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THE ROLE OF THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS) IN THE INDUSTRIALISATION OF WEST AFRICA.

JANUARY, 1996

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CERTIFICATION

This is to certify that this thesis has been examined and approved for the award of the degree of DOCTOR OF PHILOSOPHY in Political Science (political Economy and Development Studies)

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DEDICATION

To my wife Olubukola.

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LIST OF ABBREVIATIONS AND ACRONYMS

AAF-SAP	-	African Alternative Framework to Structural Adjustment Programmes for Socio-economic Recovery and Transformation.
ACP	-	African, Caribbean and Pacific States/Countries.
ACM	-	African Common Market.
ADB	-	African Development Bank.
ADF	-	African Development Fund.
APPER	-	African Priority Programme for Economic Recovery.
BCEAO	-	Banque Centrade des Etats de l'Afrique de l'Quest.
BLS	-	Botswana, Lesotho and Swaziland.
CACM	-	Central American Common Market.
CARICOM	-	Caribbean Community.
CEAO	-	Communanté économique de I' Afrique de I' Quest.
CEPGL	-	Communauté économique des pays des Grands Lacs.
CET	-	Common External Tariff.
CFA	-	Communauté Financiére Africaine.
CSR	-	Collective Self-Reliance.
EAC	-	East African Community.
ECA	-	Economic Commission for Africa.
ECLA	-	Economic Commission for Latin America.
ECOWAS	-	Economic Community of West African States.
ECU	-	European Currency Unit.
EDF	-	European Development Fund.
EEC	-	European Economic Community.

EIB	–	European Investment Bank.
EFTA	–	European Free Trade Area.
ERP	–	Economic Recovery Programme.
EU	–	European Union.
EUA	–	European Unit of Account.
FAL	–	Final Act of Lagos.
FAO	–	Food and Agriculture Organisation.
FEWAMA	–	Federation of West African Manufacturers' Associations.
FWACC	–	Federation of West African Chambers of Commerce
GATT	–	General Agreement on Trade and Tariff.
IBRD	–	International Bank for Reconstruction and Development.
IGOs	–	Intergovernmental Organisation(s).
IMF	–	International Monetary Fund.
LAFTA	–	Latin American Free Trade Area.
LDCs	–	Less Developed Countries.
MFN	–	Most Favoured Nations.
MRU	–	Mano River Union.
MULPOC	–	Multinational Programming and Operations Centre.
NAFTA	–	North American Free Trade Area.
NGOs	–	Non-Governmental Organisations
NIEO	–	New International Economic Order
OAS	–	Organisation of American States.
OAU	–	Organisation of African Unity.
OCAM	–	Organisation Commune Africaine Malagache et Mauricienne.
OECD	–	Organisation for Economic Cooperation and Development.

OMVS	-	Organisation Pour la Mise en Valeur de la Fleuve Sénégal.
OPEC	-	Organisation of Petroleum Exporting Countries.
PTA	-	Preferencial Trade Area for Eastern and Southern African States.
R&S	-	Research and Development
SACU	-	Southern African Customs Union.
SADC	-	Southern African Development Community.
SADCC	-	Southern African Development Coordination Conference.
SR	-	Self-Reliance.
UDEAO	-	Union Douaniere de Etats de I' Afrique de I' Quest.
UMEOA	-	West African Economic and Monetary Union.
UMOA	-	Union Monetaire Ouest Africaine.
UN	-	United Nations.
UNCTAD	-	United Nations Conference on Tariffs and Trade.
UN-PAAERD	-	United Nations Programme of Action for African Recovery and Development.
UNDP	-	United Nations Development Programme.
UNIDO	-	United Nations Industrial Development Organisation.
WACB	-	West African Currency Board.
WACH	-	West African Clearing House.
WAEC	-	West African Economic Community.
WAUA	-	West African Unit of Account.
World Bank	-	International Bank for Reconstruction and Development.

ABSTRACT

For most countries in the South, one of their greatest aspirations is to attain a reasonable degree of industrialisation. This is because it is either correctly or erroneously believed that industrialisation forms the bedrock of economic development. The Economic Community of West African States (ECOWAS) is one of the integration schemes established in Africa as a means of attaining higher industrialisation. Its membership consists of sixteen West African countries whose economies are largely dependent on the North. Its setting provides a good context to postulate on the myths and realities of achieving the goals of industrialisation within dependent relations of production and exchange.

The Treaty of Lagos (1975) which established ECOWAS, attempts to address the problem of low level of industrial development in West Africa from the onset; albeit within the framework of a 'hybrid' of customs union and 'laissez faire' system. The assumption is that through this model ECOWAS can achieve production integration, and also that the wider market which ECOWAS is expected to promote can prevent the negative effects, contradictions and limitations of individual country's import - substitution industrialisation strategy! However. in its two decades of existance, ECOWAS has not demonstrated any potential or actual capability to stimulate industrial development in West Africa. ECOWAS has not evolved an effective regional strategy for industrialisation; and the disappointing overall industrial performance of the ECOWAS sub-region is undeniable. It is against this background that this study focuses

on the limitations of the Community's strategy for development; especially its pursuit of the goal of industrial development in West Africa.

With a problem of ineffectiveness of the Community established, we conjecture that the crises generated by conditions of dependency and class rule among other factors may be responsible. Therefore, the main thrust of the study is an assessment of the efffectiveness of the role of ECOWAS in the industrialisation of West Africa, against the background of the region's dependent economy. We, as a matter of fact, treated the conditions of dependence in West Africa as the dominant variable that has impeded progress towards West African economic regionalism. This is helpful in putting in clearer perspective the origin of the problems and contradictions of economic regionalism among Third World social formations, beyond the mere listing of the manifestations of these contradictions which include lack of political will; differences in language, political ideology, and values; suspicion and jealousy among leaders; fear of domination; inadequate means of communication, etc. Agreed that these are all crucial in themselves (but only as intervening variables) in determining the course of regional integration in the 'periphery',

however the cataloguing of the latter without locating them in the historical context will at best allude us to the analytic frameworks which are based on the experiences of the industrialised societies.

The objective conditions of West African underdevelopment, its dependent political economy, has continued to shape the operations of ECOWAS. We argued that the process of West African integration has been influenced by the historical circumstances and the dynamics of the social forces within the sub-region. It is also contended that ECOWAS can be regarded as a capable channel for fulfilling development objectives of its members only to the extent to which it epitomises an attack on the conditions of underdevelopment and dependence in West Africa.

We also argued that the 'hybrid' model as in ECOWAS reduces the goals of regional integration to purely economic activity. Regional integration represents a much more formal arrangements which require states to make certain political and economic sacrifices, commitments as well as concessions, and political will towards a redefinition of their individual and collective participation in the international economy.

CHAPTER ONE

INTRODUCTION

1.1 General Introduction

The promotion of economic regionalism is a common feature of the development programmes of less developed countries (LDCs); almost all the problems of development easily find expression in the quest for regional economic cooperation. S.K.B. Asante notes that in the Third World the process of economic cooperation and integration is "inextricably linked to the development process"[1]. Inspite of the several disturbing characteristics of African economies - mostly small economies, heavy reliance on import for much of what they consume and produce, exportation of a few primary products for revenue, and usually very low level of development industrialisation - Africa tops the record in experimentation with regional integration schemes, of all the regions in the Third World, especially within the past three decades. During this period, Africa alone had experimented with about 200 inter-governmental organisations, with most of them having responsibility for the promotion of economic cooperation at various levels.[2] (See Table 1.1) However, the practical results have been very disappointing. Out of these efforts at regional cooperation and integration some suffered still-births, while others continue to experience stunted growth.

Notwithstanding all the undeniable practical disappointments however, African power elites have continuously insisted on the promotion of regional cooperation as a grand strategy for self-reliance and balanced development. Also, recent studies on Africa's external economic relations are very strong on their recommendation on the need to promote multinational institutions, modelled after the types of UMOA, BEAC, ECOWAS etc.[3] On their part, African elites have justified regional economic cooperation on economic grounds. Regional economic cooperation is what they hope for, and have put it on the agenda at numerous international fora as strategy for self-reliance. This is evident in the **1992/Interim Report of the Executive Secretary of ECOWAS** where it is stated that

> ... the future in Africa lies with regional integration and West Africans has no other choice than getting themselves better organised for this arduous task ... all regions of the world are witnessing closer economic cooperation and integration among their respective countries[4].

It is instructive to note that during the struggle for political independence in many African countries, African regional cooperation was acknowledged as a strategy for combating foreign dependence. In post colonial Africa, motives for economic coperation and integration include broad economic, social and political interests; the need for greater international bargaining power, the quest for 'African unity' and the promotion of the ideas of Pan-Africanism.[5] Today in Africa it is very rare to find one African country which has not shown interest in the activities of the dozens of regional coperation schemes operating within the continent.

Generally, today a new global consensus on the validity of the basic principles of regionalism is emerging: the idea is that regional groupings are still very effective means of promoting the goals of self-reliance and economic development. This is underscored by the fact that the most powerful and wealthiest countries in the world - in Europe, North America and South -East Asia - now pursue prosperity through regional economic cooperation. So appealing are the benefits of regional cooperation and integration! Abass Bundu, the former Executive Secretary of ECOWAS indeed observed that: "Regional economic groupings have come to characterise the new international landscape and under pin the New World Order".[6]

TABLE 1.1
Major Regional Economic Groups in Africa

Groupings	Year of Establishment	Member States
Central Africa Customs and Economic Union (UDEAC)	1966	Cameroon, Central African Rep. 'Chad, Congo, Equatorial Guinea and Gabon
East Africa Community (ECA) (defunct)	1967	Kenya, Tanzania,Uganda.
Southern African Customs Union (SACU)	1969	Botswana, Lesotho, Swaziland, South Africa.
Mano River Union (MRU)	1973	Liberia, Sierra-Leone and Guinea.
West African Economic Community (CEAO). In 1994 it was replaced with West African Economic and Monetary Union (WAMU)	1973	Benin, Burkina Faso, Cote d' Ivoire, Mali, Mauritania, Niger, Senegal.
Economic Community of West African States (ECOWAS)	1975	Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo
Communaute Economique des Pays des Grands Lacs (CEPGL)	1976	Burundi, Rwanda and Zaire
Southern African Development Coordination Conference (SADCC). In 1992 the name changed to Southern African Development Community (SADC).	1980	Angola, Botswana, Mozambique, Tanzania, Zambia, Lesotho Malawi, Zimbabwe, Swaziland, Namibia. In August 1994 South Africa became the eleventh member of SADC.
Preferential Trade Area (PTA)	1981	Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Malawi Mauritius, Rwanda, Somalia, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.
Economic Community of Central African States (ECCAS)	1984	Burundi, Cameroon, Central African Rep., Chad, Congo, Equatorial Guinea, Gabon, Rwanda, Soa Tome & Principe and Zaire.
African Economic Community (AEC)	1991	All Members of the OAU
Common Market for Eastern and Southern Africa (COMESA). This is expected to replace the PTA.	1993	15 Countries attended the PTA Summit in Kampala in 1993 and later signed the Treaty which established COMESA. They are: Tanzania, Kenya, Uganda, Madagascar, Mozambique, Ethiopia, Rwanda, Sudan, Zambia, Malawi, Swaziland, Lesotho, Namibia, Mauritius

It is more than clear that in the African context there is a linkage between industrialisation and regional integration. However, there are various constraints on obtaining the maximum synergetic effects of this linkage. In some quarters, the constraints have been defined to include: lack of infrastructure that can form the basis of integrative industrialisation; unwillingness to surrender vital elements of sovereignty and problems of financing process of industrialisation.[7]

Talking about the purpose of integration, the essence of integration among less developed countries is not to trade in commodities as it is to engage in "joint production of what they can produce by joint efforts".[8] The conception of regional economic integration as a state or process of economic integration as a state or process of trade liberalisation among member states of a regional scheme is found to be too restricted. The attempts at integration by way of the market constitute dorminant feature of integrative initiatives of African countries. It is possible to attribute the unconvincing results of these efforts to the absence of some fundamental background conditions such as sustained political commitment, regular growth of the national economy and the absence of regional inequality.

Furthermore, the deepening economic crisis especially since the 1980s has the tendency of disposing the national elites in the various African countries towards autarky in the name of economic nationalism. This is evident in elites' preference for national solutions that are scarcely related to regional dimensions. For example in the 1970s Nigeria and Ghana notably embarked on indigenisation programmes which did not have regional aspects. Similarly, most of the ECOWAS countries are today implementing structural adjustment programmes on individual basis. Of course this trend raises questions on what aspect of national sovereignty are the national elites willing to concede to supranational arrangements, and what are the prospect for attempts at integration by the institutions?

There is the sense in which these have implications for discourse on regional integration as a strategy for self-reliance in Africa. For example some scholars are already advocating for a shift in emphais from 'integration' to 'cooperation'. In their opinion discretionary action now prevails over binding schedules.

> Cooperation in physical infrastructure, such as communication and transport, and in such support areas as training, research, and technology, has taken precedence over cooperation schemes for regional industrialisation planning.[9]

Whereas the notion of integration as organic unity seems difficult to assimilate, the proposition that regional integration is a necessary condition for industralisation is still largely plausible. According to Esko Toyo, regional integration is capable of providing "the scale of endeavour, research base and accessible markets" which "modern industrialism" requires.[10] Also, Bade Onimode has argued that;

> As the national market may be too small, and both domestic capital and technological are inadequate for the development of capital goods, regional and sub-regional initiatives become pertinent. Hence, the advocacy of economic integration is motivated partly by the possibility using it for pooling the small capital, low technology and limited markets of a number of small countries and allocating them to capital-goods manufacturing. This is the sense in which many regard collective self-reliance as a basis for effective self-reliance.[11]

Nontheless, there is need to reflect on the past and speculate on the future of industrial cooperation and integration among African countries within a different analytic framework than those based on the experience of the industrialised societies. In this regard it is necessary to consider the specificity of African political economy in general and also the specific features of its indstrialisation process in particular. Within this framework it is easy to identify those elements that can serve as the basis for industrial cooperation and integration among African countries. Take for instance, in the West African subregion the economy is predominantly agricultural with industrialisation still at the rudimentary level.

The issue now is whether it is not a better strategy to promote industrial cooperation starting with areas or subsectors (e.g agro- allied) where there is no much regional disparity than in other industrial sub sectors where regional unequality is well pronounced. Cooperation in areas where all the integrating units have relative advantage is expected to ramify and spill-over into other sectors.

The Economic Community of West African States (ECOWAS) is the case study in this research. ECOWAS is one of the early attempts at regional integration in Africa. The research is to allow for postulations on the possibilities of achieving the goals of industrialisation through integration by way of market. The limitations of ECOWAS strategy for industrialisation and the general crisis of dependent regionalism, therefore, constitutes the main theme of this study. Can a dependent economic regional grouping help development?

1.2 Background to Study

Colonialism impoverished Africa. At independence African countries ranked among the least industrialised (see Table 1.2). In short low level of industrialisation was one of the negative consequences of colonial domination in Africa. On this Adu Boahen's summary is indeed apt:

> All African states were...in accordance with the workings of the capitalist colonial economy, turned into markets for the consumption of manufactured goods from the metropolitan countries and producers of raw materials for export. It is this total neglect of industrialisation by the colonial powers which should be chalked up as one of the most unpardonable indictments against colonialism. It also provides the strongest justification for the view that the colonial period was the era of colonial exploitation rather than the development of Africa.[12]

Thus it was therefore not unexpected that during the anti-colonial struggles in Africa the right to industrilisation was one of the key demands. Whereas the desire, either correctly or errorneously, for industrialisation as a strategy for economic development predated the emergence of independent African states, essentially industrialisation in Africa is a post-colonial phenomenon.[13]

In most African countires during the period 1960-66, manufacturing accounted for an insignificant per cent of GDP. During the period Africa's contribution of manufacturing industry to GDP increased at an average annual rate of 9.3 per cent.[14] In virtually all the countries 'import substitution' was the basic industrialisation strategy which was producing 'luxury' consumption goods (food processing, tobacco, textiles, plastics, paints, enamelware, matches, bicycle, radio assembly etc.) Within the framework of import substitution the post-colonial state was expected to remove "the cruder colonial barriers to industrialization" and "nurture infant industries with a whole battery of policy measures" which included protected markets, cheap credit, favourable exchange rates, and subsidies.[15]

TABLE 1.2
Selected Economic Indicators of Selected African Countries at Independence

Countries	Population (in millions)	GDP $m	Per capita	Manufacturing production	Share of manufacturing in GDP %
Cameroon	4.7	511	109	30.6	6.0
Cote d'Ivoire	3.2	584	181	31.0	5.3
Ethiopia	20.7	1021	49	61.3	6.0
Gabon	0.4	131	294	8.0	6.1
Ghana	6.8	1503	222	94.7	6.3
Kenya	8.1	641	79	60.9	9.5
Nigeria	40.0	3500	88	157.5	4.5
Senegal	3.1	678	218	64.4	9.5
Sierra Leone	2.3	316	133	19.9	6.3
Sudan	11.8	909	77	43.6	4.8
Tanzania	9.6	671	67	20.1	3.0
Togo	1.6	150	92	6.2	4.1
Uganda	6.7	583	87	37.9	6.5
Zaire	14.1	910	58	127.4	14.0
Zambia	3.2	511	155	28.1	5.5
Zimbabwe	3.6	751	206	120.2	16.0

Note: Manufacturing excludes utilities and construction. All values expressed in US Dollars.

Source: Peter Kilby, "Manufacturing in Colonial Afirca" in Duigan and L.M. Ganneds) Colonialism in Africa Vol. 4 (The Economics of Colonilism) (Cambridge,1975) P. 472.

In spite of all the special incentives to industry, progress in the production of intermediate goods was very slow in the first years of

independence. It was the same with the development of manufactures in most of the countries. However, in the late 1960s there were substantial exports of petroleum products, cocoa products, pulp and wastepaper veneer and plywood, prepared or preserved vegetables, preserved fruit,tinned meat, and prepared meat products, and miscellaneous non-ferrous metals.[16] While this was indicative of some activities in the manufacturing industry, not all the countries in Africa were experiencing this level of industrialisation.

Of all the four subregions North Africa was the most industrialised towards the end of the immediately post-colonial decade. Between 1965 and 1967, the output of indutries in North Africa increased by nearly 16.0 per cent.[17] In contrast the West African subregion as a whole was the least industrialised in Africa. Although almost all West African countries experienced a spurt of industrial development in the years 1965-67, but the pattern and structure of industrialisation were no more than the strategy of industrialisation pursued by the colonial powers. Mutharika noted that:

> Apart from the petroleum refineries, a few fertilizer plants, cement factories, the West African subregion has laid relatively less stress on heavy industries than North Africa, and most industrial production has been directed toward consumer goods.[18]

Throughout the 1970s the level of Africa's share of world value added in the manufacturing sector was 0.6 per cent.[19] It was clear that Africa was lagging behind the rest of the world in the second decade of independence. Various explanations have been advanced for this trend in African industrialisation. It is however instructive to note that the contradictions of the 'strategy' of import substitution limited the expansion of African industries during this period and even beyond in the case of some African countries whose romance with 'import-substitution' lasted beyond 1970s.

