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INTRA-AFRICAN ECONOMIC PENETRATION, CO-OPERATION AND INTEGRATION: PROGRESS, PROBLEMS AND PERSPECTIVE IN THE LIGHT OF THE FINAL ACT OF LAGOS

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I. INTRODUCTION

The Final Act of Lagos (FAL) is both part and parcel of the Lagos Plan of Action (LPA) and at the same time separate from it. May be this is the reason why it is not as well known as the LPA itself. Yet, it is not only an integral part of the effort to bring about an increasing measure of self-reliance and self-sustainment in Africa but it is also one of the foundations on which the economic decolonization of Africa has to be built. Given the balkanisation of Africa during the colonial era, with the consequential large number of minuscle states that with the best will in the world and the most favourable domestic and external economic environment cannot but have an uphill task in achieving socio-economic tranformation, intra-African economic penetration, co-operation and integration has perforce to become an integral part of national economic policy in all African countries.

To its eternal credit, the Economic Commission for Africa (ECA) appreciated this crucial point as far back as 1958 when it came into existence. The ECA further realised that intra-African economic penetration, co-operation and integration should be promoted from the sub-regional level rather than attempt a continental approach all in one go. Accordingly, it divided Africa into four sub-regions - West Africa, Central Africa, Eastern and Southern Africa and North Africa - and embarked tirelessly to promote a network of economic co-operation among the countries in each subregion.

It is now not generally remembered that the first work programme of the ECA secretariat adopted by the Commission at its inaugural meeting included, ~~inter-alia~~, <u>inter alia</u>:

i) a study on how West African countries could derive mutual benefits by increasing their economic contacts with each other;

ii) a study on various aspects of economic co-operation among the Maghreb countries of North Africa; and

iii) studies on the establishment of an African development financing institution and of an institution for the training of African economists and statisticians.

These were the beginning of the 5-nation West African Economic Community (CEAO) and the 16-nation Economic Community of West African States (ECOWAS). For North Africa, this decision led in 1964 to the setting up of the Maghreb Permanent Consultative Committee (CPCM) consisting of Algeria, Libya, Morocco and Tunisia. It was also the initiative that led to the establishment of the African Institute for Economic Development Planning (IDEP) for the training of African economic planners and to the setting up of Africa's only regional development bank - the African Development Bank (ADB).

Thus, right from the beginning and at a time when only a few African countries were politically independent, the ECA had given intra-African economic penetration, co-operation and integration priority attention. It had also adopted a pragmatic strategy of sub-regional and functional co-operation which inspite of all the set-backs of the past twenty-six years is still accepted as valid by all the Governments concerned. For inspite of the chequered history of intra-African co-operation and integration, "inspite of the difficulties which have been and are being encountered in different parts of Africa and by different economic co-operation arrangements, there is no viable alternative to intra-African co-operation. Indeed, it is a mistaken belief to regard economic co-operation among African States not as a conditio sine qua non for the achievement of determined national socio-economic goals but as an "extra" to be given thought to after the process of development is well advanced."1/ The African Heads of State and Government not only endorsed this point ~~in view~~ but also for the first time in the history of post-independence Africa formalised the ECA pragmatic approach to economic co-operation and integration by adopting the Final Act of Lagos.

II. THE FINAL ACT OF LAGOS (FAL), THE LAGOS PLAN OF ACTION (LPA) AND THE MONROVIA STRATEGY

However, it must be stated at once that the FAL has gone beyond merely giving a stamp approval to the perception of the ECA as to how intra-African trade and economic penetration, co-operation and integration are to be achieved. The FAL is, like the LPA, the culmination of the series of efforts at the re-examination and re-appraisal of the whole strategy pursued by African Governments since

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1/ Adebayo Adedeji: Africa, the Crisis of Development and the Challenge of a New Economic Order (ECA, March 1977); p.16

independence which was initiated by ECA in 1975 and which led to the publication of the now historic and momentous document, Revised Framework of Principles for the Implementation of the New International Economic Order in Africa, 1976 - 1981 - 1982[2] which was the precursor of the Monrovia Strategy, the LPA and the FAL. Indeed, it was the intellectual and theoretical foundation of the development strategy propounded in these subsequent documents.[3]

The Revised Framework was itself prompted inter alia, by the findings of the ECA preliminary assessment of long-term development trends and prospects in developing Africa whose main finding was that only 9 countries - Algeria, Congo, Gabon, Ivory Coast, Libya, Nigeria, Sao Tome and Principe, Tunisia and Zambia - have managed to achieve during the period 1960-1975 growth rates that have led to significant increases in per capita incomes. The four major oil-exporting countries (Algeria, Gabon, Libya and Nigeria) in this group achieved an average GDP growth rate, in real terms, of 6.9 per cent per annum, while the corresponding rate for the remaining five countries was 5.8 per cent. The study also showed that 22 countries - Botswana, Cameroon, Cape Verde, Central Africa Republic, Egypt, Equatorial Guinea, Gambia, Ghana, Guinea-Bissau, Kenya, Liberia, Madagascar, Mauritania, Mauritius, Morocco, Mozambique, Senegal, Sierra Leone, the Sudan, Swaziland, Togo and Uganda - just managed to achieve an average of GDP growth rate of 4.1 per cent per annum - an increase of only 1.4 per cent per capita per annum. The GDP growth rates of the remaining 14 countries on which data were available - Benin, Burkina Faso, Burundi, Chad, Ethiopia, Guinea, Lesotho, Malawi, Mali, Niger, Rwanda, Somalia, Tanzania and Zaire - averaged only 2.6 per cent between 1960 and 1975 - a growth rate which fell below the rate of growth in population. Thus, throughout the first decade and a half of post-independence Africa, 14 countries experienced a persistent decline in their standard of living; 22 countries were stagnating; and, only 9 countries managed to achieve any significant increase in their per capita income on a consistent basis.[4]

2/ Document No. E/CN.14/ECO/90/Rev.3 of 25 June, 1976.

3/ Adebayo Adedeji: The Monrovia Strategy and the Lagos Plan of Action for African Development - Five Years after (Halifax Nova Scotia Nov. (1984) m.s.) p. 10.

