capital on a discriminatory bases (Supp. Protocol A/SP.2/5/90, Article 7)

Source: Dimechkie, [2015](#)

With regards to cross-border trade, Nigerian traders were, for example, sacked for a limited period from Ghana following the pressure of the Ghanaian Trader Association on the their government (cf. more details in the section on member states interests). This implementation (or lack of in the context of migration policies) of policies impede the EYSC objectives, but also highlights employment, let alone youth employment, does not seem to have much traction at regional level.

In addition, a survey targeting mostly young people shows that they have little awareness and knowledge of ECOWAS and its policies, and hence of their rights, implying an additional barriers to finding jobs in the wider ECOWAS region by benefiting from a legal status while working and/or circulating in ECOWAS (Asante et al., 2011). This shows further the limits of ECOWAS traction.

In addition, if job creation is an issue, youth seems even more concerned by being provided with the right training (academic and professional) for the demands of the labor market, the availability of the right support for young people to pursue entrepreneurial activities. "However, with insufficient action on these issues, young people in West Africa are frustrated" ([World Bank, 2015](#), p. 11). This shows

that youth employment is not an aspect to be (only) dealt through industrialisation, or on a standalone basis through the Social Affairs and Gender Commission, but rather understood and mainstreamed throughout the different commissions (security, trade, energy etc.) of ECOWAS¹⁸. Hence, while integrating youth within the Commission of Social Affairs and Gender guarantees a certain visibility at the institutional level, it may explain why other commissions (which may have more traction at regional level) feel less ownership and responsibilities in regards with this issue.

2.3. Structural factors

Challenges

The industrial policies of ECOWAS Member States promoted through Structural Adjustment Programmes in the late 1980s has pushed countries to focus on (the same) competitive industries such as – breweries, cement factories oil mills and agro-processed products generally. As a result similar production units were created in the West Africa, therefore limiting strongly potential trade and industrial complementarities and cooperation (Otoo, 2013).

Further, industrialisation (and youth employment) is a costly process in terms of capital investments but also social disruptions and political stability (Idrissa, 2013). Therefore, most governments may be incentivised to continue the traditional road of raw material exports both for immediate political and economic reasons; and face difficulties in incentivising the private sector to add value in-country. These aspects matter in a region where debt ratios are high and where most countries are least developed ones; and impacts the potential traction of ECOWAS in promoting industrialisation.

In addition, while intraregional trade in general represents the most important avenue for ECOWAS manufactured products¹⁹ (which rarely reach EU or other Western markets), it is heavily impeded by the lack of reliable energy and transport infrastructures. These in addition to other transaction costs contribute to making production and commercialisation of finished products very expensive in the region. Interestingly, these costs can be higher for intra-regional trade (as in Cape Verde, Liberia and Nigeria) than extra regional trade and again highlight the important role of complementary policies outside the realm and control of industrial policy and those who promote it.

Further, several (civil) wars, conflicts and social unrest have occurred in the region also impeding infrastructure development, trade relations and industrialisation of several countries²⁰ (AfDB, 2016a). These are likely influencing governments to focus mostly on short term rather than long term policies, and hence invest less in regional infrastructure, industrialisation and youth employment as the return are far from being granted.

Youth and political elite

From Wade in Senegal, Tandja in Mali or Eyadéma in Togo and Obasanjo in Nigeria, the political sphere is dominated and often controlled by the older generation who are able to use the resources²¹ at their disposal to serve their own interest, sometimes at the expense of the youth. This happens in cases where the youth political desires threaten “adults” age-long hegemony, and where the ruling

¹⁸ This is the approach that is to a limited extent followed by ECOWAS. Youth is included within the WACIP but also in the ECREEE (ECOWAS Centre for Renewable Energy and Energy Efficiency) where there is an ECOWAS Initiative on Youth Leadership Development in Energy ([ECREEE, 2017](#)).

¹⁹ Intra-regional trade also includes a significant share of manufactured products (such as cement, beauty products, soups and broths, refined palm oil, plastics, metal derivatives, fertilizers, essences and soaps) - about 30.6% of in comparison with 3.3% exports to the EU in 2013 (Schmieg, 2015).

²⁰ For example, in the case of Côte d'Ivoire and its unstable period starting in 1990, the cumulative trade losses for intra-WAEMU trade are estimated at close to \$9bn (UNDP, 2011).

²¹Key resources include “*godfatherism and money - two key electoral resources controlled by the adults and political elites across West Africa*” ([Taiwo, 2014](#)).

elite attempt to frustrate them by neither providing the resources nor the enabling environments for healthy competition ([Taiwo, 2014](#)). But this also changed following the Arab spring, where youth played a key role in remodelling the political stage: if youth wants to make its place, it should not wait for the “anciens” to give it to them”.²² There are also recent cases where the West African youth demonstrate their frustration *vis a vis* the political elites and the multiple commitments, policies, and strategies for youth employment, without concrete implementation. For example, in Senegal, where the youth is rather educated and organised, Wade who wanted to be candidate to his own succession for the second time (which is not allowed in the Senegalese constitution) faced significant pressure from youth groups including ‘Y’en a marre’²³.