In the 1970s, the international community could not afford to be indifferent to the possible danger of global unequal development. Within and outside the United Nations system, opinions were in support of reforms in the international economic system. Among other issues was the redeployment of industrial capacity to developing countries to enable the latter achieve the Lima Target by the year 2000, which meant that their proportionate share of total world industrial output would rise to 25.0 per cent.

In the **Lima Declaration**, the quantitative target set for the African region's share of world value added in the manufacturing sector is 2.0 per cent by the year 2000. For Africa to meet this target its value added by the manufacturing sector would have to grow at the rate of 11.3 per cent per annum.[20] Of course, for African countires to reach the 11.3 per cent minimum rate of growth of value added, there must be a fundamental change in their industrial policies and strategies.

The various specialised agencies of the United Nations working on the continent of Africa made contributions toward the formulation of strategies that would overcome the obstacles to African industrialisation. The Economic Commission for Africa (ECA) is an integral part of the United nations. It is the earliest apostle of regional cooperation in Africa. The Economic Commission for Africa had perceived the internal markets in Africa as generally too small and therefore a constraint on industrialisation and development. Consequently, the creation of an effective African Market was strongly advocated.[21] The argument which sees the size of African national markets as constraint on industrialisation cannot be easily faulted. But even if we accept that regional integration is necessary for the creation of large-scale modern industrial sectors (which we do) still, it would not be out of place to propose that structural contradictions of African economies, the nature and hegemony of the post colonial state, the character and accumulative base of the bourgeoisie, and the exchange relationship between Africa economies and other interests in the world system influence the course of regional cooperation and integration in Africa. This dimension deserves more attention than has been given to it in the literature on African development.

To fully understand the basis of the multi-national and subregional approach to economic development advocated by the Economic Commission for Africa, it is essential to examine its terms of reference which states that the Economic Commission for Africa

> ...shall initiate and participate in measures for facilitating concerted action for the economic development of Africa, including its social aspects, with a view of raising the level of economic activity and levels of living in Africa, and for maintaining and strengthening the economic relations of countries and territories of Africa, both among themselves and with other countires of the world: to assist in the formulation and development of coordianted policies as a basis for practical action in promoting economic and technological development in the region.[22]

The ECA evidently had its understanding of the problems of economic development in the African region. Right from inception it has always considered the political and economic fragmentation of the continent as a serious impediment to progress. Therefore economic cooperation and regional integration among African states was always strongly advocated in line with the terms of refernce. Within this framework African countries would have to establish or strengthen their multi-national institutional machinery to facilitate discussions and decission on common policies and projects.[23] However, the idea of an immediate African Common Market, embracing all African countries that care to belong was considered impracticable. Thus, promoting economic cooperation on sub-continental scale became an essential issue in the ECA's approach. Until late 1960s, the Economic Commission for Africa concentrated on the establishment of subregional institutional arrangements. However by the end of the 1960s the Economic Commission for Africa had shifted emphasis toward providing direct assistance to the existing economic groupings in

Africa.[24]

The idea of building economic links among African countries was equally accorded some prominience within the framework of the Organization of African Unity (OAU). The proposals for a continental common market featured as the African Heads of State Meeting in Addis Ababa in May, 1963.[25] The Secretariat of the Economic Commission for Africa was quite fortcoming, providing the Organisation of African Unity with necessary technical details.[26] The collaboration of the OAU and ECA especially as from the late 1970s ushered in a new phase of regional cooperation in Africa. This phase witnessed the adoption of the **Monrovia Colloquim** (1979) the **Lagos Plan of Action** (LPA) and **Final Act of Lagos** (FAL) 1980. This culminated in the signing of the **Treaty Establishing the African Economic Community** (1991). In all these initiatives the need for the development of subregional economic groupings is acknowledged usually in very colourful language. The **Lagos Plan of Action** is easily a point of departure in the discourse on responses to the crisis of development in Africa. The LPA and FAL were adopted as blue-prints for the economic and political development of Africa by the Assembly of Heads of State and Government of the OAU at its second Extra-ordinary Meeting devoted to economic development problems in April 1980. The LPA has been referred to as "the first comprehensive continent-wide formulation and articulation of the preferred long-term economic and development objectives of African countries".[27] According to Adebayo Adedeji, the LPA represents an instrument designed by the African Heads of states and government "to attack their economic, social and technological problems so that they may not only initiate and nurture an internally-generated and self-sustaining development and economic growth process but also attain national and collective self-reliance...."[28]

In its examination of the continent's economic problems, the **Plan** attributes African's underdevelopment to the close integration of African economies into the highly unstable world capitalist system.[29] The essence of the **Plan** is its commitment to collective self-reliance and self-sustaining development through the strengthening of sectoral integration at the national, subregional and regional levels, particularly in the fields of agriculture, transport and communications, industry and energy.[30] Although the **Plan** and **Final Act of Lagos** have been applauded as efforts of African leaders at reassessing African's location and role in the world system, the basic assumptions in the documents raise some questions on the efficacy of the prescribed solutions.

Firstly, within the framework of the **Plan**, the goal of collective self-reliance is to be pursued within the prevalent domestic and international social relations of production and mode of production. That is, the self-reliant growth and development desired within the context of the **Plan** poses no threat to both the existing socio-economic institutions and structures in the various African countries and also in the international system. However, according to Julius Ihonvbere, "it is impossible to build self-reliance, meet basic human needs and effectively replace dependence with interdependence without first of all dismantle all the oppressive and exploitative structures within African states".[31] It is therefore the truth that the goal of self-reliance will be elusive as long as the strategies recommended in the **Plan** and **Final Act** are silent on the issue of waste, corruption, mismanagement and the long standing habit of reliance on foreign aid which are features of African political economies.

The second point against the **Plan** relates to the deliberate silence on the issue of politics in the society. Since the **Plan** is predominantly protective of the interests of the dominant forces in Africa, therefore it logically cannot "raise questions about inequalities in the distribution of incomes and services - the elusiveness of Basic Human Needs or of class distinctions in the continent, although they do belatedly recognise the issue of women in development".[32]

Another source of contradictions in the **Plan** is the assumption that all Africans have equal commitment to self-reliance and the option of disengagement from the international capitalist system. In actual fact the logic behind state policies in many African countries has emphasised further incorporation into global capitalism. Also, the **Plan's** recommendation that member states should cultivate the habit of self-reliance without explaining how African's reliance on massive transfer of resource from the industrialised countries could be effectively reduced is at best a misguide.

Given the depth of these contracdictions, it is difficult to expect the **Plan** to attain the goal of transforming African economies through increased regional economic cooperation. The failure of the **Plan** in this regard is evident in the catalogue of unsucessful attempts at regional integration in Africa.

By 1979, the East African Community had disintegrated. Since the signing of its enabling treaty in 1981, the Preferential Trade Area (PTA) is yet to really show clear potentials for transforming into the anticipated East African Economic Community. It was alleged that the establishment of a rival regional scheme-Sothern African Development Coordination Conference (SADCC) - was causing some diversions of attention and resources. Worse still, the proposal for a merger plan between PTA and SADCC has continued to be delayed due to politics rather than economic priorities and necessities.[33]

The South African Development Community (SADC)[34] consists of eleven Southern African states. Until 1994 when South Africa became a member following its first multi-racial elections, the original ten Southern African states that made up its membership were committed to regional cooperation as a way of reducing their collective and individual dependence on South Africa. However, the major shortcoming of SADC for long was its emphasis on its pronunced dependence on Euro-American capital.[35] South Africa's economic power is a reality which has become a source of worry for the economies of East, Central and Southern Africa. All now speak favourably of regional integration, and the idea of reviving the East Africa Economic Community is being revisited.[36] While this may be seen as encouraging, much success depends on these countries being able to resolve those contradictions that work against mustering the political will to promote and sustain integration initiatives.

While most of the integration schemes in Africa accord special prominence to trade liberalisation, achievement in this area is still very modest as foreign capital often reaps the gains arising from liberalising trade. The viewpoint summarised by Andrew Axline reminds us that Transnational Corporations are capable under dependent regional schemes of serving as mechanism to both polarise the effects of the gains within the regions and to "transfer the benefits out of the region to the metropolitan economy through the channel of their vertical integration with the parent company".[37] Asante also posits that TNCs

> ....have used the markets created under inter - govermnetal economic groups...., as a means of promoting the mechandising of their international brands and other products which sometimes result in a negative impact on the socio-development process.[38]

The Economic Community of West Africa (Cmmunaute Economique de l'Afrique de l'Ouest - CEAO) was established in 1973. It was an exclusively francophone economic grouping made up of Cote d'Ivoire, Senegal, Niger, Benin, Burkina Faso, Mali and Mauritania. The formation of CEAO was partly French

inspired, borne out of the desire to check Nigeria's growing influence in West Africa, especially the attempt toward organizing a pan-West African economic community of anglophone and francophone countries.

It was not impossible that Nigeria had political motivation for floating a much broader scheme. But there is the sense in which one doubts the claim that CEAO had prospect for successful regional cooperation in West Africa than an all-embracing arrangement. Robson indeed argued that CEAO was too small to wield much influence or even to "exercise any considerable bargaining power in the international sphere." Also, the combined domestic market of the CEAO countries was "far too small to permit low-cost production in a large number of industrial activities."[39] On the other hand compared to ECOWAS, CEAO was reported to have faired better in the area of trade cooperation.[40] But the CEAO continued to reveal the dangerous effects of dependence on international finance capital. Most of the large and medium enterprises in the CEAO countries are affiliated to foreign corporations whose equity shares range between 60.0 and 10.0 per cent.[41] Also, besides dominating the manufacturing sector in the CEAO countries, distribution and other services have witnessed the dominance of foreign-owned enterprises whose activities are hardly restricted in the community.[42]

The claim that the TNCS dominate the industrial and manufacturing sectors in the CEAO countries is not disputeable. Industrial development in CEAO paid no serious attention to inter-country specialisation on products, specialisation on product ranges, and intra-industry trade between countries.[43] Hence the lack of industrial specialisation was a major contraint on economies of scale in CEAO countries. And this also encourages uneconomic replication of industries producing the same products on a considerably smaller scale.

The lack of industrial specialisation is also a problem in the Customs and Economic Union of Central Africa (Union Donaniere et Economique de l'Afrique Centrale, UDEAC) which was formed in 1966. As in the CEAO, the lack of specialisation has resulted in market segmentation and the replication of plants and products in the region. The

Report of the ECA Mission on the Evaluation of UDEAC attributes the lack of specialisation to the activities of the TNCS which have impeded attempt at regional industrial planning.[44]

The capacity of the TNCs to ensure inequitable distribution of costs and benefits of interaction among member states of integration scheme is evident in UDEAC.[45] Asante indeed observed that transnational linkages exist between foreign capital and local political and economic elites and which are to the detriment of the majority of the people.[46] Whereas the claim that the "unconstructive" and "disintegrative" activities of the TNCS impede industrial development in the region is valid, nevertheless the main problem derives from the failure of the member states of UDEAC to agree on programmes of planned regional specialisation. In this way the TNCS are merely responding opportunistically to this lack of a coherent regional industrialisation strategy.[47]

The Economic Community of West African States (ECOWAS) is large. Its sixteen member countries include seven countries which belong to the CEAO and three countries which are in the Mano River Union. Modelled as a custom union, ECOWAS Treaty and Protocol provide a plethora of integrative instruments in form of several monetary, fiscal, administrative, institutional and legal measures. However, these integrative instruments are not functioning effectively due largely to some structural constraints. It is sufficient to say that most of ECOWAS problems are traceable to its internal contradictions, structures, rivalries and mutual distrust. But the influence of external forces cannot be ignored, especially their antagonistic effects on the operations of ECOWAS.

Most of the ideals and goals of the LPA and FAL are reproduced in the programme of the First Industrial Development Decade for Africa (IDDA-1). In the proclamation of the IDDA-1 it was stated that:

Self-reliance, therefore implies a will to reduce the extent of dependence on former metropolitan powers in particular and on developed countries in general. No claim to self-reliance can be made by a country whose industrial structure is dominated by foreign investment, where the bulk of industrial output is produced by affiliated of foreign corporations, transnational or entities owned by non-residents, and where no scientific and technological capacity, whether receptive or contributory, exists.

Although the conceptualisation and articulation of Africa's problem of industrialisation had inputs from the various agencies and organisations familiar with Africa's development problems, the whole programme of IDDA-1 was highly centralised which left African states at the receiving end of strategies, priorities and programmes. Consequently, programmes and projects were designed toward the promotion of industrial cooperation and integration, but these could not be implemented because of "the absence of mechanisms for coordinating of the activities of the participating countries."[48] Also, it was difficult to fund most of the subregional projects in a situation where countries do not respect all their national commitment.[49]

The programme of the Second Industrial Development Decade for Africa (IDDA-2) is composed of national, subregional and regional components. It takes into consideration policies and strategies formulated at national and subregional levels for industrial development within the context of the overall national development plans. The IDDA - 2 is conceptualised as a programme "to end the over-dependency which African countries have on the industrialised world, to promote internal engines of growth....and to achieve self-reliance and self-sustainment."[50]

Since the inauguration of the IDDA-2 efforts have been made to sustain awareness among African countries on the need for integrative industrialisation in Africa. At the Tenth Meeting of the Conference of African Ministers of Industry (CAMI), held in Dakar, Senegal, from 29th to 31st July 1991, the **Dakar Declaration on Industrialisation and Economic Integration in Africa** was adopted. The **Dakar Declaration** noted with concern that the social and economic conditions in the African region remained gloomy in spite of the efforts made to establish an industrial base in the individual countries.[51] It recognised the fact that economic cooperation and integration is indispensable for the transformation of the African economy. It then called for supports and measures that will ensure maximum linkages within the industrial sector and bring about increased vertical and horizontal integration of industrial structures at the national, subregional and regional level.[52]

The **Dakar Declaration** has once again given credence to the proposition that regioanl integration is an important factor in the process of industrialisation in Africa. However, the main issue of how to remove the various structural obstacles to regional integration in Africa has not been addressed. This is a major issue requiring urgent strategic thinking.

1.3 The Study Problem

There is a growing awareness on the continent of Africa, and even more notably within the ECA, and the OAU that African integration groupings are in crisis. However, most analyses of the crisis of African economic integration have merely catalogued numerous problems confronting integration arrangements in Africa without locating them in the historical context. Agreed that, language barriers, ideological differences, suspicions and jealousy among leaders, fear of domination, lack of political will, inadequate means of communication, differences in currencies etc. are important factors militating against African integrative initiatives. But merely identifying these without a serious effort to look into the roots of the problem of dependency and underdevelopment in the region begs the question. In this study, the analysis of the crisis of African regional integration is carried out with focus on the crucial factors of dependence, imperialism and politics. For African integration process to be instrumental to reversing neo-colonial dependence, it has to be able to generate a socio-economic and political base for self-sustained growth and development hence the focus in this study on the political interests which have shaped and influenced the process of integration in West Africa.

The Treaty of ECOWAS holds theoretical allegiance to the European process of integration and the customs union theory as interpreted by the ECA, but especially to the latter on the question of what strategy for industrialisation in West Africa. The policy advocated by the ECA for Africa to meet the Lima Target emphasised the need to develop industrial exports and imports-substituting industries within regional groupings.[53]. While this argument is compelling, its application requires further examination. First, 'import - substitution' type of industrialisation as a strategy does not constitute a fundamental break with existing patterns of dependent industrialisation, rather it is a dominant form of the 'dependency'.[54] And secondly, a market's optimality is determined more by its population's income levels rather than by its sheer size. According to Uka Ezenwe; "The evaluation of integration among LDCs should not therefore be confined to production and consumption effects; income and employment effects are equally important".[55] Ezenwe notes the examples of countries in the Pacific Rim and Asia "where highly competitive export-oriented industrialisation have been achieved with no resource advantages except for a technically proficient and hard-working labour force"[56].

Within the framework of ECOWAS Treaty, the issue of industrialisation in West Africa is addressed through the application of the standard measures of the customs union type of integration scheme; the harmonisation of national promotion instrument, the establishment of common rules on the treatment, control and regulation of foreign commitments, such as foreign investment and the promotion of community-wide joint ventures. Specifically, ECOWAS model of industrialisation consists of efforts directed at finding solutions to problems such as lack of resources, manpower, wider markets, adequate infrastructures, political will, technological know-how, capital etc. Thus ECOWAS strategy has featured programmes such as training of industrial personnel, exchange of information on industries, and the preparation of a master-plan for industrial development. Are such conceptualisation and policy prescriptions adequate? The ECOWAS Treaty also provides for the harmonisation of the industrial policies of member states. However, studies have already shown that not even the European Community from which ECOWAS borrowed substantially has been able to successfully harmonise the industrial policies of member states. [57] As early as in the 1970s the Commission of the European Communities had noted the difficulties which the harmonisation of different national industrial policies of the EC member states posed for integration in the Community.

Certainly the performance of ECOWAS in relation to industrial development in West Africa is not in any way impressive. In spite of the provisions on the harmonisation of the industrial policies of member states, the industrial development programmes of member states are scarcely related to across national frontiers. To date ECOWAS has no regime to control the activities of the multinational corporations. Although the establishment of community enterprises is provided for in the Treaty they are scarcely in existence. Also, the state of the development of infrastructures in the sub-region is poor. Most importantly, member states are showing lack of commitment to regional integration. Member states are very reluctant in integrating regional policies into all aspects of national policy. The participation of the civil society is taken for granted with the consequence of integration programmes becoming easy prey for sabotage. Closely related to this is the general lack of greater democratisation of power in West Africa. In this circumstance regional integration is merely reduced to political platitudes.

There are political factors which are critical to the evolution and operation of West African integration, but which the customs union model in general has attempted to conceal, neutralising the political and ideological question in integration process. Such political considerations include the question of power relations (national and regional, the dominant ideology in the region, and the domestic politics in member states. All these are essential in determining the outcome of integrative programmes of ECOWAS.

1.4 Objectives and Significance of Study

The immediate objective of the study is to undertake a descriptive analysis of the logic, contents and structures of ECOWAS strategy for industrialisation, as well as the effects of the strategy on development process in West Africa. In this regard the followings are in focus:

i. The internal and external factors that influenced the choice of regional integration within the framework of the ECOWAS Treaty as well as the choice of specific development programmes such as the industrial cooperation programmes;

ii. The problems confronting ECOWAS in the adoption and implementation of its industrial cooperation policies and programmes;

iii. The contradictions arising from the implementation of ECOWAS strategies for industrial development;

iv. The scope and extent of regional inequality in industrialisation; and

v. The Community's corrective and compensatory programmes especially for the less developed member states.

The study hopes to contribute to the search for solutions to problems arising from industrial inequity within the ECOWAS sub-region. It is also our purpose in this study to show that regional integration and cooperation is not a substitute for efficient policies and performance at the level of member state. Therefore, informed suggestions of guidelines which could lead to an integrated, more meaningful and ameliorative harmonisation of ECOWAS regional policies with all aspects of national policy of member states.