4/ United Nations Economic and Social Council, Long-term trends in the economic development of the regions of the world. Report by the Secretary-General Annex III - Preliminary Assessment of long-term development trends and prospects in developing Africa prepared by ECA (Doc.No.E/5937/Add.3 of 29 March 1977).

On intra-African economic penetration, co-operation and integration, the ECA preliminary assessment of performance between 1960 and 1975 shows that although a number of economic groupings have been formed, "progress towards economic co-operation and integration in the African region has not been satisfactory. Some groupings have made progress towards free trade, but multinational industries and other integration activities are still lacking. Lack of political will, together with difficulty in identifying the real benefits from integration have frequently been the main reason for poor performance".5/ Thus, inspite of the increase in number of economic co-operation arrangements, intra-African trade showed a declining trend during the fifteen-year period. The statistics for four of the then-existing major economic groupings for the period of 1970-74 are shown in Table 1 below:

Table 1 : Exports of African countries, by economic groupings, 1970 - 1974

	Total export (1)		Export among countries in the subregion (2)		(2) as percentage (1)	
	1970	1974	1970	1974	1970	1974
Central African Customs and Economic Union (UDEAC)	437	835	33	62	7.5	7.4
West African Economic Community (CEAO)	803	2 081	73	90	9.1	4.3
East African Community	846	1 350	143	188	16.9	13.9
Permanent Consultative Committee of the Maghreb	1 680	6 947	37	126	2.2	1.8

Source: Economic co-operation and integration among developing countries. (TD/B/609), Vol.II.

5/ Ibid., pp. 23 - 24, paragraph 88

Intra-African trade decreased from 9.1 to 4.3 per cent, from 16.9 to 13.9 per cent and from 2.2 to 1.8 per cent among the countries of the West African Economic Community, the former East African Community and the Permanent Consultative Committee of the Maghreb respectively. Among UDEAC countries, it at best stagnated. It unfortunately looked as if there had developed an inverse relation between the number of inter-governmental organisations (IGOs) established and the progress in achieving effective intra-African trade, removing trade barriers, and in promoting joint multinational projects.

The proliferation of IGOs has been most marked in West Africa. There are now in existence as many as 32 IGOs in that subregion alone. And if account is taken of bilateral co-operations arrangements, the number will be even greater. Some individual countries belong to as many as a dozen or more. In fact, Niger, which tops the list, belongs to 25 IGOs followed closely by Burkina Faso, Senegal, Ivory Coast and Benin which belong to 22, 20, 19 and 18 IGOs respectively. Mali and Togo each belongs to 17 while Mauritania is a member of 12 IGOs. The Gambia and Nigeria have each joined 10. At the other extreme are Guinea-Bissau and Cape Verde which have each joined 3 and 2 IGOs respectively. And in between are the remaining four West African countries, Guinea, Sierra Leone, Ghana and Liberia which have joined 7, 6, 5 and 4 IGOs respectively.6/ It is not surprising that there is not only overlapping of memberships and objectives but also no overall policy or mechanism for ensuring that the activities of these IGOs are harmonious and co-ordinated and reinforce one another. The result is that they have failed to advance the process of development and subregional economic integration in West Africa. Of these 32 West Africa IGOs the membership of 17 is made up exclusively of French-speaking countries. While this situation is partly the result of geographical contiguity among french-speaking countries and partly a reflection of the greater unity among these countries during the colonial rule and their desire to maintain many of their previous ties, there is no doubt that "the existence of so many West African IGOs which draw their membership from only one linguistic group cannot but be a hindrance to economic integration at the sub-regional level."7/

6/ United Nations Economic Commission for Africa, Proposals for Strengthening Economic Integration in West Africa (n.d.); m. 22-3.

7/ *Ibid.*, p.23

Because of the poor record of economic co-operation in Africa, the ECA preliminary assessment concluded that not only must it be strengthened, but also that steps must continue to be taken to ensure pragmatism and flexibility. It further adds that "for economic co-operation arrangements to be effective, there must be agents of production and distribution able and willing to exploit the opportunities provided by such arrangements. There must be more emphasis on indigenous, rather than external, agents. The difficulties caused by disputes and resistance to the distribution of industries within groups of countries should be removable, provided that the basic framework is effective and that there is a real political will to co-operate."8/

We then pursued, on an indepth basis, our exploration of the obstacles standing in the way of effective economic co-operation in the Revised Framework and ended up in providing a package of essential requirements for effective intra-African economic penetration and the achievement of an increasing measure of collective self-reliance. Seven of these basic requirements will be mentioned here. There is, first and foremost, the requirement of political commitment which itself requires far reaching changes in the habits of thinking of the people and their governments that horizontal intra-African penetration is a sine qua non for national development. Secondly, there is need for the setting up of mechanisms that will facilitate and foster co-operation. These include availability on a regular basis of a wide range of general and special information supplied by the co-operating countries to each other; the establishment of marketing and distribution agencies; the setting up of clearing house arrangements, commodity exchange markets; and, the establishment of links between different national chambers of commerce and industry. Thirdly, there is an imperative need to establish consultative machinery for the harmonisation and co-ordination of economic policies. Fourthly, long-term agreements must be entered into concerning product specialization and product-sharing on the basis of complementarities, including special treatment of less developed countries. Fifthly, every effort must be made to ensure that the gains from co-operation are not too long-term or too indeterminate when compared to other pressing economic objectives of the participating States.

8/ United Nations Economic and Social Council, Long-term trends. Op.cit., p.3

Sixthly, for economic co-operation arrangements to be effective, there must be agents of production and distribution which are able and willing to exploit the opportunities which co-operation arrangements provide. Finally, a variety of special national measures designed to facilitate co-operation must be taken by each government. Such measures include "the laying of or the improvement of the legislative formation or the formation and operation of companies; the adoption of legislation, machinery and policy relating to the registration of patents and trade marks; the harmonization of policies towards foreign private enterprises and monopolistic business groupings (including financial institutions such as banks and insurance companies); the working out of technical quality and design standards; the orientation of research policy, institutions and priorities; and, the regulation of transport, to name only a few".9/

This package of requirements was put together on the basis of the experience of the past years of experimenting with regional and sub-regional co-operation in Africa. For example, the experience of the East African Community has taught us the importance of avoiding to promote institutional developments which render the African economies more vulnerable to penetration by transnationals and other forms of foreign corporate organisation than would otherwise have been the case. The package of basic requirements was also put together to drive home the point that economic co-operation is not merely a treaty-making exercise. Treaties, important as they are, are means not ends. For co-operation to take root and grow, a thousand and one actions have to be taken, individually, nationally and collectively by the co-operating States. The pooling of sovereignty in order to advance commonly perceived interests and the loosening of the umbical cord with former metropolitan powers are also essential pre-requisites for effective intra-African economic penetration.