This situation at the political level - where most policy-makers are of an older generation, also helps explain why youth is often neglected and/or mis-targeted in policies. For example in Nigeria, the Youth Enterprise with Innovation in Nigeria launched by the former Nigerian President Goodluck Jonathan failed “because it is not connecting with existing pro-employment plans and projects, but high-political influence,”²⁴ showing that the youth employment issue is highly political. These dynamics thus highlights the importance of the importance of thinking and working politically, when dealing with youth related issues.

2.4. Drivers and blockers

Private sector

While private sector actors are a key actor - both as implementer and beneficiaries of the WACIP, their involvement in the design and formulation of such policy at the level of ECOWAS has been limited - (which is partly due to ECOWAS limited funding). That said, their input has been taken into account for the Common Investment Code and Policy and its validation by the private sector in April 2014.²⁵ According to ECOWAS Commissioner for Industry and Private Sector Promotion Kalilou Traore, the private sector also pushed for an ECOWAS Investment Climate Monitoring Indicators Report, which was finalised in 2012.²⁶

One of the difficulties of consulting the private sector is its many variations, including formal and informal actors, importers, exporters, producers, sometimes also divided according to their value chains. This then translates a wide range of diverging interests: for example between the importers of staple food commodities (notably rice), who constitute powerful oligopolies, have a strong influence on the political elite and extract rents from constrained local production capacities and segmented regional markets; and local producers (farmers and other operators), who are more atomised, further undermining regional-level action to support local and regional agro-food value chain development (Bossuyt, 2016).

The private sector can therefore act as a blocker against industrialisation when it does not serve their interests. Importers for example benefit strongly from the weak industrialisation in the region, and have close ties with the political elite (Bossuyt, 2016). Interactions of key public and private actors at national level therefore matter, and this sometimes privileged relation is more difficult to establish and manage at regional than at national level. Indeed, for the political elite aiming to stay in power,

²² See more information <http://www.jeuneafrique.com/mag/289581/politique/cote-divoire-jeunesse-attend-impatience-heure/>.

²³ See <http://democratie-reelle-nimes.over-blog.com/article-au-senegal-une-jeunesse-revoltee-contre-le-president-wade-98024964.html>.

²⁴ See <http://www.dailytrust.com.ng/daily/business/49210-youwin-is-failing-says-actionaid#bSO3ZD3FgR0Tcylo.99>.

²⁵ <http://realnewsmagazine.net/business/ecowas-investment-code-and-policy-validation/>.

²⁶ <http://www.panapress.com/Nigeria--ECOWAS-moves-to-maximise-investment-benefits--12-918571-100-lang2-index.html>.

businesses can provide support, and vice versa for business to take advantage of the domestic and even sometimes regional market, government's support and network can be useful. This is less likely to happen at the regional level. Therefore some private sector actors may see little interests in a regional approach to industrialisation.

The Nigerian economic crisis coupled with a depreciation of the Naira may offer an opportunity for the WACIP as importing products from foreign countries is more costly than ever for Nigeria importers. According to interviewees, these are now considering local production opportunities; and such efforts are supported by the state - this is to some extent the scheme followed by Dangote Group for their activities in the cement sector. This could thus ultimately benefit to the WACIP.

The international private sector also influences industrialisation. For example, in the cement sector, major European corporations have lobbied strongly to persuade the West African Heads of State to prevent Dangote from investing in their countries²⁷ (Berthelot, 2016a). This investment could potentially threaten the existing cement producers market share (and monopoly).

Influence of the donor community

There has been a clear influence of the EU on ECOWAS industrialisation policies. In particular, the ECOWAS Macroeconomic Policy Commissioner, traces the decision to create the Common Investment Market down to the momentum of the Economic Partnership Agreements, which were originally intended to include a number of trade related issues such as investment. While deciding to exclude investment from the negotiations with the EU, the ECOWAS Member States reoriented their actions towards the harmonisation of investment rules into a regional code in anticipation of the EPA. The EU further supported the initiative by finalising a study on ECOWAS Common Investment Code (CIC) and Investment Policy Framework ([Bamba, n.d.](#)). Last but not least, the EU, through the EPA, also seems to have influenced ECOWAS decision to establish the Competition Policy - criticised by Ngom ([2011](#)) for favouring rather than regulating FDI, hence undermining the competitiveness of local enterprises.

