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## **BREXIT and Regionalism: An Introspective Appraisal of Nigeria in ECOWAS, 1999-2016**

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### **Abstract**

*The Economic Community of West African States (ECOWAS), just like the European Union (EU) for European countries, has been a rallying point for countries in West Africa regarding economic integration. Though, the EU also concerns itself with political development of member states, a role which cannot be distanced from ECOWAS. This is because it has recently incorporated issues like pressuring dictators and sit-tight leaders in some member states to relinquish power against their will which borders on politics. However, in the light of the 'yes' vote on 23<sup>rd</sup> June, 2016 by the British to exit (BREXIT) the EU, it translates invariably that regionalism has come under threat globally. There must be some perceived or substantial developments that prompted the request. Could it be voluntary recourse to isolationist or protectionist policies? What have Britain presumably lost over the years as a result of its membership of the EU? This paper therefore seeks to introspectively juxtapose Nigeria's membership of ECOWAS with the circumstances or conditions faced by Britain in the EU which has prompted it to want to leave the organization, judging by the consequences of certain ECOWAS protocols on Nigeria's economy, culture, security, unity, et cetera. Qualitative methods of data collection and analysis were adopted. This study was hinged on Hegemonic stability theory in order to explain interrelations. The study, among others, recommended that Nigeria should reconsider its pivotal roles in ECOWAS, as against the effects of some of the protocols of ECOWAS on its economic, social, cultural, and security situation.*

**Keywords:** Regionalism, Isolationism, Security, Culture, Protectionism.

### **Introduction**

Regionalism and trade liberalization within different regions of the world is a manifestation and realization of the protections/benefits derivable from interconnectivity and interdependence of states in political, economic, cultural, and social matters. The European Union (EU) and the Economic Community of West African States (ECOWAS) were differently formed primarily for the collective benefits accruable to groups of states that make up these organizations, be it economic, political, defence, social, cultural, et cetera. Just like the principles of Rousseau's 'Social contract' between individuals and the state, certain individual rights and privileges must have to be surrendered in order to be able to enjoy some form of collective benefits and protections as states synergize. However, recently Britain committed itself to the quest of exiting the EU through a 'yes-no' vote by its

citizens on the 23<sup>rd</sup> of June, 2016, possibly in order to address some perceived or palpable disadvantages experienced over the years as a member of the body. This development has once again raised some questions on the issue of protectionist or isolationist policies by states as against regionalism in the present globalized and highly interdependent world. Nigeria also has been a strong supporter of growth in the ECOWAS (at least financially and in formulation of policies), contributing more than a third of funds required for the running of the regional organization. In conflict resolution and maintenance of peace and security in the region, it has provided more than half the manpower, funds, and technical inputs required in spite of its numerous internal security challenges, enormous population, domestic infrastructural deficits, et cetera. Such questions as, why has Nigeria continued to support ECOWAS sometimes even without any foreseeable or tangible interests attached? Where can one possibly point out the national interest of Nigeria considering its sacrifices within ECOWAS when some states in the region antagonize and sabotage its efforts in the international arena? Why has Nigeria not emulated Britain's quest to exit EU when it seems there are no tangible benefits accruable to it in the ECOWAS?

This study, therefore, seeks to comparatively assess Nigeria's contributions to the survival and development of ECOWAS and its prospects, while juxtaposing these with Britain's experiences, challenges, and prospects in its quest to exit the EU. Furthermore, the study has both broad and specific objectives, the broad objective is to compare the fates of Britain in EU and Nigeria in the ECOWAS with the aim of bringing out the similarities therein. While the specific objectives are; first, to compare Nigeria's efforts at supporting the ECOWAS and its contributions aimed at strengthening the regional body, and Britain's experiences in the EU; second, to discover the reasons behind Britain's quest to exit the EU; third, to ascertain the benefits, if any, of Nigeria's roles in the ECOWAS; and fourth, to ascertain possible trade options open to the UK in its negotiations with the EU. The European Economic Community (EEC) later the European Union (EU) was formed in 1957 in Paris France as an economic block for the interests of the countries of Europe. Britain was not in the picture from the onset, but later joined in 1973. The EU, however, has been the main rallying point for member states in Europe in many issues like trade, customs and excise, culture, migration, employment, et cetera. On the other hand, the Economic Community of West African States (ECOWAS) was formed in 1975 majorly for the purpose of establishing a formidable economic block in the interest of member countries in the West Coast of Africa of which Nigeria is one. Nigeria has remained the main bastion of hope and support for ECOWAS right from inception, due largely to its comparatively superior economic power in the region, its huge population, and its sizeable financial contributions to the organization. These two blocks like those of other regions of the world were formed after World War II out of the preference then for regionalism and collective trade as against isolationism or protectionism. But surprisingly there have been extensive debate in Britain, notwithstanding the presumed economic gains from collective trade, against continued membership of the EU. This culminated in a 'yes-no' vote in Britain on 23<sup>rd</sup> June, 2016 for membership or exit. At the end the British voted overwhelmingly

for exit. What does this development portend for Britain, and also for the remaining 27 EU member states? What developments resulted to the exit decision? How has Nigeria fared economically and politically considering the impacts of ECOWAS protocol on free movement of persons and goods across borders? Again, does this point to renewed preference for isolationist or protectionist policies across the world? Whichever could be the case, this paper seeks to juxtapose Nigeria's roles in ECOWAS with that of Britain in the EU and to prognosticate on what it all holds for both countries in the areas of their economy, security, finance, et cetera.

