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AGENDA NOTES ON INDUSTRIAL POLICIES AND STRATEGIES FOR SELF-SUSTAINING INDUSTRIALIZATION *

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1. The aim of this paper is not to provide a blueprint on industrial policies and strategies for industrialization of the African region. Rather it serves to focus attention on some fundamental elements which should be taken into account in any discussions directed at formulating such policies and strategies.

2. First then, this paper is predicated upon the assumptions that the case for the necessity to industrialise is a settled issue, that the need for some measure of dissociative development is fully accepted; and that meaningful industrialization of the African region must involve integration. This is not the place and time to elaborate on these assumptions. Concerning the necessity for industrialization, to the best of the author's knowledge, Adam Smith a long time ago had laid this matter to rest. In emphasizing the importance of the principle of division of labour, he wrote:

> "The impossibility of making so complete and entire a separation of all the different branches of labour involved in agriculture is perhaps the reason why the improvement of the productive powers of labour in this art does not always keep pace with the improvement in manufactures. The most opulent nations, indeed, generally excell all their neighbours in agriculture as well as in manufactures but they are commonly more distinguished by their superiority in the latter than in the former." 1/

3. Colin Clark's Condition of Economic Progress has a more recent demonstration of this.

4. On the need for "dissociative development", the recent economic history of the Soviet Union, the Peoples Republic of China, North Korea among others is an eloquent testimony of this. Dieter Sengheas's excellent discussion in his recent article and elsewhere has clearly made this case. 2/ In this connection Samir Amin has also recently observed:

5. "So a possible solution of NIEO (the New International Economic Order) implies first and at the start the strengthening of a self-reliant development strategy which can entrail a more or less marked de-linking from the IDL (the International Division of Labour). It is then and only then that the developed countries can be forced to carry out the internal readjustments which are necessary for a truely new international order.

1/ Vide Adam Smith's Wealth of Nations Vol. 1 (Seligman's Dent Everymans Library Edition, London, 1954) p.6.

See also Stephen Marris: The Case of the Newly Industrializing Countries (NICS) in OECD Observer No. 96 (1979) pp. 9/10.

2/ See Dieter Senghaas: Dissociation and Autocentric Development - An Alternative Development Policy for the Third World in ECONOMICS Vol. 18 (Institute for Scientific Cooperation, Tubingen, 1978) pp. 7/41.

The strategy of self-reliant national development can be reinforced by a strategy of collective self-reliance by groups of Third World Countries and/or by the Third World as a whole. Projects of specific action in various areas must be devised in the spirit of strengthening the autonomy of the developing regions vis-à-vis the developed regions." 3/

6. Our background and our recent experience magnificiently emphasizes, the necessity for economic integration. With one or two exceptions (Nigeria and Egypt) all the African National economies afford too meagre a market size to exploit the advantages of industrialization. Practically all the industrialization that has gone on has not only been unable to adopt the most efficient plants and equipment and general technology but all such industries have turned out to be excess capacity industries as well. The exceptions even prove the rule. Industrialization in Kenya has proceeded within the East African Community. That of Egypt in the climate of the Maghreb integration efforts; that of South Africa in the South African Common Market. Similarly, industrialization in the Francophone Countries has developed within an integrated market aided by a Common monetary zone and the deliberate efforts of OCAM, UDEAC etc. In the African region the case for integration is abundantly and overwhelmingly clear.

7. These assumptions then underly the following notes on possible approachs to the formulation of policies and strategies for the industrialization of the region.

