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ON THE GENERAL SCHEME FOR COORDINATING AND HARMONIZING
INTEGRATION ACTIVITIES IN AFRICA

(A Critique of the principle of variable geometry)

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**ON THE GENERAL SCHEME FOR COORDINATING AND HARMONIZING
INTEGRATION ACTIVITIES IN AFRICA
(A critique of the principle of variable geometry)**

1. According to the principle of variable geometry, there can be several processes of integration proceeding at different speeds within the same subregion under the management of more than one integration organization. This principle is being advocated in Africa by some economists who doubt that the African Economic Community will succeed. While the European Community was the subject of prospective studies which meticulously set out the phases in the building of Europe, the Treaty establishing the African Economic Community has been termed a "Gosplan" which stands no chance of being implemented. These theorists advance two contradictory arguments. On the one hand, they deplore the fact that there are too many African integration organizations and call for the coordination and harmonization of integration activities, going as far as to suggest that integration efforts must be rationalized. On the other hand, they are trying to derail the institutional development process of the Abuja Treaty and the integration schemes and programmes of such subregional communities as ECOWAS, ECCAS and PTA. What they recommend is a rather informal approach to cooperation depending on the opportunities that could be exploited by groups of two or more States. Not only does such an approach keep African countries from building major economic groupings (and the African Economic Community) as is being done in other regions of the world but it might well jeopardize the efforts being made to harmonize, rationalize and strengthen the subregional communities under phases I and II of the Abuja Treaty. It might also end up creating a host of small cooperation organizations of every kind and/or fragment markets and economic spaces. This would seem to be the unavowed aim of those trying to impose on Africa the principle of variable geometry in the matter of integration.

Africa's priority rather lies in the rationalization of its economic integration institutions and the harmonization of its integration programmes.

I. The methodological approach based on the restructuring of integration institutions

2. Both the Lagos Plan of Action and The Final Act of Lagos advocate the establishment of five subregional communities as pillars on which the African Economic Community would be built. ECOWAS in West Africa, ECCAS in Central Africa, The Arab Maghreb Union in North Africa and the PTA in Eastern and Southern Africa and SADC are the outcome of this approach. The expansion of PTA clearly illustrates the various reasons which compelled countries of Central and North Africa to join the PTA. The establishment of SADC within the PTA has raised a major conceptual issue having to do with the restructuring of the two organizations. The five communities created under the Final Act of Lagos are economic groupings based on development through subregional integration. In this regard, they aim at three main objectives:

- a) the physical integration of the community economic space through the development of a community transport and communications network and the interconnection of the high-tension power grids of the community;
- b) the establishment of a community production system aimed at creating an industrial base for the purpose of improving the productivity of national production structures and, in particular, increasing agricultural productivity; and

- c) the unification of domestic markets through the removal of customs barriers, the establishment of a common external tariff for the temporary selective protection of strategic sectors and monetary integration.

3. The development objectives of the economic communities go beyond the liberalization of trade and the free movement of production factors. Development communities aim both at sectoral integration and the building of subregional markets with the long term goal of creating a single African regional market. The objective, therefore, is to build an economic community in each subregion. This is why the subregional integration process should provide for the institution of machinery to speed up:

- a) the building of a single subregional market within the context of each of the five subregional communities;
- b) the promotion of inter-community relations through the harmonizations of sectoral policy and through the opening to each other of the various community markets. It is recommended, in this regard, that provision should be made for the promotion of inter-community preferential trade areas which could liberalize trade in certain priority products: essential food products within the context of collective food security in Africa and strategic products such as intermediate and capital goods. These constitute an important stage on the way to a single African market and can be built gradually into inter-subregional common markets through the merging of community markets, the harmonization of sectoral policies and the adoption of common policies.

4. Priority should be given to building the African Economic Community on the cornerstones of what have been termed development communities based on the principles of productivity and competitiveness. Such subregional development communities hold within themselves the growth poles to be identified and promoted.

5. For the diabolic notion of "country poles" which can only accentuate and worsen the problems relating to the need for redistributing the costs and benefits of integration, it is preferable to substitute the dynamic of growth poles based on factor endowment, territorial borders notwithstanding. Within the subregional communities and among them, such growth poles should be identified, schemes for their development formulated and programmes derived from this exercise implemented. These growth poles may be river basins or areas where the combination of factors such as natural and other resources can lead to the emergence and intensification of development activities. The growth poles have, as their frame of reference, the subregional economic communities and the African Economic Community which constitute their markets. These communities must be built in line with the principle of concentric circles through the process of harmonization, coordination and rationalization.

II. The methodology using coordination, harmonization and rationalization

6. Africa has to be careful not to create too many economic institutions, disregarding the risk of discordance and incompatibility. Rather it should coordinate and harmonize the activities of the many economic groupings existing in each African subregion with a view to speeding up the process of subregional integration.

7. The harmonization and coordination of integration efforts should, in fact, make for the rationalization of integration institutions in each of the five subregions and lead to the establishment of a single economic community in each subregion.

8. Indeed, every African subregion has many integration organizations. In West Africa, there are three subregional economic communities namely, ECOWAS, CEAO and the Mano River Union. In Central Africa, three integration organizations overlap, namely, ECCAS, UDEAC and CEPGL. In Eastern and Southern Africa, there are also three integration organizations namely, PTA, SADC and the Southern African Customs Union (SACU). These integration organizations have several member countries in common.