The Monrovia Strategy and Declaration of Commitment put to rest whatever doubts might have existed in some quarters about the adherence of African Heads of State and Government to the principle of intra-African economic penetration,

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9/ Revised Framework. Op. cit., p.17.

co-operation and integration. The governments committed themselves unequivocally to:-

i) promote social and economic development and integration with a view to achieving an increasing measure of collective self-reliance and self-sustainment;

ii) establish national, subregional and regional institutions which will facilitate the attainment of the objectives of self-reliance and self-sustainment;

iii) promote the physical integration of Africa in order to facilitate social and economic intercourse;

iv) foster subregional and regional internally-located industrial development;

v) co-operate in the field of natural resources exploration, extraction and use; and,

vi) co-operate in the preservation, protection and improvement of the natural environment.

The Declation then ended with these words. "We hold, firmly to the view that these commitments will lead to the creation at the national, subregional and regional levels of a dynamic inter-dependent African economy and will thereby pave the way for the eventual establishment of an African Common Market leading to an African Economic Community."[10/]

In the light of this firm commitment, it was inevitable that the Final Act of Lagos (FAL) would come out as an integral part of the Lagos Plan of Action. Indeed, the FAL can be correctly regarded as constituting a major cornerstone of the LPA whose preamble reiterated the governments' determination "to adopt a far-reaching regional approach based primarily on collective self-reliance"[11/]. Not surprisingly, the Heads of State and Governments likened this to the struggle for

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10/ Resolution AHG/ST.3 (XVI) Rev.1 - Monrovia Declaration of Commitment of the Heads of State and Government of the Organisation of African Unity on Guidelines and Measures for National and Collective Self-reliance in Social and Economic Development for the establishment of a New International Economic Order.

11/ Lagos Plan of Action for the economic development of Africa 1980-2000 (OAU, 1981); p.5.

political independence by asserting "that this same determination that has virtually rid our continent of political domination is required for our economic liberation. Our success in exploiting our political unity should encourage us to exploit the strength inherent in our economic unity."[12/]

Accordingly in all the major sectors dealt with in the LPA, action programmes and projects which are required to be undertaken are spelt out at three levels - national, sub-regional and regional levels - and sometimes also at the international level. The concern with concerted subregional and regional activities is particularly evident in such sectors as industry, natural resources, trade and finance, human resources development, transport and communications; science and technology; and, environment. For example, in the transport and communications sector, first priority was accorded to regional projects, sub-regional projects and national projects with a regional and sub-regional impact.

It is therefore crystal clear that although there is the FAL, intra-African economic penetration, co-operation and integration went beyond those concerns contained in the FAL and was an all-pervasive issue as far as the LPA is concerne. But this having been said, the FAL itself complemented and supplemented the LPA in at least three ways. First, it provided a time frame for the setting up of an African Economic Community - the year 2000. Secondly, it identified and spelt out succinctly the various stages of the implementation of this object. Thus, it calls, during the 1980s, for the strengthening of the existing regional economic communities and for establishing new ones so as to cover the continent as a whole; for the strengthening of sectoral integration at the continental lev.; and for promoting co-ordination and harmonisation among existing and future economic groupings. And during the decade of the 1990s, it calls for sectoral integration. And, finally the FAL realises that this stage-by-stage approach would depend on political commitment on the part of all the governments without exception. Therefore each stage requires to be carefully monitored with periodi: progress reports being submitted jointly by ECA and OAU to the Heads of State an Government.

12/ Ibid., p. 8

III. PROGRESS ACHIEVED AND PROBLEMS ENCOUNTERED SINCE 1980

In undertaking any evaluation of the progress which has been achieved in promoting intra-African economic co-operation, integration and penetration we must bear in mind two very crucial points. First, many of the initiatives in this field that have come to fruition since 1980 had begun long before the LPA and the FAL. Indeed, rather than being their direct products the fact that they were in the pipeline played an important role in determining the thrust, orientation and contents of both the LPA and the FAL. Secondly, with regard to the initiatives that have been taken as a direct result of the LPA and the FAL in this area, five years may be too short a period to achieve a major breakthrough. What is therefore important at this stage is whether or not there has been a movement in the right direction. And our review and evaluation will perforce be in two parts - progress in each of the major sectors and progress in strengthening the existing and in establishing new economic groupings.

It would have been clear from what has been said so far that economic co-operation and integration is viewed in the LPA and the FAL both as a means and as an instrument for promoting economic liberation. Most significantly it was never seen as an end. Secondly, both the LPA and the FAL see the various measures contained in them as being mutually reinforcing. For example, the co-operative measures prescribed in the trade field such as those relating to reduction and elimination of trade barriers are aimed primarily at goods whose supply has been given priority attention in the agriculture and industry sectors. Finally, it would also have been clear from a careful reading of these documents that there is meant to be a close relation between, on the other hand, the promotion of co-operation at the sectoral level as provided for in the LPA and, on the other, the strengthening of existing sub-regional economic communities and the setting up of new ones where necessary as provided for in the FAL. There is similarly a relation between the latter and the setting up of an African Common Market and Economic Community.

These pints having been made, it now remains for us to review the extent to which all the relevant provisions of the LPA and the FAL have been implemented. Obviously, it will not be possible to do this in a detailed manner in a short paper such as this. It will be enough to give a picture of the trend and direction particularly as we have already indicated many of these provision by their very nature are meant to be implemented over a long time span than has elapsed since 1980.

On the basis of the information currently available to ECA, it seems, regrettably, that not much progress has been made regarding promotion of co-operation at the sectoral level although there have been a couple of outstanding achievements. But the areas where actions have been lacking since 1980 are so many and so critical to effective intra-African economic penetration that further delay in redeeming the situation will prejudice perhaps irreparably the achievement of the objective.