8. The logical first step it would seem evident is that the formulation of such strategies and policies should be inspired and enlightened by an awareness, and indeed a good grasp, of the salient features of the African background. Indeed we must realistically be aware of the general mondial background as well. This is not the place to sketch out that background. It is enough to point out that this includes the resource endowment of the Continent which embraces not only the rich endowments in natural especially mineral resources relevant and essential for industrialization, but also the potential energy endowments especially in hydro-power and solar-power not to mention its human resources. This background also includes the enormous market encompassed by the entire Continent. In this connection also the G.S.P. (General Scheme of Preferences) and the GSTP (Global System of Trade Preferences) being pursued under UNCTAD and the modest LIMA target for the industrial production of the Developing Countries up to 2000 A.D. are relevant. In that connection also, realistic policies and strategies for industrial development must never loose sight of the likely resistances to be encountered especially from the old International Division of Labour (IDL), resistances which are even now manifest in the North-South dialogues and its manifestations in other fora.

9. Collective self-reliance pervades our climate of ideas today particularly since the Manila Declaration of the Group of 77. This notion of collective self-reliance affords us an insurance against the impact of dissociative

3/ Third World Quarterly Vol. 1 No. 1 (January 1979) p.69.

development and an adjustment avenue against any possible adverse consequences of that development. This notion now is a significant element in the general background of the Third World. Finally, in this context, the point should never be lost sight of that the primary objective of our industrial development is to increase the per capita GDP of the African species of homo sapiens so as to uplift the well-being of that people. The bestiality and recrudescence which has infested our civilization since the last quarter of the 19th Century has lost us the vision of the "liberal movement" of that age and has even begun to plague our own countries. We need to revive this consciousnesses of the dignity of the human personality and especially of the human personality in Africa.

10. So far, African industrial development and industrial development planning has been piecemeal, national and theoretical. It is ventured to suggest that henceforth it should be essentially practical and, in general, it should follow an institutional approach with a regional or subregional orientation. True this would be easier if we had to start with a clean slate; but it becomes more complicated in view of the many national efforts which have been made and are currently being made to industrialise. Nevertheless, an institutional approach could overcome the difficulties. The author's predeliction on this matter can be stated briefly in the following manner. That in the case of basic industries i.e. industries producing the means of production including intermediate products, each such industry should be put in the domain of a multi-national corporation or in the language of the lawyers an International Public Corporation. 4/ These corporations are not the hackneyed type of MNCs which are "giant private corporations with foreign subsidiaries and international ties" but rather may be "private or mixed public and private and instituted for the fulfilment of certain joint purposes by participating governments or by a combination of governments." (IJALAYE p. 3/4). Elsewhere 5/ I have suggested that the capital structure of such corporations or the equity shares of such corporations should be distributed to all the governments of the region or the subregion on a predetermined quota basis. The basis of these quotas should be objectively determined on criteria acceptable to and accepted by all the participants. This would at once render the industry a truely African industry and settle once and for all any quibbles about the sharing of the costs and the benefits of the industry. The Corporation once established should be left with the responsibility of executing and running the project. They will thus be left with the task of conducting the affairs of the industry with entirely technical, economic and commercial considerations including the siting of plants etc. In this

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4/ See the excellent paper on this "The Right to establish Multinational Ventures and Promote them Regionally" by Prof. D.A. Ijalaye contributed to the University of Dakar Colloquin on the Integration of West Africa in April, 1978.

5/ "A Note on the Location of Industries in the ECOWAS Region. Unpublished paper delivered at University of Dakar Colloquin on The Integration of West Africa in April 1978. Copy annexed for easy reference.

connection, I have also argued that it is essential for the maximum success of such industries that they be insulated from the tax jurisdiction of individual states (particularly those states within whose physical boundaries they may be located) and that they be vested with international guarantees against interference by anyone of its members in peace and in war. This is not a novelty. The ideal precedent I have in mind here is that written into the statutes of the Bank of International Settlements and ratified by the accompanying Hague Convention of 1930.

11. Elsewhere 6/ I have suggested in the subregional i.e. specifically ECOWAS context - that the promotion of such multinational ventures should be undertaken by the Community Fund (of the ECOWAS). Similarly in the East African Context this might well be undertaken by the Development Bank shorn of the constraints originally placed upon it regarding quota distribution of investments as between member countries. In the regional context - which might be generalised for the subregional as well - this might well devolve upon the ADB for which a special department might be created within that institution.

