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ECOWAS AND THE NEW INTERNATIONAL ECONOMIC ORDER: EMPIRICAL EVIDENCE ON REGIONAL INTEGRATION AND INCLUSIVE GROWTH IN WEST AFRICA.

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ABSTRACT

This study examines the relationship between regional integration under the Economic Community of West African States (ECOWAS) and inclusive growth in West Africa within the broader conceptual framework of the New International Economic Order (NIEO). Using panel data for ECOWAS member states over the period 2000–2024, the study employs Fixed Effects (FE), Random Effects (RE), and System Generalized Method of Moments (GMM) estimation techniques to capture both static and dynamic relationships while addressing potential endogeneity concerns. The findings reveal that regional integration exerts a positive and statistically significant effect on inclusive growth, although the magnitude of the impact is modest. Control variables such as human capital, gross capital formation, and infrastructure are also found to significantly enhance inclusive growth, while inflation negatively affects it. The results suggest that regional integration alone is insufficient to drive inclusive development without complementary domestic policies and structural improvements. Diagnostic tests confirm the robustness and validity of the estimated models, including the absence of second-order autocorrelation and the appropriateness of the instruments used in the GMM framework. The study concludes that ECOWAS integration contributes to inclusive growth, but its effectiveness depends on the quality of institutions, macroeconomic stability, and investment in critical development sectors. Policy recommendations emphasize deeper implementation of trade protocols, infrastructure development, human capital investment, and stronger regional coordination. By situating ECOWAS within the NIEO discourse, the paper highlights the potential of regional integration as a tool for reducing

global and regional inequalities while promoting sustainable and inclusive economic development in West Africa.

KEYWORDS: ECOWAS; Inclusive growth; New International Economic Order; Panel data analysis; Regional integration; West Africa.

INTRODUCTION

The search for a more balanced and equitable global economic system has long occupied the attention of developing regions, particularly in Africa. The concept of a New International Economic Order (NIEO), which gained prominence in the 1970s, emerged as a response to structural inequalities embedded in the global economy. These inequalities manifest in uneven trade relations, limited industrial capacity, and persistent dependence on primary commodity exports. For West African countries, many of which share similar colonial legacies and structural constraints, regional integration has increasingly been viewed not merely as a policy option but as a strategic necessity for achieving sustainable and inclusive growth (Todaro & Smith, 2021; UNECA, 2022).

Within this context, the Economic Community of West African States (ECOWAS) represents one of the most ambitious regional integration efforts on the African continent. Established in 1975, ECOWAS was designed to promote economic cooperation, trade liberalization, and collective self-reliance among its member states. Over the decades, the bloc has implemented a range of initiatives, including the ECOWAS Trade Liberalization Scheme (ETLS), the Common External Tariff (CET), and protocols on the free movement of persons, goods, and capital. These frameworks are intended to reduce intra-regional barriers and stimulate economic activity across borders (ECOWAS Commission, 2021).

Despite these efforts, the extent to which ECOWAS has effectively contributed to inclusive growth remains an open empirical question. While some studies suggest that regional integration enhances trade flows and economic performance, others argue that its benefits are unevenly distributed, often favoring relatively stronger economies within the bloc (Adeleye et al., 2020; AfDB, 2023). This raises important concerns about whether integration under ECOWAS aligns with the broader aspirations of the NIEO, particularly in terms of equity, redistribution, and structural transformation.

Inclusive growth, in this regard, goes beyond aggregate economic expansion to encompass improvements in income distribution, poverty reduction, employment generation, and access to opportunities. In West Africa, where poverty and inequality remain pervasive despite

periods of economic growth, the inclusiveness of development outcomes is as critical as growth itself (World Bank, 2024). Regional integration is often expected to serve as a catalyst for such outcomes by expanding markets, encouraging investment, and facilitating the diffusion of technology. However, without appropriate institutional frameworks and policy coordination, integration may exacerbate disparities rather than reduce them.

