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Initiatives of West African economic and monetary union (WAEMU) in regional integration

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Abstract

African States, like other parts of the world, have embarked on cooperation or regrouping strategies to face the multiple challenges of globalization. It is in this context that African countries have decided to unite within the framework of regional integration through the creation of the West African Economic and Monetary Union (WAEMU), created in 1994. However, all forms of regional integration throughout the world have not always had satisfactory results. This literature review therefore aims to analyze the main initiatives of WAEMU with a view to strengthen its regional integration. On the one hand, research shows that many initiatives have been undertaken in favor of integration. Several actions have been taken concerning macroeconomic policies such as the construction of common markets, the harmonization of legislation and the implementation of sectoral policies. But, on the other hand, the study reveals that despite all these initiatives, regional integration in the WAEMU space still remains a challenge because one cannot speak of true regional integration when intra-community trade is still very low.

Keywords: regional integration, WAEMU, West Africa

Introduction

The context of the globalization of trade influences the dynamics of groupings of States on a global scale. D. Fe (2013) rightly explains that the process of globalization has led to the proliferation of regional trade agreements around the world for decades. Countries or groups of countries unite to form economic blocs. These agreements strengthen the interdependencies between these countries and can be interpreted as a necessary condition for their better integration into the world economy.

At the level of the African continent, as V. Zoma (2019) points out, this continent is not on the sidelines of these movements of regrouping of States. African societies have always organized their space to ensure exchanges between the world of rural areas and urban centres, from savannas to forests, from the Sahel to the Gulf of Guinea thanks to powerful trading networks. In recent decades, African states in general and those of the West African Economic Monetary Union (WAEMU, created in 1994) in particular, have made regional integration one of the main drivers of their economic progress because this integration should enable countries to solve the problems they face in the context of globalization. According to an institutionalist conception, integration is the establishment of a common system of rules by public authorities in relation to private actors. Institutions are waiting systems allowing the convergence of agents' expectations. They stabilize and secure the environment, allowing credibility (P. Hugon, 2001) ^[6]. Within the framework of this study, regional integration is apprehended as "*the process by which States unite, by conceding part of their sovereignty to a supranational body having the competence to exercise its policy in a well-defined space. determined on the basis of a consensus in order to achieve predefined objectives*" (V. Zoma, 2015, p. 16).

Indeed, as P. Hugon (2001) ^[6] points out, the renewal of regional integration is thus inseparable from the globalization process. The author specifies that almost all of the so-called developing countries such as those of West Africa, members of the WAEMU, are engaged in regional integration processes, the forms of which range from sectoral cooperation to political unions. with transfers of sovereignty. To this end, Y. Bourdet (2005.p.7) ^[18] is right to affirm that "*regional integration has experienced a revival in the world since the mid-1990s. Where is* ".

This revival for regional integration, particularly in the WAEMU space, is linked to the advantages of this form of cooperation or grouping between the Member States. In this regard, B. Gnimassoun (2019) ^[3] explains that several advantages can be drawn from regional economic and/or monetary integration such as that of the West African Economic and Monetary Union. In addition to the theoretical economic advantages relating to the intensification of trade, the mobility of people and capital, regional integration is a tool for growth and political stability. For "small countries" like those in the CFA zone that have no individual influence on the international scene, the benefits of integration can be even greater. It is an instrument of diplomacy and expression of power in a globalized context.