Let us cite some of these crucial areas. First, no effort has so far been initiated in setting up sub-regional food security arrangements and in undertaking the feasibility of establishing an African Food Relief Support Scheme which when set up is to assist member countries in times of food emergency. Secondly, very little has been accomplished in giving fillip to inter-country co-operative agronomic research programmes as required by the LPA. Thirdly, effective regional co-operation in tackling environmental problems with transboundary effects is yet to be commenced. Inspite of the widespread and severe drought of the past two to three years which now affects 36 out of the continent's 50 independent countries and inspite of growing desertification, there has been no breakthrough in effective co-operation in this sector among African countries.

In the industrial sector, of the 16 specific action areas which are identified for subregional and regional co-operation, it is only in three that something could be said to have been initiated. Thanks to the effort of the ECA and its network of sub-regional Multinational Programming and Operational Centres (MULPOCs) something is now being done on:

a) the preparation of sub-regional and regional plans for the creation of industrial complexes;

b) the establishment at subregional levels of multinational industries in basic areas as metallurgy, foundry, chemicals, etc; and,

c) the strengthening of existing ECA-sponsored regional institutions such as the African Regional Centre for Technology, the African Regional Centre for Engineering Design and Manufacturing.

Fortunately, all obstacles in the way of operationalizing the African Industrial Development Fund (AIDF) have been virtually removed and ECA and the African Development Bank should be meeting shortly to sort out the remaining problems. In the field of the promotion of trade in manufactures, encouraging steps have been taken by ECOWAS in West Africa and PTA in Eastern and Southern Africa.

In all the other areas listed in the LPA, no implementation action appears as yet to have been initiated. For example, no multinational regional and sub-regional institutions to make an inventory of and explore shared national resources has yet been created. Not even the African Regional Centre for Consultancy and Industrial Management Services, on which the ECA secretariat has already undertaken considerable preparatory work has yet been set up, thanks to the decision of the ECA Conference of Ministers which during the Commission's Silver Jubilee Session in 1983 decided not only to set up an _ad hoc_ committee on the evaluation harmonization and/or merger of the ECA - (and OAU) sponsored multinational institutions but also to request that until the committee had completed its work and the Conference of Ministers has acted thereon no new institutions should be established by the Commission.[13/] Unfortunately, the _ad hoc_ committee is yet to complete its assignment and the freeze on the establishment of new institutions has continued with the extension of the mandate of the committee for a further period of one year.[14/]

In the field of natural resources, while a few multinational projects and enterprises for the exploitation, production and processing of usable natural

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13/ ECA Conference of Ministers Resolution 477 (XVIII) of 30 April 1983.

14/ ECA Conference of Ministers Resolution 519 (XIX) of 29 May 1984.

resources have been established and are being established by a growing number of countries, the pace needs to be considerably accelerated. But neither the establishment of joint facilities for applied research, specialised services and training nor the harmonisation of national development programmes for the use of mineral, energy and water resources advocated in the LPA has taken place or has even been initiated. We must, however, add that in June 1983, the ECA successfully set up a mineral resources development centre for the Central African subregion in Brazzaville, Congo. This centre, which is the second of its kind - the first being the Dodoma-based centre - should become operational 1985.

It is accepted by all that intra-African economic penetration will remain a will-o-the-wisp unless intra-African trade is expanding steadily, and indeed faster than total African foreign trade. Hence intra-African trade expansion has constituted a mainstay of the LPA and different actions which have to be undertaken and the time frame within which they are to be undertaken have been spelt out in the Plan under three broad areas:

i) the reduction or elimination of trade barriers;

ii) the setting up of mechanism and measures for the facilitation and development of trade such as commodity exchanges and association of states trading organization at sub-regional and regional levels; and,

iii) the establishment of African multinational production corporations and joint ventures.

Unfortunately, as in the other sectors, very little progress has been accomplished. The only outstanding exceptions are the setting up of the preferential trade areas in Eastern and Southern Africa and in Central Africa (we shall revert to these later) and the founding of the African Federation of Chambers of Commerce (AFCC).

In so far as the Federation is concerned, it is indeed gratifying to report that, as a result of a series of meetings convened by the ECA secretariat in Addis Ababa and Harare, an ad hoc Committee of the Presidents and Secretaries-General of National Associations of Chambers of Commerce was able to draw up a draft constitution, draft rules of procedure of the organs of the Federation and the draft budget and organisational structures of the secretariat of the Federation. These documents were finalized and approved at a meeting of Presidents and Secretaries-General of African Chambers of Commerce held in Cairo, Egypt in October/November 1983. In September 1984 ECA was able to convene a meeting of plenipotentiaries at which the constitution of the Federation was signed by no less than 24 national Chambers; Cairo was chosen as the headquarters of the Federation; and the officials who are to lead the organisation during its first three years were elected. Thus, in effect, the AFCC came into being more than a year before the 1985 deadline set out in the LPA.

In the field of finance, while considerable progress has been made by ECA in establishing subregional multilateral clearing and payment arrangements (in West Africa several years ago; in Eastern and Southern Africa and in the Central Africa quite recently), a beginning is yet to be made on the setting up of the African Payments Union and development finance institutions. However, the ECA in collaboration with ADB, the ECA-sponsored African Centre for Monetary Studies and the OAU, has been working hard on the establishment of the African Monetary Fund, although, it must be admitted, progress has been much slower than was initially envisaged by the secretariat. In October 1982, a meeting of a high-level group of experts of Ministries of Finance and Central Banks took place at ECA Headquarters and approved the terms of reference and guidelines on the feasibility study for the establishment of the fund. The feasibility study is expected to be completed shortly and thereafter it is hoped that the process of setting up the fund can be accelerated so that a meeting of plenipotentiaries can take place sometime in 1985.

It would thus have become crystal clear that a lot still remains to be done in pushing ahead with intra-African economic penetration at the sectoral, grass roots level. Scores and scores of bricks and blocks require to be moulded and put together in different shapes and sizes and in different places and localities. Regional co-operation and integration is a multi-dimensional challenge which requires all the persistence and stubborness that Africa is capable of marshalling.