12. Clearly such a strategy involves a measure of integration but it is integration industry by industry the impact of which is bound to be less than total integration. This has the advantage that its effects on the sundry economies will be less and the adjustment measures easier. A common market would have to be created for the products of industry by industry and the adjustments easier; and as industrialization proceeds a free trading area will be created progressively for all industrial products.

13. One cardinal principle of policy which must not be lost-sight of is that all industrialization must be based of adequate pre-feasibility and feasibility studies. The neglect of this principle is one of the factors which has accounted for the failure of the industrialization efforts we have had and in particular the fact that with very few exceptions the industries set up on this continent (outside South Africa) in the main have been excess capacity industries. In this connection, too it is essential that African industrialization as already indicated should in future not be planned for the limited sundry small markets of individual states or territories but at least with the entire African market as its target. The principle of collective self-reliance demands this. This will also shock-absurb the consequence of dissociative development implied and will be more economical. Moreover it will enhance the competitiveness of African industries vis-à-vis the non-African industries in the world. For foundamentally the industrialization decision must be based on assumed comparative cost advantage.

14. The case of the consumers goods industries is a little bit more complicated. For it is here that the efforts at industrialization have been concentrated. Here there are two problems. The problem of existing industries and the problem of setting-up of new ones. The strategy for the latter might well fit into the other we have discussed above; that is, that they be established through multinational ventures with the modification that the quotas of the

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6/ Ibid. See Page 3 footnote 5/.

equity shares for each member country be not restricted to Governments but subscription be open to all their citizens as well. In other words, the equity of the new (consumer goods industries) multinational corporations should be available to all African legal persons in the subregion or region including citizens, governments etc. At the same time the ADB or the relevant department in the ADB charged with this business should be given ample powers to assist, reorganise, rationalise and consolidated the existing industries in the region in this area.

15. Such a strategy of industrial development requires co-operation between all the planning establishments - Planning Units, Departments, Directorates etc. - of all states members of the region. This should not be simply on the levels of liaison and occasional references, but there should be an organic relation between them all. There should be regular and continuous consultations with joint deliberations where projects can be examined together right from their conception. Without such an organization the strategy can hardly take off at all. ECA used to have a conference of planners in the region to be sure. This should be revived; but what is now required is not simply periodic conferences but a machinery of continuous consultations and understanding to deliberate on and decide on projects which might be included in the portfolio of the ADB (if this is the accepted machinery) for its promotion under the programme for Africa's industrialization.

16. Industrialization inevitably involves technology. "Technology here involves not only the systematic application of scientific and other organized knowledge to practical tasks but involves as well the social and economic atmosphere within which such application has to take place. Some even hold that technology should embrace ways of fulfilling needs and deriving satisfaction as well as ways of producing goods." The technology issue is generally confused with that of capital; but technology is an autonomous factor in industrial development.

> "Usually, capital (particularly private foreign capital) takes along with it technology. And here is the rub. The developing countries are in a peculiarly weak and disadvantageous position here because of their lag in the race of the industrial revolution and their colonialist past. They are not only technologically dependent but absolutely at the mercy of the possessors of technology. For while, indeed, technological dependence may be mutual, 'a typical developing country depends technologically on developed countries in a manner that is quite asymmetrical, involving a relation of subordination, and it is this asymmetry that makes the notion of technological dependence a central concern in economic development.' Thus not only must the developing country take the terms of the (foreign) private investor of capital or owner of technology but also its pattern and policy of industrialization must be consonant with that of the former. And where it is not, that policy and pattern can be frustrated by the owners of capital. This is crucial for the developing country particularly in those areas which constitute the fundamental basis of industrialization

or which threaten the existing international division of labour in any fundamental way. This is particularly important for Africa whose industrialization to be meaningful must embrace every aspect from basic processes to machine tooling etc." 7/