9. For the co-existence of several integration organizations within the same subregion to have positive effects, which is to say, to speed up the subregional integration process, two major traps must be avoided.

A. Care must be taken to avoid the duplication of activities by economic communities within the same subregion

10. It is, therefore, essential that in each subregion there should be a mechanism to coordinate the activities of the various integration organizations working in such priority sectors as transport and communications, energy, agriculture and industry. Such coordination can be secured by instituting sectoral cooperation programmes on which all the integration organizations would have agreed. Such sectoral cooperation programmes would enable the integration organizations to achieve a proper division of labour. The purpose of such sectoral coordination and harmonization would be the adoption of sectoral policies.

B. Particular care must be taken to avoid instituting incompatible integration processes within the same subregion

11. This would require the pursuit of a number of coordination and harmonization policies: a) in terms of macro economic policies, and b) in terms of such integration instruments as have been adopted for the establishment of a single subregional market.

(a) Harmonization of macro economic policies

12. The lack of coherence among the various macro economic policies of economic groupings within the same subregion can slow down the process of subregional integration. A number of adjustments might prove necessary. Exchange rate adjustments should be made through a mechanism for coordinating exchange rate fluctuations as a first step towards the achievement of currency stability and convertibility.

13. This harmonization and coordination effort should also be extended to budgetary and fiscal policies and to national credit policy.

(b) Compatibility of trade liberalization regimes

14. When the work of integration organizations overlap, it is essential for the liberalization schemes aimed at setting up a wider subregional market to be compatible. This means to say that they should result in the creation of a single subregional market.

15. Should the liberalization schemes be incompatible, the result would be the breaking up and fragmentation of the subregional market instead.

16. This is what has happened with the ECOWAS liberalization scheme and the monetary economic and union that the member countries of UMOA sought to create. The same has happened with the integration scheme of ECCAS and the Central African Economic and Monetary Community being established within the UDEAC/BEAC zone.

17. Only after the trade liberalization schemes of the economic communities within the same subregion have been harmonized, does multi-speed integration become a viable option. Various groupings can pursue at different speeds the objective of trade liberalization with a view to creating a single market of the member countries. In such an event, a process of harmonizing the trade liberalization schemes should be instituted in accordance with a specific time frame. Such a system should provide for the stage during which the various liberalization schemes will merge in the process of achieving a single subregional market and a single subregional economic community.

18. In conclusion, one cannot but note the coherence of the integration strategy and scheme being pursued by African countries. The integration of Africa is to be achieved over a dynamic cumulative period of 34 years. While it may be ambitious, the exercise is certainly realistic. The scheme does not advocate the sudden elimination of integration organizations and their immediate replacement in each subregion with a single community. What it does advocate is that the integration bodies within the same subregion should work in unison until their effective merger by way of the harmonization of sectoral programmes and the merging of their markets. This process known as the principle of concentric circles applies not only at the subregional level but also at the regional level. Without this, the African Economic Community will not see the light of day.

III. Conclusion

19. The strategy of variable geometry is a diversionary ploy being pursued to keep African countries from seizing the initiative in matters of economic integration and constitutes a rejection of the institutional frame-work laid down in the Treaty establishing the African Economic Community. Accepting the strategy would compromise the efforts that the African countries are making to build and, in particular, strengthen such subregional economic communities as AMU, ECOWAS, ECCAS, PTA and SADCC.

20. The implementation of the strategy would lead to the fragmentation of subregional spaces by instituting differences in integration schemes. It runs counter to the efforts being made to rationalize African economic integration institutions which the champions of this same strategy were the first to advocate. While insisting on the need to pursue an integration pattern relevant to its situation in terms of the development of infrastructural, production and market facilities, Africa is conscious of the need to rationalize its economic groupings and other intergovernmental institutions.

21. The coordination and harmonization of integration activities as well as the rationalization of integration institutions form an integral part of the integration process in Africa. In each subregion, the integration institutions will converge, given the progress achieved in the implementation of integration activities, on the building of a single subregional community over a time-frame which will depend on the pace at which integration projects are implemented, the scheme for trade liberalization and the calendar for implementation adopted. The merging of the five subregional markets and the coordination and harmonization of sectoral policies and programmes should lead to the building of a single African

market. The coordination and rationalization of integration institutions and the harmonization of the activities are indispensable to the building of the African Economic Community. Each economic grouping and each subregional economic community should contribute to this effort until such time as its own existence as a community becomes redundant. This is the gradual process of concentric circles which will lead to the establishment of an African Economic Community built on the corner stones of the subregional communities.

22. Economic integration is not an end in itself. Rather, it is a means of development and should therefore be based on a strategy built around the development imperatives relevant to the actual situation of the region and not around external imperatives which have no bearing on the exigencies of endogenous development. The development of Africa must needs be pursued through:

- a) the physical integration of the community economic space by developing a community transport and communications network and the interconnection of the high-tension electricity grids of the community;
- b) the establishment of a community production systems aimed at creating an industrial base for the purpose of improving the productivity of national production structures and, in particular, at increasing agricultural productivity; and
- c) the unification of the national markets of member countries through the removal of customs barriers, the establishment of a common external tariff for the temporary selective protection of strategic sectors and through monetary integration.

23. This is the orientation of the Abuja Treaty and the integration schemes of such subregional economic communities as AMU, ECOWAS, PTA and SADCC. These are the only priorities for Africa and its development partners should accordingly help to speed up the building of a regional community on this basis while eschewing divergent initiatives.