There is no doubt, that the economic crisis that has engulfed the continent since 1980 is partly responsible for the slow progress but there is also no gainsaying the need for effective actions at the national level because the types of co-operation being sought by the LPA presupposes the existence of clear, facilitative and consistent policies at the national level. Unfortunately, this is not always the case. Also, while intra-African economic co-operation and integration is expected to be given due priority over co-operation with third parties and in particular over co-operation with developed countries, unfortunately this has so far remained a heroic assumption and an unrealised expectation.

But inspite of this slow start, there is no doubt about the intention of the Governmentstto push ahead; as long as we constantly bear in mind that modern Africa is relatively new to the game of international co-operation we shall understand the rationale behind the hesitation and slow progress. Afterall, intra-African technical and economic relations were virtually non-existent some 20-25 years ago unless those inherited from the colonial era.

This having been said, no one will dispute that as far as the second type of co-operative activities are concerned, namely, those having to do with the implementation of the Final Act, major breakthroughs have been achieved. First and foremost, efforts have continued to be made to strengthen and streamline existing economic groupings; namely: ECOWAS, CEAO, UDEAC and CEPGL. Secondly, new ones - namely the Preferential Trade Area for Eastern and Southern African States (PTA) and the Economic Community of Central African States (ECCAS) have been established since the adoption of the FAL.

In so far as strengthening and streamlining existing groupings is concerned, the most significant developments to-date relate to the strengthening of the ECA/MULPOCs and efforts are being made to rationalize and streamline the institutional framework for intra-African economic co-operation and integration.

As regards the MULPOCs, it will be noted - although no explicit mention is made of them in the FAL - their main role as intergovernmental policy-making bodies is, with the assistance of the ECA secretariat, to help member States to promote co-operation between them in the five subregions where they are located (namely the Lusaka, Yaounde, Gisenyi, Niamey and Tangiers MULPOCs for the Eastern and Southern, Central Africa I, Central Africa II, West Africa and North Africa subregions). As such, they can be regarded as sui generis instrumentalities for multinational co-operation along with the more traditional types of economic groupings that were explicitly mentioned in the FAL.

In addition to strengthening its MULPOCs, ECA, for the last two years, has, at the urging of the ECA Conference of Ministers - which is rightly concerned with the proliferation of the ECA and OAU sponsored - institutions and the duplication of activities between them, notwithstanding the grave scarcity of resources on the part of member States - has found itself increasingly involved in helping to rationalize these institutions.

Our first efforts in this direction were made in the form of a comprehensive report entitled "Proposals for strengthening economic integration in West Africa," which was produced at the request of the Sixth ECOWAS Summit of Heads of State and Government to help member countries to streamline and rationalize the various activities of the large number of intergovernmental organizations (IGOs) existing in this subregion. The report strongly recommended that ECOWAS, after appropriate restructuring, should be the focal point for economic co-operation in West Africa. The report, after consideration by a number of expert and ministerial meetings, as well as by meetings of the IGOs, is now scheduled to be submitted formally to ECOWAS Heads of State and Government at their next Summit meeting.

With regard to developments concerning new economic groupings, one of the most notable achievements since the adoption of the FAL - although the preparatory work and most of the ardous technical negotiations that played such an important part in the creation of the PTA took place before this adoption - was the actual launching of the PTA at the beginning of 1982. Throughout 1982, the ECA secretariat played the role of interim secretariat and, even after the Secretary-General and his core staff were appointed, ECA continued to assist the young PTA in every possible way, particularly through technical studies and temporary secondment of staff.

As for ECCAS, unlike the PTA, it is a direct offshoot of the FAL, to the extent that the latter clearly provided the inspiration for it. In 1981, the UDEAC authorities requested the ECA secretariat to undertake an evaluation study of UDEAC and its institutions with a view to its restructuring and improvement. Following the evaluation report, which recommended the enlargement of economic co-operation in Central Africa for greater efficiency, the secretariat was requested to carry out a series of studies, including one on the implications of the integration process for the economies of the potential member States of the proposed ECCAS, a draft Treaty and various draft protocols on the basis of which actual negotiations started at technical level. These were serviced jointly by the ECA and the OAU secretariats and eventually led to the signing of the Treaty in October 1983, at Libreville, by ten Heads of State and Government of the subregion.

Since then the ECA and OAU secretariats have been acting as a joint interim secretariat for the Community pending the establishment of its own permanent secretariat, after the coming into force of the Treaty, following its ratification by the required number of countries. In this role, the joint OAU/ECA secretariat prepared, inter alia, an organizational chart for the ECCAS secretariat, a draft budget, job descriptions for the secretariat's professional staff, a draft agreement with the host government, draft staff and financial regulations and rules of procedure for the policy organs of the Community. It is not perhaps without interest to note that, in the preparation of these various papers as well as in the actual servicing of the negotiations, the ECA secretariat was able to make good use of the experience gained in the course of the PTA exercise with, it goes without saying, the required adaptations to take into account the particular circumstances of the subregion.

IV. EXTERNALLY-INDUCED CONSTRAINTS AND IMPEDIMENTS TO INTRA-AFRICAN ECONOMIC PENETRATION AND CO-OPERATION

We have already referred *in extenso* to the constraints and impediments which have continued to vitiate the achievement of an increasing measure of intra-African economic penetration and the realization of collective self-reliance. All the impediments that we have so far identified arise from nationalistic domestic policies and the lack of appropriate facilitative policies. But our analysis will be incomplete if it fails to take into account the externally-induced factors which have militated and continue to militate against intra-African economic co-operation and integration.