The EPA is also subject to intense debate when put in relation with ECOWAS industrialisation ambitions:

- First, the agreement prohibits the use of tariffs as a tool for industrial development. Some countries use tariffs or import duties to create advantage for locally produced goods - for example Ghana's bound tariff on poultry products is 99 percent while its applied tariff is currently 20 percent. With the EPA, Ghana will not be able to do so as no new duty can be imposed and the current rate cannot be raised²⁸ ([Bagooro, 2014](#)).
- Second, while ECOWAS Member States often use export taxes to make their raw material available for the local industry rather than for exports; this will not be possible under the EPA. The incentives the ECOWAS can use to move from an economy based on raw material to processed products exports are even more limited ([Bagooro, 2014](#)).
- The agreement also suggests that any favourable trade concessions that ECOWAS grants to a third party with a share of global trade in excess of 1.5% will require to consult the EU. This undermines national sovereignty and South-South cooperation ([Bagooro, 2014](#)).
- Finally, the EU market provides further opportunities for raw material exports, but much less for ECOWAS manufactured products, which are mainly traded intra regionally. So one can

²⁷ Olaleye & Oluyemi, E.A. Environ Monit Assess (2010); Agbossoumonde (2011); Aigbedion & Iyayi, (2007); Odukoya, Adeyemi & Jimoh (2004); Aribigbola Afolabi* , Fatusin & Fagbohunka (2012).

²⁸ That said, ECOWAS designed as part of the CET trade defense measures, which consists mainly of safeguard measures to restrict imports of certain products temporarily; countervailing duty levied to counteract the effects of subsidies; anti-dumping measures to counteract unfair practices; additional protection measures (ICTSD, 2015).

wonder whether the EPA will ultimately favour industrialisation entrench West Africa in its role as mainly a supplier of raw materials ([AGI, 2012](#)).

Last but not least, the EU current political and economic crisis also reinforced the idea among some of the West African states that only an active industrialisation policy (as opposed to the Structural Adjustment Policies) can succeed in achieving structural economic transformation.

Other policies and agreements beyond EPAs affect the industrialisation efforts of ECOWAS Member states. For example the African Growth Opportunity Act (AGOA), described as the cornerstone of US trade policy with Africa, has generated limited impacts and benefits for African countries in terms of economic transformation ([AfDB, 2016b](#)). While trade flows from Africa to the US have increased, they mainly concern oil, and to a lesser extent textiles, manufacturing and artifacts. As importantly, almost 80% came from just three countries – Nigeria (47%), Angola (19%) and South Africa (13%).²⁹ This agreement therefore generated limited impacts in terms of industrialisation, and WACIP implementation.

China also influences industrialisation prospects in ECOWAS: “Infrastructure loans for natural resource” strategy, where they provide financing in exchange for natural resources ([Adam, 2014](#)) contribute to reinforcement of the raw material export led growth³⁰, which has proved to be uncondusive for structural economic transformation and industrialisation. Additionally China is a key competitor for Africa's clothing and textiles sector, which has “arguably steered some African economies toward greater specialisation in natural resource production” ([Edinger et al., 2013](#)).

Quelques tristes réalités industrielles. Aujourd'hui, la "bête noire" de Winner industrie, ce sont les piles asiatiques qui ont inondé nos marchés. "Ces piles, de qualité douteuse, ne sont soumises à aucune taxe si bien qu'elles sont vendues trois fois moins cher que celles que nous produisons", affirme, indigné le directeur commercial, Seydou Tiéné pour qui, "au-delà de nos industries qui perdent, c'est l'économie nationale qui perd". Et d'ajouter : "Winner ne craint pas la concurrence, mais souhaite qu'elle soit saine". "Le marché est inondé de pneus et chambres à air à moindre coût et de mauvaise qualité, qui noient nos produits. Ce qui est dommage pour nous qui relevons du secteur formel et qui de fait, subissons la pression fiscale et supportons des coûts de production non négligeables. Notre compétitivité est réduite et nous battons sérieusement de l'aile", regrette Isabelle Garango, directrice générale adjointe, la n°2 de SAP Olympic. "SAP Olympic va mal. Du fait de la concurrence déloyale, nous produisons à 50% de nos capacités", ajoute-t-elle.

E. Source Carrefour Africain n°1 147 de novembre 2007

Donors and development partners as well as the ECOWAS Commission also influence ECOWAS Member States to adopt youth policy. For example, Ghana being member of the UN system, AU and ECOWAS obligate the country to have youth policy to provide the framework for the development of young people ([Adu-Gyamfi, 2015](#)). This again suggests that there is limited ownership, which in turn may help explain the lack of implementation in regards with youth programmes.

²⁹ See <http://www.un.org/africarenewal/magazine/december-2014/agoa-us%E2%80%93africa-trade-dilemma>.

³⁰ “For example, the Republic of Congo's Hydro-power project in River Congo was backed by crude oil. Ghana's Bui dam power and gas infrastructure projects were collateralised against cocoa and crude oil respectively” (Adam, 2014, p. 6).