1.5 Conceptual and Theoretical Framework

After the Second World War Europe was presented with several problems; these included economic depression, breakdown of constitutional politics, threat to security, the growth of colonial independence movements and the emergence of the United States of America as a dominant economic power in the world system. The establishment of North Atlantic Treaty Organization (NATO) was in a way a response to the perceived threat to European security, especially the fear of another-intra-European war. Apart from providing for a regional security arrangement other efforts were made within the broader post-war reconstruction of the European economy.

Also, an unusual consensus of the major factions on the methods of dealing with fundamental issue of power characterised the period after the Second World War. Key elements of 'ideology' were given less attention in discussions as decision makers rigorously pursued economic welfare as essentially a technical and non-political problem.[58] Thus, the 'end of ideology' provided the background for the evolution of new forms of interaction among European states; this development encouraged series of steps towards ideal neo-capitalist political economy at national, regional and global levels.

It was in this context that the modern European integration evolved as a regional component in the post-war reconstruction of world capitalism to compliment the operations of the Bretton woods institutions (IBRD-IMF). These constituted the broad international framework for Western economic and political revival. When the Bretton Woods institutions seemed inadequate to prevent Europe from falling back into neo-mercantilism which was already offending the zeal of United States for free trade, the latter assumed a leading role towards European integration through the construction of the Marshal Plan and the establishment of the Organisation for European Economic Cooperation (OEEC).

The unprecedented cooperation in Europe led to the establishment of the European Coal and Steel Community in 1951 and later culminated in the birth of the European Economic Community (EEC)in 1958. The new form of behaviour towards cooperation among the European States launched scholars into a search for a new concept other than those built on the assumptions of the 'realists' that international politics is better conceived in terms of the power struggle among nations. The concept of 'integration' therefore presented itself as a more appropriate one.

In ordinary usage 'integration' means bringing parts or units together to form a whole or creating interdependence. But it could also represent a situation in which states become interdependent in whatever aspects of their relations they desire. Nonetheless, 'integration' exists when units join together in order to satisfy objectives which they cannot meet autonomously. In this way, 'integration' can be a process which hastens up the achievement of certain objectives in the interest of a larger body.[59] Such a process would involve the shifting of loyalties, expectations and political activities towards a new and larger centre, whose institutions and processes demand some jurisdiction over those of the national states. The extent of such a transfer of loyalties and jurisdiction enjoyed by the new centre, would depend on the level and goals of integration scheme as well as the socio-economic and political ramifications which the implementations of integrative policies generate within and between integrating economies.

While national integration aims at creating a sense of nationhood within a recently independent entity such as Nigeria (with diverse ethnic groups, languages, religions etc.), regional integration typically involves groupings such as the EEC, EAC, ECOWAS, the Andean Group etc. At another level of classification, which considers the specific meanings the term 'integration' acquired in the different branches of social science, there can be political integration, economic integration, and social integration. Federalism is concerned with political integration, while functionalism connotes social and economic integration.

Amidst the much divergence among the users of it, there is unanimity on one issue; that integration can be regarded as a process or as a state of affairs reached by that process. According to Fritz Machlup, the question as to whether that state has to be the terminal point or intermediate point in the process can be taken care of by distinguishing between 'complete' and 'incomplete' integration. The more difficult question, according to this author, concerns, what is that to be integrated; people, areas, markets, production, goods, resources, politics, or what?[60]

Oftenly, economic integration is defined in terms of trade liberalisation or absence of economic discrimination among economic units.[61] Such definitions can be misleading especially for the underdeveloped regions. For instance, the East African Common Market was more 'integrated' in terms of a common tariff and free movement of capital, and labour in 1963 than the European Common Market, but only 20.0 per cent of the total trade of East African countries was with their region partners; the corresponding figure for the EEC was 40.0 per cent.[62]

Such conception of economic integration as the progressive elimination of trade and tariff discrimination between national borders shows it as a state of affairs and a process. And upon this many self-styled Common Market, Federations, Unions and Communities have emerged without satisfying accepted criteria for Common Market or any of these levels or phases of integration. In this regard, more questions readily come up: what is the substance, what are the essential criteria, of such integration?; and by what indications can one determine the existence of a process, or a state of affair?[63]

It is easy to become attracted to comments on the semantic confusion that is associated with literature on regional schemes in the peripheral regions.[64] The concept of 'regional integration' now competes with such terms as 'regionalism' 'regional cooperation' 'regional subsystems of a global system' in the lexicon of integration scholars. With regards to this study, there is a fundamental difference between 'integration' and 'cooperation'. The difference is both in qualitative and quantitative contexts. While 'cooperation' may be employed to identify loose forms of interstate activity designed to meet some commonly experienced needs, 'integration' refers to a much more formal arrangement that involves some political and economic sacrifices as well as commitments, concessions, process and political will to redefine participation in the international economy.[65] In this regard the study of regional cooperation may be taken as part of the study of regional integration. But essentially judgements as to whether cooperation is successful must be based on criteria different from those applicable to the study of integration.[66]

Generally, 'regions' are often defined in geographical terms, yet the far-flung Commonwealth of Nations is described as a region on the basis of its historical and cultural ties.[67] In the view of Liska, a regional system is a geographical area.[68] But 'region' has been used to designate any international grouping which is less than global in scope, and which is characterised by some "mutual relevance" among members.[69] Such mutual relevance can be based upon frequency of contacts and transactions, common aims or attributes, economic complementarity, etc. used as in the Alliance of Seventy-Seven (Group

77), and the African Pacific and Caribbean Group (ACP), the regional boundaries take economic rather than geographical character. However, the case study here - ECOWAS - has a strict geographical context.

Regional integration is today an extremely complicated and varied phenomenon, especially in the Third World where it is conditioned by various socio-economic and political dynamics. Similarly the following questions have become prominent in the debates about the relevance of economic integration in the Periphery. What are the necessary and sufficient conditions for successful unions among states? should regional political unions be approached gradually and indirectly by a functionalist strategy or is federation likely to be more effective? are customs unions and free trade areas desirable?, are other forms of cooperation, such as currency zones, river development schemes etc. preferable?

As many as there are such questions there are types of integration in the South whose philosophical guide derives mostly from the experience of the industrial societies. Each of these forms of integration arrangement has its own regularities, class content, and mechanism of operation.

The concepts of 'self-reliance' and 'South- South Cooperation' with the obvious policy corollary of regional integration and cooperation have featured prominently in the analyses of Third World underdevelopment, especially those by scholars within the 'dependencia' tradition.[70] The idea is that only very large units have the sufficient resource base, climatic diversity and population - size to embark on what Oteiza and Sercovich have termed, "an autarchic self-reliant model."[71] However, there are contending views on the relations between collective self-reliance (CSR) and economic integration and cooperation.

'Self-reliance' is commonly associated with response to the problems of dependency and underdevelopment of the countries in Africa, Asia and Latin America. Self-reliance, therefore, represents a conscious effort to reduce Third World countries' overdependence on the developed world, and thereby increase their autonomy within the international economic and political system. Thus, as a development strategy, 'self-reliance' involves, according to Asante,

> ... not only the building up of an adequate capacity for autonomous decision - making and implementation on all aspects of the development process, but also a progressive redefinition of the role of Transnational Corporations (TNCs) and all other external forces which sustain and nourish Africa's integration into the world system.[72]

Ralph Onwuka also posits that "collective self-reliance is a development strategy which de-emphasises dependence on external resources. It is a principle of autonomous development in a capitalist world system of exchange of commodities"[73]. And Adebayo Adedeji's conception of self-reliance focuses on the need to internally generate "skill development, technology, capital goods and services, finance and so on".[74]

Although there is no unified conceptualisation on 'self-reliance', yet there is generally a common assumption (which is very popular among dependency theorists); that the potentials of the Third World countries for autonomous development are limited, more by externally infused and maintained dependency profiles, rather than internal processes. It thus follows logically that, autocentric development can be realised through disengagement from the global system. Of course it is expected that this prescription would result into some dislocations on the national economy as trade, aid and investments and monetary relations with the metropolis are being reviewed. The impact of these dislocations is assumed to be too much for individual economies to bear, hence the need for a collective action to "ameliorate the effects of the national disengagement process by replacing North-South vertical relations with South-South horizontal relations among UDCs."[75]

It is in this regard that some have come to view CSR and regional economic integration among UDCs as one and the same. For instance, Ralph Onwuka has advanced this position that, "all economic community exercise are a form of a collective self-reliance organisation within an area."[76] However, the argument about regional economic cooperation as a form of collective self-reliance cannot be carried too far. According to Musa Abutudu; "When the integration process is itself shaped and conditioned by relations of dependence and underdevelopment, what ensues might in fact create a gap between economic integration and CSR".[77]

The apologists of CSR within the framework of dependent regional integration process rely much on the dependency theory, and therefore, fail to give serious systematic attention to the relationship between CSR and integration schemes in the Third World. The focus is on relations between systems or nations while neglecting the internal processes of class formation that shape historical developments. Thus, it is difficult from the analysis to understand the causes of underdevelopment beyond the effects of Europe's predatory needs, and mere reforms are sought for in comfortable accommodation within the world capitalist system.

In terms of policy prescription, self-reliance is to be pursued through the policies of import-substitution, export promotion, favourable balance of payment - strategies that do not in any way address the structural problems of underdevelopment and dependency. In this way what the apologists of CSR through dependent regional scheme have suggested amount to nothing but autarky, and definitely not 'delinking' in the form of subordinating external relations to the logic of internal development. Samir Amin has consistently advocated the latter as an internally generated development strategy for self-reliance:

> More precisely, delinking consists in refusing to submit to the demands of the globalized law of value, that is, to the alleged, 'rationality' of the system of world prices that gives concrete form to the requirements of the reproduction of globalized capital. It thus assumes that society has the capacity to define

for itself a different range of criteria of rationality of internal economic choices, in short a "law of value that is national in scope."[78]

Both the ECA and the OAU have a lot of influence on integration schemes in Africa. However, within the ECA and the OAU, the relationship between the strategy of self-reliance and regional economic groupings is not conceived as in the above proposition by Amin, hence, the proliferation of several inter-governmental organisations, charged with the responsibility of promoting collective self-reliance through regional economic cooperation but with this objective remaining largely elusive. Ambassador Browson M. Dede said the followings of the many inter-government organisations in Africa:

> Many of them are in a state of financial coma, starved of fund and the resources, human and material, necessary for the achievement of their objectives. A majority of them exist only on paper, while others are involved in what Otto Bismarck, the 19th century German statesman, would have described as Ploughing the same disputed furrow! They are involved in a duplication of efforts, in wasting limited human and material resources competing with one another in pursuing the same objectives. ECOWAS and CEAO, UDEAC and ECCAS, not to mention CEPGL operate in the same sub-regions pursuing similar objectives.[79]

From the **Lagos Plan of Action** to the 'Abuja Treaty', the consensus of African leaders on collective self-reliance and regional cooperation, cannot be mistaken. However, the experimentation in Africa on CSR within the framework recommended by the ECA, has yielded very limited result. It is a major proposition in this study therefore, that, the existing OAU-ECA economic groupings do not demonstrate the unity of the processes of economic, political and social integration required towards the resolution of African crisis. An understanding of the dialectical unity of economic, political and social integration makes it easy for one to address the basic question why integration is qualitatively different from one socio-economic formation to another, and why it emrges at some historical period and not others, and also what the connection is between levels of integration in distinct social systems. It is against this background that the political commitment of the African elites to dependent integration schemes requires further indepth examination as it has been attempted in this work.

Controversies still abound on the meaning of industrialisation. Often, industrialisation is defined in terms of a qualitative change. But such purely qualitative terms conceal much as industrialisation is reduced to just economic activity. The qualitative indications such as income, employment, productivity are largely inadequate, given their sources and their varying definitions in different societies.

The perspective of this study at a more general level is a theoretical comprehension of 'development' and 'underdevelopment' as historical processes. Thus, the theoretical conceptualisation of the crisis of industrialisation in West Africa takes as point of departure the assumption that many problems facing the West African states today in the area of industrialisation have been engendered by history; these problems are the products of preceding stages in development with difficulties and contradictions inherent in them. This perspective traces the way in which industrial 'progress' has been made in West Africa in the recent historical past. Of importance is therefore the question: in what circumstance and under which influence (external and internal) did West African countries set about the process of industrialisation?.

Answering the above question requires an examination of those 'essential conditions' which allowed industrialisation to take place in a number of countries as well as the mechanism which sustained it. Several types of industrialisation have been known in history. A classical example of capitalist industrialisation was the industrial development in England at the end of the 18th and beginning of the 19th centuries. The structural transformation that took place in England then "was accompanied by the mass ruin of the small commodity producers, the barbarous exploitation of the English working people, the enslavement and plundering of the peoples of the economically backward countries".[80] Even in the era of modern monopoly capitalism the above pattern has not changed much. On the other hand, socialist industrialisation differs in its aims, character and methods; it seeks to change "the social and economic structure, it creates the conditions for the all-round development of the productive forces, and on that basis for the rapid and steady improvement of the wellbeing of the working people".[81]

But industrialisation in the economically dependent societies which are exploited by foreign capital assumes a special nature that centres on the role of imperialism. Industrialisation in these societies "plays an extremely important role as a way and means of restructuring the national economy", and at the same time, "deep contradictions are inherent in it, owing to the specific features of external and internal development conditions in such countries".[82] Whichever type of industrialisation, industrialisation has its beneficiaries and its victims. Historically, the ruling class in almost every society has always promoted its class interests through its various industrialisation programmes. Sutcliffe, for instance, notes that the identity of the beneficiaries and victims depends essentially on the identity of the ruling class.[83]

Every country has tended to take a different road towards industrialisation, because, the previous industrialisation of other countries, changes the conditions which face later industrialiser.[84] This much is common knowledge especially in the case of Europe and Africa, the development of the industrialised countries of Europe changes the conditions which face African industrialisers.[85] For some time industrialisation was seen as part of the whole process of the evolution of capitalism. This has been proved to be wrong, for some studies have shown that the poor industrialisation of the countries of the Periphery is as a result of their involvement in the world capitalist system as junior partners.

If we therefore agree that industrialisation differs from one society to another, to determine the success, failure, as well as economic and social results of any industrialisation programme, the character of such industrialisation must be determined. Alexander Gerschenkron has identified eight variabilities for this purpose. These are all derived from features of industrialisation and they present themselves in contrary pairs: (i) autochthonous or derived; (ii) forced or autonomous; (iii) concentrating on 'producers' or 'consumers' goods; (iv) occurring within an inflationary or a stable monetary environment; (v) involving merely quantitative changes or being in addition characterised by far-reaching structural transformation; (vi) proceeding continuously or discontinuously;
(vii) proceeding in conditions of progress in agriculture or of stagnation if not retrogression; and (viii) motivated primarily by economic or by political aims.[86]

The above dichotomies, however, are by no means the only ways of classifying industrialisation. Some other factors cannot be easily expressed as simple dichotomies.[87] Besides, these dichotomies conceal the amount of continuous differentiation which is possible and therefore may be misleading. This agrees with the suggestion by Sutcliffe that;

> ... it is more important to observe and analyse how the forces of industrialisation changes from country to country according to, first, its relative economic backwardness on the eve of its industrialisation, and, second, its economic relationship with other countries both more advanced and more backward than itself.[88]

Furthermore, and for the avoidance of making technical conclusions without regard for the social context as well as social consequences of industrialisation, it is safer to say that the social context of industrialisation is determined by the social and political system. In this regard, such issues as the choice between a capital intensive industrialisation and a labour intensive industrialisation, where the latter is available, are appreciated in the context of root relationships, and beyond narrow technical consideration. From such a larger context, the conception of industrialisation as an issue for the social system comes out clearer, and thereby reinforces the proposition that industrialisation cannot be an ideologically neutral process.

Early studies on industrialisation in the Third World mostly fail to locate industrialisation within the general climate and development of the Periphery and world economy. The result of this shortcoming has been the inability of prescribed solutions and policies to relate industrialisation to the fundamental problems of underdevelopment and dependency.[89] The neglect of such issues as the motives of industrialisation, the specification of the character and pattern of industry,[90] and the institutional structure for the pattern of industry,[91] as well as the deliberate effort to merely focus and emphasise the features and process of industrialisation in the developed countries [92] do not derive from mere ignorance of historical developments. Rather they represent victory for bourgeois economic scholarship, of mainstream explanations and rationalisations which in themselves are ideologically based, and usually with corresponding policy prescriptions.

Usually, the starting context for the bourgeois economic scholarship is the assumption of an impressive record of crisis management and recovery for capitalism, especially, its potentialities for a full 'self-generated' and 'self-sustained' industrialisation. The Japanese society is often cited as an example of where capitalism has created a progressive socio-political forces that lead to industrial development.[93] The most characteristic form of modernisation theory posits that the present underdeveloped societies are historically similar to the now developed countries; their past and present are like those earlier stages of the history of the now developed countries. Also, that in the process of historical development the underdeveloped countries fell behind while the now developed 'took off'. Therefore, it is assumed that the underdeveloped countries are now at an earlier 'traditional' 'natural' and 'original', but lower stage of economic growth which was passed through by the developed countries.[94] Based upon this premise, Third World countries are encouraged to follow the experience of the developed societies mechanically. The premises and prescriptions of the Modernization School demonstrate a fundamental misunderstanding of the nature, causes and course of underdevelopment in the Periphery.[95]

The Dependency School has argued that the initial starting position of the underdeveloped countries cannot be taken as original pattern of socio-economic forces, that resulted from natural evolution through feudalism and mercantile capitalism, whose dynamics laid the basis for industrial capitalism.[96] According to the Dependency School, there are fundamental differences in the origin of the processes of 'development' in the advanced and underdeveloped countries as there are in their industrialisation. The question therefore is whether the strategy for industrialisation in the advanced capitalist countries can be adopted in the Third World. Examining the origin of 'dependency industrialization' in the Third World entails looking at specific class interests which reproduces structure of dependency generally. Therefore this task cannot but involve looking at the specific class interests, the role of the state and the social classes within the various Third World countries. This helps to recognise and understand the result of the interaction between internal and external forces as well as the specificity of the nature of dependency of different social formations.

Historically, the essence of industrialisation in development process is to raise the physical output per head and to develop nationally integrated economies that are flexible and capable of self-generated and self-sustaining growth. It is in this respect that Rweyemanu identifies the followings as roles of industrialisation. (i) raising the share of manufacturing in total products; (ii) increasing elasticity of factor substitution due to increased efficiency in factor inputs; (iii) raising the productivity of other sectors through the provision of external economies and (iv)[97] making it possible to alter the pattern of output in response to changes in the structure of demand, a kind of flexibility of the industrial structure.[98] This same scholar however cautions that:

> This historical role of industrialisation in the development process implies a specific configuration of the industrial structure made possible by specific propitious circumstances at that historical conjuncture. In particular, the type of industrialization that has played a progressive role in the development of capitalism .... was such that augmented capital formation through the production of appropriate capital goods. The growth of this sector in these economies - which in those days was the prerequisite to the production of final consumption goods - contributed to the flexibility and even viability of those industrial economies.[99]

Nathan Rosenberg points out that, the critical factor of the degree of development of capital goods sector, explains better the difference in the growth levels of the industrial economies and the primary producing countries.[100] It must be pointed out also that the relative absence of any alternative (such as imports) to the production of capital goods, the little gap that exist between the traditional and modern technologies in the advanced countries, as well as its favourable effects on capital and human requirements for the production of capital goods make setting-up of capital good industries quite easy in the advanced countries. The conditions of industrialisation process in the advanced societies are not such that can be easily met in the underdeveloped countries. Therefore the problem of industrialisation must be solved in different ways with respect to developed and underdeveloped countries.