The relations which prevailed between the major colonial powers (Britain and France, in particular) and their respective African dependencies in pre-independence period are well documented and need not be repeated here. Suffice it to say that apart from their total incorporation into the economies of the metropolitan powers as mere appendages, the African dependencies were, particularly after World War II, beneficiaries from imperial trade, economic and aid preferences. The African French colonies, more than their British counterparts benefited from substantial assistance and from protected markets in France for their principal exports. They were also recipients of budgetary deficits. Whereas British African colonies exported their products at world market prices and were not insured against price fluctuations for agricultural commodity exports by a price fluctuation fund, their French counterparts enjoyed guaranteed markets and inflate prices for their exports in the protected French market, where the *Fonds national de regularisation des cours des produits d'outre-mer* guaranteed a *surprix* substantially above world price levels.[15]

Naturally, the colonial powers were anxious to maintain these pre-independenc special relationships. And needless to add that many newly independent African countries were themselves not averse to this. In the case of former French colonies, the decision seemed foreclosed because France and another former

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15/ Aaron Segal, "Africa Newly Divided" *The journal of modern African studies* 2.1 (1964); p. 74.

colonial power, Belgium, were the original signatories to the Treaty of Rome which established the European Economic Community (EEC) and under which there is a provision for the gradual elimination of custom duties between the member States; a provision which necessitated a review of the relations between the colonial member powers and their dependencies. As the French-speaking African countries had by the time of the Treaty of Rome in 1957 not become independent, France successfully obtained from her EEC partners an "associated status" for the colonies.

An "associated status" provided for the exemption of the exports of the countries concerned from the provisions of the common external tariff of the EEC. In return for this concession, all the EEC member States would have extended to them, albeit progressively, any preferential tariffs within the markets of the associated countries concerned which existed or might be created for exports from any one EEC member State. According to an annex to the treaty which contains a list of countries with "associated status", all French African colonies including the United Nations Trust Territories of French Cameroon, Italian Somaliland, Rwanda-Urundi and Togo and the Belgian Congo were granted "associated status". However, Algeria was excluded from the list on the ground that it was an integral part of France. The treaty also provided for the creation of a Fund for Development to finance development and social projects in the associated countries. Finally, in order to minimise the impact of this additional exposure to international competition of the fragile economies of these countries, the treaty allowed them to establish or retain protective tariffs for their "infant" industries.

Not surprisingly but nevertheless disappointingly, these countries on achieving political independence asked for the continuance of their associated status without considering the repercussions of such relations between independent African countries and the industrialised countries that make up the EEC on intra-African economic and trade penetration and co-operation and on the economies of the non-associated African States. Rather, they were interested in a renegotiation so that they could "preserve, consolidate, perpetuate, and expand their privileges within the French market and the European Common Market".16/

16/ Ibid., p.77

Thus right from the start of independence, Africa was divided - divided into associated and non-associated countries - and needless to add that this became a constant source of conflict among them. The conflict came to a head and to the open at the 1962 session of ECA held in March of that year in Addis Ababa when the francophone countries combined to defeat an Ethiopian resolution attacking association with the EEC because it was detrimental to the formation of an African Common Market. On their part, the anglophone African countries resisted the pressure from Great Britain to seek associated status if and when she joined the EEC. These countries were unanimous in their rejection of any such link on the grounds that it will (i) perpetuate neo-colonialism; (ii) constitute a fundamental obstacle to the achievement of African political and economic unity; (iii) perpetuate the position of Africa as suppliers of primary commodities to Europe; (iv) lead to loss of freedom to trade freely with non-EEC member States as well as jeopardise the chances of obtaining capital from the most convenient sources. But inspite of all these objections, the French-speaking countries entered into a five-year agreement with the EEC from January 1964. This was the so-called Yaounde I which was replaced by Yaounde II five years later. Thus during the first decade after independence, independent Africa was "newly divided, in its trade relations with Western Europe, by new barriers to increasing intra-African trade and by the external political, economic and cultural affinities of its independent States".[17/]

This division was to have a more long-term effect on the fostering of intra-African co-operation. It made the realization of effective intra-African economic co-operation, which cuts across linguistic barriers, nigh impossible during the first decade and a half after independence. Thus, all the co-operation institutions which were set up until 1975 were purely on linguistic basis. As we have already noted, of the 32 West African IGOs, 17 are made up exclusively of French-speaking countries. Such IGOs tend to reinforce the linguistic division among West African countries. It was not until the formation of ECOWAS in 1975 that this barrier was at last weakened, if not entirely broken.

17/ Ibid., p.90

It must also be added that all African countries, south of the Sahara and including the Sudan, have since 1975 become associated States under the EEC-ACP Lome Convention of that year. Thus while the distinction between associated and non-associated States no longer exists, there can be no doubt that the external orientation of economic co-operation in Africa has had and continues to have deleterious consequences for intra-African co-operation and integration. No one can, or nowadays even bother to, deny that, contrary to the earlier claims of complementarity and inter-dependence which used to be made on behalf of EurAfrican co-operation, the benefits arising from co-operation between African and Western Europe have been heavily skewed in favour of the latter for the simple reason that such co-operation is based on unequal exchange and that the so-called complementarity is artificially induced and the inter-dependence is asymmetrical.

It is now ten years since the first Lome Convention was signed. Since then there has been Lome II (1980) and Lome III is now under negotiation and if all goes well will be signed in 1985. This is not the place for an evaluation of the EEC-ACP relations in so far as Africa is concerned. Our interest here is to point out the implications of Lome for intra-African trade and economic penetration. But that having been said, it is also worth mentioning that recent studies by a growing number of independent scholars[18/] have confirmed that the gains by African countries from this relationship have been quite marginal and could definitely not have compensated for the losses which have been suffered as a result of failure to achieve a breakthrough in intra-African economic and trade penetration.

For example, evidence abounds to show that ACP share of the total EEC imports has continued to fall, whereas other Third World countries that are not part of the Lome regime have managed to maintain their share of the market. However, this drop in the ACP share of the EEC market has been accompanied by a steady rise in the EEC share of the ACP market. For example, between 1980 and 1981 EEC exports to ACP States rose by about 15.0 per cent in value. This negative development has

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18/ See for example, Joanna Moss and John Ravenhill, "Trade Developments during the First Lome Convention" World Development Vol. 10 No. 10 (1982) and Nantang Jua, "Towards Renegotiating the Lome Regime: Some (non) Policy Options Considered" Africa Development Vol. VIII No. 4 (1983); passion.

naturally been a source of disappointment to those who had expected that the duty free access enjoyed by the ACP States to EEC markets could play a potentially decisive role in their economic development. As Joanna Moss and John Ravenhill have concluded, for the EEC, such disappointing results "must be somewhat embarrassing .... Yet it is questionable whether the Community will be particularly upset by the pattern of its trade relations with the ACP. For if ACP aspirations are to be realised, this would obviously impose substantial domestic costs on the Community in the form, for instance, of structural adjustment. To date, the Community has not shown itself willing to bear such costs .... It has been less costly - both in economic and political terms - for the Community to emphasise financial aid as its principal contribution to ACP development needs."19/

While intra-African co-operation arrangements such as we have been talking about have imposed considerable strains and stresses on the establishment of a regime of an effective intra-African co-operation, no one is suggesting that Africa should delink itself from the rest of the international economic community. The choice is not either intra-African penetration or EurAfrican co-operation. The choice is one of priority and of the realization that one impinges and affects the other. But that having been said, there is no doubt that as long as socio-economic policy in Africa is still powerfully oriented to the outside world and as long as African countries are still conditioned by strong attachments to pre-independence political, economic, social and cultural relations, so long will the promotion of intra-African co-operation continue to prove ineffective.