### **Theoretical Framework**

The study is anchored on the Hegemonic stability theory in order to explain interrelationships between variables. The hegemonic stability theory (HST) was first advanced by Charles Kindleberger in his 1973 work titled the *World Depression*. Robert O. Keohane was also a proponent of the theory and his argument was influenced by happenings in the global arena then. In the 1970s several scholars argued that leadership exercised by one state or another is conducive to stability even if this "leadership" becomes hegemonic. According to this theory, hegemony, or dominant power, assumes leadership, perhaps for the entire globe, in dealing with a particular issue. In the late 20th century, this theory literally see it as very necessary for there to be an international hegemony, if there must be peace and stability in the international system. Thus Britain was seen as offering leadership in international monetary matters in the nineteenth and early twentieth centuries. After World War II, the leadership role was finally assumed by the United States (Keohane, 1980). Hegemonic stability theory have other proponents, prime among them is Mancur Olson who in his support for the theory states that, "... the world works better when there is a 'hegemonic' power-one that finds it in its own self-interest to see that various international collective goods are provided". Hence Olson advanced that an international hegemony is vital for collective goods as long as the hegemony sees it as necessary to facilitate the peaceful and orderly conduct of international affairs.

When there were no international leaders, nations pursued their different national interests without consideration for that of others. This state of affair is most likely to breed conflicts, and ultimately anarchy. Leadership is required to break the deadlock, and public choice theory suggests that it is impossible for public goods to be provided if there is no hegemony. Without hegemony, international cooperation in trade, monetary matters, politics and most other matters becomes exceptionally difficult, if not impossible, to achieve. Kindleberger (1973) states that, "the absence of hegemony, or leadership, may result in chaos and instability, as happened in the 1930s when the United States was unwilling to assume leadership of the world economy and Britain, given its weakened position, was unable to do so". The gradual decline of United States due to competition from China in the economic and military sphere, on one hand, and Russia in military sphere, on the other, has somewhat resulted in the weakening of international regimes and security organs.

Viotti and Kauppi (1993) write that, "the decline of hegemony and the consequent fragmentation of power in international politics is said to produce

disorder”, disorder leads to violence, and ultimately, terrorism. On its applicability to international relationships, Viotti and Kauppi agrees that, “the theory of hegemonic stability has been applied to a wide range of issue areas during various historical periods. Strong hegemony influences states to cohere and establish the rules by which international relations are to be conducted in various issue areas such as the exchange of money, trade, finance, health, environment, communications, air transportation, and fishing and navigation on the high seas.” This study holds that if the international community is chaotic due to lack of a central government, then it will remain so, unless and until there is a leader-which is hegemony. A hegemonic power is capable of organizing, advising and even coercing other states to abide by international rules. It follows that when there is absence of hegemony, there will be chaos. Chaos, anarchy, and violence at the world stage today is manifested in the following ways; international terrorism, non-commitment to long established agreements on nuclear non-proliferation, disrespect for human rights, disregard for the sanctity of human life, et cetera.

Applying the hegemonic stability theory (HST) to this study, it is apparent that Britain in the EU suddenly has begun to feel not in control of its own domestic affairs, its citizens and leaders who have hitherto been accustomed to occupying and playing leadership roles in global affairs have witnessed their rights denied, their jobs taken away by citizens of other EU nations, even their security and livelihood deteriorate as a result of membership of the EU and the obligations they had to fulfill. Also the EU more like the ECOWAS is just a mere organization of nations with differing interests, hence the absence of hegemony whether collectively accepted or not would still lead to conflict of interests.

**Conceptual clarification:** It is necessary to explain some key concepts in the study for the purpose of better understanding. And these are as follows;

**Regionalism:** Regionalism as a concept derives its meaning from three main variables, first, an identifiable geographical region; second, geographical proximity between and amongst a number of countries; and third, an organization formed willingly for the purpose of achieving the following objectives; economic, political, security/defence, etc. One of the main motivating reasons for the formation of regional organizations is economic integration which leads to or generates economies of scale. Scholars such as Weiss (2000) see any kind of regional integration as a form of global governance. From that stand point, therefore, global governance in this study could be taken to mean any effort by nations to achieve a cooperative problem-solving arrangement within their region. In the view of Finnemore & Sikkink (2001) global governance comes about as a result of international cooperation and interaction which invariably shapes identities and interests of states that make up the regional body. Fishlow & Haggard (1992) sees regionalism as a *political* process characterized by economic *policy* cooperation and coordination among countries. Regionalism encourages the establishment of regional intergovernmental organizations which are sometimes termed as regional ‘free trade agreements’.