3. On the “political interests” of member states in ECOWAS industrialisation and youth employment strategies

3.1. Understanding the historical and political context

To understand the interest (or lack of) of ECOWAS Member States, it is helpful to have a historical perspective on industrialisation in the ECOWAS region. Former colonial powers mainly used West African countries to produce raw materials destined to the European market, which - for some of them, were transformed and then exported back to West African countries. The latter therefore specialise in the production of raw materials exports, while importing all the finished/manufactured products. The economies mostly being small, foreign trade made up about 30% of Ghana's GDP in the 1960s (Otoo, 2013) - thus creating a sort of dependency vis a vis former colonial powers.

Following independence (1960-1980), many countries embarked on an industrialisation process at the national level, partly motivated by the idea of breaking free from their dependency towards their former colonial masters. This process mainly took the shape of an Import Substitution Industrialisation strategy, which was often translated in practice by an increase in tariffs barriers. Led by governments, this strategy was an attempt to establish several industries in different sectors of the economy. However it did not lead to the expected results, leading mainstream economists to describe these measures as inappropriate and counterproductive³¹ - where for instance inefficient firms were kept afloat (Otoo, 2013). As a result, West African countries' governments were faced with enormous debts that they could not repay.

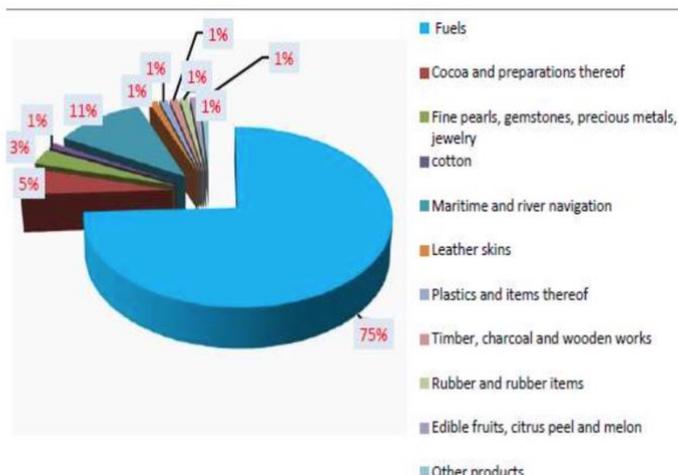
In exchange for restructuring their debts, countries were requested to replace state-led industrialisation by the adoption and implementation of a series of market-driven policies through structural adjustment programmes (SAP). This for example meant privatisation of State-Owned enterprises; liberalisation of the investment regime, external trade and payment regimes; or cuts in the public sector workforce. The underlying idea was to shift the leadership of the state by the market and private sectors and focus on competitive industries. However this only weakened the already fragile/infant industries set up in most West African countries, and led to a modest growth rate and limited job creation.

This is illustrated in the total ECOWAS exports in 2011, where most there is an excessive exportation of unprocessed raw material (whose global prices were generally attractive until 1980 - ECOWAS, 2016).

³¹ This should be put into perspective, looking at the initial conditions in which many of the countries found themselves at independence – *the huge infrastructural deficits; absence of entrepreneurial middle class; lack of a functioning private sector and a political imperative to meet aspirations of the people* (Otoo, 2013:2).

Total Ecowas export value \$80 billion 2011

- Oil 75%
- Cocoa 5%
- Precious stones 3%
- Cotton
- Fruit
- Rubber
- Wood
- Fish

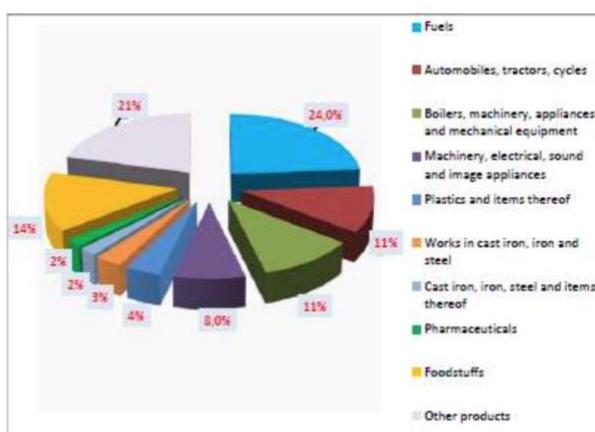


Source: ECOWAS, 2016

On the other hand, ECOWAS total imports in the same period were mainly composed of manufactured products, demonstrating a dependency of the ECOWAS on the imports of finished products. This is also indirectly linked to the past structural adjustment, which led West African countries to build industries based on their comparative advantage in agriculture and natural resources - ignoring the opportunities to move towards the manufacturing sector.