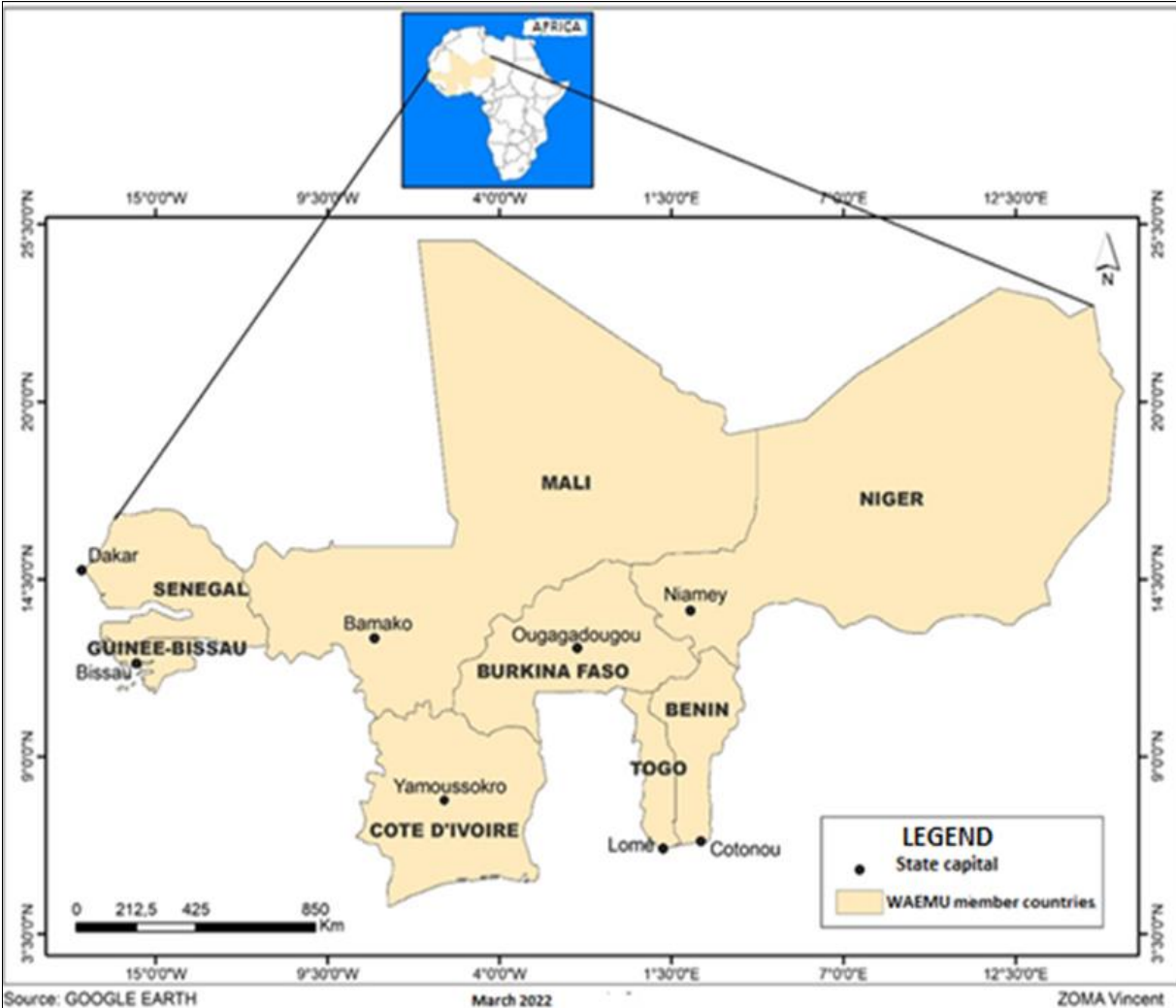
In practice, D. Fe (2013, *op.cit*) shows that in general, the construction of an economic bloc is done, among other actions, through a reduction and/or removal of obstacles to economic activities. cross-border, especially trade. Thus, this liberalization of trade should lead to an improvement in trade performance, to the long-term

equalization of the growth rate of the overall product of the member countries and to the convergence of the levels of economic and social development. In the same perspective, Y. Bourdet (2005, op.cit) ^[18] specifies that one of the major objectives of integration is to encourage exports and the economic growth of the countries of the South and to improve the living conditions of the populations in order to reduce migratory pressures in these countries. Yet the author points out that experiences with regional integration during the first wave of integration in the 1960s and 1970s produced mixed and often disappointing results in terms of creating trade and accelerating economic growth. . This observation is especially true for experiences of regional integration between developing countries, particularly in sub-Saharan Africa.

In view of this context, this article, based on documentary research, aims to analyze the main initiatives of WAEMU with a view to strengthen its regional integration. In other words, this research highlights the main initiatives of WAEMU to strengthen its integration process and presents the main challenges (without being exhaustive) that the Union must overcome in order to strengthen its integration.

Several initiatives of WAEMU for its regional integration

WAEMU brings together eight countries in West Africa (map n°1) whose vision is to promote the integration of Member States, through the strengthening of the competitiveness of economic activities within the framework of an open market and competition and a streamlined and harmonized legal environment.



Map 1: WAEMU Member States

Map 1 shows the WAEMU member states. The Union is made up of eight countries (Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, Togo and Guinea-Bissau) which covers an area of 3,506,126 km² and has 123.6 million inhabitants (WAEMU, 2022).

In accordance with its vision, the WAEMU Commission has conducted several projects with the aim of strengthening its achievements. Several works highlight the Union's achievements or initiatives in the area of regional integration. Table 1 below shows the status of implementation of some initiatives in 2005.