Examples of regional economic organizations are, APEC (Asia-Pacific Economic Co-operation); the ECOWAS (Economic Community of West African States); and the NAFTA (North America Free Trade Agreement).

**Isolationism:** Isolationism is a form of practice and philosophy in international relations of which the United States of America was assumed to have practiced in the 1920s and 1930s by some scholars and watchers of events in World affairs. According to Holsti (1979) it is a believe system that portrays or is characterized by a desire for unconditional non-involvement in world affairs. Many scholars that have focused their study on American international policies in the inter war years wondered whether the notion of American isolationist policies was real or a myth, and on that premise Adler (1957) states that the concept “isolationist” when it relates to American foreign policy “has become the standard characterization of America’s foreign policy between the two World Wars.” While some scholars held strongly that America was to be ascribed with isolationism, Shepardson & Scroggs (1939) states that isolationists or the notion of American isolationism is “a voluble and vehement minority which on occasion could make its influence effective” in the discourse of American international affairs as opposed to the internationalists. The notion of isolationism has, over the years, assumed worldwide outlook in addressing nations’ practice of preference for their internal affairs as opposed to involvement in world or regional affairs, and it is based on this narrative that this study wish to present the concept of ‘isolationism’.

**Security:** Security connotes the state of being safe and secure, free from all forms of aggression or the threat of it in ones person and on his/her properties over a specific period of time. Security is not constant, it is dynamic and could change at any given time. This is for the fact that a person or group of persons could experience relative security over a period of time, and yet face the state of insecurity at later times. Nwanegbo & Odigbo (2013) as well as Olabanji & Ese (2014) espoused some approaches or viewpoints through which human security could be categorized, these are; first, a neo-realist theoretical strand that conceptualizes security as states’ responsibilities; and second, the postmodernist, which conceptualizes security as the responsibilities of non-state actors. In essence this approach sees more usefulness in states tackling the security part of individuals’ wellbeing as citizens of the state. Insecurity hence, becomes a direct opposite of security. It embraces all measures designed to protect and safeguard the citizenry and the resources of individuals, groups, businesses and the nation against sabotage or violent occurrence (Ogunleye, et al, 2011).

In the contrary scholars such as Igbuzor (2011), and Oche (2001) conceptualized security on the basis of absence of threats to peace, stability, national cohesion, political and socio-economic objectives of a nation. On a more general note, Francis (2007) states that security “is all about survival and the conditions of human existence.” While countering the views of those that place the responsibilities of security not in the hands of the state, Omede (2012) states that “security is a

dynamic condition which involves the relative ability of a state to counter threats to its core values and interests.”

**Culture:** Culture is a way of life of a people including their history, therefore, the way of lives of the people can determine their development over time in all ramifications as compared to global growth and societal development. Culture, according to Edward Tylor (1871) as cited by Abasiokong (2010), “is that complex whole which includes knowledge, belief, art, morals, law, customs and any other capabilities and habits acquired by man as a member of the society”. Culture in its simplest form and for the purpose of this paper can be said to be the way of life of a people.

**Protectionism:** One of the key objectives of the free trade policy according to Krueger (1990) is “the unchallenged proposition that every country is better off in a world of free trade than in a world in which all countries practice highly protectionist policies ....” This translates quite simply to the fact that protectionist trade policies are direct opposites of free trade policies. This has been practiced by America and some European countries for many years, and it is usually aimed at protecting their indigenous firms against undue foreign competition. Protectionism, according to McGee (1993) “protects one group-some special interest-at the expense of the general public.” In this sense, whenever a country feels threatened by happenings in a larger body-regional or global- it takes steps which are meant to guarantee survival and consolidation of development in its economy, then it is said to be a protectionist move.

### **Nigeria and the ECOWAS**

The economic characteristics of the West African region prior to the formation of the ECOWAS can be summarized thus: (i) competitive primary export production; (ii) very little trade flows between countries; (iii) very dependent on foreign trade; (iv) low population; (v) small market and low per capita; (vi) very low level of industrial development; (vii) numerous national currencies, which were linked with foreign currencies. The problem of multiplicity of currencies appeared to be one of the major challenges for economic integration of the sub-region (Bassey, 2015). The economic situation of the region was not conducive for any meaningful intra regional trade between and amongst the states in the region. Though Nigeria’s acts of support to other West African and African nations did not start and end with the formation of the ECOWAS, according to Osuagwu (2013) “Nigeria’s foreign policy over the years has been characterized by acts of giving and supporting other African states without expecting anything in return, or even planning to build upon and maximize opportunities that present themselves...” Based on the UK’s experiences in the EU and its quest to leave the body even with all the negative effects it could have on its economy according to projections, one may now ask such questions as; What constitutes a nation’s national interest?, and when is a nation said to protect its national interest? According to Zabadi (1997) “National interest of a