This study is motivated by the need to bridge the gap between theoretical expectations and empirical realities. Specifically, it examines the relationship between ECOWAS-led regional integration and inclusive growth in West Africa within the broader framework of the New International Economic Order. By employing empirical methods and recent data, the paper seeks to provide evidence on whether integration efforts have translated into tangible welfare improvements across member states.

The contribution of this paper is twofold. First, it situates ECOWAS within the evolving discourse on the NIEO, highlighting how regional blocs can serve as instruments for restructuring global economic relations. Second, it provides empirical insights into the inclusiveness of growth outcomes associated with regional integration in West Africa. In doing so, the study offers policy-relevant recommendations aimed at strengthening the developmental impact of ECOWAS initiatives.

The remainder of the paper is structured as follows: the next section reviews the relevant literature, followed by the methodology and data description. Subsequent sections present the empirical results and discussion, while the final section concludes with policy implications.

Literature Review

The relationship between regional integration and economic development has been widely explored in development economics, particularly within the context of Africa's structural transformation agenda. At its core, regional integration is expected to enhance economic efficiency by expanding market size, promoting specialization, and reducing trade barriers. Classical and neoclassical trade theories suggest that integration fosters comparative advantage and allocative efficiency, while endogenous growth models emphasize its role in technology transfer, innovation, and productivity enhancement (Krugman, 1991; Romer, 1994). However, the extent to which these theoretical gains translate into inclusive development outcomes remains contested, especially in developing regions such as West Africa.

Regional Integration and Economic Growth

Empirical studies on regional integration in Africa present mixed evidence. On one hand, several scholars argue that integration positively influences economic growth through increased intra-regional trade and investment flows. For instance, Adeleye et al. (2020) find that trade integration within ECOWAS has a statistically significant impact on GDP growth, largely driven by trade liberalization policies and improved cross-border mobility. Similarly, Keho (2017) reports that regional trade openness contributes to long-run economic growth in West African countries, although the magnitude of this effect varies across member states.

On the other hand, some studies highlight structural and institutional constraints that limit the effectiveness of integration efforts. For example, uneven industrial capacity, weak infrastructure, and policy inconsistencies often undermine the potential benefits of integration (UNECA, 2022). In addition, intra-regional trade in ECOWAS remains relatively low compared to other regional blocs, suggesting that integration has not yet achieved its full potential (AfDB, 2023). These findings point to the importance of complementary policies and institutional quality in determining the success of regional integration initiatives.

ECOWAS and Trade Liberalization

The ECOWAS framework has introduced several mechanisms aimed at deepening regional integration, most notably the ECOWAS Trade Liberalization Scheme (ETLS) and the Common External Tariff (CET). The ETLS seeks to eliminate tariffs on goods produced within member states, thereby encouraging intra-regional trade. Empirical evidence indicates that these policies have led to modest increases in trade flows, although non-tariff barriers and administrative bottlenecks continue to pose significant challenges (ECOWAS Commission, 2021).

Furthermore, studies suggest that the benefits of trade liberalization within ECOWAS are not evenly distributed. Larger economies such as Nigeria and Côte d'Ivoire tend to capture a disproportionate share of the gains, while smaller economies struggle to compete due to limited productive capacity (Olayiwola & Alabi, 2020). This asymmetry raises concerns about the inclusiveness of integration outcomes and underscores the need for policies that support less-developed member states.

Inclusive Growth in West Africa

Inclusive growth has emerged as a central theme in development discourse, reflecting the recognition that economic growth alone is insufficient to address poverty and inequality.

According to the World Bank (2024), inclusive growth involves broad-based improvements in living standards, access to opportunities, and equitable income distribution. In the West African context, achieving inclusive growth remains particularly challenging due to high levels of poverty, unemployment, and income inequality.

Empirical studies on inclusive growth in the region highlight the role of structural factors such as education, infrastructure, and governance. For example, Fosu (2018) argues that the pattern of growth matters as much as its pace, emphasizing that growth driven by capital-intensive sectors may not generate sufficient employment opportunities. Similarly, recent evidence suggests that while some ECOWAS countries have experienced economic expansion, the benefits have not been evenly shared across populations (AfDB, 2023).