17. Further confusion has been introduced into the literature by the concept of "appropriate technology." The truth is that all technology is appropriate. Technology is a package which embraces not only the instrument, machine or technique but also the attendant conditions and factors which make for its successful operation or exploitation. What has been wrong with the transfer of technology has been the abstraction of the instrument from its milieu or attendant conditions; the part taken for the whole. By milieu here I do not mean its physical environment but the whole set of attendant conditions by which the successful operation and maintenance of the technique, instrument or machine is rendered inevitable. This include the operators and technicians with the requisite skills, the provision of adequate spares, repairs and maintenance facilities and the discipline of the operators attuned to the requirements of the machine such as promptness, punctuality, vigilance etc. Once it is ensured that all the attendant conditions go with the machine or instrument, the successful exploitation of the technology will be ensured and, in such circumstances, all technology becomes appropriate. The Japanese experience is the resounding exemplar of this thesis. Here in Africa, it is noteworthy that this is the course which is at present being pursued by Nigeria in its current industrialization drive. That Country is currently training engineers, technicians and industrial managers in places where not only is skill in operating the technology being acquired but the orientation and motivation and general discipline necessary is being inculcated as well.

18. The moral of the foregoing is that in the technology field the policy on industrialization must aim at solving two basic problems, namely, (1) the overcoming of the assymetrical dependence of Africa on modern technology and (2) the acceptance of technology as a complete package i.e. that technology is not merely the technique, instrument and machine but this in its complete setting. With this must go a complete understanding of what Galbraith has termed the imperatives of technology. This means that the strategy for industrial development must include planning above all for lifting the total set of conditions which make for its successful exploitation together with the machine. It is no use taking a tractor to the land anywhere if we have not a trained tractor-driver to operate it, if we have no agricultural engineers to service and upkeep it, if we have no spares at hand to repair it with and if we have not got adequate work to keep it fully occupied. Moreover, it is no use doing so if the workers are not oriented to ensuring that they cooperate with the machine as fully as possible so that the rhythm of production is interfered with as little as possible. Similarly it is useless to adopt a machine elsewhere if these conditions are not satisfied. Such a strategy would also require the streamlining of the Engineering Faculties and Management Education and Training Centres in our Universities and technical training institutions as well.

7/ N.A. Cox-George: Elements of the New Inrernational Economic Order: Bank of Sierra Leone Review, Vol. 12 Nos. 1 & 2 Jan./June 1978 p.8.

19. A somewhat negative aspect of the technology issue is the problem of polution and environmental hazard. It is only sufficient to say that this is a problem which planning can and must solve. And, in this context, our strategy should be to plan out this problem as far as it is possible to anticipate it.

20. In this brief note, the essential strategy are advocated is institutionally oriented. While it may appear novel it is nevertheless a mere extension and improvement of the principles involved in the Kariba Dam Corporation in the East Central Africa subregion and the West African Cement Company (Société de Cimente d'Afrique de l'Ouest) in the West African subregion. This line of approach is simple, clear and straight forward. It is fair and it is economical. It overcomes the knotty problems of the equitable sharing of costs and benefits between participating member States which has dogged integration elsewhere particularly in Africa. Moreover, it is ideologically neutral. Countries with different ideologies can be at once united in the projects and equitably enjoy the benefits of the industries thereby generated. This approach has enormous advantages.

A Note on Industrial Location in the ECOWAS Region
- An Institutional Approach

1. Not surprisingly, it has taken a long time for ECOWAS to get off the ground. A progent of disilusion, after the failure of the movement for continental integration started in 1963 and of "regional co-operation" thereafter, the new movement could be said to have originated from the Niami ECA Conference in 1966. After much exertion - diplomatic and otherwise - the fifteen Heads of States and Governments of this subregion at last signed the Treaty of 20th May 1975 bringing the community into being. One may hope that we are wiser by the precrastination and the passage of time. In the meantime the income gap between the rich and the poor countries (and the subregion embraces some of the poorest) has been getting wider although it was the tacit belief that integration was one of the ways of improving the standard of life of our peoples and thus closing the gap that underlay the drive for economic integration. It is, therefore, imperative that the realisation of ECOWAS should be prosecuted with almost scientific precision making no mistakes in the process of reaching the primary goal. The aim of this brief note, therefore, is to offer some suggestions in one particular sector - in the area of industrial location policy - of how much mistakes might be avoided and modalities might be adopted that will give maximum efficiency.