nation includes its duties to its citizens at home, and also its citizens in diaspora”, and this study believes that these ‘duties’ must be those that protect the interests of its citizens home and abroad without jeopardizing or threatening the economic wellbeing of same. But when we consider the fact that Nigeria almost singlehandedly financed the ECOMOG mission in Liberia and Sierra Leone, of which Sanda (2012) states that she spent “\$10-\$14 billion” while Akindele (2011) notes that “Nigeria spent US\$83 million in Chad in 1981” and all these when the masses in Nigeria lack quality living, no good educational facilities, damaged roads, insecurity, lack of good housing, acute unemployment rates, near total absence of infrastructure, terrorism in the North East, militancy in the Niger Delta etc.

Talking about the ECOWAS, Nigeria through the instrumentality of the organization has played pivotal roles aimed at economic, social, cultural and political development of States in the sub region which has brought enormous burden on it. Nigeria have been able to bear these burden considering its efforts toward the formation and strengthening of the institutions of the body. Tracing the history of ECOWAS IHEME (2007:252) notes that “*The Economic Community of West African States (ECOWAS) was established by the Lagos treaty in 1975 for the purpose of economic development and integration in its fifteen member States*” its formation was difficult because there were challenges that militated against it initially of which IHEME (2007:253) identified as “*overlapping ethnic, religious, and political units*” in the sub region. Nigeria, however, surmounted these challenges and oversaw its formation. Theoretically speaking Nigeria was considered the major party in the sub regional alliance that stands to gain more economically, and the argument then was as Adebajo (2000) cited in IHEME (2007:253) notes that Nigeria was the “most populous and prosperous member of the community with 50% of its population and 75% of its (*Gross National Product*) GNP” *Emphasis mine*. Though such credentials seemed positive enough for Nigeria but it at the same time evoked and continues to evoke feelings of suspicion from other regional States who fear of hegemonic influence from Nigeria. Having noted those fears, however, in reality Nigeria has continued to direct, orchestrate, and finance peace missions aimed at restoring and consolidating of democracy in the sub region.

For instance, Nigeria played leadership role in the operations of the Economic Community of West Africa Monitoring Group (ECOMOG) to maintain peace and stability in Liberia and Sierra Leone. Highlighting the importance of Nigeria’s role in the ECOWAS, Ogbu (1994:198) notes that;

ECOMOG’s success is not just a model of intra-Continental conflict resolution, peacemaking and enforcement, it is a demonstration of Nigeria’s good judgment and leadership in intervening in the crisis.

Inasmuch as Nigeria’s contribution to ECOWAS may not be exhaustively enumerated here, the few instances mentioned above would suffice for appreciation of Nigeria’s importance in the West African sub region. Some scholars have contended that Nigeria is primarily propelled to do all it is doing in order to achieve its national interests. However, it becomes difficult for one to lay hands on the

national interest therein. Though, it seem obvious that Nigeria has been propelled to engage in financial support and other contributions to West African country by the need to promote good neighborliness and economic integration. Yet, it continues to bear the brunt of many tasking developments in the region, for instance, the ECOWAS protocol on the free movement of persons and goods across borders has been responsible for the worsening security situation in Nigeria,

### **Britain's quest to exit the EU: Reasons and likely implications**

The British citizens have made their voices heard and feelings felt through their votes to leave the EU, which has its connotations from different quarters. However, this paper seeks, among other objectives, to ascertain the unseen reasons for this quest, does it signal new developments in the international economic relations or does it simply mean that regionalism and collectivism which held sway in the twentieth century international relations, is gradually but steadily giving way for the advent of protectionism and isolationism? These questions are posed because one may be wondering why it is coming at this period in British history, the CEP BREXIT ANALYSIS 2016 has it that "The European Union (EU) is the UK's largest trade partner. Around a half of the UK's trade is with the EU. EU membership reduces trade costs between the UK and the EU. This makes goods and services cheaper for UK consumers and allows UK businesses to export more." If all these are benefits enjoyed by the British as members of the EU, then what could be the underlying reasons for their quest to leave? One of the main objectives of nations enacting protectionist laws as regards trade is to encourage the development and growth of domestic industries, and robust internal trade. The reasons for Brexit ("British exit") may not be found in trade, though it may be part of the equation, but the main driving factor could be found in availability of jobs for UK citizens, and the competition for jobs that are available. The British have voted to leave the EU, the result of the vote sent shock waves around the world. On March 29 2017, Theresa May wrote to Donald Tusk, Chair of the European Council, notifying him of Britain's decision to withdraw from the European Union, thereby triggering the Article 50 process. Under the text of Article 50, the EU treaties will cease to apply to the withdrawing state from the date the withdrawal agreement enters into force, or two years after the notification has been sent. As things stand, therefore, Britain will leave the European Union at 23h GMT on 29 March 2019 (<http://ukandeu.ac.uk/wp-content/uploads/2017/09> accessed 8th February, 2018). Scholars and practitioners of international relations have advanced the likely reasons behind this move by the British, and some of them are as follows;