Total Ecowas import value \$70 billion 2011

- Fuel 24%
- Food products 14% (*rice, wheat, fish, milk, poultry, meat, food preparations*)
- Motor vehicles, tractors 11%
- Mechanical appliances 11%
- Electric machinery 8%
- Plastics 4%
- Iron 3%
- Pharmaceutical 2%



Source: ECOWAS, 2016

As a consequence similar production units³² in the West African region were created, therefore limiting the potential for regional trade complementarities and cooperation (Otoo, 2013). This then undermines the WACIP, by limiting regional market opportunities. That said, this picture is “far from true in the domain of informal trade, which some suspect to be proportionately as large as the formal trade with foreign lands, and which is so active in West Africa precisely because there is a high level of sectional complementarities” (Idrissa, 2013, p. 10).

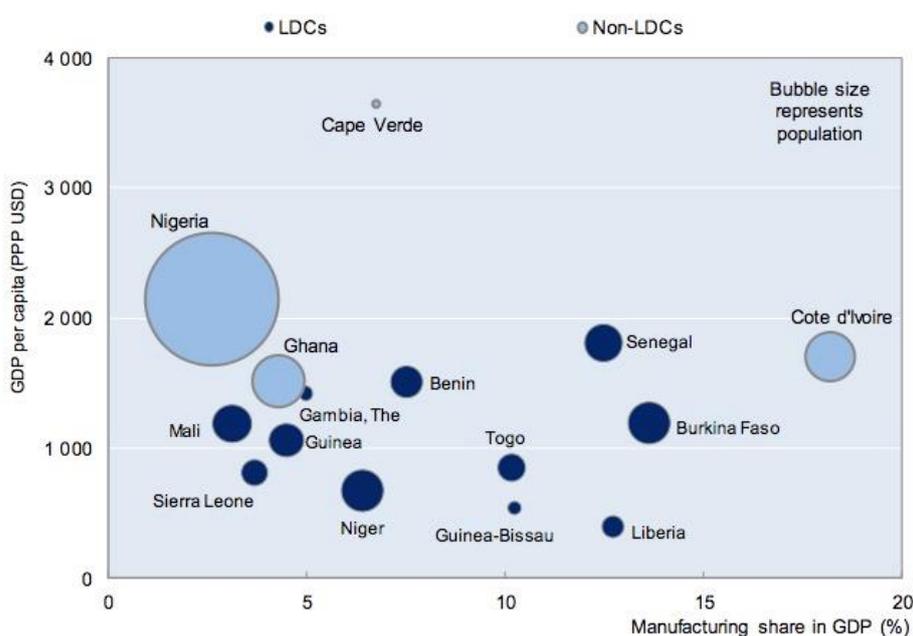
However, the West African region has seen an important comeback of more active industrial policies, in recent years. In addition, the examples of alternative paths of development such as the Latin American countries and the global financial crisis are making it more difficult for local free-market economists to defend the past Washington orthodoxy (Otoo, 2013). This comeback of active industrial policies also faces some obstacles with an inefficient institutional architecture and limited public-private sector consultations (JEMOA, 1999).

³² Breweries, cement factories oil mills and agro-processed products generally (WACIP, 2010).

These evolutions help explain why the production base of West African countries is globally weak, characterised by obsolete capital and facilities, and the region is one of the least integrated into the global value chains (GVCs), particularly for processing activities as highlighted in the 2014 African Economic Outlook (AfDB, 2016a).

Importantly for the reflections above regarding national versus regional industrialisation, there are significant disparities across ECOWAS member states: for example, more than 80% of the region's Manufacturing Value Added (MVA) was obtained from Nigeria (39.7%), Côte d'Ivoire (23.4%), Ghana (10.0%) and Senegal (9.3%) in 2006 (WACIP, 2010). The three first countries have their national agro-processing sectors linked to global value chains, but progress to develop regional value chains has been slow (AfDB, OECD & UNDP, 2014). Today, while most countries saw a decline or stagnation of their manufacturing industries, Nigeria experienced an increase from 2.4% in 2008 to 9% in 2015 (AfDB, 2016a).

Figure 14.1. Size and economic structure of ECOWAS members



Source: All data from World Bank, World Development Indicators.

Source: von Uexkull, [2012](#)

These different levels of industrialisation and manufacturing mean that Member States have different interests in terms of adopting a regional approach to industrialisation. That being said, three groups can be broadly distinguished: the Gulf of Guinea (Nigeria, Ghana and Côte d'Ivoire and the undersized 'satellites' of Benin and Togo), the Atlantic façade (Sierra-Leone, Liberia, Guinea, Guinea-Bissau, Senegal, the Gambia), and the large landlocked countries (Mali, Burkina Faso and Niger) (Idrissa, 2013).