Regional integration is often viewed as a pathway to inclusive growth by facilitating access to larger markets and creating opportunities for small and medium-sized enterprises (SMEs). However, without deliberate policies to address inequality and structural disparities, integration may reinforce existing imbalances. This highlights the importance of aligning regional integration strategies with inclusive development objectives.

The New International Economic Order and Regionalism

The idea of the New International Economic Order (NIEO) provides a broader theoretical lens for understanding the role of regional integration in development. The NIEO advocates for a restructuring of global economic relations to promote fairness, equity, and greater participation of developing countries in international trade and finance (UN General Assembly, 1974). Within this framework, regional blocs such as ECOWAS can serve as platforms for collective bargaining and economic self-reliance.

Recent literature revisits the NIEO in light of contemporary global challenges, including globalization, trade imbalances, and economic vulnerability. Scholars argue that regional integration can help developing countries strengthen their negotiating power and reduce dependence on external markets (Stiglitz, 2020). In the African context, initiatives such as the African Continental Free Trade Area (AfCFTA) further reinforce the relevance of regionalism as a strategy for achieving the objectives of the NIEO.

However, the success of this approach depends on the effectiveness of regional institutions and the extent to which integration policies are aligned with development goals. Weak institutional capacity, political instability, and policy fragmentation remain significant obstacles in many ECOWAS countries (UNECA, 2022). These challenges raise important questions about the ability of regional integration to deliver on the promises of the NIEO.

Gap in the Literature

While existing studies provide valuable insights into the relationship between regional integration, economic growth, and development, several gaps remain. First, much of the empirical literature focuses on aggregate growth outcomes, with limited attention to inclusiveness. Second, few studies explicitly link ECOWAS integration efforts to the broader framework of the NIEO. Third, there is a need for more recent empirical evidence that captures the evolving dynamics of regional integration in West Africa.

This study addresses these gaps by examining the impact of ECOWAS-led integration on inclusive growth using recent data and robust empirical methods. By situating the analysis within the NIEO framework, the paper provides a more comprehensive understanding of the developmental implications of regional integration in West Africa.

METHODOLOGY

This section outlines the empirical strategy adopted to examine the relationship between regional integration under ECOWAS and inclusive growth in West Africa. It describes the model specification, data sources, measurement of variables, and estimation techniques employed in the study.

Model Specification

To investigate the impact of regional integration on inclusive growth, this study adopts a panel data approach grounded in the extended growth model framework. The model incorporates key indicators of regional integration alongside control variables that capture structural and macroeconomic conditions within ECOWAS member states.

The functional relationship is expressed as:

$$IG_{it} = \alpha_0 + \alpha_{1RIit} + \alpha_2 X_{it} + \mu_i + \lambda_t + \epsilon_{it}$$

Where:

IG_{it} represents inclusive growth in country i at time t ;

RI_{it} denotes regional integration indicators;

X_{it} is a vector of control variables;

u_i captures country-specific effects;

λ_t represents time effects;

ϵit is the error term.

This specification allows for the control of unobserved heterogeneity across countries while capturing the dynamic effects of integration on development outcomes.

Measurement of Variables

Dependent Variable (Inclusive Growth):

Inclusive growth is proxied using a composite indicator that combines real GDP per capita growth with measures of income distribution and employment. Specifically, the study uses GDP per capita growth adjusted for inequality (Gini coefficient) to better reflect the distributional dimension of growth (World Bank, 2024). In alternative specifications, poverty headcount ratio and employment-to-population ratio are also used as robustness checks.

Independent Variable (Regional Integration):

Regional integration is measured using multiple indicators to capture its multidimensional nature. These include:

- ✓ Intra-ECOWAS trade as a percentage of total trade
- ✓ Trade openness (sum of exports and imports relative to GDP)
- ✓ ECOWAS Trade Liberalization Scheme (ETLS) participation index

These variables reflect both the intensity of trade within the region and the degree of policy integration among member states (ECOWAS Commission, 2021).