2. In order to keep the discussion in proper perspective it is necessary to point out from the outset that the ECOWAS Treaty carries some bold and enlighted provisions setting out a broad framework which could facilitate the solution of the problem raised in this paper. Article 9(b) envisages the creation of an "Industry, Agriculture and National Resources Commission as one of the organs of the community. This Commission is to report and make recommendations to the Council of Ministers through the Executive Secretary but can act on its own initiative. Chapter V, Articles 28 - 31 deal more specifically with industrialization particularly industrial development and the harmonization of same between the members of the Community, and Chapter XI provides for the Community's "Fund for Co-operation, Compensation and Development to finance and promote industrial development in the Community. Significantly, indeed, in Article 51 1(b) it envisages the establishment for "Community enterprises" although Article 52(b) is a little disturbing since it insinates a continual pre-occupation with the problem of costs and benefits sharing which has fouled integration efforts elsewhere (e.g. East Africa) and which the plan being proposed should obviate.

3. The classical position on the location of industries or economic activities can be briefly summarized thus. In an open economy, the establishment of an industry (economic activity) is justified only on the basis of comparative-cost-advantage since the resources of the economy can be increased more by exchanging what it has for what it wants from such an industry rather than producing it itself. Given this basic principle (and the other is a derivation from this), in a free enterprise system, the location of industries should be left to the free play of economic forces which tend to establish them as if it were by some force of gravity in what may be termed their least-cost-sites.

4. National arguments can be made for interfering with this principle. Of late two such arguments are influential. The first stems from the evolution of military logistics of war. If this principle is adhered to strictly, it is held, and in the process industries come to cluster in a certain location the economy becomes vulnerable since a night's air-raid could eliminate the entire industrial complex of a country at a single blow. Thereafter, it is argued, some degree of dispersal is called for which may violate the principle of establishing the industry at its naturally most efficient or least-cost-site. Nuclear warfare and the threat of it has taken this argument to its logical conclusion, viz, that the whole economy, not merely the industrial sector, can be ruined by an "orange" blast, and, therefore, it is a matter of no consequence whether you interfere or not. While there is peace (no war) the classical principle remains incontestable. Moreover in the ECOWAS context, the U.N. security system, the OAU system and the present profile of its members leaves us optimistic that, minor frictions apart, hostilities of the dimensions implied could be ruled out of hand.

5. The other reason that has been adduced for interfering with the free play of economic forces in determining the location of industries is what may be termed the economic security reason. The experience which the old industrial countries of the West encountered in the Great Depression years that with the industrial atmosphere created by early industrial location the old locations become Centres of high unemployment and the intertia of the unemployed renders the latter unresponsive to high employment demand in new locations elsewhere where technological developments have created new least-cost-sites. This implies heavy special costs to induce the necessary labour mobility. This, however, is an issue relevant for old industrial countries not for the new.

6. The plan which I would like to advocate is simple and straight forward. It is this. In the setting up of all industries in the ECOWAS area, equity participation should be made accessible to all "Community citizens." And in the case of Community industrial enterprises the Community Fund should promote a Community Corporation or Firm for each such industry on a joint-stock basis. The equity shares of such a firm must be allocated to all states members on a predetermined quota basis the principles of which should be carefully worked out beforehand. It might take account of such variables as National Income, population size or density, etc. and might with agreement have written into it special measures for the least developed sections in the area. The shares for each country should be open to subscription by local personalities in and/or of that country, viz; citizens, central and local governments, public corporations and companies etc. where a country was not able to finance its quota in time or was even unwilling or unready to do so, the Fund should do so in trust for that country until such time it can disgorge same on the country.