Apart from the dominance of the capital goods sector in the industrialisation of the advanced countries, industrialisation also supported agricultural sector and helped to reduce problems on the growth and development of the exchange economy. The extended market equally was an advantage for their industrialisation process through its flexible production structure and autonomous investment and technological change.

Furthermore, the advanced countries' industrialisation is carried out by an autonomous indigenous capitalist class which is able to expand productive capacity in response to domestic market demand. The above notwithstanding, it must be noted that this industrial capitalism just like its source which is the capitalist development strategy, has its 'premium mobile' as the profit motive of private enterprise. In this regard it is theoretically valid to expect that the development of productive facilities through capitalist strategy will take its toll in the neglect of the welfare of human beings and the environment; and these are indications of 'uneven development' which the inherent contradictions in capitalist development generate.

An indepth understanding of the conditions for the process of industrialisation in advanced capitalist societies easily informs that, industrialisation in the South be effected under different condition and method. This view agrees with the remark by Rweyemanu that:

> Thus it can be inferred that the historical pattern of capitalist industrial growth, as it has evolved in the developed countries, is unlikely to indeed repeat itself because the unfolding of industrial capitalism in the world economy has fundamentally altered the very conditions that gave rise to it, this is shown by the consequences of the colonial division of labour which it introduced in those countries, and also by the new international division of labour....[101]

Therefore, an analysis of industrialization in the countries in the Periphery must seriously consider the implications of their past and their contemporary reality.

To be able unveil the historical conditions behind the evolution of West African integration process within the global economy, 'historical-structuralism,[102] is adopted in this study as the dominant perspective. In this way a more complete understanding of the problem of development in a society must consider the historical evolution of the society, the international environment, and the way in which the articulation of the society with the international environment has generated, over time a specific class structure and set of political institutions with their own history, the way that they in turn were and are influenced by external factors as part of the process of dialectical development, the strategies and policies pursued by the society itself, and importantly, the way in which external factors'internalised', the way, that is, the external forces 'filter through', or are mediated by internal structures. The failure to consider the role of internal structures easily render analysis inadequately as such a society is at best presented as a mere robot without its own dynamics of development.

The task, therefore, in this study requires an examination of the character of the West African sub-regional economy as well as those of the individual integrating economies, the conditions of dependency in West Africa, the nature of the political economies within the sub-region, the accumulative base of the dominant social forces in the sub-region, the contradiction within and between different social classes, the role of foreign capital both at sub-region and national levels, the direction of class struggles within the sub-region and in different national economies. All these should be investigated to determine their hold on the structure and pattern of sub-regional integration, and the process of industrialization in West Africa.

In a study of this nature, it is very necessary to investigate the inter-connection between ECOWAS and the various social forces within the West African sub-region. How is the link between those forces to be understood? It is therefore necessary to study the historical evolution, character and current dynamics of these forces in order to be able to elucidate the origin as well as the influence of the linkage on the operation of ECOWAS. This perspective leads to a major assumption in this study; that it is not possible to fully understand the process of West African regionalism without an adequate conception of its historical circumstances as well as the dynamics of the social forces within West Africa as a region and in the individual integrating economies.

Also, it is contended that, given the proliferation of integrative activities within the sub-region, the activities of ECOWAS can be regarded as a breakthrough only to the extent to which they epitomise an attack on the prevailing conditions of underdevelopment and dependency in West African economies. This understanding requires the re-examination of integration theories, an understanding of the 'specificities' of the integrating economies which have so far generated contradictions, crisis as well as responses both in support and against ECOWAS role in West African industrialisation. Such a perspective that seeks to understand the structure and pattern of regional integration, facilitates better understanding of the whole process of development.[103] It seeks also to transcend mere description and peripheral prescriptions and projections which conceal class struggles and deepening crisis within the regional (sub-regional) economy.

Beyond the limitations of extant theories, 'historical structuralism' enables analysts to both identify and address critically the contradictions in a given arrangement such as the ECOWAS. It is through correct identification of the source and nature of contradictions that analyses can move forward towards policy prescriptions and projections. Thus, it is possible to identify contradictions within the social classes-the bourgeosie (its commercial, bureaucratic, military, national and comprador fractions); the working class (its semi-proletarianised, proletarianised and aristocratic fractions); the peasantry (rich peasants and real peasantry). Also, it is possible within this framework of analysis to identify contradictions within institutions and seats of power, both those that are directly linked with the operation of ECOWAS and those that are not.

Similarly, the followings can be highlighted: the structural factors that reproduce underdevelopment in West Africa; the obstacle to the emergence of a productive bourgeoisie in the sub-region; and the inability of the states in West Africa to individually and collectively control foreign capital. An indepth analysis of these factors enables one to locate West Africa (and indeed ECOWAS) within the international division of labour and also within its specifities.

1.6. Hypotheses

The hypotheses presented below are derivable largely from the theoretical orientation of the study to guide the search for data and give a clear focus to the study:

(i) The evolution of ECOWAS as a sub-regional integration scheme among West African states demonstrates the dominance by international capital in the sub-region;

(ii) The dependency syndrome plaguing the ECOWAS countries is the source of the obstacles to industrial development in these countries;

(iii) The pursuit of industrialisation as an index of modernisation through the strategy of import substitution first, and later through export promotion, have deepened the crisis of industrialisation in West Africa;

(iv) The pervasiness of dependenct regionalism in West Africa is the basis of the inability of ECOWAS to promote genuine industrialisation in West Africa; and

(v) The evident lack of democratisation in many ECOWAS countries and the neglect of the interest of the masses in the operations of ECOWAS is a minus for its development programmes generally.

1.7 Methods of Study

The main limitation of most of the previous studies on ECOWAS consists in their methods. Most of these have emphasised 'professional specialisation'. However, the division of work among historians, sociologists, economists, political scientists does not make for better understanding of the social facts and of the historical process which formed the structures within which the phenomena we study exist. It is in this sense that we agree with Claude Ake's assertion that;

> ... the connectedness of the economic structure, social structures, belief system and political system demands an interdisciplinary approach to the study of society. If society is so connected it cannot be studied in any depth without drawing on each of the specialised social science disciplines used for studying the various aspect of man and society.[104]

There is today a remarkable improvement in the relevance of social science in Africa.[105] The study availed itself of this improvement, with issues analysed not in mutually - exclusive box - like disciplinary compartments, but rather within inter-disciplinary context. Thus, the study utilised a combination of historical, analytical, and comparative approaches for the establishment of the premises for testing the preconceptions on the study problem.

The study relied on both fresh data and the reanalysis of existing data sets. With regards to the latter, the study borrows from Catherine Hakim's conception of reanalysis as "... any further analysis of an existing data set which presents interpretations, conclusion, or knowledge additional to or different from, those presented in the first report on the inquiry as a whole and its main result".[106] Sources of data for the study therefore include: studies presenting more condensed reports (such as analysis based on selected socio-economic indications in West Africa); reports which focus on particular sub-themes (such as foreign investment, trade, industrialisation, agriculture or foreign capital); reports angled towards a particular policy issue or question; analysis based on conceptional frameworks not applied to previous analyses; and reanalyses which take advantage of more sophisticated analytical techniques to test hypotheses and answer questions in more comprehensive and succint manner than in the previous reports and researches.

In carrying out the study secondary analysis was quite useful during our preliminary investigation to determine, for instance, the extent of the study problem, the characteristic of different modes of analysis and also the broad parameters of issues that should be studied independently and in greater details.

Field interviews were also undertaken with some relevant regional and national official institutions, such as the ECOWAS Secretariat, UNIDO Office (Lagos); and also with representatives of non-governmental agencies such as Manufacturers Association of Nigeria (MAN), Federation of West African Chambers of Commerce (FWACC) and Federation of West African Manufacturers Association (FWAMA). Contacts with these institutions especially the ECOWAS Secretariat facilitated the use of some important primary sources such as: the ECOWAS Executive Secretary's-Semi-annual and Annual reports; 'ECOWAS Official Journal'; and 'ECOWAS Policies and Programme Series'

1.8 Scope and Limitations of Study

The study generally examines the crisis of dependent integration at a more general level. However, the focus is on the impact of dependent integration on industrialisation in West Africa. The study is therefore an examination of the conditions of industrial development as well as the prospects and limitations of ECOWAS industrial strategy. The study is also an evaluation of the prevailing theoretical formulations on the role of regional integration in the industrialisation of regions they serve. The study covers activities of ECOWAS in the subregion between 1975 and mid-1994. This period witnessed significant events that have impact on the process of West African integration as a whole. One specially recall the economic crisis in the region since the early 1980; its effects on West

African regional economy, the responses the crisis have generated from individual ECOWAS countries as well as collective measures put in place at the level of ECOWAS. One of such responses is the inauguration of Economic Recovery Programme (ERPs) which has the rehabilitation of industrial enterprises as a major programme.

The choice of 1994 as the terminal year of the study was to allow the study to include the effects of some recent developments on the monetary front especially: notably the devaluation of the CFA and the re-evaluation of the Naira.

In the conduct of the research, no effort was made to investigate the subject matter sector by sector in all the countries. Rather the study relied on data from the ECOWAS Secretariat' and the ECA, the World Bank other agencies such as UNIDO, for ECOWAS countries industrial profile. The works of individual consultants and officials have also been of great help in this regard.

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97. Justinian F. Rwayemanu, "International Trade and Developing Countries", **The Journal of Modern African Studies**, 7.2 (July, 1969) PP. 3 - 19.

98. Rweyemanu, **Underdevelopment**... op cit Pp. 81

99. **Ibid** PP. 81 - 82

100. Nathan Rosenberg,"Neglected Dimensions in the Analysis of Economic Change, 'Bullentin of Oxford University Institute of Economics and Statistics' (February, 1964) cited in Rweyemanu, Underdevelopment **op cit**.

101. Rweyemanu, **Underdevelopment op cit** P.90

102. Some scholars have studied the structural problems of Africa's approach that developed from the study of the Latin America social conditions. See Samin Amin, "Underdevelopment and Dependence in Black Africa: Historical Origin" **Journal of Peace Research**, No.2 1972, PP. 105-119; Walter Rodney, **How Europe Underdeveloped Africa** (Dar es Salaam, Tanzania Publishing House, 1972) and C. Ake, **Revolutionary Pressure in Africa** (London, Zed Press 1978) to mention just a few.

104. Claude Ake, **A Political Economy of Africa** (Longman, 1981) p.5.

105. See Akin L. Mabogunje, "Profile of the Social Sciences in West Africa" in Laurence D. Stifel et al (eds) **Social Sciences and Public Policy in the Developing World** (Toronto; Lexnrgton Books, 1982) PP. 167 - 187; Yolamu Barongo (ed.) **Political Science in Africa: A Critical Review** (London; Zed Books, 1983); Bade Onimode, **An Introduction to Marxist Political Economy** (London; Zed Books, 1985); Ikenna Nzimiro, **The Crisis in the Social Sciences: The Nigerian Situation** (Oguta, Zim Pan - African Publisher, 1986); and the contributions in **Africa Development** 19, (1994) Special issue on "The Social Sciences in Post-independence Africa: Past, Present and Future".

106. Catherine Hakim, **Secondary Analysis in Social Research** (London; George Allen and Unwin, 1982) P.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The success of the European Union (EU) tends to conceal the limitations of the traditional approaches to regional integration. Attempt is made in this chapter to examine the main assumptions of the received knowledge. In a fuller theoretical treatment it would be desirable to appreciate the inability of the functionalist theory to adequately explain the evolution and dynamics of integration initiatives of Third World countries.

The evident failure of integration efforts in the Third World is provoking rethinking among integration scholars on some basic assumptions of the Neo-Functionalist school. So also, both the classical customs union theory of Bye and Viner and the modified version by the ECLA school are now found to be based on a number of highly restrictive assumptions[1]. In the same vein, some of the Dependency School formulations on regional integration are now shown to be having only a limited bearing on the evaluation of gains from integration in the less developed societies. This is true, especially of bourgeois-nationalist prescriptions.[2]

2.2 Theories of Regional Integration

2.2.1 Functionalism

David Mitrany, the father of functional theory, put a strong case forth in support of functional cooperation as the solution to the global security problem. His main argument was that functional cooperation could eventually enmesh national government in a dense network of interlocking cooperative venture which would lead to greater understanding and peaceful co-existence. Within this framework, function, form and role can be determined by their organisational framework, and when economic goals are realised, citizens will loose their loyalties to their respective primordial sovereign countries as emphasis now shift from political issues which divide to those social issues in which the interest of the people are the same and collective. Mitrany observed that violence wars, and various forms of insecurity and political instability that characterised the period during the second World War had their roots deep in the social and economic needs of the people. Therefore, in the words of Mitrany:

> The task that is facing us is how to build up the reality of a common interest in peace....Not a peace that would keep the nations quietly apart, but a peace that would bring them actively together; not the old static and strategic view of it....We must put our faith not in a protected but in a working peace; it would indeed be nothing more nor less than the idea and aspiration of social security taken in its widest range.[3]

According to Mitrany's postulations, once the groundwork has been established within the framework of functional cooperation, forces will be set in motion which will overlay political divisions with a spreading web of international activities and agencies, in which and through which the interests and life of all nations would gradually be integrated. Federalism would not be the best framework for such an international order as, according to the Functionalist School, it could not overcome the forces of nationalism and ideology; some states would not readily compromise their sovereignties except to transfer executive authority for specific ends. Functional cooperation therefore seems to the Functionalist the only workable alternative for promoting peace. The wisdom is that, states would cooperate in areas of need. Thus, as governments cooperate in the social and economic sectors, and cede more and more of their task to these world-wide organisations, economic unification would not only promote "a working peace", but would build the foundation for broader political agreement as well.[4]

The concept of `ramification' is central to Mitrany's thesis that collaboration in one sector will lead to collaboration in another. That is, functional cooperation in one sector, resulting from a felt need generates the need for functional collaboration in another sector. It seems that while Functionalism and Federalism are two different strategies, there exist a common ground. Their ultimate objecitve is to supersede the sovereign nation-state by peaceful means with an international organisation better equipped to assure peace and prosperity for the people[5].

The Functionalist's conception of the world order is based on a series of separatability propositions that dispute the validity of the propositions of the Realist School. The Functionalist separates power from welfare issues, and also exagerates on the potential of international organisations. That peace can be automatically achieved through economic and social internationalisation raises the question whether states can be made to join in functional sector before settling their outstanding political and security issues which divide them. According to a perceptive critic, the "insistence upon putting first things first by functionalist logic does not settle the matter of what things are first"[6].

Apart from the "priority fallacy" there is the proposition on ultimate transfer of loyalty and sovereignty from nation-states to international organisations. Since the Functionalist thinks of strengthening international agencies and increasing their tasks in an effort to demonstrate to the people and their leaders the effectiveness and efficiency of these agencies as being better equipped to handle matters of common interests, there is therefore a justification for the eventual shift of their loyalties from the state to international organisations! However, from a study of the universal and functionally specific international agencies in exisitence such as UNESCO and WHO, in very few, if any, of these agencies are people willing and capable of pressing their governments to transfer power to international bodies[7].

As expected the theory of Functionalism provoked reactions from writers in the Realist tradition who "merely assert the primary of the political and take for granted the presumed hard outer shell of the sovereign nation-stats."[8] Ernst Haas has summarised their indictment in the following:

> Power and welfare are far from separable. Indeed, commitment to welfare activities arises only within the confines of purely political decisions, which are made largely on the basis of power considerations. Specific functional context cannot be separated from general concerns. Overall economic decisions must be made before any one functional sector can be expected to show the kind of integrative evolution that the Functionalist decsribes. Lessons learned in one functional context cannot be expected to be readily transferred to new contexts; success in one functional sphere does not set up a corresponding motion in other spheres: on the contrary it may fail to develop and be forgotten.[9]

As for Inis Claude, it is inconceivable "that functionalists have found the key which infallibly opens the doors that keep human loyalities piled up in sovereign warehouses, thereby permitting those loyalities to spill out into the receptacles of internationalism."[10] While Hans J. Morgenthau agreed that international functional agencis can contribute toward the well-being of people, he maintains that: "It is rather the recognition of the undeniable fact that, from a functional point of view, what the national government does or does not do is much more important for the satisfaction of individual wants than what an international functional agency does or does not do."[11]

Furthermore, The Functionalists had thought of a strategy that could be implemented on a worldwide basis without regard for the different nature and degree of interdependence in the various regions of the world. Some Neo-functionalists have criticised this universalist aspirations of the classical functionalists. However, opinions are divided among Neo-functionalist theorists on the question of national sovereignty and the fear of loosing it. The process of European integration which is the 'living laboratory' of the Neo-functionalists has at different times demostrated the limitations of the functionalist constructions of David Mitrany especially on the shift of loyalty towards an international body.[12]

Notably, the progress in the European integration process is a plus for the functionalists. Nonetheless, while it is not out of the way totally to hope that the nation-state would die and wither, the questions is when!

Whereas Ernst Haas agrees that the separability propositions of the Functionalist School cannot be accpeted in full, it is his position that "there remains considerable hope that they (propositions) may be revised and refined so as to get us beyond the blind alley of realist analysis."[13] Haas therefore set about the task of modifying the seperability proposition of the functionalist school which he justified in these words:

> It is precisely the merit of functionalism that it broke away from the cliches of Realist political theory. Its fault lies in not having broken radically enough. The separability prospositions points the way toward a rapproachment between international relations theory and the rest of the social sciences, specifically political sociology and the empirical study of politics-though they do not point clearly enough in their present form. Our first task, then, must be a refinement of these propositions in the light of social science theory and contemporary empirical studies.[14]

The above viewpoint to a larger extent explains the evolution of the Neo-functionalist theory which is simply a reformulation of the functionalist thesis, based on the experience of the European Economic Community and analysed within the framework developed from the so-called behavioural revolution of the 1950s. The Functionalist School had given a starting point for a new theory of international order. However, for this theory to be relevant to international integration it requires some modifications.

2.2.2 The Neo-functionalist Approach

In the 1950s Ernst Haas developed a modified version of Mitrany's functionalist thesis after a study of the operation of the European Coal and Steel Corporation. The modification by Haas has been called `Neo-functionalism' and it has been widely adopted to explain integration process. The Neo-functionalists analysed the process of European integration by comparing the behaviour of an actor in a regional setting to that of a modern pluralist nation-state motivated by self-interest, and argued that there is a continuum between economic and political union; that the two are linked by an automatic politicisation (spillover) wherein actors are involved in an incremental process of decision-making, beginning with economic and social matters (welfare maximisation), and gradually moving to the political sphere[15].