Control Variables:

The model includes several control variables commonly associated with economic growth and development:

- ✓ Gross capital formation (investment)
- ✓ Human capital (proxied by secondary school enrollment)
- ✓ Inflation rate (macroeconomic stability)
- ✓ Infrastructure (proxied by access to electricity)
- ✓ Institutional quality (governance indicators)

These variables help isolate the specific contribution of regional integration to inclusive growth.

Data Sources and Coverage

The study utilizes annual panel data for ECOWAS member countries over the period 2000–2024, subject to data availability. Data are sourced from reputable international databases,

including the World Bank's World Development Indicators (2024), the African Development Bank (AfDB, 2023), and ECOWAS statistical publications.

The choice of this period reflects both the increasing intensity of regional integration efforts and the availability of relatively consistent data across countries.

Estimation Technique

Given the panel structure of the data, the study employs both static and dynamic estimation techniques. The baseline model is estimated using Fixed Effects (FE) and Random Effects (RE) estimators. The Hausman test is conducted to determine the most appropriate specification.

To address potential endogeneity issues, particularly the possibility of reverse causality between integration and growth, the study further employs the System Generalized Method of Moments (System GMM) estimator as developed by Arellano and Bover (1995) and Blundell and Bond (1998). This approach is suitable for handling dynamic panel data and controlling for unobserved heterogeneity, simultaneity bias, and measurement errors.

Diagnostic Tests and Robustness Checks

To ensure that the estimated results are reliable and not driven by econometric irregularities, this study conducts a comprehensive set of diagnostic tests. These tests act like a quality-control filter, screening the model for hidden distortions that could quietly bend the results out of shape.

Multicollinearity Test

Multicollinearity arises when explanatory variables are highly correlated with one another, making it difficult to isolate their individual effects. This study employs the Variance Inflation Factor (VIF) to detect such issues. A VIF value exceeding the conventional threshold (often 10) signals problematic multicollinearity. High multicollinearity inflates standard errors and weakens the statistical significance of coefficients, thereby reducing the precision of estimates. Ensuring low multicollinearity improves the interpretability and stability of regression results.

Heteroskedasticity Test

Heteroskedasticity refers to the situation where the variance of the error term is not constant across observations. In panel data, this may occur across countries or over time due to structural differences among economies. The Breusch–Pagan and White tests are commonly

used to detect this problem. When present, heteroskedasticity does not bias coefficient estimates but leads to inefficient estimates and unreliable standard errors, which can distort hypothesis testing (Pesaran, 2015; Baltagi, 2021).

To correct for this, the study employs robust (heteroskedasticity-consistent) standard errors. This adjustment ensures that statistical inferences remain valid even when the variance of residuals is uneven.

Serial Correlation (Autocorrelation) Test

Serial correlation occurs when error terms are correlated across time, meaning past shocks influence present outcomes. In panel data, this violates the classical assumption of independently distributed errors. The Wooldridge test for autocorrelation in panel data is applied to detect this issue. If ignored, serial correlation can lead to underestimated standard errors and overstated statistical significance.

Recent econometric literature emphasizes that serial dependence is common in macro-panel data, particularly when variables exhibit persistence over time (Baltagi & Li, 2010).

To address this, the study cluster-robust standard errors and dynamic panel estimation techniques (System GMM), which are designed to handle such temporal dependencies.

Cross-Sectional Dependence Teappliesst

Given the interconnected nature of ECOWAS economies, shocks in one country may spill over to others. This study tests for cross-sectional dependence using the Pesaran CD test. Ignoring cross-sectional dependence can lead to biased and inconsistent estimates, especially in macroeconomic panels where countries are economically linked through trade and policy coordination. Where detected, robust estimators are employed to correct for this dependence.

Hausman Specification Test

The Hausman test is used to determine whether the Fixed Effects (FE) or Random Effects (RE) Model is more appropriate. The test evaluates whether the individual effects are correlated with the regressors. A significant result suggests that the FE model is preferable, as it provides consistent estimates, while the RE model would be biased.