#### ***Pressure from Euro skeptics on the issue of immigrants:***

David Cameron and the conservative party felt serious pressure from Euro skeptics in Britain and the UKIP, but that was because as Dennison and Goodwin (2015) notes "Ahead of the 2010 general election, Conservative Party leader David Cameron appealed directly to anxious voters by pledging to reduce net migration to "the tens of thousands." This was an ill-advised promise to make, as EU treaty rights

guarantee the free movement of EU nationals, making this degree of control over migration impossible so long as Britain remained in the EU.” Not that the government did not try to bring about its promise to the people, as Dennison and Goodwin went further to note that “Throughout the Conservative-Liberal Democrat coalition government of 2010–15, efforts to restrict net migration by curbing inflows from outside the EU were continually offset by continued migration from within the EU, including new arrivals from countries in Southern Europe that were grappling with economic crises and unemployment, as well as migrants from newer EU members, Romania and Bulgaria, who gained unrestricted access to Britain in 2014.” The immigration situation in Britain somewhat gave support and popularity to UKIP, and also affected the “yes” vote to leave the EU. This is one of the long term reasons because the demand for British exit from the EU had started many years back.

#### ***Limiting Political integration:***

There have been divergent views in the UK on equally divergent issues that touch on labour, wages, immigration and the rights of immigrants, bilateral and multilateral agreements, internal security, et cetera. However, Stiflung (2015) notes that “nothing has changed in the ambivalent relationship between the island (*Britain*) and the continent..... Both Tory and Labour governments see economic advantages in the EU, but are skeptical of deeper political integration with Europe.” One may wish to know why it is so, it is partly so because nations that desire to grow and advance politically and economically rarely entrust their fate in the hands of outsiders or external forces.

#### ***Fast and astronomical rise of UKIP:***

The coming together of pressure groups that were skeptical of the EU membership culminated in the formation of United Kingdom Independence Party (UKIP). Stiflung (2015) states that, “this party was founded in 1993 by opponents of the Treaty of Maastricht and showed its first sign of life in 1999 when the party won 7% of votes in the EU parliamentary elections (three seats).” They have also won seats in the 2010 House of Commons elections which have made it possible for opinions regarding EU membership to be influenced. Stiflung also notes that “five years later the UKIP was the most successful British party in the 2014 EU elections and won 24 seats (27.5% of votes). It won 3.1% of votes in the 2010 House of Commons election.” This is one of the reasons behind demand for Brexit.

#### ***Protection of British Sovereignty:***

Preservation of the corporate existence of a nation is, undoubtedly the main thrust of any government. The British feel that their sovereignty is gradually being eroded or given away to foreigners and foreign corporate bodies as a result of their membership of the EU. In a study conducted by Stiftung under the auspices of the Global Economic Dynamics (GED) 2015, Stiflung wondered the UK’s membership

of the EU “does not excessively limit the island nation’s sovereignty and whether it is in conflict with the fundamental principle of the UK’s (unwritten) constitution in which the British Parliament cannot be subordinate to any lawmaking power.” Most of the laws governing trade and other commitments to the EU according its statutes seem to negate the supremacy of the British parliament and constitution, a situation which the British citizens finds very difficult to accept.

***Financial freedom from EU net contributions:***

One of the key reasons why the UK wish to exit the EU is the financial burden of its net contributions to the EU, According to estimates by the UK’s economic and finance ministry (HM Treasury, 2014, p. 18), the United Kingdom will pay a net contribution of £8 billion for fiscal year April 2017– April 2018 (after subtracting the UK rebate) if it remains in the EU. This is roughly equivalent to €10 billion, or approximately 0.51% of the British GNI for 2013. With that sum many development projects could be embarked upon.

***Excessive regulation from Brussels:***

Britain and its citizens also wish to free themselves of the constant regulations from the EU which often work against the expected gains of regional integration. There have been regulations on how businesses should be done between and amongst EU members that nations like the UK feel is excessive. Stiflung (2015), states that “the most important topic in times of relative prosperity is Brussels’ regulation mania that puts the brakes on economic growth.”