Implications

Over the last decade, the ECOWAS region has observed the burgeoning of national industrialisation policies. From Liberia to Ghana, Nigeria, Senegal or Côte d'Ivoire, most Member States seem to agree that industrialisation matters, even more in the context of decline of world commodity prices and youth unemployment.

That said it is not clear how most of these national policies fit within the WACIP or even the CIP for UEMOA countries - industrialisation and private sector development strategies and ambitions are largely understood mainly in national terms. The lack of coordination of these national industrial

policies partly resulted in the “duplication, the establishment of competing production facilities in the region (e.g. breweries, cement factories) and relatively low levels of value added exports” (AfDB, OECD & UNDP, 2015 p. 85). This in turn limits the potential for regional value chains, and structural shift from traditional raw material to finished products exports pattern.

This observation also reflects the limited financial commitment of Member States to the implementation of the WACIP, where only one (SQAM) out of the ten programme received enough attention and funding to generate significant impact. In addition, the signature of interim EPA’s by Ghana and Côte d'Ivoire underline the prominence of national interests (and external pressure) over regional interests - as these agreements will affect other ECOWAS industrialisation processes.

On the other hand, the SQAM programme also shows that where there is a convergence of (national) interests and thus perceived benefits, a regional approach to certain aspects of industrialisation can be highly effective in catalysing, coordinating and translating these interests in practice.

Although not possible to dwell on the specific interests among all 15 ECOWAS states, it is insightful to look at a few key countries.

Nigeria

The plunging of crude oil prices is being felt strongly in Nigeria. The government is struggling to pay salaries, the private sector is also hit causing the destruction of thousands of jobs³³, causing much economic and social insecurity. Naturally, the government acknowledged again the need to diversify the economy³⁴. This means moving away from the dependency on crude oil exports by focusing on industrialisation, and stopping importing products that can be locally produced³⁵.

However, much of the rhetoric has centred on job creation³⁶, protectionism, and import substitution, i.e. pushing Nigerian companies to exploit the large domestic market and hindering foreign companies to export their products in Nigeria³⁷. This adds already to the existing Nigerian Import Prohibition List. While the overall objectives such as the transformation of raw material are in accordance with the WACIP objectives, the regional dimension of these choices is rather absent, while the approach also undermines the regional trade objectives. In fact, according to some interviewees, these decisions are very much political, and aim to ease some of the pressures put on the government by national private sector associations and/or the population thus putting in question again the value added of a regional industrial approach.

By way of example, the Nigerian government recently placed a ban on automobile imports through land borders³⁸, acceding to one of the requests made by Nigerian Automotive Manufacturers Association (NAMA) to ease their operations and provide Nigerians with employment opportunities and “put food on the table in millions of homes”.³⁹ At the same time, Dangote shows an interest in

³³ See <http://opinion.premiumtimesng.com/2016/02/23/nigeria-beyond-protectionism-and-import-substitution-by-seun-kolade/>.

³⁴ Early this year Nigeria launched two programmes namely, the Nigeria Industrial Revolution Plan and the National Enterprise Development Programme with a view to transforming the nation's industrial landscape to boost development ([ICTSD, 2014](http://www.ictsd.org/2014)).

³⁵ See <http://thenationonlineng.net/import-substitution-policy-ward-off-economic-crisis/>.

³⁶ See <http://www.daargroup.com/daar-group/latest-news/vanguardngr-job-creation-remains-top-priority-of-buhari-administration-ipaye>.

³⁷ See <http://opinion.premiumtimesng.com/2016/02/23/nigeria-beyond-protectionism-and-import-substitution-by-seun-kolade/>.

³⁸ In addition the change in tariffs for automobiles imports that was initially scheduled to begin in 2015 due to the CET has been put on hold. ([UNECA, 2015](http://www.uneca.org/2015)).

³⁹ See <http://allafrica.com/stories/201612120533.html>.

acquiring majority shares of auto company⁴⁰...showing again that state-business relationships matter. Such a decision also creates losers: Nigerian consumers who wish to buy cheap and already used cars; car importers in Nigeria and exporters in Benin.⁴¹

That being said, it would be misleading to assume that because Nigeria does not seem to focus on regional industrialisation, they have no interest in the WACIP. In this regard, observe that in a time where Nigeria focuses on the automobile production, the ECOWAS WACIP (revised in 2015) indicated the related sector (automotive industry) as priority industry. The Commissioner for Private sector and industrialisation precises that this “policy be inspired by the Nigeria experience and try to harmonise the Franco[phone] regulations and standards on the issue”, before adding that “Nigeria can help the region to provide the vehicles that other countries import” thus creating jobs and fostering economic growth and development.⁴²

Ghana

As in Nigeria, the industrialisation policy of Ghana is intrinsically linked to the creation of more and better jobs, in view of the growing population and youth. This was confirmed again during the recent elections where the newly elected president of Ghana, Nana Akufo-Addo, based his campaign on a commitment to create jobs and to move Ghana to the forefront of industrialisation efforts in West Africa. Specifically, the Ghanaian leader promised to establish at least one factory in each of the 216 districts across the country (“1-District-1-Factory”) ([Schneidman, 2016](#)).