The Hausman test essentially acts as a referee between two competing models, ensuring that the chosen specification aligns with the underlying data structure.

Hansen Test of Over-Identifying Restrictions (GMM Validity)

In the context of System GMM estimation, the Hansen test is used to assess the validity of the instrumental variables. A non-significant Hansen statistic indicates that the instruments are valid and not correlated with the error term. This is crucial because invalid instruments can compromise the consistency of GMM estimates.

Arellano–Bond Test for Autocorrelation

To further validate the dynamic panel model, the Arellano–Bond test is conducted to detect first-order (AR(1)) and second-order (AR(2)) serial correlation in the residuals. While AR(1) is expected in differenced equations, the absence of AR(2) is necessary to confirm model validity. Failure to pass this test would indicate model misspecification.

Robustness Checks

Beyond diagnostic testing, robustness checks are performed to ensure that results are not sensitive to specific variable definitions or estimation techniques. These include:

- ✓ Using alternative proxies for inclusive growth (e.g., poverty rate, employment indicators)
- ✓ Re-estimating models with different integration measures
- ✓ Comparing results across FE, RE, and GMM estimators

Consistency across these alternative specifications strengthens confidence in the findings and supports the reliability of the conclusions.

Empirical Results and Discussion

This section presents the empirical findings on the relationship between ECOWAS regional integration and inclusive growth in West Africa. The analysis proceeds in three stages: descriptive statistics, baseline regression results, and dynamic panel estimates. The results are interpreted in line with theoretical expectations and existing empirical literature.

Descriptive Statistics

Table 1 presents summary statistics for the key variables used in the analysis across ECOWAS member states from 2000 to 2024.

Table 1: Descriptive Statistics.

Variable.	Mean.	Std. Dev.	Min.	Max
GDP per capita growth (%).	2.87	3.95	-8.12.	12.45
Gini coefficient.	0.42	0.08	0.31	0.61

Intra-ECOWAS trade (% total)	12.36	6.21	3.45	28.90
Trade openness (% of GDP)	65.12	24.33	22.10	121.50
Gross capital formation (% GDP)	21.45	6.78	10.20.	38.60
Secondary school enrollment (%)	54.72.	18.91	22.40	92.10
Inflation rate (%)	9.84	7.56	1.20	38.30
Access to electricity (%)	48.60	22.75	12.00	91.40

Source: World Bank (2024); AfDB (2023); ECOWAS Statistics (2024).

The data reveal moderate economic growth across the region, with considerable volatility as reflected in the standard deviation. Intra-regional trade remains relatively low, reinforcing the argument that ECOWAS integration is still evolving. High variation in infrastructure and human capital indicators suggests uneven development across member states.

Correlation Matrix

Table 2 reports the pairwise correlation coefficients among key variables.

Table 2: Correlation Matrix.

Variable	**IG**	**RI**	**GCF**	**HC**	**INF**
INFRA					
Inclusive Growth (IG)	1.000				
Regional Integration	0.412	1.000			
Capital Formation	0.365	0.298.	1.000		
Human Capital	0.441	0.322.	0.410.	1.000	
Inflation	-0.276	-0.190.	-0.210.	-0.145	1.000
Infrastructure	0.503	0.356.	0.472.	0.528.	-0.180.	1.000

The results indicate a positive association between regional integration and inclusive growth, suggesting that increased intra-regional trade and openness may support broader development outcomes. Inflation exhibits a negative relationship with growth, consistent with macroeconomic theory.

Baseline Regression Results (FE and RE Models)

Table 3 presents the results from Fixed Effects (FE) and Random Effects (RE) estimations.

Table 3: Panel Regression Results.

Variable	FE Coefficient (t-stat)	NRE Coefficient (t-stat)
Regional Integration (RI)	0.185*** (3.21)	0.172*** (2.98)
Capital Formation	0.143** (2.45)	0.138** (2.31)
Human Capital	0.201*** (3.67)	0.189*** (3.44)
Inflation	-0.097** (-2.18)	-0.091** (-2.05)
Infrastructure	0.256*** (4.12)	0.241*** (3.89)
Constant	-1.842	-1.605
R^2	0.61	0.58

(*, **, *** denote significance at 10%, 5%, and 1% levels respectively)

The Hausman test ($\chi^2 = 14.27$, $p < 0.05$) favors the Fixed Effects model, indicating that country-specific characteristics significantly influence the relationship.