7. Such an arrangement would fundamentally dispose of the usual arguments about the sharing of costs and benefits of the industries. Yet other such arguments still remain and I shall revert to them later but they are minor and filmsy by comparison. Once this is done, each country will share in the costs of the industry in accordance with its shake in it. Equally they will share in its benefits in the same relation i.e. in proportion to their share in the profits earned.

8. The establishment and the operations of the industries including feasibility and other studies will then be left in the hands of the Corporation, its Directors and its "technostructure" with the usual annual reviews by its shareholder. On the question of siting, they would then site their industries in those places where technical and economic considerations dictate and this will be to the good of the region on the whole. Incidentally, the firm I am refering to here need not be a "unitary firm", to use Professor P. Sargent Florence's 1/ expression, but it could as well be a "federal firm" i.e. one which establishes and controls several plants located in different sites as dictated by economic considerations.

9. If superficially this proposal seems attractive, there are complications about it from which I would not flinch. If such industries are established and are successful i.e. highly profitable as they promise to be, how can the Community avoid them being the prey of those governments in whose jurisdiction they are located? My considered view is that either by protocol or some other agreement Community industries must be removed from the tax jurisdiction of individual states. It might be argued that it unfairly treats Community industries to other national industries. Well might it do. There are, however, several alternatives to this problem. One is to tax them i.e. Community industries at a generally agreed basis but into a "distributable pool" which may be supplemented from other sources in the arrangements of the Community. Another may be to apply the rates of taxation prevailent in the host country but pay the proceeds again into the "distributable pool" or the Community Fund itself. It is essential that they should agree to remove Community industries from the tax jurisdiction of the sundry host countries.

10. Equally so, it is necessary for Community industries to be protected from political interference by the host countries or by any one of the members or anyone else. In this connection it is necessary to invest community industries in general with international guarantees. And the model of guarantee I have in mind is that of the Bank of International Settlements written into its Statutes and ratified by the Hague Convention in 1930. It is essential that Community industries should be guaranteed against political interference in peace and in war and that such guarantees should clearly be recognized in International Law. This is necessary for their survival and for their progress.

11. It is also held that integration industries bring indirect benefits to the host countries which are shared by others. Such benefits are said to arise (1) from the employments the industry given and (2) the linkage-effects in social and economic infrastructure. This can be exaggerated. It should be emphasised - and this is very relevant in the context of industrial development - that what the industry employs is not simply men but skills in men - skills of various sorts. If the requisite skills are available on the spot the industry will use them but if not it will have to purchase them from wherever they can be most economically obtained. To the extent these skills are available in the host countries they will, naturally, be employed; and to the extent they are available among Community citizens elsewhere they will also be employed. If there is an oversupply of these issue arises. In the

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1/ P. Sargent Florence The Logic of British and American Industry p.23/4.

ECOWAS context this is probably not likely to arise for a long time yet. But if it does or even if it is anticipated, in the present mental frame of the region, it is possible to work out mechanisms - e.g. quota allocations & c. - that could deal with the problem with the proviso that the Corporation and/or its "technostructure" 2/ be given a free hand to recruit the highest quality of skills that it requires. This proviso is necessary for its efficiency and for the sharing of benefits. In its **forward** planning, when the picture becomes clearer, ECOWAS might well steal a leaf from the Nigerian note-book in this regard. That country currently has agreements and schemes of training the requisite skills with the U.S. and in some European countries including Britain and the U.S.S.R.

12. With regard to the benefits from the linkage effects to a certain extent this could be taken care of in the special measures for the less developed members of the Community envisaged under Article 52(f).