***Prevention of economic waste:***

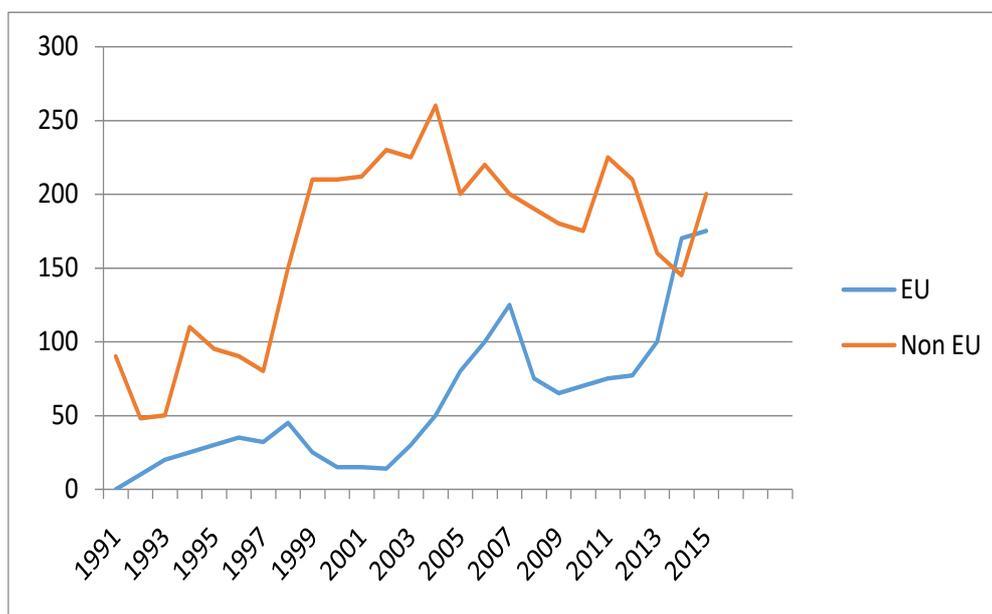
There have been continuous rise in the call for British exit from some conservative Euro sceptic voters who believe that British citizens are being shortchanged by the financial contributions to the EU. Ford and Goodwin (2017) notes that these groups demand, among other things, that there is “the need to redirect Britain’s contributions to the EU into public services at home, especially the National Health Service (NHS).” They state that one of the groups Vote Leave “claimed that EU membership cost Britain £350 million per week (“Enough to build a brand new, fully-staffed NHS hospital every week”)” Demands like these which is backed with arguably concrete data do not escape the interest of the voting public in such developed economies as that of Britain.

***Immigration:***

A look at figure 1.0 below shows that both EU and non EU immigrant population has increased in the UK over the years, more so since the admission of the A8 countries into the EU. According to the CEP Analysis 2016, immigrant population in the UK has grown a lot in the last 20 years and a significant fraction of this growth has been from other EU countries, especially after 2004 and the accession of eight East European countries (the ‘A8’). Hence, McLaren (2012) notes that the “mix of immigration anxiety and growing distrust was concentrated among those

socially conservative and less-educated white voters who already felt left behind by rapid social, economic, and value changes.” This anxiety is not unfounded because between 1995 and 2015, the number of immigrants from other EU countries living in the UK tripled from 0.9 million to 3.3 million. The share of EU nationals grew from 1.5% to 5.3% of the total population and from 1.8% to 6.3% of the working age population (adults aged 16-64).

Figure 1.0 Net immigration to the UK, 1991-2015.



**Source:** Culled from CEP Analysis 2016

The A8 countries are the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia (CEP analysis 2016, The London school of Economics & Political Science). This kind of statistics on rise in population could make any serious government to have a rethink of policies and treaties entered into.

### Implications of Brexit on the UK

There are some areas of the British economy in which Brexit is expected to have direct short term impact. These include, but are not limited to the areas of foreign direct investment (FDI), trade, living standards of the British, and migration patterns.

**Foreign Direct Investment (FDI):** Majority of investments that flow in to Britain comes from EU countries, yet the British favour exit from the EU. This must be very interesting for scholars in international relations since the ‘yes’ vote to leave the EU.

Confirming the likely adverse effect of Brexit, Haskel et al (2002) states that “Brexit is likely to reduce foreign investment, which has been found to lead to higher productivity” in Britain. Many scholars also have made forecasts and studied trends in the economic development of Britain, Pain and Young (2004) estimate that ‘British membership of the EU adds 2.25% to UK GDP via the channel of foreign direct investment. Similarly for those who counter this assertion and view FDI as counter-productive, their fears have been allayed by indices in that area since the ‘yes’ vote.

**Trade:** In the area of trade, it has been estimated that a 1% decline in trade reduces (British) income per capita by between 0.5% and 0.75% (Feyrer, 2009) and this implies that leaving the EU and joining EEA would reduce UK income per capita by between 6.3% and 9.5% (£4,200 to £6,400 per household per year). This does not represent totally all that Britain would continue to benefit if it remains in the EU, as Méjean & Schwellnus (2009) states that “trade costs between countries within the EU have been declining approximately 40% faster than trade costs between other OECD countries (Méjean and Schwellnus, 2009). In the event of Brexit, the UK would not benefit from any future reductions in intra-EU trade costs.

