

Regional Integration and Economic Development in Sub-Saharan Africa: The case of the Union Économique et Monétaire Ouest Africaine

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Abstract

The rapid and vast proliferation of regional trade and integration agreements in the last two decades has been a major source of discussion in the academic community in recent years. Many scholars remain uncertain as to the value of this type of trade regime, especially with respect to developing countries. Consequently, there is ample justification for the continued study and evaluations of these agreements and their effects on the economic performance the states involved.

Africa, which is home to more than a dozen multilateral regional trade regimes, customs and economic unions, is of particular importance to the study RTAs and their effects on developing and underdeveloped economies. The literature on some of the continent's sub-regions remains particularly vacuous. This paper focuses on the Union Économique et Monétaire Ouest Africaine (West African Economic and Monetary Union). Comprised of eight sub-Saharan African states, five of its signatory states (Guinea-Bissau, Mali, Niger, Senegal, and Togo) are regarded as stagnant low-income states, for their chronic inability to display significant economic growth in terms of GDP per capita. The three remaining UEMOA states are Benin, Burkina Faso, and Cote de Ivoire, which, while not considered stagnant low-income states, per se, remain among the poorest national economies in the world.

Using a modified version of the gravity model, this paper addresses the effectiveness of the UEMOA agreement in generating trade, observed as GDP growth, in the national economies of its member states. The results of the quantitative analysis for trade creation or trade diversion are then evaluated in the context of state, regional and international level factors that may either impede or enhance the likelihood of trade and the effectiveness of the regime. These include monetary policy, civil society structure, infrastructure, political culture, public health and education.