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The Benefits of a Project-Based Approach to Regional Integration in Africa

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1. INTRODUCTION

In Africa, regionalism reflects the enduring ideology of Pan-Africanism, built at the end of the 19th century on the core pillars of unity, solidarity, and brotherhood (Nkrumah, 1963, p.193). However, it is perplexing that one of the greatest challenges to African economic integration in the 21st century remains the absence of collective agency, lack of economic production, and shortage of shared prosperity. This policy brief argues that regional integration organizations must adopt a project-based approach to achieve sustainability. It emphasizes that such an approach is essential for fostering inclusive regional value chains (RVCs).

RVCs are interconnected production processes across a specific region that aim to include a diverse range of participants, such as small and medium-sized enterprises, or marginalized groups. The focus on inclusivity means that these value chains are designed to ensure broader access to economic opportunities, equitable distribution of benefits, and enhanced participation for all stakeholders within the region.

While there are business ventures between African companies across different countries, particularly in the fossil fuel and mineral extraction industries, such initiatives remain notably scarce in the manufacturing sector, where most jobs can be created. This is a contradiction, given the myriad of regional integration organizations active in Africa today (Byiers et al., 2019). One of these organizations is the Economic Community of West African States (ECOWAS), established in May 1975 with the aim of forming a customs union among 15 member countries. Partially modeled after the European Union (EU), ECOWAS faces a deep crisis today. The EU on the other hand has steadily expanded its membership over the years, despite the loss of a key player, the United Kingdom, in 2020. What factors account for this disparity in outcomes?

This policy brief is organized as follows: the second section details the methodology, the third compares the approaches of the EU and ECOWAS, highlighting a factor often overlooked in other studies—that the EU was initially a project-based organization, whereas ECOWAS never implemented an integrative regional project—and the fourth presents recommendations for

transforming ECOWAS into a project-based organization through RVCs.

2. RESEARCH METHODS

This paper adopts a qualitative case study approach to compare how two regional organizations chose to integrate the economies of their members. The methodology allows for an in-depth examination of specific contexts that quantitative methods might overlook. By focusing on the particular case of ECOWAS and comparing that organization with a more successful one, the EU, the study aims to uncover factors that shape sustainable regional integration, offering a nuanced understanding of the project-based approach in practice.

3. BACKGROUND

A Brief Comparison of the EU and of ECOWAS

On 9 May 1950, Robert Schuman, then French Foreign minister, delivered a speech that was considered revolutionary (European Union, n.d.). He proposed fostering peace through economic solidarity among European nations. This vision led to the creation of the European Coal and Steel Community (ECSC), a regional integration project that introduced a new model based on benefit-sharing. The joint management of coal and steel production gradually fostered interdependence among the participants (Kenton, 2024). The treaty establishing the ECSC provided for a common market whereby member states pooled resources, reducing the likelihood of conflict over strategic materials and ensuring that no single country could monopolize coal and steel production. Relying on each other's resources strengthened their political and economic ties, laying the foundation for further European integration. As the governments and businesses gradually recognized the benefits of deeper cooperation, economic integration gained momentum, driven by the need to meet ever-growing economic demands.

Unlike the EU, ECOWAS primarily unified its members through principles, institutions, and protocols rather than specific economic production. The organization's most significant achievements include: conflict management and military interventions in Liberia, Sierra Leone, Guinea Bissau, and the Gambia, the 1979 Protocol (ECOWAS, n.d.) relating to the Free Movement of Persons, Residence and Establishment, and the food and agriculture programs aimed at reaching food sovereignty.

Today, however, ECOWAS faces an uncertain future (Micah et al., 2024) due to significant political challenges. Intra-ECOWAS trade accounts for only about 8.5% of total exports in 2023 (OEC, n.d.), a stark contrast to the EU's 62%, highlighting the region's struggle to foster strong economic integration. In January 2024, Burkina Faso, Mali, and Niger announced their departure from ECOWAS to form a separate alliance, further underscoring the bloc's fragility.

Although ECOWAS shares some similarities with the EU (Shehu, 2015), their founding visions differ significantly. The following paragraphs explore how these differences may have shaped their respective performances and outcomes.

The primary difference between the two blocs lies in their initial size. The EU started with just six members, while ECOWAS began with 15, expanding to 16 when Cape Verde joined two years later. The EU's smaller founding membership provided a significant advantage, allowing for more effective integration of resources and potential. Achieving the same level of cohesion would have been far more challenging with a larger group.

