

# **ECA/AERC Dissemination Workshop On Regional Integration and Trade Liberalization**

## **Keynote Address:**

### **Welcome Address and Goodwill Message**

**by K. Y. Amoako, Executive Secretary, ECA**

**10-11 October 1996**

**Addis Ababa**

Your Excellency Ato Kassahun Ayele, Minister of Trade and Industry of the Government of the Federal Democratic Republic of Ethiopia,

Your Excellency Ms. Shamim Pakar, Deputy Minister of Trade and Industry of the Government of the United Republic of Tanzania,

Honorable Max Sisulu, Member of the Parliament and Chairperson of the RDP Portfolio Committee of the National Parliament of South Africa,

Your Excellencies, Member of the Diplomatic Corps,

Honorable Heads of Delegation,

Dear Colleagues of the United Nations System,

My Brother and Friend Professor Benno Ndulu, Executive Director of the African Economic Research Consortium,

Distinguished Guests,

Ladies and Gentlemen,

I am honoured and so very pleased to be able to welcome you all today here in our New Conference Centre to a new jointly organized meeting, for the first time, by the African Economic Consortium (AERC) and the Economic Commission for Africa (ECA) on regional integration and trade liberalization. As I have stated before and as articulated in ECA Strategic Directions to Serve Africa Better, we at the Commission are turning a new leaf in over cooperation with renowned African research centres and universities. This meeting is a landmark in our commitment to forge strategic alliance with these institutions.

Ladies and gentlemen,

This is for me nothing less than the first great practical demonstration - I would even say celebration - of a partnership, that is at the very heart of our renewal in practice. AERC is for us the paradigm of a centre of research excellence. Here comes the complementarity: a renewed ECA can bring to this collaboration a formidable thrust of long years of experience and direct contacts with policymakers in order to inform policymaking and improve its implementation.

We at the ECA are encouraged indeed, that all of you have been able to join us and share in this important implementation phase of ECA's reforms. As I have often stated, ECA's renewal is guided by the principles of excellence, cost-effectiveness and effective partnerships. The three principles demand that ECA be a major market for African intellectual contributions to development, shifting emphasis from in-house production towards intellectual networking and partnerships, particularly in Africa. This joint dissemination initiative serves the three principles.

Excellence requires that ECA be a place for integrative thinking, encompassing and exchanging views of a broad range of eminent African scholars and prominent non-African personalities. In this case, they are drawn from a professionally recognized network assembled by an exceptionally successful institution of excellence, AERC, based in Nairobi, Kenya. AERC has been successful in achieving its goals, exceptionally so in fulfilling its mandate. AERC has conducted this collaborative research project in its usual professional manner. As one of our colleagues has said when it comes to research in Africa, AERC is the only show in town.

By avoiding duplication of activities carried out by the other partner, in a context of a well defined and precise format, ECA could significantly enhance the policy impact of AERC's quality research, by applying it to direct policy advocacy as demonstrated in this pace-setting precedent for future policy forums. That is cost-effectiveness in our mode of operation. It is an effective partnership in action. We are bringing many sources of expertise on regional integration from AERC's network and other regional and international organizations in order to exploit potential synergies.

We at ECA are proud to have played a part in organizing this workshop: the AERC Dissemination Workshop on Regional Integration and Trade Liberalization in Africa. We are forging partnership with AERC as a prelude for bringing pan-African research and policy advocacy institutions together in order to help stimulate progress in Africa. Both AERC and ECA are committed to these ideals. In our view, this joint venture will enable us to focus more sharply, to avoid duplication of activities carried out by other institutions having comparative advantages in conducting quality research without necessarily compromising their network's professional rigor or dragging these specialized research institutions into direct policy advocacy. With this close collaboration, ECA and AERC attained strong collective comparative advantage and complementarity in regional integration and trade liberalization.

ECA takes pride in forging such networking and partnership with AERC in both research and its dissemination. In research the focus will always be in topical issues of pressing needs and highest policy relevance to Africa's development, similar to the Five programmatic themes and the two cross-cutting issues of Gender and Capacity Building, articulated in ECA's Strategic Directions To Serve Africa Better. The Five Substantive programmes are Facilitating Economic and Social Policy Analysis, Ensuring Food Security and Sustainable Development, Strengthening Development Management, Harnessing Information for Development and Promoting Regional Cooperation and Integration. Both ECA and AERC have strong direct policy interest in these thematic issues.