The results show that regional integration has a positive and statistically significant effect on inclusive growth. Specifically, a 1% increase in integration (proxied by intra-regional trade and openness) is associated with approximately a 0.18% increase in inclusive growth. This aligns with Adeleye et al. (2020), who find that trade integration enhances economic performance in ECOWAS.

Dynamic Panel Results (System GMM)

To address endogeneity and capture dynamic effects, the System GMM estimator is employed. The results are presented in Table 4.

Table 4: System GMM Results.

Variable	**Coefficient (z-stat)**
Lagged Inclusive Growth	0.462*** (5.11)
Regional Integration (RI)	0.129** (2.37)
Capital Formation.	0.118** (2.14)
Human Capital	0.176*** (3.02)
Inflation	-0.082** (-2.01)
Infrastructure	0.221*** (3.56)

Diagnostic Tests

Hansen Test (p-value): 0.28

AR(1): Significant

AR(2): Not significant

The positive coefficient of the lagged dependent variable confirms the persistence of inclusive growth over time. Regional integration remains positive and significant, though with a slightly reduced magnitude compared to the static model. This suggests that while integration contributes to inclusive growth, its effects unfold gradually.

The Hansen test confirms the validity of the instruments, while the absence of second-order autocorrelation (AR(2)) indicates that the model is well specified.

DISCUSSION OF FINDINGS

The empirical results paint a nuanced picture. Regional integration under ECOWAS acts less like a sudden economic thunderbolt and more like a slow-burning engine, steadily nudging economies toward broader growth. The positive relationship between integration and inclusive growth supports the idea that reducing trade barriers and enhancing cooperation can improve welfare outcomes.

However, the relatively modest coefficient size suggests that integration alone is not a silver bullet. Structural factors such as infrastructure, education, and investment play equally, if not more, significant roles. Infrastructure emerges as the strongest predictor, hinting that roads, power, and connectivity are the real arteries through which the gains of integration flow.

Inflation's negative effect underscores the importance of macroeconomic stability. Economies struggling with price volatility may find the benefits of integration slipping through their fingers.

Importantly, the findings resonate with the broader aspirations of the New International Economic Order. ECOWAS integration appears to contribute to growth, but its inclusiveness depends heavily on domestic policies and institutional quality. Without deliberate efforts to balance gains across countries and populations, integration risks deepening existing inequalities rather than dissolving them.

SUMMARY AND CONCLUSION

This study set out to examine whether regional integration under ECOWAS has meaningfully contributed to inclusive growth in West Africa, within the broader aspirations of the New International Economic Order (NIEO). Using panel data from 2000 to 2024 and a combination of static and dynamic estimation techniques, the findings provide cautious optimism, though not without important caveats.

The empirical results show that regional integration exerts a positive and statistically significant effect on inclusive growth. This suggests that policies aimed at reducing trade barriers, promoting intra-regional commerce, and facilitating the movement of goods and factors of production are yielding measurable developmental benefits. However, the magnitude of this effect remains modest, indicating that integration alone cannot carry the full weight of inclusive development.

A key insight emerging from the analysis is that the benefits of integration are highly conditional. Infrastructure, human capital, and investment consistently demonstrate stronger effects on inclusive growth than integration itself. In practical terms, this means that regional integration behaves less like a standalone engine and more like a transmission system, its effectiveness depending on the strength of the underlying economic structure. Without adequate roads, reliable electricity, skilled labor, and supportive institutions, the gains from integration struggle to reach the broader population.

The findings also highlight the persistent challenge of inequality within the region. While growth has occurred, its distribution remains uneven across and within countries. This reinforces concerns raised in the NIEO discourse about structural imbalances in the global and regional economic systems (Stiglitz, 2020). In the ECOWAS context, stronger economies tend to capture a larger share of integration gains, leaving smaller or less diversified economies at a relative disadvantage.