Table 1: Integration within the WAEMU space: measures implemented (x)

The measures implemented	Inventory of fixtures
Elimination of internal customs duties	x
Elimination of non-tariff barriers	No
Common external tariff	x
Harmonization of commercial legislation	x
Competition policy	x
Free movement of workers	x
Free movement of capital	x
common currency	x
Coordination of economic policies	x
Sector policies	x

Source : Y. Bourdet, 2005.

As shown by the investigations of Y. Bourdet (2005, op.cit) ^[18], Table 1 gives an overview of the measures taken, or envisaged, in the context of regional integration within WAEMU. Integration within this space is based on three pillars. First of all, a customs union, which came into force in 2000 and which formally guarantees the free movement of goods within the community area. Then, a set of measures, such as the harmonization of commercial legislation and the adoption of a common competition policy, encourage competitive practices and facilitate the integration of markets in the sub-region. Finally, a common currency minimizes transaction costs and promotes trade. WAEMU member countries have also implemented the harmonization of economic policies, through the adoption of common budgetary and macroeconomic convergence criteria and monitoring of these criteria by the Union Commission. The objective sought is to guarantee a certain economic stability and to support the value of the common currency.

In addition, a study carried out by WAEMU (2017) which relates to the dynamics of integration between 2011 and 2016, shows the consolidation of the achievements and the opening of new projects which were at the heart of the assessment of the achievements carried out during this period. These achievements are divided into three parts (institutional reforms, mobilization of financial resources in favor of the Union's development actions and concrete achievements for the benefit of the populations).

According to this study (WAEMU, 2017, op.cit), in terms of institutional reforms, to strengthen its organizational performance, the Union Commission has undertaken reforms aimed at establishing a culture based on results, innovation, performance and knowledge capitalization. To this end, the Commission proceeded to operationalize its 2011-2020 strategic plan, in particular through strategic alignment work which enabled the Commission to reduce its interventions, thus dropping from 300 programs to 32. also, the development of documents in accordance with international standards for 28 programs and the close coaching of the chain of decision-makers in change management. The Commission has also created new areas of intervention in the areas of research, culture, gender, languages and peace and security. Internally, staff advancement is now carried out on the basis of an individual performance evaluation system. Also, we proceeded to the extension of the delegation of signatures and the deconcentration of procedures, the rationalization of communication and the securing of the working environment.

In terms of mobilizing financial resources for development actions in the community space, the Union report (WAEMU, 2017, op.cit.) shows that a consultation and coordination mechanism with technical partners and was adopted by the Commission and was the subject of a Joint Commission/Partners Declaration in 2014. The holding of the "Dubai Investors Conference" showed that new investment opportunities still exist, outside the traditional routes. This is how this initiative has made it possible today to establish fruitful cooperation relations between investors and several WAEMU countries in order to strengthen the achievements of this forum.

Regarding concrete achievements for the benefit of the populations, again according to the WAEMU report (2017, op.cit.), the Commission has implemented actions that have improved the availability of economic infrastructure and factors of production. Similarly, the strengthening of the movement of people and goods and the right of establishment, the improvement of the business environment and the preservation of natural resources characterize the efforts made. Specifically, the Commission's achievements over the past five years have improved access for the populations of the Union to drinking water and sanitation (3,420 boreholes drilled), contributed to the improvement access to energy (additional supply of 116 MW on the Union network, 825 km of HV lines, promotion of renewable energy, access of more than 3 million people to electrical energy); strengthen the community road network (4,426.5 linear km of community roads constructed, road studies for 5,664 linear km of community corridors, etc.). These achievements have also made it possible to contribute significantly to regional food security (in particular with the increase in storage capacity by 250,000 tonnes, the development of 2,174 ha of land, the recovery/restoration of 45,000 ha of land within the framework the fight against coastal erosion and the silting up of the Niger River basin The Union has built Juxtaposed Checkpoints (PCJ) with a view to reduce the time it takes for goods to cross borders to promote the free movement of In addition, 60% of the projects included in the second generation of the Regional Economic Program (PER II) over the period 2012-2016 with an overall cost of 6,091 billion CFA francs, were in progress or completed, 32% at the level of studies or procurement In terms of consolidating regional economic governance and the

performance of Member States in the implementation of reforms and community policies, the activity of the Commission has materialized, since 2011, through the implementation of actions that have made it possible to establish a sound macroeconomic framework and an effective customs union. Thus, the reforms implemented within the framework of the regulation of public procurement have strengthened the transparency and efficiency of the public procurement system with the improvement of public procurement procedures and the establishment of standard procurement files. In the field of human development, the actions carried out by the Commission since 2011 have made it possible, among other things, to contribute to the strengthening of health and social protection systems (free movement of professionals, regulation of medicines, social mutuality) and to the improving the system of higher education and vocational training. In the latter this sector, it is the adoption of a common architecture of university degrees, harmonization of curricula, support for scientific research, capacity building of public universities and supervisory ministries, support for 20 centers of excellence, granting of scholarships, etc.