While Ghana established its industrial policy more or less in the same time as the WACIP (published in 2011) and hence makes little reference to regional industrialisation ambitions, its Programme Based Budget ([2012-2014](#)) affirms that a key objective of Ministry of trade and Industry will be to “intensify the development of industries with focus in new areas of services, technological enhancement; higher value added products and activities, innovative and creative human capital and integrating Ghanaian industries and services into the regional and global networks and supply chains”. Former president John Dramani Mahama also stated that accelerating the industrialisation of ECOWAS was appropriately linked to Ghana’s current transformation agenda; adding that “[Ghana’s] industrialisation effort has to keep a regional market focus through increased intra-African trade before we think of global supply chain nexus.”⁴³

However Ghana’s industrial policy remains yet to be implemented and one could think that commitments for a regional approach towards industrialisation are pure rhetoric.⁴⁴ But in 2016, while the first ECOWAS Industrial Summit on “Promoting investment to accelerate the industrialisation of the West African sub-region” was supposed to take place in Ghana, the ECOWAS Commission notified Ghana of “its inability to co-organise the Summit due to some internal challenge from its reorganisation activities”. Ghana nevertheless took full responsibility for the organisation of the summit.⁴⁵

This also relates to the ambition of Ghana to become the hub for the West African Sub-region for industrialisation purposes. The fairly developed energy infrastructures and business environment of

⁴⁰ Of the 2,500 Lebanese dealers in Cotonou, 1,600 have packed up and left in the last six months, shutting down businesses that employed dozens of drivers, cleaners and security staff. See <http://africa-me.com/peugeot-nigeria-rebirth-revival-thanks-africas-richest-man/>.

⁴¹ See <http://www.vanguardngr.com/2017/01/benin-hit-nigerias-car-import-ban/>.

⁴² See <http://www.leadership.ng/news/480221/ecowas-calls-regional-strategy-develop-automotive-industry> and <http://guardian.ng/news/ecowas-advocates-regional-strategy-for-automotive-industrys-devt/>.

⁴³ See <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/Ghana-s-power-supply-better-than-ECOWAS-peers-Minister-457863>.

⁴⁴ See <http://thebftonline.com/business/economy/17062/industrialists-express-worry-as-industrial-policy-gathers-dust.html>.

⁴⁵ See <http://www.ghananewsagency.org/economics/ghana-to-hold-ecowas-industrial-summit-in-july-104731>.

Ghana is even attracting a recent industrial migration (including from Nigeria). The latter country is paying the increased cost of production due to poor power supply and port congestions that consequently resulted to increased overhead cost of production of manufacturing companies ([Efobi, et al. 2016](#)).

Both Ghana and Nigeria have a strong interest in the pharmaceutical industry as it is estimated that “Thirty percent of the sub-region market is supplied by Nigerian manufacturers although Ghana-based manufacturers also export significant quantities to the sub-region” ([GTZ, 2007, p. 41](#)). On the other hand UEMOA countries rely largely on imported medicines, particularly from France. “This reliance on imports from France has reduced the motivation to develop a local pharmaceutical industry in the Francophone countries” ([GTZ, 2007, p. 41](#)). This may suggest that they have influenced the priority industries of the WACIP with a view to benefiting from the regional market.

Other member state interests

Côte d'Ivoire also aspires to be something of a regional industrial engine, exporting about 30% of their manufactured products in UEMOA countries. However, its national industrial policy does not emphasise particularly the value of a regional approach or the WACIP. That however does not prevent Ivorian firms to invest in the region (the UEMOA first and the ECOWAS), which is one of the objectives of the newly elected head of Confédération générale des entreprises de Côte d'Ivoire (CGECI)⁴⁶. After the difficulties encountered during the civil war, Côte d'Ivoire is thus rapidly catching back the market share that was its before the conflict thanks to the good performance in industrialisation, production and commercialisation.⁴⁷ Interestingly some of the country's national industrialisation priorities also feature in the WACIP such as the construction material industry; but also the pharmaceutical industry where Côte d'Ivoire is evolving as an attractive pharmaceutical hub, and GlaxoSmithKline has made Ivory Coast its regional base for West Africa⁴⁸.

Sahelian countries, as landlocked countries, face additional issues in comparison to coastal countries, such as the cost of transport and other transaction costs. This leaves them with a natural disadvantage. Hence it could be assumed that these countries may be most interested in benefiting from reliable regional energy and transport infrastructures as part of their attempts at regional industrialisation - where their products would hardly be more competitive than their neighbours. From secondary research, no further interests in the ECOWAS WACIP was identified.