The most notable difference, though, is their purposes. Early on, Europe designed a regional industrial project, the ECSC, that kick-started the entire integration process. In the 1950s, European integration aimed not only at liberalizing trade, but making the countries interdependent through a regional project. The project's goal consisted of specific and measurable objectives (Europeana, n.d.). Indeed, participating countries were required to deliver set quantities of both coal and steel. This approach differs sharply from that of ECOWAS, where membership was determined by geographical location rather than economic commitment. The absence of unifying regional industrial projects to anchor membership highlights the organization's fragility. We argue that fostering multiple RVCs around existing growth poles will generate wealth, set attainable goals, and strengthen the organization's cohesion.

4. KEY INSIGHTS

A. Regional-Scale Mango Processing: Unlocking Opportunities and Efficiency

Mango, one of the world's most popular fruits, is widely produced in the ECOWAS region, particularly in Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Mali, Nigeria, and Senegal. A recent publication from Côte d'Ivoire highlights the fruit's significant economic potential (Noua, n.d.). In 2018, eight of the region's largest mango suppliers established the West African Regional Mango Alliance (WARMA/ARMAO) to develop a value chain across ECOWAS.

Despite this potential, the Ivorian mango sector receives little government support. As a result, farmers achieve only a fraction of their farms' expected yields—around 5 tons per hectare compared to 15 tons for well-managed orchards. Additionally, limited processing capacity forces many farmers to transport their harvests to neighboring Ghana for processing. In August 2022, Côte d'Ivoire inaugurated a processing unit in Sinématiali, but while beneficial, its capacity remains insufficient to meet demand.

A typical mango value chain consists of five key stages: sowing the seeds, cultivating mangoes in orchards, harvesting, processing the fruit into dried mangoes and juice, and finally, distribution.

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B. Building a Regional Automotive Value Chain for Sustainable Green Transportation

Auto manufacturing provides millions of direct and indirect jobs worldwide. Given the complexity of automobiles—comprising thousands of parts (Team, n.d.) and 11 distinct systems—subcontracting is a standard industry practice. In West Africa, Nigeria and Ghana lead the sector, with Nigeria's largest automakers including Innoson Vehicle Manufacturing and Nord Automobiles Limited, while Ghana's most prominent automotive company is Kantanka Automobile.

According to the AU-UN study (2021, p.12), the automotive value chain consists of four key stages. The first involves sourcing raw materials such as steel, aluminum, glass, plastics, and leather. In the second stage, these materials are bent, stamped, or welded into sub-components. The third stage focuses on assembling these sub-components into functional systems like transmissions, exhausts, and braking mechanisms. Finally, Original Equipment Manufacturers (OEMs) integrate these systems into a complete motor vehicle.

Recognizing the sector's strategic importance, both Ghana and Nigeria have introduced national automotive development plans—Ghana in 2019 and Nigeria in 2023. Ghana's plan has already been enacted into law, whereas Nigeria's Automotive Industry Development Programme (NAIDP) is still awaiting approval. This underscores the growing role of the automotive industry in both countries' economic strategies.

An integrated regional value chain (RVC) could enhance local production by allowing Ghana and Nigeria to source spare parts from neighboring countries for assembly. However, no such framework currently exists due to the relatively low number of vehicles assembled in both nations and the strong consumer preference for imported second-hand vehicles.

5. POLICY RECOMMENDATIONS

A. The Mango Industry

In 2021, ECOWAS' Regional Agency for Agriculture and Food (RAAF) started implementing its "Innovative Regional Fruit Fly Control System", a surveillance and warning system for the mango sector stakeholders. It should also provide adequate financial and technical support and establish regional high-capacity processing plants to boost mango production and farmers' incomes, as well as warehouses and cold room facilities. This will help to mitigate post-harvest losses, which can reach up to 50% in the most vulnerable regions.

B. The Automotive Industry

West Africa imports approximately 450,000 vehicles annually, of which 80% are used. ECOWAS should support and promote West African car brands through the agency of politicians and celebrities. Currently, most West African leaders and governments

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predominantly use European or Asian-made vehicles, limiting the visibility and growth of local automotive industries.

ECOWAS should fund a study on the benefits for member countries of manufacturing spare parts for key regional markets. Additionally, ECOWAS should expedite the validation of its Regional Automotive Industry Policy Framework. (Lamai, 2018).

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