Regrettably, the African search for regionalism and collective self-reliance has unfortunately received no encouragement from most multilateral international institutions. For example, regional and sub-regional development and infrastructural projects are accorded very low priority not only by bilateral donors but also by multilateral financing and technical assistance institutions. Not surprisingly, none of the ECA-initiated projects of trans-African highway networks have materialised due to the unsympathetic attitude of bilaterals and to the lukewarm and ambivalent attitude of multilaterals. Nor has any support been forthcoming on the setting up of clearing and payments arrangements in the various sub-regions, nor on the establishment of the African Monetary Fund, the setting up of

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19/ Joanna Moss and John Ravenhill, Ibid., pp.853-4 preferential trade areas and the establishment of sub-regional economic communities. Of course, there are a number of exceptions here and there and the most notable among these is the United Nations Development Programme (UNDP) which has supported, within the limits of its resources, multinational projects whose aim is to bring about intra-African economic co-operation and integration.

The typical approach of most multilaterals is to regard regional co-operations as a long-term issue, as a kind of impracticable African dream which while it cannot be openly opposed must remain untouched and unsupported. It therefore surprised no one that the World Bank in its controversial report entitled Accelerated Development in Sub-Saharan Africa: An agenda for action relegated regionalism to the category of long-term issues even though the report explicitly recognises the importance of regional economic co-operation to small States which have limited development alternatives and to the landlocked States for whose special problems it constitutes the only viable option. While the World Bank report favoured the intensification of efforts in joint planning and use of transport and communications links, in the exploitation of energy resources and the use of training institutions, it failed to advocate similar co-operation in the directly productive sectors, particularly in the industrial sector. For the report to suggest that "member States should turn to regional economic co-operation only after they had established effective administrative machinery, developed a more productive monetized agriculture, created physical and social infrastructure, spread suitable education and accomplished similar tasks at the national level is to ignore the fact that lack of economic co-operation activities particularly in the field of industry may delay and in some cases render impossible the attainment of such objectives at the national level".[20/] In contrast to this approach, the LPA sees the solution to the problems of ineffective intra-African economic co-operation as calling for short-, medium-, and long-term actions.

20/ Accelerated Development in Sub-Saharan Africa: An Assessment by the OAU, ECA and ADB Secretariats (ECA Edited Version) published in Africa Development Vol. II No.3 1982; p.124.

V. PERSPECTIVE FOR THE ACHIEVEMENT OF A BREAKTHROUGH IN INTRA-AFRICAN ECONOMIC PENETRATION

In the light of the very limited progress in implementing the various co-operation and integration projects contained in the LPA and the FAL and in the ligh+ of lack of encouragement in favour of regional co-operation from the external economic environment discussed in the preceeding parts (Parts III and IV), what are the prospects for the future? What is the perspective? This is a question which is easier posed than answered. In this part, we shall provide our views of the perspective as we see it. This perspective is based on my often-repeated proposition that economic co-operation among African countries, inspite of all difficulties and all the obstacles, but internal and external, is an imperative necessity for the achievement of any meaningful measure of national self-reliance; that excessive openness and external dependence of the African economies is inimical to the achievement not only of national but also of collective self-reliance; and, that progressive intra-African economic penetration is a sine qua non for the achievement of national and collective self-reliance.

There is no doubt that the developments of the past few years have heralded the emergence of a sound foundation for achieving this objective. The ECOWAS, PTA and ECCAS constitute among them the main instrumentalities for achieving this goal. Between them these three institutions cover the entire sub-Saharan Africa. Therefore we need urgently to put them into position of commanding heights.

ECOWAS has been rather slow in making its impact and in advancing the process of the economic integration of West Africa. The proliferation of IGOs in that sub-region, the building, until recently, of IGOs on purely linguistic basis, the lack of a clear vision as to what is intended to be achieved through these IGOs, the lack of effective and efficient supporting structures for ECOWAS to ensure co-operation and implementation at the national level are some of the issues that have to be addressed by West African Governments most urgently. These and many others have been discussed in the ECA report entitled Proposals for Strengthening Economic Integration in West Africa which was prepared at the request of the Authority of Heads of State and Government of ECOWAS at their Sixth Conference in Conakry, Guinea in May 1983.

The fact that such a study was commissioned and its terms of reference included an examination of the (i) effectiveness of the IGOs in the promotion of subregional economic co-operation; (ii) the costs and benefits of economic co-operation to the countries of the subregion; and, (iii) measures that would accelerate the process of economic integration in the subregion, shows an increasing awareness at the highest level of governments that something is seriously wrong and that necessary corrective actions must be taken. The ECA report is already the subject of extensive discussions at the national level and by all the West African IGOs. It has also been the subject of two meetings by Ministers responsible for economic development and co-operation whose proposals as to the actions that should be taken are now before the ECOWAS Heads of State and Government. If the Governments could implement vigorously the recommendations contained in the report, this will go a long way in contributing to the achievement of an increasing measure of collective self-reliance in West Africa. Indeed, the establishment of a development-cum commercial bank - the ECO Bank - by the West African Association of Chambers of Commerce, should help in giving fillip to the spirit of intra-African trade and economic penetration as this initiative has come entirely from the private sector.