**Living Standards:** A projection by the CEP Analysis 2016 states that “there is an overall fall in income of 1.28% that is largely driven by current and future changes in non-tariff barriers. Non-tariff barriers play a particularly important role in restricting trade in services, an area where the UK is a major exporter. In the pessimistic scenario, the overall loss increases to 2.61%.” It also went further that “in cash terms, the cost of Brexit to the average UK household is £850 per year in the optimistic scenario and £1,700 per year in the pessimistic scenario (see Table 2.0, CEP Analysis 2016).

Table 1.0 Effects of Brexit on UK living standards

|  | Optimistic    | Pessimistic   |
|--|---------------|---------------|
| Trade effects                            | -1.37%        | -2.92%        |
| Fiscal benefits                          | 0.09%         | 00.31%        |
| <b>Total change in income per capita</b> | <b>-1.28%</b> | <b>-2.61%</b> |
| Income change per Household              | ‑£850         | ‑£1,700       |

**Source:** CEP Analysis 2016, Dhingra, S., Huang, H., Ottaviano, G., Pessoa, J., Sampson, T., & Van Reenen, J. (2016). The costs and benefits of leaving the EU. Centre for Economic Performance Technical Report.

The standard of living of the average British is expected to fall slightly in the short term, and more studies and projections definitely shows that it could extend to the long run.

**Migration:** Another important area that Brexit could have impact on the UK is in the area of migration and its pattern. EU citizens and Non EU citizens as well

migrate to and from the UK for different reasons annually. However, the pattern of migration in the UK changed drastically especially after the admission of the A8 nations to the EU. Many Eurosceptics in the UK believe that the contrary is the case, as they believe foreigners or non-British EU and Non EU migrants take away jobs from young British citizens. Migration, according to Wadsworth (2015) has been “found to aid growth and help to reduce the budget deficit without serious adverse labour market effects.”

Furthermore, a 2016 study by the European Movement International looked at the possible implications of Brexit from the economic point of view under the following sectors;

First, the study records that “financial services and insurance sector employs 3.6% of the UK labour force. Financial services represent a 9.6% share of total UK exports of which 41% are destined for the EU. The insurance sector represents a 4.3% share of total UK exports of which 18% are destined for the EU.” The importance of this sector to UK economy cannot be overemphasized, and if and when the total disengagement is reached, British firms that engage in insurance and other financial services would find it more difficult to conduct business outside Britain.

Second, it also notes that “the automotive sector employs 0.42% of the UK labour force and represents a 4.9% share of total UK exports of which 35% by value are destined for the EU. If the EU-UK can’t negotiate a deal, then tariffs on cars will be 10%.” This would severely impact on British economy due to how it affects British car-makers and their business.

Third, another sector expected to be impacted by Brexit according to the study is the Chemicals and Pharmaceuticals Sector which it states that “employs 0.52% of the UK labour force and represents a 9.9% share of total UK exports of which 57% are destined for the EU. If the EU-UK can’t negotiate a deal, then tariffs on chemicals will be 4.6%.” Of course 4.6% of such essential product which constitutes 57% of British export to the EU could be enormous, and would definitely impact the economy negatively.

Fourth, the sector is the aerospace sector which it states “employs 0.34% of the UK labour force and represents a 2.3% share of total UK exports of which 45% are destined for the EU. If the EU-UK can’t negotiate a deal, there is a high risk of market disruption. The UK’s Aerospace, Defence, Security and Space sector estimates the aerospace sector could be subject to up to 7.7% tariffs” (<https://www.adsgroup.org.uk>), accessed 10<sup>th</sup> February, 2018). In such scenario as revealed by the study it becomes clear the British must have seen certain indices in their economy that others are not seeing yet.

Fifth, the capital goods and machinery sector is one of the mainstay of British economy, and the study records that it “employs 0.61% of the UK labour force and represents an 8.6% share of total UK exports of which 31% are destined for the EU. If the EU-UK can’t negotiate a deal, then tariffs on machinery will be between 1.7% and 4.5%.” If this happens, jobs would be lost and the economy could be affected.

Sixth, the food, beverage, and tobacco sector which the study states “employs 3.7% of the UK labour force and represents a 3.7% share of total UK exports of which 61% are destined for the EU. If the EU-UK can’t negotiate a deal, then tariffs on processed food will be 15% and for other products tariffs could increase by up to 30%.” The expected consequence of this is not different what could happen in other sectors.

Seventh, the professional services sector is said to employ “11.6% of the UK labour force and represents a 9.9% share of total UK exports of which 29.8% are destined for the EU. If the EU-UK can’t negotiate a deal, the potential barriers to the EU market consist primarily of national market access regulations, not tariffs.” A combined effect of these sectors to the British economy could be very devastating, though it does not seem that the British are oblivious of these. But what is certain is that having considered all these and still wish to exit the EU presents thought provoking insights as to what they stand to safeguard or gain at long last.

***UK’s international standing:*** The general outlook of the UK in the world would be affected upon exit from the EU. According to the European Movement International 2016 study “leaving the EU would accelerate and make more permanent the UK’s diminished influence in the global order.” The UK do benefit also from the EU, but the perils and disadvantages that go with membership of the EU, in the eyes of the British, seem to outweigh the benefits therein.