Scholars like Haas, Deutsch, Nye and Schmitter have identified several necessary conditions for intergrative ventures. Deutsch grouped these conditions into three: i) those necessary for 'amalgamated' and 'pluralistic' security-communities ii) those that are essential for 'amalgamated' but helpful for a 'pluralistic' community and iii) those considered to be helpful for security-communities.[16] Nye also classified these conditions under 'structural conditions' and 'perceptual conditions'.[17] Haas and Schmitter identified four 'background conditions which include: size of units; rate of transactions among units; extent of pluralism; degree complementarity of elite values. Barrera and Haas later added a fifth condition, perception of external dependence.[18] While these categorisations may be useful as general indicators of trends in the Western European setting, they may not be quite useful for analysing African situation.[19]

The Neo-functionalist School takes the existence of a supranational institution as a condition for effective problem-solving; the establishment of a supranational authority that undermines the independence of the nation-states is likely to result in political actors shifting "their loyalties, expectations and political activities toward a new centre, whose institutions possess on demand jurisdiction over pre-existing national states"[20].

The Neo-functionalist theory as convincing as it seemed, especially, in the 1950s and 1960s later suffered criticisms, starting with de Gaulle who destroyed the illusions about automatic spillover. Also, the writings of prominent neo-functionalists such as Haas, Schimitter, Barnena, Lindberg, Scheingol and Scheinman had been criticised by John Pinder who rejected the dominance of the contemporary behaviouralist views of industrial society and welfarism in the Neo-functionalist model[21]. Also, the assumption that an unelected body such as the European Commission will readily overcome opposition to integration process from member units, and also the underestimation of states's ability "to stop or to slow down the building of a central political system" and the national civil servant "to resist the transfer of power to the new central one" have been criticised by Stanley Hoffman.[22]

The assumption of the Neo-functionalists of a continuum between the economic and political sectors of states - allowing functional integration to spill-over from welfare areas into the domain of `Gross politic' in an automatic fashion, and eventually bring forth a new regional unit - raises a lot of question on the possibility of political integration made possible by the indirect generation of the political by way of the economic. Initially Haas did not consider the evolutionary forces operating in each society. However he later modified his paradigm to allow for the idiosyncratic variable.[23] It was then that Haas for instance, agreed that the emergence of a new style of leadership at the national level, such as the coming into power of a single charismatic figure can block the integrative process.

Also, the Neo-functionalists initially neglected to treat the world setting in which integration take place. We consider this a neglection of exogenous factors as contributing variables to regional integration. Again, Haas later corrected this deficiency in one of his writings:

> I have no regrets in having overemphasized a point that had previously been shrugged off with assertions that regional unions result from the balance of power and other mythical animals. But in stressing the purely internal determinants of integrative behaviour, I created the impression that external stimuli do not exist. The impact of the East-West detente on the speed and focus of European integration has taught us otherwise, as has the direction of Guallist foreign policy ...[24].

Because of its European setting the neo-functionalist propositions are considered in some quarters as being Europe-centred and almost irrelevant to integration processes in less developed regions. According to Andrew Axline, the politics of integration can be better understood within the framework of a theory designed to fit conditions in those regions[25]. The questions arising from the suitability of Neo-functionalist approach to the African situation are quite numerous. In Africa regional integration is largely symbolic since there is relative absence of favourable "background conditions". Haas himself lamented on how in Africa actor expectation are "prematurely politicized," the absence of pluralistic socio political structure, the struggles over the gains of integration due to limited resources and uneven development, and the lack of internal integration among members of integrative schemes.[26] Also, Julius Emeka Okolo in addition to the above reflected on the problems arising from Third World dependency relationship with the industrialised countries.[27] This "asymetrical interdependence...renders Third World countries particularly vulnerable to external economic influences that may impede regional cooperation".[28]

Overall therefore, it seems that what is true about integration on the basis of the European experience cannot be generalised to other parts of the world, especially to those whose historical experiences differ from European's. By the 1970s, Ernst Haas had himself agreed to the limitations of the neo-funtionalist propositions on regional integration in the contemporary international system. Considering the behaviour patterns actually displayed by governments active in regional integration, Haas later came to realised that:

> The phenomenon of states seeking to intensify efforts at peaceful joint management of national concerns is certainly alive; if not always well ... The theories we have developed for explaining and predicting this phenomenon, however, have a tendency either not to predict events very accurately or not explain very convincingly why events which were predicted did not in fact come about. We can probably devise better theories which might over come these weaknesses[29].

And it was in the light of this new awareness that Haas argued that, events had since confirmed the crisis of classical integration theories, which are now "obsolete in Western Europe, obsolescent elsewhere, and ripe for reconceptualization on the global scale"[30].

The process of European integration which served as the laboratory for the neo-functionalists had also been studied and explained within the framework of the Marxian perspective by Peter Cocks. The argument is that, the root of modern European integration has always been the inherently expansionist character of capitalism. Cocks argues that historically, efforts of European integration have always been conditioned by different phases in the development and growth of Western capitalism, marked by the concentration and centralisation of capital on a global scale[31]. Conceived in this way it becomes easy to address the basic question of whether integration is qualitatively different in different socio-economic formations, why it emerges at some historical period and not others, and what the connection is between different levels of integration in distinct social systems. In constrast, the neo-functionalist approach gives no attention to the dynamics that connect or disconnect past and present cases of unification[32].

Whereas the process of European integration has been receiving considerable attention in Marxian literature,[33] there has not been much focus on the process of integration in the Third World to justify in the strict sense a systematic attempt at theory building. While a framework that is rooted in Marxian orientations is desirable for analysing the process of regional integration in the Third World, it is our view that such a framework must seriously consider the uniqueness of the Third World setting in order to avoid the deficiences inherent in the normative judgements that flows from Western based models. Agreed, the marxist analysis of the process of European integration may not be wholly applicable to the Third World. All the same, some of the central arguments are still relevant for analysing the problems of regional integration in a Third World setting.

2.2.3 Customs Union Theory

Although the neo-funcionalist approach predominantly influences integration initiatives of the less developed societies, the approach itself derives its strength from the traditional customs union theory[34]. It is the truth that most attempts at economic integration in Africa, assume the efficacy of the customs union theory.

The customs union theory dominates the literature on the theory of economic integration. Jacob Viner's pioneering work is noted in this regard[35]. This has since been complimented by other studies on customs union[36]. The customs union approach focuses on production effects as well as the realisation of more efficient utilisation of productive resources. According to Viner, the primary purpose of a customs union is that of shifting sources of supply. This shift may either be to lower cost sources, or to higher cost sources. The basic theoretical concepts in Viner's analysis are those of `trade creation' and `trade diversion'. According to him, economic integration is favourable and beneficial only if on balance the trade creation effects outweigh the trade-diversion effects.[37] Trade creation occurs when members of an economic union turn to low cost producers in other countries to buy the goods they themselves previously produced at high cost. Trade diversion takes place when members of economic union reduce their imports from low-cost suppliers outside the union in order to purchase the same products, at a higher cost which is concealed by the common external tariff, from within the union.[38]

The Vinerian approach argues that trade creation can be achieved if: (i) member countries are initially competitive but potentially complimentary in trade; (ii) intra-regional trade, in proportion to total trade is relatively high; and (iii) the ratio of foreign to domestic commerce is low. It follows thus, that, where a customs union consist of countries with widely differing comparative advantages, an economic union will assist to rationalise their production pattern with prospect for trade creation. So also, where countries have similar comparative advantages, and they consequently have to trade merely among themselves rather than with one another, economic union will lead to trade diversion. Scarcely do the less developed countries meet these conditions for trade creation, particularly where their economies are competitive rather than complementary. In this regard classical customs union theory could not accommodate the desire by the less developed countries for economic integration, rather the theory foresees the possibility of disruption in the world economic equilibrium if underdeveloped countries that do not meet the conditions for trade creations embark on the formation of economic blocs.

The situation in Africa where the economies are mostly competitive rather than complimentary, is therefore, not supportive of customs union arrangement! Arthur Hazlewood's early observation is that the removal of barriers between

African countries "would not have any redistributive effects on the pattern of production within the union, replacing high cost of domestic production by lower-cost supplies from members of the union"[39]. On this issue, Adebayo Adedeji, based on his study of West African economy, agrees with Hazlewood that, "the formation of a custom union or economic community in the region would appear irrelevant if not positively harmful"[40].

It is against this background that, some scholars have rejected the thesis by the classical customs union theorists as being largely irrelevant to the less developed regions. However, some have attempted to reformulate the thesis[41]. The United Nations Economic Commission for Latin America (ECLA) and also the ECA had challenged the stands of classical customs union theories which were found to be quite static and too `economistic'. Also, some critics had contended that "by its concentration upon the reallocation of existing resources, and on shifts in existing trade patterns, and by its purely static interpretation of comparative advantage", classical customs union theory is of little use in evaluating the desirability and consequences of integration in less developed regions[42].

Nevertheless, the views presented above do not suggest that regional integration among less developed countries is not justifiable. It is just that the justification for integration among these countries should rest on "its contribution to economic growth and to the structural transformation of less developed countries, as argued by Peter Robson[43]. Thus economic integration is seen in this context as an approach to economic development rather than as a simple case of successive tariff reduction[44]. Cooper and Massel strongly suggest that economic integration among less developed countries should accept industrialisation as a legitimate policy goal – an end that justifies protectionism[45]. Thus, within this framework the concern for economic integration among less developed countries is evidently the need to develop industrial exports and import-substituting industries within regional groupings. One recalls here ECLA's recommendation that customs union should serve as means of collective import substitution in less developed areas[46]. The idea is that the `trade gap' between the underdeveloped countries and the industrialised ones can be remedied through a programme of industrialisation and import substitution; the replacement of extra-regional manufactures by local ones.

Not even the "wedding of orthodox development economics and traditional integration theory", as in the above, is able to provide an automatic case for economic integration among all categories of less developed countries. According to Robson;

> A case needs to be evaluated on its merits for any proposed group. Its strength will depend partly, though not exclusively on the empirical significance of the following factors: the weight attached to industrialisation in their development policy; the possibilities, if any, of exporting manufactures to world markets rather than to protected regional markets; the magnitude of scale economies, in particular in prospectives regional industries; the differences in the cost of producing industrial products in the different member countries; the geographical location of markets in member countries; the costs of transporting raw materials and finished products within the region[47].

And even beyond the above, growing awareness about the important distinction between growth and development, the role of inter-national and transnational relations, as well as other non-economic considerations provided impetus for formulations on regional integration among less developed and underdeveloped countries, based essentially on the dependency model.

2.2.4 Dependency Theory and Economic Integration

The Dependeny School has argued for a reconceptualisation of the purpose of integration schemes in the Third World. To this school, economic integration should aim at creating economic stimulus among member states - an alternative development strategy that will enhance rapid economic development and eliminate underdevelopment. Some members of this school have advocated for a re-examination of such issues that border on the politics of regional integration for instance. This path has been illuminated by works of Andrew Axline, Lynn Mytelka, Timothy Shaw, S.K.B. Asante, and also of Ralph Onwuka, Steven Wright and Amadu Sesay.[48] These scholars, writing about regional integration, now consider serious the conditioning impact of exogenous factors on the process of integration among Third World formations. Their theses with regard to integrative efforts of African countries centre on "the hegemonic input and dominant influence of the North" which "have conditioned and determined the outcome of integration arrangement"[49] The failure of integration schemes in Africa is thus evident from the fact that, "all African countries, individually and collectively remain integrated with the international market than they are among themselves"[50].

The traditional validity of the dependency school's criticism of the role of the industrial bourgeosis in African integration processes is noted. This has emphasized the dangers in over-capitalisation of integration schemes and the result of the imposition of transplanted market conditions into the African continent to serve foreign interests. Charactericistically, such force as the IMF and factors like the debt crisis and the activities of the TNCs have been identified by dependency theorists as imperialist agents for the reproduction of conditions of dependence in Africa.[51] In a recent study Ralph Onwuka notes with emphasis the external orientation of the existing regional schemes in Africa which he identifies as a major limitation.[52]

Lynn Mytelka's framework for analysing integration processes in the Third World, reviews the relationship of the social forces within integration schemes.[53] Mytelka's thesis questions the logic of `laissez- faire' (Type 1) which informs a number of integrative efforts in the Third World, especially the bias towards trade expansion. By neglecting the peculiar problems of the less developed countries, through unreserved support for free trade without regard for the ability or inability to take advantage of available opportunities (if any), the application of the `lasisez-faire' model could only promote competition and conflict from the promulgation of protectionist policies by participating countries.

The framework developed by Mytelka further identifies another variant of scheme (Type II) which transcends the limitations of the `laissez -faire' type in some respects. Almost all the integration schemes in the Third World (including ECOWAS) fall within this category. It includes mechanisms for the distribution of losses and gains of integration as it is in the case of ECOWAS. While it is common for such schemes to feature policies and programmes of compensation and correction- the establishment of special funds and policies on allocation of industries within the region etc, none of these measures is able to avert crisis in the distribution of obligations and benefits.[54] The fact is that, given the inherent structural contraditions of Third World countries regional schemes, conflict over the distribution of obligations and gains is endemic. Mytelka accordingly notes this of "these hybrid integrative systems" that;

> ... the principal contradiction is generated by the interplay of a nationalist orientation towards inter-regional bargaining processes and the distortions resulting from dependence. This dynamic interaction of nationalism and dependence explain the failure of corrective mechanisms in Type II integrative system.[55]

Also, mere reforms such as the provision of built-in compensatory and corrective system are hardly capable of resolving the structural contradications in the Third World social formations. In effect these are measures that do not generate political will or economic capacity to restructure the internal economies, reduce the power of foreign capital, and establish a strong foundation for self-reliance.[56] As argued by Constatine Vaitos, any analysis of integration in the less developed region should go beyond mere emphasis on the form of network of exchanges and interactions. There is need to appreciate "the conditions imposed by economic and political environment within which they (regional schemes) are supposed to operate"[57] In this regard, the network of exchanges are to be considered along with interactions based on the networks of power, knowledge, and information which are not equally distributed for all integrating countries, or even tending towards equilibrating conditions[58].

Thus, instruments and policies for integration should address questions which include: who integrates and for whose benefits? The essence of Vaitos' analysis is its advocacy for such an arrangement whereby integration is built around four key issue areas: (i) the local socio-economic and political interests served by integration; (ii) the influence of foreign governments and private interests; (iii) the relationship between structural characteristics and choice of integration schemes; (iv) and key issues relating to process and duration of integration stages, the peculiar nature of trade and the requirements of inter-country distributional considerations[59].

In Mytelka's Type III model attempt is made to present scenerio where there are conscious efforts to resolve the contradictions of regional dependence through the introduction of some measures. For instance here integrative effort seeks solutions to the problem of unequal distribution of gains and polarisation. Measures may also include arrangements to attack the conditions of dependence through some complex institutional frameworks[60]. In some cases this model may involve the establishment of a `regime' for direct investment and foreign capital which can regulate external linkages. No doubt that Type III is a remarkable advancement compared to the previous two in Mytelka's postulations. However, there are limitations arising from the apolitical nature of the policies and instruments for attacking the conditions of dependence.

Thus, for instance, while progressive localisation of industry may be a major concern in Type III integration scheme, it is not necessarily a programme for nationalisation of industry or socialisation of production process and exchange. Programmes are just introduced without provision for adequate political weapon for ensuring autocentric regionalism. In most cases the result has been mere initiation of regional strategies for development which hardly go beyond the inauguration of over-ambitious programmes that are not properly conceived and therefore suffer premature death. For example in ECOWAS, the West African Clearing House is as good as non-existing. Also, within the Type

III framework, `attack' on the conditions of dependence does not necessarily include `change' in the relations of production and accumulation, the nature and use of state power and the pattern and structure of class domination.[61] Adequate considerations is not given to these factors before apolitical conclusions are made on the course of regional integration process.

Although there is still no unified theory of dependency which commands universal acceptability, however Ralph Onwuka's thesis of "autocentric regionalism" finds easy accommodation in the postulations by Mytelka. According to Onwuka, "Africa's potentials for regional self-reliance are limited more by externally infused and maintained dependency profiles than by wrong internal habits and strategy". The way out, in Onwuka's prescription, is therefore an autocentric regionalism through "gradual disengagement (after periodic review) from Western system and emphasis on Pan-African resources and capabilities"[62].

The conclusion by Onwuka again demonstrates the characteristic lack of theoretical consistency in most dependency formulations. If effort is made to locate the crisis of African regionalism within the context of the general crisis of African underdevelopment, analysis of African regional dependence in this way will require detailed study and articulation of the various modes of production existing in contemporary African societies. The complex and challenging issues involved in regional integration and in African development process in general cannot be sufficiently grasped in terms of the dynamics and differential spread of the capitalist mode of production[63]. For instance, the crucial role of the state in realising the goals of integration, especially with regard to initiating policies and implementing them effectively and efficiently must be understood. By merely reducing the crisis of African regionalism to simply the effects of Europe predatory needs is no more than seeking reforms rather than a restructuring of the international economic system.

Therefore, the crisis of regional integration in Africa can only be discussed in historical context. Historical in the sense that, such context must reveal the nature and contact between Africa and imperialism, the consequences of this contact, neo-colonial alignment and re-alignment of social forces, the state, and the structural integration of the continent into a metropolitan dominated world capitalist system. It is in this regard that, solutions to crisis of African integration process can provide for effective political weapon. Also, within this context the unity of the processes of economic, political and social integrations is acknowledged and appreciated. Regional integration becomes a dialectical unity of economic, political and social integrations and each and every form can only derive its character from this dialectical unity[64]. In Table 2.1 we present graphically in three categories alternative modes of African integrative efforts.

2.3 Perspectives on Economic Integration in West Africa

There is a paucity of literature on regional integration in West Africa compared to works available on other regions of the world. Although a number of studies have appeared recently on regional integration in West Africa, but the number is quite marginal compared to that available for Western Europe, Latin America, East Africa and even Southern Africa.

TABLE 2.1
Alternative Modes of African Regionalism.

Modes of Analysis	Market Integration	Autarkic Integration	Autonomous Integration
Promoters/Advocates	OECD countries, Bretton Wood institutions, donor agencies and TNCs	African elites and political class	African masses through the participation of social groups/civil society.
Structures	Capitalist mode of production/neocolonial links with African State	Neocolonial state-centric structures.	Socialist structures.
Deliberate Linkage	Global	Continental	South-South
Integration Resources: Trade	Global free trade based on 'laisezz faire'.	Intra-African trade.	A restructured global economic system; an equitable exchange and power relation between Africa and the metropolitan economies.
Technology Capital	Technology transfer. Capitalist accumulation	Internal Generation. Internal Accumulation.	Increased intra-African trade and promotion of industrialisation to check Africa's vulnerability.
Strategic Issues	Maximum incorporation for Africa economies.	Pan-African resources and capabilities.	Self-reliance at national, regional and global levels.
Policy Prescription	The dominance of the market forces; the doctrine of export-led growth; and World Bank-supported Structural Adjustment programmes.	Unbridled economic nationalism. Periodic review from Western system. Self-reliance is to be pursued through policies of import substitution, export promotion, favourable balance of payment.	Reversing African underdevelopment through `national' development programmes, regional strategies and global restructuring. The strategy of `delinking' however must emphasise the subordination of external relations to the logic of internal development.