More recently, the report on the functioning and evolution of the Union (WAEMU, 2020) highlights, among other things, several achievements of the Union for the strengthening of its integration. According to this report, concerning Community regulations on public procurement, the process of adopting the new Directive on public procurement is ongoing. This new directive unifies Directives No. 04/2005/CM/UEMOA on procedures for the award, execution and settlement of public contracts and public service delegations and No. 05/2005/CM/UEMOA on the control and regulation of public contracts and delegation of public services in WAEMU. In addition, for the construction of the common market, the Commission continued the consolidation of the Customs Union notably through the realization as well as the validation of the study relating to the implementation of the system of free circulation in the WAEMU space. The draft texts resulting from the said study were adopted in 2021.

Regarding convergence with the Economic Community of West African States (ECOWAS), according to this recent report (WAEMU, 2020, op.cit.), the collaboration of the two institutions has made it possible to set up common frameworks in several areas. The main results relating thereto concern, in particular, the validation of the draft Community Customs Code, the validation of the draft Regulation on the prevention of biotechnological risks, the strengthening of the uniform application of the Common External Tariff (CET) as well as the monitoring of the implementation of said CET. There is also the creation of the Customs Union and Free Movement Advisory Committee, the purpose of which is to advise the WAEMU Commission on all matters relating to the promotion of the common market of WAEMU and that of ECOWAS.

As part of the development of trade, the Commission has continued, still according to this WAEMU report (2020, op.cit.), the initiatives in progress with a view to contribute to the increasing and the diversifying supply of exportable products. In terms of trade facilitation, the coordinated border management study was carried out and validated by the Member States. In addition, within the framework of the transparency and predictability of commercial information, tools and documents for the dissemination of commercial information in the Member States have been developed, in particular a compendium and leaflets on the main regulatory texts related to trade and transport. As part of the implementation of the trade facilitation program in West Africa, the action plan for 2020 was assessed and the action plan was reviewed 2021.

Overall, among the achievements within the Union, according to WAEMU (2010), it is important to mention that the Customs Union is acquired with the liberalization of intra-community achievements and the institution of a Common External Tariff in 2000. In addition to this, common policies and programs have been adopted and developed in the areas of agriculture, industry, energy, mining, environment, tourism, culture, higher education, transport and many other areas. Furthermore, the WAEMU 2011-2020 strategic plan reveals that the strengthening and harmonization of public finances have been achieved through the harmonization of the legal and accounting framework for public finances, the reform of public procurement, the harmonization of internal taxation, multilateral surveillance. It should be noted that in addition to these achievements, the Commission has also outlined the implementation of a suite of Community sectoral policies. It has therefore designed fourteen (14) policies, twenty (20) sub-policies and more than one hundred and twenty (120) programs in several areas, notably in transport, energy, information and telecommunications technologies, agriculture, mining, industry, environment, health, education, culture, arts, leisure, land use planning, tourism and crafts.

Despite the many WAEMU initiatives that we have mentioned in this section without being exhaustive, there are still challenges to be met in order to strengthen the regional integration process in this community area.

Persistence of regional integration obstacles within WAEMU

According to A. Otrou (2007) ^[1], economic integration policies have not been very successful in the WAEMU zone for the simple reason that they have always been based on traditional growth factors. Thus, to draw up a catalog of the insufficiencies of the WAEMU space in terms of integration, a diagnostic report was carried out in a study of the Union within the framework of the implementation of the Community regional planning policy with a view to draw up the final report of the Regional Spatial Development Plan for 2040. This diagnosis, revealing the fragility of development, was organized around five growth poles and each pole was the subject of a strengths-weaknesses-opportunities-threats analysis. Thus, concerning, for example, development infrastructure (roads, ports, airports, railways and electrification), the WAEMU report (2018) showed that despite the efforts made, the needs do not are still not resolved. The roads offer low levels of service, the ports

are not inserted in a logic of complementarity and the rail, given in concession to the private sector, is no longer a public service.