In Eastern and Southern Africa, the newly established Preferential Trade Area is already beginning to make its mark after the usual teething problems. Its payments and clearing arrangements have already begun to operate; the gradual reduction in tariffs began on schedule and an aggressive promotion of intra-African trade has been launched by the secretariat through the organisation of a series of national workshops and seminars in co-operation with national Chambers of Commerce about trade prospects and possibilities in the subregion; and, the setting up of joint productive enterprises in the industrial sector which is now being vigorously pursued by the organisation.

However, there are some problem areas which unless they are tackled early and successfully will either adversely affect the progress which is being made or will slow it down significantly. These include the early setting up of the Trade and Development Bank for Eastern and Southern Africa; the removal of non-tariff restrictions to trade and the movement of goods and persons; and, the joining of the

the organisation by the six countries that although had participated in all the negotiations that led to its establishment have not yet acceeded to its treaty. The six countries are: Angola, Botswana, Madagascar, Mozambique, Seychelles and Tanzania. It is imperative that all the countries of the subregion should participate fully in the organisation - otherwise a new and regrettable division would have been created. The PTA will also have to work out a modus vivendi with SADCC to which eight Southern African countries and Tanzania from East Africa belong. Indeed, the ECA/MULPOC for Eastern and Southern Africa has already taken an initiative in this regard by setting up an inter-governmental ad hoc Committee whose task is to submit proposals on ways and means of maximizing the co-operation between PTA, SADCC and ECA/MULPOC for Eastern and Southern Africa.

The youngest of these new co-operation arrangements, the Economic Community of Central African States, is yet to become operational. The treaty which was signed in October 1983 is now being ratified by the member States. It is expected that the first meeting of the Heads of State and Government of ECCAS will take place in December 1984 when the programme budget of the organisation will be approved, the permanent secretariat established and the process of launching the community begun. One of the problems which the new organisation will encounter is establishing a modus vivendi with UDEAC and CEPGL, each of which caters for some of the countries within the sub-region but since these two organisations worked closely with ECA and OAU in the preparation of the treaty and the protocols annexed thereto, one does not anticipate any difficulty.

The prospects for strengthening and streamlining these three major economic communities appear to be promising. But as it would have been clear from our discussion, there is a great deal which needs to be done and done very quickly. However, it is at the sectoral level that the greatest challenge lies because, as we saw in Part III of this paper, not much progress has been achieved. No break-through in intra-African economic penetration will be achieved until Africa has set up some major sectoral and functional co-operation institutions. The most important of these institutions are the African Monetary Fund, the Payments Union, the Industrial Development Fund, African Multinational Production Corporations and Joint Ventures and the Energy Commission. In addition, there is need to take urgent measures to build up and strengthen existing regional and sub-regional technical co-operation institutions such as the African Regional Centre for Technology, the African Regional Centre for Engineering Design and Manufacturing the Regional Centres for Aerial Surveys and Mapping, and the two Minerals Resources Centres to mention only a few.

All these ECA-sponsored institutions are suffering from lack of financial support which in turn severely limits their effectiveness. We must also not forget to mention that in the overall perspective of the transport sector, the focus has been in four areas: (i) the promotion and development of integrated infrastructure; (ii) the formulation and implementation of harmonized transport and communications rules and regulations on a subregional and regional basis; (iii) minimization and facilitation of procedures to permit easier access to land-locked countries and other isolated regions and the faster movement of persons and goods; and, (iv) promotion of the development of basic communications and transport industries in Africa.21/

If African countries can devote their considerable energies on all of these areas during what remains of the decade of the 1980s, then the groundwork will more than have been laid for the establishment of an African Economic Community in the 1990s. There is however the question of what special preparatory work needs to be undertaken between now and the next six years on this. Should a draft treaty establishing the community be prepared now? Is the time opportune?

It is true that the FAL does call for the preparation of such a draft. Indeed it went further to request that the draft be submitted for consideration of the Assembly of Heads of State and Government in 1981 - barely a year after the adoption of the LPA and FAL. In retrospect and given the fact that no such draft was submitted in 1981 and none up till now, we have been rather unrealistic in making this provision. Is it really necessary to rush preparing such a draft treaty when it is abundantly clear that a large number of the pre-requisites for

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21/ ECA and Africa's Development 1983-2008, Op.cit., pp. 41-42.

ensuring that an African Economic Community when established takes off the ground immediately are not yet present. Treaty-making processes are, afterall, not an end but a means. When they cease to be that, they become an exercise in futility. In view of our extremely limited means, it is of paramount importance that we do not dissipate our energies.

VI. CONCLUSION

There is no doubt that inspite of all the difficulties and all the constraints there has been some remarkable progress in laying the foundation for a meaningful economic co-operation in Africa. Although there has been no breakthrough yet, there is cause for hope if not for optimism. The LPA and the FAL eloquently testify to Africa's determination to push ahead with intra-African economic and trade penetration. There is a growing realization that if the "willed future" being advocated by the ECA is ever to be realised, domestic policies must be augmented by appropriate sub-regional and regional measures. A radical and purposeful pursuit of intra-African co-operation and integration is not only desirable but imperative.

The balkanisation of Africa is one of the major constraints to the economic transformation of the continent. Since it now appears too late to change the political map of Africa, the only option available for redressing this hindrance is through effective co-operation. This in turn, difficult as it may be, will require the full and faithful implementation of the LPA and FAL. The progress so far made should be a spur to the further pursuit of this goal. However to be able to do this two additional conditions are necessary. First, there must be peace and good neighbourly relations among African countries as political tension between countries has more often than not had disruptive effect on economic, trade and technical co-operation. There can be no real breakthrough in a situation where political tension exists. Political tension only results in serious economic and social distortion. Thus, it is imperative that African countries should strengthen their solidarity in all fields and stress the factors that unite rather than those that divide them.

Secondly, the international community can play a role in facilitating intra-African co-operation not only by supporting regional and sub-regional projects and the various economic communities but also by encouraging Africa in this endeavour. If it is accepted that it is in the interest of the international community to do all in its power to assist in putting Africa on the path of growth, development, stability and peace and if Africa cannot be so put unless regional co-operation is seen as part and parcel of national effort, then the international community must be more positive towards Africa's endeavours to achieve a break-through in this area. On their part, the African Governments must ensure that their extra-Africa economic and trade relations do not compromise their desire to achieve meaningful intra-African economic penetration.