In a recent publication – **Political and Comparative Dimensions of Regional Integration – The Case of ECOWAS** – Ibrahim Gambari identifies three major limitations of the existing literature on regional integration in West Africa. In the first place most ofthe works rely on classical and neoclassical models of regional economic integration which are generally in-applicable to the situation of less developed regions. Secondly, the relegation of diplomatic and political factors in the operation of regional schemes. And lastly, the absence of comparative dimension in the analysis of integrative activities[65]. Gambari, in an attempt to fill the gaps, adopts, in his book, a comparative perspective which considers the experiences of sister integration arrangements (EAC, SADCC, CARICOM, LAFTA,ASEAN) as quite relevant to ECOWAS' strategy for development. Between ECOWAS and EAC there are common grounds arising from the emphasis on 'free trade' model. Nevertheless, ECOWAS differs from EAC in terms of its membership and potentials for economy of scale. Also, the SADCC model is adjudged better than ECOWAS.

While the study by Gambari is invaluable in some respects, the work is only able to pay little attention to structural problems of underdevelopment in the West African subregion. Gambari no doubt raises some questions on issues such as: the problems of distributing the costs and benefits of integration and how they are resolved; the role of a peace maker, a prime mover or a core state; and the problems over leadership roles by one or a few members in regional integration scheme. Further questions are also raised on the role of foreign capital and the TNCs in Third World regional schemes, but there is no serious attempt to answer these questions within the general structural problems of dependence and underdevelopment in West Africa. John Renniger's **Multinational Cooperation for Development in West Africa**[67] is in the main concerned with many bilateral and other forms of association between West African countries. However, Renniger's article published not too long ago - "The Future of Economic Cooperation Schemes in Africa, with special reference to ECOWAS"[68] - is far more elaborate. Here Renniger presents industrialisation as the main rationale behind the quest for integration in West Africa as it is with other less developed regions. He argues that regional economic schemes can contribute to the process of industrialization in a number of ways. In the case of West Africa, the economic size of nearly all the countries inhibits industrialization through import substitution growth of domestic demand. He also pointed out that economics of scale are necessary but impossible to obtain when the market is too small[69].

Renniger therefore suggests that;

> The creation of larger economic unit through economic integration schemes can help alleviate the problems and facilitate, through backward and forward linkages, the process of industrialization. Economic integration can lead to arrangement under which industrial development is rationally planned and promoted on a regional basis. The scope of import substitution can be greatly enlarged since, with a larger market, many more products can be manufactured because of economies of scale[70].

The basis of Renniger's optimism is still the assumed efficacy of import-substitution type of industrialisation which in our view does not constitute a fundamental attack on the existing pattern of dependent industrialisation in West Africa. As for the quest for larger market, Uka Ezenwa has demonstrated in his study of West African economic integration process that a market's optimality is determined more by its population's income levels rather than by its sheer size.[71]

Renniger however, while assessing the future viability of ECOWAS warns against seeing economic integration as a panacea. This is to show that economic integration is no substitute for effective development programme by individual

ECOWAS countries. Although he suggests "a fairly high level of integration" which entails control of new technology importation and industrial development as well as abrogation of sovereignty, but his analysis and policy prescriptions fail to address the role of the various social forces that in the main determine the course and pattern of integration. Thus, the question of how to attain the goal of self-sustained, autonomous development is not addressed[72].

The collections in **Industrialisation in the Economic Community of West African States (ECOWAS)**[73] are mostly devoted to industrialisation in the West African subregion. While most of the contributions delve on major aspects of the objectives and purposes of ECOWAS, they fail to appreciate the intrinsic link between economics and politics in the operation of integration schemes, either in the general context or at sectoral levels. While the contributions in Edozien and Osagie's edited volume sets out to analyse aspects of ECOWAS, largely the focus of the book is not on ECOWAS per se, but some general aspects of West African integration.[74] Peter Robson's work - **Integration, Development and Equity: Economic Integration In West Africa**[75] - examines the evolution of four main integrative initiatives in West Africa. The analysis of issues and experiences of these four regional schemes allow for some generalisations on the operation of regional economic schemes in West Africa.

Ralph Onwuka's **Development and Integration in West African States (ECOWAS)**[76] concentrates solely on ECOWAS. The author's view is that, ECOWAS can be a vehicle for regional development, a regional channel for the implementation of development objectives. The book looks into almost all aspects of the community; trade liberalisation, movement of labour, industrial development, monetary and fiscal policies etc. The author adopts a "system approach" and then uses "a scaling method to determine the scope of economic responsibility of ECOWAS."[77] While the work is generally illuminating, it should be noted that the main limitation of the book is on the over-simplification of some rather complex problems, such as the parallel existence of CEAO and ECOWAS in West Africa, the ECOWAS industrial programmes, and the development of the ECOWAS Fund.[78] The evident manipulation of francophone regionalism in West Africa is a major theme in Daniel C. Bach's works[79]. Bach has consistently presented the manoevrings by France as a dominant factor in francophone regionalism, especially in the case of the CEAO which until recently had rivalled the ECOWAS. Bach's analyses however are considerably guilty of narrowness. The dynamics of Eurafrica which is the foundation of francophone regionalism is not analysed as dependency - creating in Bach's works. The significance of the integration of West African countries with the international economic system in dependency relationship cannot be over emphasised in any serious study of West-Africa.

A considerably large number of the works on ECOWAS focuses on the problem of "sharing the gains and burden of integration". Sam Nii Dodoo's "Sharing the Gains from Economic Unions: A Game - theoretic Framework for ECOWAS - a preliminary Report"[80] delves on how to evolve an acceptable formula for sharing the gains of integration. In the works by Olatunde Ojo on Nigeria's commitment to ECOWAS [81], the cost-benefit perspective is evidently dominant. Nigeria's role is justified on the weight of geopolitical considerations over economic benefits. Yakubu Gowon's study equally treats this theme, although from a highly personalised perspective[82]. The emphasis on the `cost and benefit' of regional integration constrains analysis from appreciating integration as a dynamic process as analysis that is based on `cost-benefit', is often confined to some static criteria within which benefits and cost are distributed among members. An example of such is the contribution by Theodore Kofi Markham[83]. This author's analysis expects that the existence of a larger market would lead to trade expansion especially with the operation of a trade liberalisation regime which would favour the lowest cost producers. The logic is that gain from regional integration must derive from reallocation of resources. However, the expectation of a boom in trade does not consider the primary character of the exports of most member states of ECOWAS. Besides, and as already argued by Musa Abutudu, the assumption of a uniformity of interests and values among integrating economies by `cost-benefit' apologists is a farce. According to Abutudu, it is "difficult to see how a member state will count as gain from integration, a competition induced atrophy of the national base"[84].

On the whole, three dominant intellectual schools are discernible in the literature on ECOWAS. The Liberal/neo-Classical school is `status quo' oriented in its analysis of integration problems and prospects. Its policy prescriptions and recommendations are mostly derived from `laissez-faire' doctrine, trade liberalism, free enterprise system, free operation of market forces, continued North-South link etc. The Brettonwood institutions, (the World Bank, IMF and GATT) have constantly supported the development of these ideas. Within this framework the structural context of underdevelopment within which ECOWAS exists as an integrative process is taken as given, and it receives no serious attention in the analysis as the focus is on the benefits of integration. Such scholars include Nicholas Plessz, Vremndia Diejomaoh, Milton Iyoha, Akinola Owosekun and Omotunde Johnson.[85]

The works by African Marxist scholars constitute another category of ECOWAS studies where analysis derive essentially from the Marxian concepts and the materialist interpretation of historical developments. This category of scholars are class conscious, with focus on the productive forces, and the resultant relations of production at any material and historical period. Also, in the works by this group the emphasis usually is on the primacy of material conditions, particularly economic factors and the class struggle between the proletariat and the bourgeosis. Essentially, such studies take due cognisance of the structural framework within which the integration process unfolds and equally reject `apolitical' policy prescriptions for transcending regional dependence and underdevelopment. Another unique feature of this category of studies on ECOWAS is the predominance of multidisciplinary perspective as regional integration and cooperation is too vast for any single discipline or area of specialisation. Writers in this category include Aaron Gana, M. Nduba Echezona, Tukumbi Lummuba-Kasongo and Julius Ihonvbere.[86]

The third category of literature consists of works which are largely influenced by dependencist scholarship. In these, West African underdevelopment is presented as the result of the afflictions of colonialism or of the incorporation of West Africa within the system of capitalist imperialism. In these works the problems of regional integration are essentially the role of TNCs and other extra-regional interests. For instance S.K.B. Asante's analysis is characteristically strong on the point that the entire world is a constituency characterised by asymmetric relationship between the North and South. Asante his works are largely optimistic of ECOWAS.[87] Also, notably among analysis in this category, is the idea that regional integration initiative such as ECOWAS constitutes an expression of the call for a new international economic order.And ECOWAS is assumed to constitute a vehicle for promoting collective self-reliance and autonomous development.

Agreed that the perspective of this category of scholars acknowledge the effects of the structural link of West Africa to international economy, but its main limitation is in the fact that, it ignores the role of the various social forces in subregion such as the West African bourgeois that have ruled in their various countries since political independence over three decades ago. Esko Toyo's view is generally acceptable to us on this matter His view is that;

> ... it is Africans that have ruled the countries of West Africa and helped to sustain this incorporation. A scholarship that conveniently turns its eyes from the responsibility of African bourgersie and petty bourgersie leaders over the last twenty five years has become evasive and ceased to be honest.[88]

Thus, the point being made is that, there is increasing need to go beyond the efforts of certain kind of dependencist scholarship. And that is what we have argued here: that, analysis of African regionalism should transcend mere focusing on relations between systems or nations without indept appreciation of the role of the internal processes.

2.4 Notes and References

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CHAPTER THREE

BACKGROUND TO INDUSTRIALISATION IN WEST AFRICA

3.1 Introduction:

What is being undertaken in this chapter is essentially a brief overview of the political economy of the ECOWAS subregion. The main proposition here shares Claude Ake's viewpoint that, it is the political economy that sets the limit for overall development in a society[1].

There is no agreement yet on the geographical definition of West Africa[2]. Concerned parties, however, have defined West Africa to the convenience of their methods of interpretation and even political bias. Here in the study the geographical area, which is conceived as West Africa coincides with the sixteen countries which make up the Economic Community of West African States (ECOWAS). While it is not intended to downplay the geographical dimension of the phenomenon we have studied, it is of course possible to present the ECOWAS sub-region as sufficiently representative of a wider West Africa which dismal problems are the same.

The geographical area that houses the sixteen ECOWAS countries lies within longitude 20° West and 15° East, and latitudes 17° North and 10° South of the Equator (between the Sahara Desert and the Gulf of Guinea). This area is bounded in the north by Rio de Oro, Algeria, Libya, and the Chad Republic; on the west by the Atlantic Ocean; on the south by the Gulf of Guinea; and on the east by the Gabon Republic, Congo (Brazzaville) and the Central African Republic. The greatest length (east to west) in the West African sub-region, from Cape Verde to the latitude of Mount Cameroon is 2,800 km.

The West African sub-region consists of a number of Plateaux standing at different levels. There is the Futa Jallon Plateau from which rise the Niger, the Senegal and the Gambia Rivers. The Jos Plateau is the source of the Yobe River which flows into Lake Chad. The Adamawa Plateau from which rises River Benue has its highest point as Mount Cameroon. With the exception of the Gambia, most of West Africa's rivers are not navigable for ocean-going vessels[3].

The wet and dry seasons are the two main seasons in West Africa. Rainfall is the chief physical determinant of the vegetation. Variation in the length and period of the two seasons from one location to another depends on the amount of rainfall[4].

Mineral resources in the West Africa sub-region include gold, diamond, tin, bauxite, iron-ores, chromite, asbestors, limestone, marble, Petroleum, bitumen, salt, andalusite. kyanite, barite, columbite, lignite, chineclay, lead, zinc, wolfram, tantalite, monazite, pyrochlone, thorite, zircon, fergusonite, silver, felspal, xenotine, talc, beryl, and ilmentine.

TABLE 3.1

Population Distribution in West Africa

Countries	Area in sq. Kilometres	Population (1993 Estimates)	Main Ethnic Groups
Benin	112,619	5.075,000	Fon, Adja, Bariba and Yoruba
Burkina Faso	274,200	9,788,000	Mossi and Bobo.
Cape Verde	4,032	395,000	Crioulo and Lebou
Cote D'Ivoire	332,643	13,397,000	Aguis-Ashanti, Mandingo, Senoufo.
Gambia	11,295	932,000	Mandingo, Fula, Wolof, Jola and Serahuli.
Ghana	283,537	16,446,000	Akan (including Fanti), Ewe, and Moshi-Dagombia.
Guinea	245,856	6,306,000	Foulah (or Peul), Maluke (or Mandingo) and Soussou.
Guinea Bissau	36,125	1,028,000	Balante, Fulani, Mandyako, Malinke, and Pepel
Liberia	111,366	2,845,000	Kru, Mandingo, and Gola.
Mali	1,240,101	10,137,000	Bambara, Malinke, Sarakolle, Fulani, Songhai, Tuareg, and Moor
Mauritania	1,030,700	2,206,000	Arab, Berber, Toucouleur, Sarakole, Fulani, and Wolof.
Niger	1,267,000	8,529,000	Hausa, Djerma-Songhai, Fulani, Tuareg, and Toubous
Nigeria	913,073	119,328,000	Hausa, Fulani, Ibo, Yoruba, Edo, Efik, Ijaw, Nupe, Tiv, Kanuri and Ibibio
Senegal	196,720	7,948,000	Wolof, Fulani, Toncouleur, Diola, Mandingo.
Sierra Leone	72,233	4,494,000	Temme and Mende
Togo	56,780	3,835,000	Ewes, Mina and Cabrai

Source: Compiled from Oyẹ A. Chukwurah, "ECOWAS Obstacles to Labour Migration and Residence in A. B. Akinyemi et al (eds.) Readings and Documentation on ECOWAS Lagos; NIIA/Macmillan, 1983) pp. 485-487 and African Development Report, 1994, p.a-3.

The population of the ECOWAS sub-region is estimated to be 218,017,017 people[5]. The present pattern of population distribution and composition in West Africa is an evidence of some pre-colonial population movements across ethnic boundaries (See Table 3.1). With colonialism came modern migrations which is the periodical migration of labour. While the modern migratory movements in West Africa can be said to have started since the pre-colonial period, the political and economic order that was introduced by the colonial authority as from the 19th century substantially changed the nature and pattern of population mobility in West Africa. During this period the colonialists needed soldiers for their armies and labour power for their plantations. Where recruitment were not possible where they were needed, labour was brought in from other countries, often by force and with the connivance and assistance of local chiefs[6]. Also, the colonial authorities in West Africa maintained policies that altered the balance between richer and poorer areas. While some areas became poles of attraction for migrations, others became major source of out-migration.

In colonial West Africa, within each territory, there were areas of early development of the cash economy. In these areas labour was usually in short supply. Consequently these areas depended on other areas of labour supply. The latter were areas quite remote from towns, mines or areas of cash crop agriculture. In the French West Africa, the interior Savannah areas such as Upper Volta, were areas from which many workers came to the coastal towns and farms of Senegal and Ivory coast. Similarly, Northern Nigeria exported labour to Western Nigeria and the present day Ghana.

The economic order that was introduced by these colonial authorities led to the development of new administrative and economic centres in the coastal areas (Accra, Lagos, Kano, Ibadan, Abidjan, Lome, Bathurst, Dakar, Cotonou). Colonisation favoured the urban areas with the development of infrastructure as part of the economic and industrial programmes to sustain export-based colonial economy in West Africa. This precipitated the influx of migrants who came in search of `European jobs' in the railway and port constructions as well as in the gold mines[7]. Thus, unequal distribution of economic and industrial programmes by colonial authorities led to the displacement of thousands of people in West Africa.

Aside from the above, there were also migrations between the colonial blocs facilitated also by agreements between colonial authorities to promote interterritorial movements, in an attempt to balance supply of and demand for labour. Such was the International Agreement between Nigeria (under the British administration and authorities of former Equatorial Africa for the supply of Nigerian labour to Gabon. The climax of these migrations were in the 1940s and 1950s when such movements included many workers from West Africa to the Gold Coast and from Eastern Africa to the Gold Coast and from Eastern Nigeria to the Spanish Island colony of Fernando Po. In the early colonial period when the largest migration in West Africa was recorded, some of these migrations had been in protest[8]. Politically discontented West African people had taken to emigration as a protest against conscription, forced labour, taxation and requisition[9]. During the colonial era the principal migration streams were the movements of Upper Volta nationals to Ghana and Ivory Coast, Togo nationals to Ghana, and Mali nationals to Senegal and Ivory Coast[10].

The flows of labour migrations have been much reduced in recent years, but the spatial pattern of migrations which originated during the colonial period has continued with its attendant problems. Notably, the displacement of labour continued to be determined by the over-all development strategy adopted in various countries of destination and emigration. Ghana in 1957 inherited the export-based economy, which was introduced by the colonial authority, with a relatively developed infrastructure. For as long as Ghana remained the world's leading producer of cocoa, the cocoa producing areas of Ashanti and Brong-Ahafo received migrant labour from Nigeria, Togo, Sierra Leone and Benin. Throughout the boom years of Ghana these countries were sources for cheap labour for Ghana's growing industrial, construction, and agricultural sectors. (See Table 3.2). Ghana received immigrant labour for the construction of the Akosombo Dam project from displaced labourers who settled in the Volta basin area to take advantage of employment opportunities offered by the alumina processing plants owned by Kaiser Engineering and the Ghanian Government.[11]

In the same way the mining deposits at Obuasi and Kanongo drew migrant labour population from Liberia, Nigeria and Mali. However, the flow of immigrants to Ghana became interrupted, during the 1960s due mainly to the economic crisis in Ghana, and which led to the introduction of some anti-migration measures. The plantations in Ivory Coast and Senegal experienced labour immigration from Mali, Burkina Faso, Niger and Guinea. Table 3.3 shows the trend in the case of Ivory coast.

TABLE 3.2

Immigrant Labour[a] in Ghana Using Birthplace and Region of Residence (in Thousands)

Nationality	1960	1970	1975[b]	1980[c]	Region/Residence[d]
Burkina Faso	6	13	9	7	Ashanti, Northern, Brong
Liberia	12	18	10	8	Accra-Tema, Eastern, Ashanti.
Nigeria	47	27	19	12	Accra, Ashanti, Western.
Ivory Coast	4	3	6	3	Volta, Western, Central Brong.
Mali	10	19	13	11	Upper, Northern, Accra-Tema.
Benin	17	24	15	9	Volta, Brong, Accra-Tema.
Togo	24	32	19	5	Volta, Brong, Accra-Tema.
Sierra leone	18	15	11	-	Accra, Western.
Niger	32	28	17	9	Ashanti, Brong, Western

Notes a. Does not include undocumented aliens
b. Figures based on 1975 intercensus estimates.
c. Based on population estimates
d. Regions with largest population of immigrant labour.