### **EU and the UK: The Negotiations and options**

The UK has started the process of negotiation of withdrawal from the EU under article 50 of the EU treaty. Some scholars and research institutions have made projections as to what kind of agreements could be reached between Britain and the EU. The activation of article 50 as spelt out by the Lisbon Treaty which came into force in 2009 signals steps toward total disengagement, and under that treaty the EU allows any member state that wishes to disengage to do so with negotiations for total withdrawal within two years of first notification. The following are some of the scenarios that could play out in the process of negotiation with the EU;

1. **UK-EU Free trade Agreement (FTA)**

According to the PWC Report 2016, in a situation where upon exit of the EU the UK reaches an agreement for a Free trade Agreement (FTA) it “would allow the UK to trade with the EU with reduced tariffs on goods. However, there would be non-tariff barriers on both goods and services to a greater degree...” It means in essence that the UK could still trade with the EU even after exiting the body, but barriers that were not there initially would now be placed including other regulations.

2. **A World Trade Organization ‘WTO’ Scenario**

In a situation whereby the UK and the EU are not able to arrive at an FTA agreement, it could settle for a World Trade Organization (WTO) option, in which case the UK ceases to belong to the single market arrangement, and according to the PWC Report it would “no longer have to make fiscal

contributions to the EU. The UK would also have complete control over its external trade policy and would be able to pursue its own trade deals with other economies.” Of course this would come with its own problems such as more expensive imports from the EU.

3. **The Norwegian-style European Economic Area (EEA) agreement**  
If the UK and the EU arrives at the kind of agreement called the EEA agreement which would be akin to what Norway currently has, a report by the European Movement International 2016 states that the “UK would largely retain access to the single market.” It went further to state that the UK would “also remain bound by the four freedoms of the single market (i.e. freedom of movement of goods, services, labour, and capital) and would continue to make contributions to the EU budget (estimated to be
4. **Bespoke bilateral deals-Swiss option**  
Under this scenario, the UK could still access the EU single market in goods but not in services just like the EU-Swiss deal. According to the PWC Report citing a study by the University of Kent for the City of London, the UK would “have tariff-free access to the EU goods market. However, in order to gain this access, the UK would need to ensure that it aligns domestic legislation with that of the EU and adopts some of the rules governing the single market.” In summary, none of these four scenarios seem to favor the economic interest of the UK looking from the outside, hence there is good reason to believe that the UK ultimately wish to take back control of their, sovereignty, security, trade freedom, domestic economy, et cetera. This quest by the British tends to have all the trappings of protectionist tendencies regarding their economy.

From the above options which are open to Britain in its negotiations with the EU, it becomes clear that Nigeria could also trade actively with ECOWAS member States without jeopardizing its status in the sub region if it quits ECOWAS. The import of this is that Nigeria does not have to sacrifice the sanctity of its sovereignty, or the paramount control which it ought to have over its internal affairs just because it belong to a regional economic organization like ECOWAS. It is also deducible from Britain’s quest that invasion of any States sovereignty should not tolerated under any guise, be it expected economic gains, social interaction, or political alliance. Therefore, Nigeria should re-appraise its membership of the ECOWAS and take a step to guarantee its future.

### **Conclusion and Recommendations:**

After reviewing literature on this paper, we therefore conclude that since Britain could opt to leave the EU not minding the fact that it gains more from the EU than the EU gains from it, Nigeria should as well look inward in its relationship with ECOWAS as an organization on one hand, and also with other members of ECOWAS as individual States. Certain liberties and privileges which are guaranteed by the statutes of ECOWAS, for example ECOWAS protocol on free movement of persons and goods across borders may actually pose serious threat to Nigeria’s

sovereignty, culture, security, economic and social development. Also, in comparison to Nigeria's roles in the ECOWAS and Britain's roles in the EU, it is clear that Nigeria played pivotal roles in the formation and strengthening of the ECOWAS, but Britain only joined the EU after its formation. Britain is not even the major financial contributor to the EU-Germany is. Yet Britain gains more in the EU as compared to Nigeria in ECOWAS, in which body it is the major contributor in financial and logistical terms and at the same time gains next to nothing. Hence, the following recommendations are hereby advanced;

Nigeria should re-appraise its policies and goals toward the ECOWAS sub region with a view to concentrating on its economic and social development which would keep the jobs of its citizens and not give them away to 'community' citizens in the name of adherence to protocols and treaties.

Nigeria should strive to gain back control of its internal security and the dynamics of its domestic economy just as Britain has set out to do.

This study, though, does not recommend that Nigeria should exit the ECOWAS, rather it advances that Nigeria should re-enter into more robust and realistic bilateral and multilateral trade agreements with ECOWAS member states as a way of by-passing some protocols which end up constituting indirect compromise to its internal peace and security.

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