13. The principles of the proposal are in some essential respects - though not all - similar to those embodied in the CIMAO clinker plant project recently launched by Togo, Ghana and the Ivory Coast. There is the West African Company (Société des Cemente d'Afrique de l'Ouest) which is the operating company, there are the agreements between the share holding governments in regard to employment and external trade, and the siting of the industry has been allowed to be decided entirely by economic and technical considerations. Moreover, there are the financing arrangements which disposes of the main misgiving anyone can entertain about the ability of the Community Fund to undertake the financing of Community industries which I have proposed. The equity has been distributed among the three Countries concerned and even where they were not able immediately to pay for their shares they were enabled to do so by loan-financing provided by a Consortium of the World Bank (I.B.R.D.), the European Development Fund (EDF), the Arab Bank for Economic Development in Africa (ABEDIA) and the European Investment Bank (EIB). The Community Fund is in a better position to attract financing of this sort for Community industries than the three West African governments shareholders of CIMAO. CIMAO may rightly be regarded as a practical example and a model of what I am here proposing. But my proposal contains some fundamental differences. Essentially I am not advocating the formation to embrace countries on the basis of factor endowments. Rather my advocacy is for corporations that will include all the countries in the subregion whether or not they are endowed with the factors specific to the industry. This will obviate, as I have already indicated, quibbles about benefit-sharing and the ripple effects of such benefits on all parts of the community. They will have a stake in all community industries (if not in all industries in the Community) and they will thus share in the benefits that accrue to those industries too. Secondly, the freedom from the tax jurisdiction of particular states and the international guarantees in international law for the safety of the industry in peace and war are fundamental to my proposal. Given this frame there can scarcely be any obstacles to Community industries being established in those places which are most favourable or most economical for them.

2/ Galbraith, J.K. The New Industrial State 1968, p.71.

14. Economic integration, particularly in developing countries, has been bedevilled by the problem of industrial location and this has been the main concern of this paper. There are wider issues in the problems of industrialization and integration itself which indeed are interlaced and which are not to be neglected. But the location issue may be crucial since the siting may so affect comparative cost advantage as to lead to inefficient use of the Community's resources instead of the other way round. One of these problems which I have deliberately left out and a serious one at that is the problem of the determination of Community industries or integration industries as it is very often referred to. This I must relegate to the technical experts of the Community Fund. In a sense all Industries within the confines of the Community are Community industries and can become effectively so through eventual take-overs and mergers and a general rationalization in the Community. This process will be immensely facilitated with the establishment of a Community Stock Exchange lubricating the mobility and transferability of shares among Community Citizens etc. It can also be facilitated if joint ownership or equity participation becomes the common rule and practice throughout the Community. But whatever the Fund does it is also essential that such Community industries must cease to be inward looking, that is to say to satisfy the anticipated Community demand alone. The reminder of the reference to the classical international trade principle that such industries must be predicated on potential comparative cost advantage is pregnant with meaning here. Besides the principles of the UNCTAD Generalised Scheme of preferences should also not be forgotten. All our exportable primary products - agricultural and mining-qualify for industrialization on those counts.

15. Finally I should add that no consideration about the usual arguments of less of sovereignty is here given countenance. The best of the political philosophers on this matter - Locke, Rousseau and the Idealists - have all a nobler view of sovereignty than Hobbes. That in the sovereign, men endowed with natural rights (however fictional that may be) come into civil society under the umbrella of an institution which they themselves have created and into which they have merged their ideal wills (identical in all of them) and which is "a form of association which defends with all the common force, the person and property of every member, so that though he unites himself to all, he yet obeys nobody but himself and remains as free as before." The essence of soveriegnty, these noble men have held, is not an institution to everawe the citizens but to enable them to enjoy their natural rights more fully. In the ECOWAS Treaty our West African Heads of States have clearly shown that as with individuals so with states - the nature of sovereignty evolves but its objective is the same to enable Community Citizen to achieve greater well-being and so enjoy his natural rights more fully. In this frame further reference to the so-called sovereignty argument is a mere humbug.

N.A. COX-GEORGE

As yet unpublished paper delivered at University of Dakar's Colloquim on Integration in West Africa March/April 1978.