Source: Census of Ghana, 1960-75 cited in John A. Arthur, "International Labour Migration Patterns in West Africa", African Studies Review 34 (3) 1991. P. 72

TABLE 3.3

Net Foreign Migrant Labour Population in the Ivory Coast By Country of Birth (In Thousands)[a]

Nationality	1960	1975	1980	1985[b]
Ghana	17	41	52	49
Nigeria	11	19	13	9
Mali	20	25	34	41
Togo	19	27	29	27
Benin	16	13	9	12
Burkina Faso	8	14	23	38
Sierra Leone	6	7	10	16
Niger	11	15	27	32
Liberia	4	6	10	12
Guinea	10	13	17	14

Notes: a. Does not include the large number of unregistered aliens.
b. Figures based on projections.

Source: Census of Ivory Coast, 1970-85; Ministry of Labour, Foreign Workers Statistics, Abidjan, 1980-85 cited in John A. Arthur op cit, P. 73.

In the 1970s, Nigeria became a major destination of labour migrants especially from Ghana. This was at the beginning of the exploration of rich oil and natural gas resources in Nigeria. So many construction works were undertaken around this time, notably the Kanji Dam and the new capital city of Abuja, which stimulated the flow of migrant labour from other West African States. Table 3.4 shows the net foreign labour migration to Nigeria between 1970 and 1984. The economic crisis of the 1970s and 1980s promoted on a large scale clandestine, illegal or undocumented migration in West Africa. And state authorities also have since evolved a stricter response to the phenomenon of irregular migrants.

TABLE 3.4

Net Foreign Labour Migration to Nigeria, 1970-84

Nationality	1970	1975	1980	1984
Ghana	129,872	312,904	511,859	680,384
Mali	85,003	92,656	87,221	112,970
Gambia	30,600	38,979	49,680	52,134
Sierra Leone	28,000	29,112	38,190	43,458
Togo	19,021	26,989	25,908	29,003
Benin	9,981	15,767	27,103	29,979
Ivory Coast	3,879	5,721	8,931	10,432
Burkina Faso	45,890	52,732	65,579	72,328
Liberia	6,980	5,789	6,998	8,547
Senegal	2,542	3,381	3,920	5,468
Total	361,768	584,030	825389	1,044,703

Source: Census of Nigeria, 1970-84.
Federal Ministry of Labour, International Labour Statistics, Lagos, 1970-80, cited in John A. Arthur, op cit. P. 74.

Judging by the extent of natural and human resources in the ECOWAS subregion, it is easy to conclude that, West Africa is naturally well endowed and potentially very rich. It is however not sufficient to regard the natural environment as the decisive factor in the study of Africa's past. Thus, we share in this study the views of A.G. Hopkins that:

> The physical environment has not been an immutable determinant of man's activities either in West Africa or in other parts of the world. Natural resources and climate may help to identify the particular type of underdevelopment which exists in one region rather than another, but do not, by themselves, explain the phenomenon of underdevelopment itself. An enquiry into the causes of the poverty and wealth of nations should begin by rejecting the assumption that man and his environment can be treated as distinct entities having a fixed relationship, for man is an essential and dynamic element in geography no less than in history[12].

The interaction of natural and human resources in the pre-colonial period resulted in productive activities. Agriculture provided foodstuffs and surplus from agriculture was often used to finance other types of productive enterprises such as craft manufactures[13]. The pre-colonial mining and manufacturing, no doubt had implication for modern manufacturing in West Africa. According to Hopkins, "indigenous manufactures are worth considering in the context of current industrialisation policies". This was borne out of the fact that modern manufacturing in West Africa began with simple import-substituting activities that were closer to modified established crafts of the peoples of West Africa.[14] Exchange was widespread in pre-colonial West Africa, and its internal and external dimensions had implications for the large scale territorial organisation, and therefore with consequence for the process of state formation in pre-colonial West Africa.

3.2 Colonial Economy and Superstructure

The initial contact between Europe and the coast of West Africa was in the middle of the 15th century. The process of Western incursion and domination must be seen within the context of the political economy of capitalism which created, and still dominates and operates the modern world system[15]. That is, capitalist domination of Africa at every stage constitutes a response to capitalist transformation in the West[16]. As we have shown early in this chapter, the process of Western incursion into Africa "initiate the twin process of the development and underdevelopment in Africa and corresponding development of development in the West"[16]. In the particular case of 'Africa of the colonial trade economy', the trade economy that evolved promoted the growth of African States and merchants that functioned essentially as middlemen to the Europeans whose activities were restricted to the coast[17].

The period of colonisation between the beginning and mid-19th century witnessed the destruction of these states and merchants, and their eventual replacement with administrative and colonial traders: "The subsequent development of the trading economy during the colonial period was not to be a progression, but a step backward, and one for which Africa is still paying heavily".[19]

The origin of the present problems - agricultural stagnation, inefficient administration, balkanisation, the difficulty of any serious industrialisation etc.- is in this colonial period. Colonialisim `joined' African economies to the Western capitalist economics in what was essentially an organic relationship[20]. This process of integrating African economies into the world capitalist system was conducted essentially through the monetisation of African economies, the imperialism of colonial trade, and metropolitan instrument and infrastructure development[21].

By 1900 four European colonial powers - Britain, France, Germany and Portugal - had the colonies in West Africa. These colonies were adapted to the same economic role with the objective of serving development of the metropolis. Specifically, the colonies produced commodities and raw materials for cheap exports, and were also importing manufactured goods. Trade between the colony and the colonising powers was promoted within a framework that controlled development of the African economy in the interest of the metropole. Thus, as

Claude Ake puts it;

> The essence of the role of trade in the integration of African economies into the world capitalist system was that it promoted complementarity, or interdependence, albeit an `unequal interdendence' between the African economies and the metropolitan economics. Trade created interdependence through complementarity by encouraging specialisation in the primary production of raw materials needed by the metropole, while the metropole specialised in manufacture. This specialisation was not simply one of `commodities' produced; it was also reflected in the division of labour[22].

In this regard the cultivation of a number of cash crops was aggressively promoted. These include cocoa, banana, cotton, coffee, and rubber. Also, there was widespread mining operations to boost exports and increase the absorptive capacity for manufactured imports. Table 3.5 shows the rapid increase in the volume of foreign trade. The colonies were made to specialise in the production of a few export commodities, and the effect was that they had narrow base for foreign exchange earnings. This can only be explained within the context of the dynamics and transformation of western capitalism, the changing conditions of demand in the industrial metropoles. According to Ake,

> ... the colonialisation of Africa was done in the interest of capitalist accumulation and not in the interest of African development. In the main the colonisers tried to market what manufactured goods they could, they encouraged the development of export commodities when and where it was profitable to do so, and did not really bother themselves much with the question as to how their economic activities filled in with the overall development of the colony – at any rate this question was secondary[23].

Everywhere the targets of the colonialist were the same; although they developed different variants of the system of colonial exploitation, but the variation had no direct relationship with the nationality of the coloniser.

TABLE 3.5

Foreign Trade of British West Africa, 1850, 1900 and 1914

Country	1850		1900		1914	
	Import	Export	Import	Export	Import	Export
Gambia	86,036	142,366	277,659	281,976	688,007	926,127
Ghana	88,657	263,932	1,289,343	885,446	4,456,986	1,942,657
Nigeria	n.a	n.a	n.a	n.a	6,901,072	0,610,046
Sierra Leone	97,890	115,139	558,217	362,471	1,405,049	1,250,478

Source: C.W. Newbury, British Policy Towards West Africa: Selected Documents, 1875-1914, with Statistical Appendices, 1800-1914 (Oxford University Press, 1971) Appendix Table V.

While "a few differences are attributable to the nationality of the masters", the targets were the same; either through the French direct rule or the British indirect rule the objective was "to attain capital at the centre"[24]. In this regard the claim that the federal structure developed by the French promoted `better' regionalism among the francophones than the anglophones that were administered as separated entities holds no ground because colonial superstructure was largely a product of the underlying objectives of colonialism. Neither the British `functional' system or the French federal structure was able to provide the basis for autonomous development in the post-colonial period.

3.3 Performance of West African Post-Colonial Economy: An Overview

West African post-colonial economy is essentially a neo-colonial economy. The political independence of West African States has not led to the expected revolutionary changes in the structures of their economies. Despite the increased autonomy of decision-making that independence permitted, the structures and institutions inherited from colonialism made fundamental changes in the pattern and character of capital accumulation very difficult. In post-colonial West Africa, the emphasis continued to be on production for export, and industrialisation delayed since it was largely incompatible with `outward-directed' growth, that is, growth based on external demand and external financing[25].

Thus, `trading economy' emerged as a dominant feature of post-colonial economies in West Africa, with the external market and the prevailing conditions in that market as important determinants in the process of accumulation. While it is possible to evolve a general explanation for the character of the neo-colonial economy in West Africa, based on the above, "the mediating role" of certain factors ensures a diverse articulation of this singular process so that the specific character of each economy is vividly brought out through an analysis of the conditions mediating its pursuit of economic growth within the structural framework of underdevelopment[26]. In the first decade of independence, trade, aid, investments and monetary relations of the economics in West Africa were mainly with their erstwhile colonial masters which were essentially through systems of preferences that originated during colonialism. An example of such special arrangement was the Yaounde Convention which was signed in 1963 between the EEC and eighteen deveopling countries (among which were six West African countries).

In the decade of the 1960s the economic growth performance of most of the ECOWAS states was poor. In this period, the Gross Domestic Product of the sub-region fell behind the increases in population, with the exception of these countries; Cote d'Voire, Togo, and Mauritania, where GDP per capita growth rates were about 5.0 per cent per annum. In the other ECOWAS states growth in GDP were negligible or negative in the 1960-70 period[27]. If the 1960s were considered to have been poor in terms of economic growth performance of the ECOWAS states, the period of the 1970s was even poorer for most of the member states. Apart from Nigeria, Cote d'ivoire, Gambia, Mali and Benin, there was a general decline in the growth rate of total output in the ECOWAS sub-region compared to the 1960s[28]. This was during the first wave of the world-wide economic recessions, and given the structure of their economies, ECOWAS states were faced with the problem of deterioration in the terms of trade and declining demand for their primary products. The subregion consists of many of the world's least developed countries. Their economies were largely monocultural (see Table 3.6). It was in this circumstance that ECOWAS was established in 1975 in response to the global recession of the 1970s. This initiative notwithstanding, the ECOWAS Secretariat reported that even after ten years of ECOWAS existence,

> ... the countries of the Community have collectively showed only a marginal improvement in per capital incomes; they have experienced falling external demand for their exports of primary products, growth of current account deficits and mounting external debt service payments[29].

TABLE 3.6

ECOWAS Countries' Principal Exports and Major Trading Partners

Countries	Principal Exports	Major Trading Partners (Exports)
Benin	Palm products, cotton, fish	France, W. Germany, United Kingdom, Netherlands
Burkina Faso	Cotton, Livestocks, Groundnuts.	France, Cote d'Ivoire, US, Netherlands.
Cape Verde	Fish and fish products	Netherlands, Spain, Italy.
Cote d' Ivoire	Cocoa and Cocoa product & Coffee, Timber	France, US, Netherlands, Italy.
Gambia	Groundnuts	United Kingdom, Switzerland, France, Italy, Ghana.
Ghana	Cocoa, Gold, diamond, Timber, Aluminium	United Kingdom, Netherlands, US, W. Germany, USSR
Guinea	Iron ore, Bauxite.	US, France, Spain, W. Germany
Guinea Bissau	Cotton, Groundnuts (shelled) Palm kernels.	Rumania, Portugal, France, Italy, Netherlands, China.
Liberia	Rubber, Iron ore, Timber	W. Germany, US, Italy, France
Mali	Cotton, Rice, Livestock, Groundnuts, Fish	France, W. Germany, Belgium - Luxembourg, United Kingdom, US.
Mauritania	Iron ore, copper, gum, gumarabic, fish	France, Spain, Belgium - Luxembourg, W. Germany.
Niger	Uranium, Livestock, groundnuts	France, Japan, W. Germany, US, Nigeria.
Nigeria	Petroleum, Tin, Groundnuts, Palm Products, Rubber, Cocoa, Timber	US, France, W. Germany, United Kingdom.
Senegal	Groundnuts, Phosphate, Fish manufactures.	France, United Kingdom, Cote d' Ivoire, Italy, Nigeria.
Sierra Leone	Diamonds, Iron ore, Bauxite, Palm kernels, Coffee, Cocoa, Ginger, Kolanuts.	United kingdom, US, W. Germany, Netherlands, Belgium
Togo	Phosphates, Cotton	France, Federal Republic of Germany, Netherlands, Italy

TABLE 3.7

Terms of Trade Estimates (1985-100)

Country	1970	1975	1980	1988	1989	1990	1991	1992
Benin	160	123	97	107	103	86	85	83
Burkina Faso	124	108	98	107	111	110	90	89
Cape Verde	-	-	-	79	92	79	78	77
Cote d' Ivoire	96	89	117	87	78	74	73	71
Gambia	126	115	88	73	60	86	91	75
Ghana	150	136	170	108	87	80	68	57
Guinea	-	-	-	68	75	77	75	65
Guinea Bissau	-	-	-	51	48	46	45	47
Liberia	164	123	99	97	97	103	104	101
Mali	101	92	91	108	111	108	109	109
Mauritania	179	130	104	86	92	109	106	118
Niger	194	156	124	115	114	115	131	122
Nigeria	21	59	108	49	57	69	61	60
Senegal	87	150	98	101	99	102	106	103
Sierra Leone	133	107	103	93	85	80	82	78
Togo	75	248	114	77	76	71	76	76

Source: Compiled from African Development Bank, African Development Report (1994). p.A-18

TABLE 3.8

Total External Debts of ECOWAS Member - States, Selected Years, 1970-1993 (US $m)

	1970	1975	1980	1986	1989	1990	1991	1992	1993
Benin	41	89	423	817	1184	1224	1354	1367	1473
Burkina Faso	21	63	331	511	718	834	968	1056	1209
Cape Verde	-	1	21	97	131	150	153	160	174
Cote d'Ivoire	267	1021	7445	9640	14058	16622	17558	17997	19082
Gambia	5	13	139	246	340	359	370	379	382
Ghana	567	723	1407	2227	3296	3762	4210	4275	4456
Guinea	315	767	1117	1455	2166	2469	2628	2652	2798
Guinea Bissau	-	7	134	308	499	594	632	634	663
Liberia	162	178	685	1244	1695	1860	1983	1951	1966
Mali	247	355	732	1468	2145	2471	2587	2594	2447
Mauritania	26	189	840	1483	2002	2140	2232	2303	2366
Niger	32	111	862	1208	1587	1824	1621	1711	1787
Nigeria	567	1143	8934	19550	31997	34538	34436	30999	31194
Senegal	145	342	1473	2563	3281	3741	3557	3606	3691
Sierra Leone	61	155	435	723	1044	1154	1249	1265	1340
Togo	40	119	1052	940	1186	1287	1357	1356	1359
TOTAL	2496	5276	26030	44480	67329	75029	76895	74305	76387

Source: African Development Bank, African Development Report (1994) p.A-22

TABLE 3.9
POPULATION ESTIMATES OF ECOWAS COUNTRIES (IN THOUSANDS)

Member Countries	1970	1975	1980	1985	1989	1990	1991	1992	1993
Benin	2693	3033	3459	3982	4483	4622	4767	4918	5075
Burkina Faso	5550	6202	6957	7881	8751	8993	9248	9513	9788
Cape Verde	267	278	289	324	354	363	373	384	395
Cote d'Ivoire	5515	6755	8194	9936	11541	11986	12436	12910	13397
Gambia	464	548	641	745	837	861	884	908	932
Ghana	9612	9831	10736	12839	14571	15020	15484	15959	16446
Guinea	3900	4149	4461	4987	5585	5755	5932	6116	6306
Guinea Bissau	525	627	795	873	944	964	984	1006	6306
Liberia	1385	1609	1876	2199	2493	2575	2661	2751	2845
Mali	5484	6169	6863	7915	8931	9214	9510	9818	10137
Mauritania	1221	1371	1551	1766	1969	2024	2083	2143	2206
Niger	4165	4771	5586	6608	7490	7731	7986	8252	8529
Nigeria	56581	66346	78430	92016	105065	108542	112072	115664	119328
Senegal	4158	4806	5538	6375	7128	7327	7529	7736	7948
Sierria Leone	2656	2931	3263	3665	4045	4151	4261	4376	4494
Togo	2020	2285	2615	3028	3422	3531	3645	3763	3885
Total	105,196	121,711	141,254	165,139	187,609	193,659	199,855	206,217	218,017

Source: African Development Bank. African Development Report (1994) P.A-3

The second wave of global recession in the 1980s had implications for developmeent in ECOWAS countries. The deepening of the inherent structural disequilibria - both internal and external imbalances - caused serious socio-economic difficulties in all ECOWAS states whose economy did not (and could not) escape the effects of deteriorating terms of trade (See Table 3.7), and also the serious balance of payment deficit. Of course this resulted in heavy debt burden for these countries. In 1989 the total external debts of ECOWAS countries was $67,329 million which was about 158.7 per cent of increase over the 1980 figure of 26.030 million. (See Table 3.8). Worst still, there was the after effect of the expansionist policies pursued by the metropolitan states in the 1970s when a certain amount of commodity boom was enjoyed, but which could not be sustained. It was in response to this precarious economic situation that many states in West Africa adopted the IMF/World Bank-inspired structural adjustment programmes.[30]

The population growth in the sub-region has always remained high. (See Table 3.9). The GDP growth rate continued to fall behind the population growth rate throughout the 1980s and the 1990s with a resultant decline in per capita income. Between 1980 and 1989, three countries, Ghana. Liberia and Nigeria were down graded from middle income to the low-income group.[31] The GDP for the whole of the West African subregion was more than halved between 1980 and 1987; it dropped by 57.0 per cent from $128.5 billion to $55.87 billion in 1988, and then $60 billion in 1989.[32] The GDP of the ECOWAS subregion, based on 1980 prices rose from $134 billion in 1991 to $139 billion in 1992.[33] This represents a growth rate of 3.3 per cent which is only marginally higher than the 3.2 per cent growth rate for 1991, and also above the 1992 population growth rate for the region, estimated at 3.0 per cent.[34]

In 1993 ECOWAS countries recorded an average GDP growth rate of 3.0 per cent. This was considered better when compared with 5.7 per cent recorded for the period between 1988 and 1992.[35]

TABLE 3.10

GDP Growth Rates of ECOWAS Member States in 1992

GDP Growth Rates	Countries
NEGATIVE	Cote d' Ivoire; Niger: Togo* Sierra - Leone
0 to 3%	Cape Verde; Guinea; Guinea-Bissau; Liberia; Mauritania; Senegal
Over 3%	Benin; Burkina Faso; Gambia; Ghana; Mali; Nigeria

*The GDP growth rate for Togo was obtained from the ADB Report on Development in Africa, 1993
Source: ECOWAS Secretariat, **1992/93 Annual Report** (Lagos, June 1993 P. 26.

