CHAPTER 6

CONCLUSIONS

21st century is a century of opportunity for all. Globalization is challenging nations and corporations with unprecedented opportunities and challenges. It is only those nations and corporations which understand these opportunities and challenges and try to address them strategically will survive.

According to the Organization for Economic Cooperation and Development’s (OECD) African Economic Outlook 2005/2006, the African economy is expected to grow by 5.8 percent this year and another 5.5 percent next year. The report said, “Overall, the economic outlook for much of Africa continues to be more favorable than it has been for many years. Continued global expansion means sustained demand and higher prices for African oil and other industrial raw materials”.

This is a great opportunity that globalization has brought to Africa and the windfall gains to be realized from higher commodity prices need to be managed well and invested in infrastructural development to support the growth and development of the continent.

Given the enormous opportunity available to Africa in the coming years, It looks the monetary program of ECOWAS is very timely and appropriate. The single currency, if launched on time, will really help to boost the economies of member countries. West African Monetary Zone, while strategizing its plans to launch a single currency on the scheduled date,
should simultaneously take measures, which will promote real trade and investment in the region.

6.1 Measures to Promote Real Trade and Investment in WAMZ
As evidence around the globe has shown, countries which have been involved in massive trade and investment are the most economically advanced countries in the world. For member countries of West African Monetary Zone to develop their economies, they have to undertake genuine and adequate measures to foster real trade and investment. Some of these measures are below.

I. **Sacrifice and Hard Work:** No nation has developed on the surface of this earth without sacrifice and hard work by its citizens. To develop as a nation, the people, especially the political leadership should put aside luxurious lifestyles and tries to generate large savings for investment in the productive sectors of the economy. For Africa to develop, the privileged people, including the politicians need to do away their extravagant lifestyles to avoid wastage of scarce resources.

II. **Genuine Democracy:** Participatory democracy and power sharing is very necessary for stability of a country or region. African countries need to stop self perpetuating rule by their leaders, because this is one reason blamed for most of the conflicts in the continent. Also, the three arms of the government (executive, legislature and judiciary) need to be separated and independent of one another. This will facilitate adequate checks and balances among the three arms of
government and would ensure transparency and accountability in the use of public resources.

III. **Political Stability:** West Africa used to be one of the most politically unstable parts of Africa. But with the end of civil wars in Liberia and Sierra Leone some years ago, the region is relatively stable now. If the political and civil groups are to learn any lesson from those wars, they need to do everything to resist all kinds of temptation to go to war. Because war devastates almost everything, it should be avoided at all cost, if not; there is no trade and investment and no development and consequently no good life for people.

IV. **Fight against Corruption:** Africa is believed to be the most corrupt continent in the world. The leaders massively siphon the looted resources of their countries to overseas banks or maintain lavish lifestyles at the expense of their people. This diversion of scarce resources from the productive investments results in high unemployment, causing sever suffering among the people. Consequently, the resource dispossessed and dissatisfied group of the populace, who see a bleak future ahead of them take up arms against their governments. In the final analysis, everybody is a looser in this type of situation. What the leaders therefore need to do is to fight against corruption for the benefit of all.

V. **Infrastructural Development:** Adequate Infrastructure (water and electricity supply, road networks, telecommunications, airports and sea ports) is very vital for any meaningful development. In African, these things are inadequate and poorly
maintained, resulting in lack of necessary investment and hindrance to trade.

VI. **Investment in Education:** Educated and skilled labor is more productive than otherwise. In order for African economy to be more productive and attract huge foreign investments, the countries need to invest heavily in their people to develop their technical skills and management expertise.

VII. **Modernization of Economies:** If one takes a look at the African economies, a lot of activities are still very informal and as such are not captured in the national statistics. This could have various impacts, including loss of tax revenue to governments, underestimation of the size of the economy (resulting in certain investment not being attracted to those countries) and lack of plan by governments to help those activities or businesses to enhance, because they are simply not in the formalized economic framework.

**6.2 Concluding Remarks**

If above measures are seriously undertaken, they will certainly lead to significant improvements in the level of trade and investment in ECOWAS. Higher level of trade and investment mean higher economic growth, which in turn will spur stock market development.

Researches have shown that economic development is positively correlated to stock market development. Higher economic growth means more opportunities for businesses and higher income levels and thus more
investment by individuals and businesses. This will help the development of stock market.

Stock market development in turn helps provide cheaper and efficient services to businesses. Corporations can raise investment capital at lower cost on stock markets, thus enabling a lot of investment opportunities to be embarked upon.

Stock market is an integral part of any modern economy. West African Monetary Zone will definitely benefit well if it considers creating a single unified stock market for the whole zone. This idea will work well along side the framework of single currency.