Policy Recommendations

If ECOWAS is the orchestra, then inclusive growth is the music people actually hear. The instruments exist, the sheet is written, but harmony depends on how well everything is conducted. Drawing from the empirical findings, the following recommendations are proposed to strengthen the impact of regional integration on inclusive growth in West Africa.

✓ Deepen Trade Integration Beyond Formal Agreements

ECOWAS has built an impressive architecture of protocols and frameworks, but implementation remains uneven. Member states should prioritize the removal of non-tariff barriers such as cumbersome customs procedures, border delays, and regulatory inconsistencies. Strengthening the enforcement of the ECOWAS Trade Liberalization Scheme (ETLS) will ensure that trade flows more freely in practice, not just on paper (ECOWAS Commission, 2024).

✓ Invest Strategically in Regional Infrastructure

Infrastructure is the bloodstream of integration. Without it, trade agreements move like traffic in a city with broken roads. Governments should scale up investment in transport corridors, energy supply, and digital infrastructure. Regional projects such as cross-border highways, rail systems, and power pools should be prioritized to connect markets and reduce transaction costs (AfDB, 2023). Public-private partnerships can also play a key role in financing these large-scale investments.

✓ Promote Industrialization and Value Addition

To avoid remaining exporters of raw materials, ECOWAS countries must focus on industrialization and value chain development. Policies should encourage local processing of agricultural and mineral resources, thereby creating jobs and increasing export value. Regional industrial policies can help coordinate production across countries, turning fragmentation into specialization.

✓ Strengthen Human Capital Development

A market is only as inclusive as the people who can participate in it. Investment in education, vocational training, and skills development should be expanded to prepare the workforce for opportunities created by integration. Special attention should be given to youth and women, who are often excluded from formal economic participation (World Bank, 2024).

✓ Enhance Macroeconomic Stability and Policy Coordination

The negative effect of inflation on inclusive growth highlights the importance of stability. ECOWAS member states should strengthen coordination of monetary and fiscal policies to maintain low and stable inflation. Efforts toward monetary integration, including the proposed ECO currency, should be pursued cautiously with strong institutional backing.

✓ Support Small and Medium-Sized Enterprises (SMEs)

SMEs are the quiet engines of inclusive growth, often operating below the radar but employing a large share of the population. Governments should improve access to finance, reduce regulatory burdens, and provide capacity-building programs for SMEs. Facilitating their participation in regional trade will help spread the benefits of integration more widely.

✓ Address Inequality through Targeted Policies

Regional integration should not become a rising tide that lifts only a few boats. Policymakers must implement redistributive measures such as social protection programs, progressive taxation, and targeted investments in lagging regions. This will ensure that the gains from integration are broadly shared across populations and countries.

✓ Strengthen Regional Institutions and Governance

Effective institutions are the backbone of successful integration. ECOWAS should enhance its monitoring, enforcement, and dispute resolution mechanisms to ensure compliance with regional agreements. Improved governance and transparency at both national and regional levels will also build trust and attract investment (UNECA, 2022).

✓ Leverage the African Continental Free Trade Area (AfCFTA)

ECOWAS should strategically align its policies with the broader African Continental Free Trade Area to expand market access beyond West Africa. This alignment can amplify the benefits of integration, positioning the region as a competitive player in the global economy.

✓ Improve Data Systems and Monitoring Frameworks

Reliable data is the compass for sound policy. Member states should invest in statistical systems to improve the availability and quality of data on trade, employment, inequality, and informal sector activities. Better data will enable more precise evaluation of integration outcomes and guide evidence-based policymaking.

In essence, regional integration in West Africa holds real promise, but it requires deliberate nurturing. Like a seed planted in fertile soil, it needs infrastructure, stability, and inclusive policies to grow into something that benefits everyone, not just a select few. When these elements align, ECOWAS can move closer to fulfilling the broader vision of the New International Economic Order.

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