Youth employment

While in theory ECOWAS citizens can move and reside freely in any ECOWAS Member states, it is in fact the ECOWAS Member States who determine who they allow in and under what conditions migrants can work. In times of crisis especially, Member States may be pushed to limit immigration or migrants rights to satisfy the populist part of the population (and potential voters)⁴⁹. For example, a majority of Ghanaian migrants in Nigeria were expelled in the early 1980s, because of Nigeria's economic recession; and similar issues happened Côte d'Ivoire. This in turn limits possibilities for youth to find a job in the region. More recently, the Ghanaian government - under the pressure of the Ghana Union of Traders Association, required foreign (including Nigerian) traders coming to Ghana to raise a minimum capital from US\$300,000 to US\$1m in cash or goods. This, while contradicting regional industrial policies, prevents youth from exploiting regional or cross-border business opportunities, which is often a key means of livelihood when job opportunities are too scarce. Thus

⁴⁶ See <http://www.jeuneafrique.com/mag/384838/economie/cote-divoire-jean-marie-ackah-allons-inciter-a-conquete-de-region/>.

⁴⁷ See http://www.dakaractu.com/PARTS-DE-MARCHE-EN-EXPORTATION-DANS-L-ESPACE-CEDEAO-Les-entreprises-senegalaises-encore-a-la-traine_a87149.html.

⁴⁸ See <https://www.linkedin.com/pulse/private-equity-ivory-coast-new-big-hope-west-africa-hugo-williamson> and <https://www.ft.com/content/5959c0fe-5ad8-11e5-9846-de406ccb37f2>.

⁴⁹ See <https://www.questia.com/library/journal/1P3-3906973391/the-ecowas-free-movement-protocol-obstacle-or-driver>.

the Economic Community of West African States Youth Council (ECOWAS-Youth Council) drew some attention on this issue.⁵⁰ More generally, in this case, Member States national (economic) interests caused indirect negative effects on the youth - while the latter is often described as a key priority for Member States' governments - Ghana included.

Going beyond the fact that youth employment is understood mainly in national terms, it also became quite clear that this issue generates limited interest at the political level (beyond the rhetoric), except when youth are educated and organised enough to exert pressure on the existing institutions such as in the case aforementioned of Wade in Senegal.

4. On the areas with most traction for regional cooperation

Through the WACIP, ECOWAS set up a comprehensive and ambitious agenda in order to promote industrialisation and foster the (manufacturing) Regional Value Chains (RVCs) in West Africa. While the WACIP responds to a wider trend towards industrial strategies at the Member State level, this study questions whether the regional level is really appropriate for industrial policy and promoting youth employment in the context of ECOWAS. This question is even more legitimate looking at the limited interest demonstrated by ECOWAS Member States (with the exception of Ghana), and the lack of implementation of the WACIP and the ECOWAS Youth Policy.

That said, the revised WACIP witnesses a change of approach, with a narrower and sharper focus on four industries, in order to better respond to Member States interests and generate a political traction at ECOWAS level that was previously missing. Although it is too early to talk about success or failure, it demonstrates ECOWAS willingness to adapt and integrate lessons learnt along the way - showing the iterative and complex nature of the (regional) industrialisation processes. What this update also shows is that there seems to be only a limited role for the ECOWAS to play in promoting regional industrialisation.

In this regard, it would be interesting to look at and analyse in depth the SQAM programme with a view to better i) understand the type of private sector actors, industry and countries the programmes involves, ii) the factors and actors that contributed to its success; and iii) understand what could be the role for the ECOWAS. Such study could help understand the actual added value of the WACIP, and thus contribute to making it more relevant for Member States, and especially their private sector's.

Further, while Nigeria is currently going through difficult times, Ghana could be one of the growth poles in West Africa, with a regional ambition. Thanks to its fairly developed energy and transport infrastructures, Ghana could also assume a leadership role in the WACIP. Because of its central position in West Africa, the country could further develop RVCs involving their periphery, in particular with the landlocked countries of the Sahel where trade complementarities exist, and Cote d'Ivoire.

In addition, regional industrialisation and youth employment might gain more traction if better factored into other policy processes affecting them - whether it is about energy and transport infrastructures, trade or food security.

⁵⁰ See <http://thepoint.gm/afrika/gambia/article/ecowas-youth-council-calls-for-immediate-intervention-on-trade-integration-dispute-between-nigeria-a>.

Last but not least, research could go in further depth with some of key questions affecting regional industrialisation:

- How to turn state-business relationship as a driver for, rather than an obstacle to, regional industrialisation?
- Where and what is the place of the informal sector in the industrialisation process of the ECOWAS? The latter is recognised as key actor and employer, involving a diversified trade (more than the formal trade flows), and sometimes operating between countries.

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