Moreover, the interference of France in the internal affairs of the Union would be a challenge for the success of regional integration. In this regard, N. Agbohoun (2008, p.27) believes that: *“monetary policy is the essential instrument for controlling the economy and expressing acquired independence”*. In other words, the author shows that the economy is one of the marks of sovereignty so that a territory which does not have a basis for its monetary policy can only see its sovereignty be flouted by the most powerful. WAEMU, by allowing France to interfere in its monetary affairs, has therefore exposed itself to neo-colonialist domination. Indeed, the Conference of Heads of State and the Council of Ministers of the Union are not sovereign. They have fictitious powers in the development of monetary policies (A. Sekongo, 2013). In all their national constitutions, the eight member countries of the Union affirm that only the law voted by the parliament determines the mode of emission of the currency. In addition, the attachment of the community currency to the Euro is a brake on the industrial development of the Union (WAEMU, 2018). The currency of the Union the CFA franc is not beaten for the interests of the organization in general but rather for those of France which guarantees it. France, for years, took advantage of this situation to enrich itself. To this end, the former French President Jacques Chirac admitted this: *“We only forget one thing. It is that a large part of the money that is in our wallet comes precisely from the exploitation, for centuries, of Africa. Not only. But a lot comes from the exploitation of Africa”* (R. Guézodjè, 2019). This situation was especially noticeable in the operation of the Central Bank of West African States (CBWAS), where France with two directors participates in the board of directors with a statutory right of veto. However, the statutes of this central bank mention that amendments to its statutes and other major decisions must be unanimous.

Apart from this exogenous challenge which has contributed to influencing the process of regional integration in the WAEMU space for decades, it is worth mentioning the weak dynamism of intra-community trade. For example, more than 90% of trade within the community space is done by road, yet there is a low dynamism of intra-community trade by road, which is only 8% (V. Zoma, 2019, *op.cit.*)^[16].

This situation is largely explained by the lack of political will to apply community texts. In the context of the facilitation of trade, for example, there is an effort in terms of adopting texts at the regional level for the facilitation of transport with a view to strengthen regional integration. But it is not simply a question of adopting them without ensuring their effective application. Still in the field of transport, which is a sector where regional integration should be most visible, there are conventions on inter-State transport and on inter-State road transit, a protocol on the free movement of persons and goods, a common external tariff, a road and transport code for West Africa and especially WAEMU regulation 14, etc. However, in reality, regional integration in this part of the world suffers from the non-application of community texts, however freely ratified by member countries (V. Zoma, 2020). According to this author, who is based on several WAEMU reports, this reality is remarkable especially through the persistence of the scourge of road harassment in the region. The author reveals that in the first quarter of 2017, on average, on a corridor in the WAEMU area, a driver with a truck in good standing from the point of view of community directives is checked 20 times per trip while the community standard is 3 checkpoints per corridor^[1] between two countries. Illicit collections along a corridor in the region, per truck and per trip were 47,222 FCFA for the same period on average. This scourge of road harassment leads to an increase in the cost of transport and is one of the real obstacles to regional integration at the level of factors internal to the Union. It is in this perspective that the author affirms that: *“we cannot really speak of true regional integration within WAEMU when intra-community trade by road is only 8% of transnational trade States”* (V. Zoma, 2020, p.26).

Conclusion

This study devoted to the analysis of the main initiatives of the WAEMU with a view to strengthening its regional integration shows on the one hand that many initiatives have been undertaken in favor of integration. The Union Commission has undertaken institutional reforms to strengthen its organizational performance. It also works to mobilize financial resources for community development actions. It has even participated in concrete achievements for the benefit of the populations through actions aimed at improving the availability of economic infrastructure and production factors, strengthening the movement of people and goods and the right of establishment, the improvement of the business environment and the preservation of natural resources, etc. The Union has built Joint Control Posts (JCP) with a view to reduce the time it takes for goods to cross borders to promote the free movement of goods. In terms of consolidating regional economic governance, there are actions that have established a sound macroeconomic framework and an effective customs union. Several other actions have been undertaken in the field of human development and in other sectors such as land use planning, transport, etc. Thus, several initiatives have been taken concerning macroeconomic policies such as the construction of common markets, the harmonization of legislation and the implementation of sectoral policies. However, on the other hand, research shows that despite all these initiatives, regional integration in the WAEMU space still remains a challenge because one can't speak of true regional integration when intra-community trade is still very low. This situation is explained by exogenous factors, in particular the influence of France for decades in the region, but above all by a lack of political will at the level of the States for the application of community provisions with a view to facilitate community trade. The consequence of this bad political will is

undoubtedly manifested by the scourge of road harassment in the region. This scourge is a real obstacle to the free movement of people and goods, and therefore one of the main obstacles to real regional integration.

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