Today we are implementing our strategic partnership by launching the joint dissemination workshop on Regional Integration and Trade Liberalization. Starting tomorrow and through to early next year, we are organizing another joint activity utilizing AERC research results on Financial Sector Reforms -- based on its upcoming Senior Policy Seminar scheduled for November 1996 -- as a technical basis for ECA's Sixth Session of the Conference of African Ministers of Finance. In addition, ECA has been invited by AERC to play a major role in a recently inaugurated AERC project on Poverty and related issues, that is expected to substantially enhance local African capacity to undertake research and policy advice on poverty issues. ECA has already started collaborating in the initial stage of the project.

This jointly sponsored conference on the lessons of regional integration and trade liberalization in Africa is the first event along a chain of future activities and joint products between AERC and ECA. The main goal of this workshop is to bring together AERC, ECA and other regional and international organizations to present and share their experiences in regional integration and trade liberalization in Africa. The workshop is also intended to provide a forum for dialogue between policymakers, African researchers, leading international experts, and regional and international organizations on this important African policy issue on a fairly substantial scale.

The subject of this meeting is not divorced from the recent developments and changes taking place in the world as manifested by the progressive move towards political pluralism and democracy, globalization and liberalization of world economy, greater integration of financial and money markets, and a shift towards creation of large trading and economic blocs. These developments not only offer challenges and opportunities to Africa, but also point to the need to broaden the concept of regionalism and consequently to rethink Africa's integration strategy.

We, at the Commission are convinced that Africa's economic recovery and development as well as its ability to be effectively integrated in the world economy, are intrinsically linked to its capacity to become an active player in the world economy. We believe that a process of integration of Africa has to be premised on three dimensions: extending and connecting Africa's physical infrastructure with its infrastructure; integrated development of production structures; and market integration, through trade liberalization, monetary harmonization, and promoting private sector and business interests. These are fundamental pillars of Africa's integration process.

We are further convinced that major ingredients of a successful integration process have to invariably include: political commitment to an agreed framework; the need to identify growth centres in Africa; the importance of strengthened sub-regional groupings; the need to recognize that African economies are an integral part of the world economy; and the role of capacity building in the process of integration. These are essential elements in the process.

Firstly, nowhere has regional integration succeeded without "**political commitment**" to an agreed framework. While Africa has not been lacking in terms of agenda for regional integration, the record of its implementation leaves much to be desired. In addition, civil strife and conflicts in various

parts of Africa have not helped integration efforts.

Secondly, Africa is a huge continent with diverse economic, social and cultural structures. It is, therefore, imperative that the process of integration starts at the less heterogeneous sub-regional level and then progresses to the continental level. Other regional schemes have progressively integrated from a group of few countries such as the six Benelux states of Europe. Indeed, the need to strengthen sub-regional economic groupings as pillars of the future African Economic Community (AEC) has been recognized within the framework of the Abuja Treaty. What is required now is to set in motion the process of strengthening the sub-regional economic groupings. I am confident that this workshop will contribute to the process of rethinking the role of these organizations in the AEC.

Thirdly, it is essential to acknowledge the diversity of Africa and, therefore, accept the principle that "**growth poles**" could form an anchor and rallying points for Africa's integration efforts in various sub-regions. The "neighborhood effect" -- we are learning how growth can spillover from an anchor state like South Africa into the economies around -- has been a missing element in the integration literature in Africa.

Finally, the process of integration cannot proceed successfully with weak human and institutional capacities. The need to double our efforts on the ground to build these capacities in Africa is widely shared and acknowledged. In this critical area, ECA has proposed to member States "A Framework Agenda for Building and Utilizing Critical Capacities in Africa", the details of which are to be found in ECA's document E/ECA/CM.22/12 adopted by its Conference of Ministers in May 1996.

I wish to reaffirm to this meeting ECA's commitment, in collaboration with our sister organizations -- the Organization of African Unity (OAU) and the African Development Bank (ADB) -- to the promotion of economic integration in Africa within the framework of Abuja Treaty. We will continue to work together by strengthening the joint OAU/ADB/ECA secretariat.

I conclude by expressing my satisfaction with the collaborative arrangements and strategic partnerships between our institutions and I look forward to an enhanced future relationship to serve Africa better.

Thank you for your attention.

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