According to the ECOWAS secretariat, Nigeria with a GDP of US $101.3 billion, accounted for 73 per cent of the total GDP of West Africa. Other member-states with significant shares include Cote d'Ivoire, with 7.0 per cent, Ghana with 4.0 per cent, Senegal with 3.7 per cent. The remaining 13.7 per cent of the region's GDP was shared between the other twelve ECOWAS member-states.[36] Table 3.10 shows a breakdown of the GDP growth rate of ECOWAS member-states in 1992: four countries recorded negative growth; six others recorded growth rates of between 0.0 and 3.0 per cent, while the remaining six recorded economic growth rate of over 3.0 per cent. The explanation by the ECOWAS secretariat on the growth rates pattern is that Nigeria's performance was mitigated by adverse trends which include huge budgetary deficit (43.8 billion, representing 9.8 per cent of the GDP) and a very high inflation rate (approximately 45.0 per cent);

also, Ghana's poor performance (growth rate had been below 5.0 per cent since 1985) was as a result of poor harvest; and those of Gambia and Burkina Faso were considered admirable growth rates for Sahelian countries! In 1993, Cote d'Ivoire, Senegal and also Togo were still battling with Franc-zone related problems. Senegal and Togo were also facing internal political problems in this period. Although Gambia, Guinea Bussau, Mali, Niger and Sierra Leone recorded positive GDP growth rates, but the figures were lower than average population growth rate of 3.1 per cent. Only Ghana, Guinea, Mauritania and Nigeria recorded real growth rates in excess of population growth.[37]

Almost all member-states of ECOWAS experienced a sharp fall in export earnings and a reduction in external inflows. There was thus a corresponding fall in the level of growth-oriented investments. The character of West African economies is such that low demands in the world market, or the recessive character of global capitalism readily generates multifaced crisis in West African economies. Thus, for instance the maintenance of the capital base and especially the infrastructural capacity by national economies in the face of the foreign trade induced crisis, has always been a big task[38].

From the available figures on domestic demand, final public and private consumption for West Africa increased from $113 billion in 1991 to $121 billion in 1992. This represents an increase of 7.4 per cent as against the 7.0 per cent increase recorded in 1991. According to ECOWAS sources, the increase in overall final consumption in 1992, was mainly due to the 9.5 per cent rise in public consumption, compared with 6.2 per cent in 1991, and that this was achieved at the expense of private consumption which increased by only 6.7 per cent in 1991, as against 9 per cent in 1991[39]. This pattern was associated mostly with countries adopting SAPs where unemployment contributed to a fall in private income, causing a fall in the standard of living. Final private consumption was -20 per cent in Liberia; -6.0 per cent in Sierra Leone; and this trend can also be traced to the disruption of economic activity. In Cote d'Ivoire private consumption declined in 1992 (-1.5 per cent) due to financial stabilisation programmes in the main[40].

In 1992 gross domestic investment in West Africa increased by 2.5 per cent as against -0.66 per cent in 1991: Liberia had -1.25 per cent and Nigeria -0.5 per cent which were rather low, particularly in terms of long term growth. Investment in 1992 represented only 8.2 per cent of the total GDP of the region, and the 2.4 incremental capital output ratio recorded for 1992, as against a ratio of 2.2 for 1991[41]. These are indicative of the low level and unproductive nature of investment which failed to stimulate economic growth in West Africa.

Member states of ECOWAS went through some financial difficulties in the 1980s. For the subregion as a whole, the balance on current account moved from a positive $1.9 billion for 1980 to deficit of $2.5 billion in 1987. There was a drastic reduction in the foreign exchange reserves of the subregion from $11.6 billion in 1980 to about $3 billion in 1987. The external debts of West Africa as a whole increased by 158.7 per cent from $26 billion in 1980 to $67.3 billion in 1989 (See Table 3.8), mainly due to the world-wide rise in interest rates, debt rescheduling and default. The external debt service ratio rose from 9.4 per cent in 1980 to 160 per cent in 1987. Out of some thirteen ECOWAS countries, three recorded external debt service ratio of over 35.0 per cent in 1987. Debt repayment obligation rose by 48.0 per cent between 1980 and 1987, while loan disbursement fell by 16.0 per cent for the same period, thus, obliging most member states to default on or reschedule repayment of their external debt[42]. The external indebtedness of West Africa increased from $67.3 billion in 1989 to $75 billion in 1990, recording an increase of 11.4 per cent(See Table 3.8).

In 1990, Nigeria and Cote d'Ivoire were the two most heavily indebted countries in the sub-region, in absolute terms, with $34.5 billion and $16.6 billion respectively. However, in the same year, Guinea- Bissau, Cote d'Ivoire, Mali, Niger, Cape Verde, Senegal and Guinea recorded over 14.0 per cent rate of increase in indebtedness. The total external debt of ECOWAS countries in 1991 amounted to $76,895 millions (see Table 3.8); there was a slight increase of 2.5 per cent over the 1990 figure. In 1992 the debt servicing continued to weigh heavily on the economies of ECOWAS member states. The debt service obligations in 1992 was 30 per cent of their total export earnings.[43] The severity of their financial problems could not allow member states of ECOWAS meet their debt service obligation. Debt service obligations as a percentage of export revenue remained high in 1992 for countries such as Cote d'Ivoire (61.5%), Mauritania (40.2%), Nigeria (37.0%), Mali (33.6%) and Niger (3.16%).[44]

The relation of external indebtedness of ECOWAS member states to GDP in 1993 is presented in Table 3.10: Guinea Bissau-318.7; Cote d'Ivoire-264.4; Togo-205.6; Gambia-186.3; Liberia-182.7; Mauritania-279.0; and Mali-147.1 per cent. In a situation of declining export earnings for most ECOWAS countries and increase in debt service obligations, the external indebtedness of West African countries could not but be a matter of utmost concern, remaining at the top of the agenda of ECOWAS meetings.

TABLE 3.11
The Debt Situation of West Africa: 1992 - 1993

Countries	Total Debt Stock in 1992 (million $)	GDP (at constant market prices 1985 million $			%tage of increase in Debt (1992-1993)	Total Debt as % of GDP (1993)	DEBT SERVICE (million $)			
		1991	1992	1993			1990	1991	1992	1993
Benin	1,367	1,156	1,194	1,220	7.8	119.8	33	28	24	28
Burkina Faso	1,056	1,837	1,887	1,958	14.5	61.7	28	40	28	27
Cape Verde	160	197	205	213	8.8	81.7	5	7	7	8
Cote d'Ivoire	17,997	7,246	7,224	7,217	6.0	264.4	494	584	516	517
Gambia	379	192	201	205	0.8	186.3	30	24	26	25
Ghana	4,275	5,997	6,231	6,543	4.2	68.1	180	161	188	218
Guinea	2,652	3,130	3,280	3,444	5.5	81.2	149	121	80	67
Guinea Bissau	634	196	202	208	4.6	318.7	6	5	6	6
Liberia	1,951	1,055	1,076	1,076	0.8	182.7	1	0	0	0
Mali	2,594	1,509	1,617	1,664	-5.7	147.1	40	14	32	34
Mauritania	2,303	791	804	848	2.7	279.0	121	73	69	74
Niger	1,711	1,633	1,490	1,536	4.4	116.3	15	37	8	47
Nigeria	30,999	110,040	113,908	117,737	0.6	26.5	3,324	3,287	3,772	1,771
Senegal	3,606	3,060	3,148	3,123	2.4	118.2	212	222	121	209
Sierra Leone	1,265	1,526	1,495	1,461	5.9	91.7	6	3	22	17
Togo	1,356	843	754	661	0.2	205.5	60	37	20	39
TOTAL	74,305	140,408	144,716	149,123	2.8	51.2	4,704	5,143	4,869	3,087

Source: Computed from ECA, ECOWAS and World Bank sources.

The bulk of the external debt of the West African region is in the form of multilateral debts, owed essentially to multilateral organisations such as the ADB, IMF and World Bank. The multilateral debt for the entire ECOWAS region was 44.0 per cent while for the whole Africa it was 23.0 per cent. Public bilateral debt was 35.5 per cent of the total external debt in 1991 while private debt represented 21.0 per cent[45].

Thus the structure of the external debt of the ECOWAS states was such that they could not benefit significantly from some of the relief measures already adopted by the international community. At the ADB/ADF annual meeting held in Abidjan in May 1993, the United States of America announced a debt relief plan for 18 African countries under the Enhanced Toronto and Trinidad terms. Beneficiaries from West Africa included Benin, Mali, Maurtania and Togo whose debt were rescheduled or reduced by up to 50.0 per cent. In Niger as well as in Nigeria a number of debt concession or debt buy-back operations were carried out. And in October 1992, France introduced some relief measures mainly for certain category of middle-income countries within the Franc-zone. However, only one West African country was eligible - Cote d'Ivoire[46].

The general drop in the level of both export and imports of ECOWAS member states continued in the 1990s. The trade balance reflects the downward trend of the export purchasing power which dwindled considerably during the 1991/92 period[47]. Also, in 1992 the current account deficits of several countries remained very high with implications for external funding[48]. As shown in Table 3.11, the current account deficit recorded in Guinea-Bissau and Mauritania was over 20.0 per cent of GDP while in Cote d'Ivoire, The Gambia, Mali, Mauritania and Sierra Leone, it varied between 10.0 and 20.0 per cent.

According to data available in the 1994 edition of **African Development**

Report, ECOWAS countries generally experienced significant decline in access to external resources in the 1990's. These countries were not attracting foreign investment. Worst still was decline in net private flows. This continued to aggravate the difficulties of capital flight experienced by most of the countries in ECOWAS subregion. According to ECA sources, net disbursment to

TABLE 3.12

Current Account Deficit as a Percentage of GDP - 1992

Percentage	Country
Less than 10%	Benin, Burkina Faso, Cape Verde, Ghana, Guinea, Niger, Nigeria, Senegal Togo.
Between 10% and 20%	Coted'd Ivoire, The Gambia, Mali, Mauritania, Sierra Leone.
Over 20%	Guinea- Bissau, Mauritania.

Source: ECOWAS Secretariat, "Interim Report of the Executive Secretary" November 1993, p.32

ECOWAS countries from all sources declined from $6655m in 1989 to $5632m in 1992.[49] Also, disbursement under Official Development Assitance ODA increased from $47748m in 1989 to 5339m 1991 only to decrease in 1992 to $5318.[50]

It is possible to conclude that external resources made available to ECOWAS countries in the 1990s were lower than they were in the past.

From the discussion so far in this chapter, it is quite clear that states in the ECOWAS sub-region have continued to maintain dependency relationships between their productive structures and economies of the industrialised countries in the North. The economies of ECOWAS sub-region are consistently lacking in auto-centred means of economic and social promotion. The implications of dependency relationships on the industrialisation of West African countries are enormous.

3.4 Notes and References

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2. UNECA, **Economic Bullentin for Africa 1(1)** January, 1961 P.17, and also Nicholas G. Plessz, **Problems and Prospects of Economic Integration in West Africa** (Montreals; Mcgill University Press, 1968) P.14

3. **West Africa Annual** (Lagos; John West Publications)(12th Edition) P.1

4. A.G. Hopkins, **An Economic History of West Africa** (Longman, 1973) PP. 12

5. The figure is a computation of individual country 's population estimates compiled from **African Devlopment Report**, 1994 p.A-3.

6. R. C. Zachriah and Julian Conde, **Migration in West Africa: A Demographic Aspects** (Joint World Bank - OECD Study, 1981) P. 3

7. Ibid P. 31

8. Oye A. Chukwurah," ECOWAS: Obstacles to Labour Migration and Residence" in A.B. Akinyemi et al, **Readings and Documentation on ECOWAS** (Lagos; NIIA/Macmillan, 1983) P. 489.

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10. K. C Zachriah and Julien Conde **op cit** P. 31

11. John A. Arthur, "International Labour Migration Patterns in West Africa," **African Studies Review** 34(3) 1991. p.71.

12. A. G. Hopkins **op cit** P.14

13. **Ibid**. P. 30

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15. See Immanuel Wallerstein, **The Modern World System** (New York; Modern Reader, 1976).

16. See Amechi Okolo, "Dependency: the Highest stage of Capitalist Domination in Africa" in Ralph I Onwuka and Olajide Aluko (eds) **The Future of Africa and the New International Economic Order** (Macmillan, 1986) and also Amechi Okolo, "Dependency in Africa: Stages of African Political Economy" **Alternatives** 9 (2) June 1983 PP. 247 - 265.

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18. See Samir Amin, "Underdevelopment and Dependency in Black Africa - Origins and Contemporary Forms", **The Journal of Modern African Studies** 10(4) 1972 PP. 503 - 524.

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20. Claude Ake, op cit P. 32.

21. Ibid.

22. Ibid PP. 36 - 37

23. Ibid P. 52

24. Samir Amin, "Underdevelopment and Dependence ..." op cit PP. 518 - 519.

25. See Samir Amin, op cit

26. Musa I. M. Abutudu, "Underdevelopment and Collective Self Reliance in the Economic Community of West African States" (Ph. D Thesis, University of Ibadan, 1988) P. 146.

27. ECOWAS Secretariat, **Ten Years of ECOWAS** (Lagos, 1985) P. 3

28. Ibid.

29. Ibid.

30. ECOWAS Document No. ECW/CM/XXVII/2 p.21

31. Ibid.

32. Ibid P. 23

33. ECOWAS Document. ECW/CM.XXX1/2 P. 25

34. Ibid

35. African Development Bank op cit p.20.

36. ECOWAS Document No. ECW/CM/XXXIII/2 p.25.

37. African Development Bank, op cit p.20.

38. See ECOWAS Document No. ECW/CM/XXVII/2.

39. ECOWAS Document No. ECW/CM/XXXI/2 P.27.

40. Ibid

41. Ibid

42. ECA and World Bank estimates cited in ECOWAS Document No.

43. ECOWAS Document No. ECW/CM/XXXIII/2 p.8.

44. ECOWAS Document No. ECW/CM/XXXIII/2 p.35.

45. ECOWAS Document No. ECM/CM/XXXI/2 P. 36

46. Ibid p.32.

47. Ibid P. 37.

48. Ibid

49. Computed from ECA op cit p.A.29

50. Computed from ECA op cit p.A.30.

CHAPTER FOUR

INDUSTRIAL DEVELOPMENT IN WEST AFRICA

4.1 Introduction

Sub-Saharan Africa is today the least industrialised region of all the regions in the Third World. African countries (excluding South Africa) have very small industrial base both in absolute terms and in terms of the share of MVA in GDP and MVA per capita. Although Africa recorded growth in MVA in the 1960s at more than 8.0 per cent a year - nearly double the rate of GDP growth, however during the 1970's only the oil exporting countries were able to sustain the growth of manufacturing - at 9.0 per cent a year. Whereas manufacturing grew at 11.0 per cent a year from 1980 to 1986 in China and India and 5.0 per cent in other low - income economies, in Sub-Saharan Africa manufacturing production was virtually stagnant at 10.0 per cent share of GDP.[1] In Latin America the share of MVA in GDP both in 1980 and 1987 was 24.0 per cent. Although MVA per capita declined from $550 in 1980 to $514 in this region, the record was still nearly eight times the African per capital manufacturing product.[2]

The structure of industrialisation in the ECOWAS countries is sufficiently representative of Africa, South of the Sahara. In colonial West Africa, maunfacturing was mainly in export processing. This was the case in Cote d'Ivoire, Nigeria and Ghana. Also, in Nigeria, Senegal and Ghana, there was manufacturing of some bulk low-value consumer goods. After independence there was some industrial expansion in the consumer goods sub-sector through import substitution. The period of the 1970s withnessed heavy reliance on the state for investment in the industrial sector, especially in heavy industries. For example in Cote d'Ivoire, Ghana and Nigeria there was increased state intervention in industrial investment. However, the result was not very much of a success. Although production became more diversified in the number of products, but consumer goods remained dominant.

The notion of industrialisation as an integral part of the development process, and the equating of industrialisation with the mass production of standardised goods constitute the dominant influence on the policy decision of West African States both during the transition to independence and even thereafter. As Lynn Krieger Mytelka observes, "as the transition to independence began in much of sub-Sahara Africa..., the mass production model had become enshrined as the 'sine qua non' of the modern nation-state and the basis of its wealth and political independence". Mytelka further notes thus:

> The debate, then, was not about the form that industrialization would take, but rather about the means to that end. It was this debate that would shape the intellectual environment within which policy decisions were made by colonial authorities, newly formed African Governments and their expatriate advisors. It is within the contours of this debate and its assumptions, moreover, that policies are still being proposed[3].

Since independence states in the West African sub-region have pursued industrial policies aimed at mass production of standardised goods. However, the result has been that of unfulfilled promise. During the 1960-80 period, except in countries such as Nigeria, Niger, Guinea, Togo, Mauritania and Ivory Coast, where industrial expansion was fairly rapid. West Africa generally recorded low level of economic growth because of the slow industrial expansion in most countries in the subregion. Even the reported expansion in the countries named above was based mainly on the rapid increase in mining activity. In Nigeria the rapid expansion of oil production, in Guinea the expansion of iron ore and bauxite mining, in NIger the rapid expansion of uranium production and in Togo phosphate mining[4]. There is no doubt that manufacturing production played a significant role in Cote d'Ivoire and Nigeria in the 1960s and 1970s. Both countries and also Guinea recorded annual growth rates of up to 10.0 per cent or slightly more in manufacturing. Ghana, on the other hand, experienced a shocking decline in manufacturing production in the 1970s[5]. The industrial expansion recorded in the so-called industrialised countries in West Africa such as Nigeria, Cote d'Ivoire and Senegal was based mainly on food processing, beverages and tobacco production, as well as production in cement facotries and export-oriented wood industries. An important feature of this stage in the development of West African industrieswas the dominance of consumer goods in the industrial sector. The consequence of this for West African subregion was a prolong period of external dependence for capital goods. Of course this has implications for industrial growth and overall economic development in West Africa.

4.2 An Overview of Industrial Development in West Africa

In West Africa generally, the growth rate of the manufacturing sector is low, with a corresponding marginal share of the sector in the GDP of the sub-region, indicating its generally low level of industrial development. Table 4.1, shows that Cote d'Ivoire, Senegal, Ghana and Nigeria as the most industrialized countries in the sub-region. But then, there is almost no single country in the sub-region whose contribution of manufacturing to the GDP was more than 15.0 per cent. The average ratio for the sub-region appears to be less than 10.0 per cent, which is about two-third of the average contribution of manufacturing low income countries in general. Thus, if industrialisation can be denoted by a rising share of manufacturing in GDP, then no significant progress has been made as shown in Table 4.1; In 1990, the share of manufacturing in GDP was less than 10.0 per cent for Ghana (9.0), Togo (9.0), Mali (8.0), Nigeria (7.0), Benin

(7.0), Sierra Leone(6.0), Niger(5.0), Guinea (4.0). Only Burkina Faso (14.0) and Senegal (13.0) recorded shares of manufacture in GDP that were above 10.0 per cent.

Table 4.2 shows the declining growth rate of MVA in West Africa. In the 1975-1980 period, overall average MVA growth rate for ECOWAS countries decreased to 4.7 per cent from 7.7 per cent in the 1970-1975 period. And for the 1980-1985 period, West Africa recorded a negative growth rate of MVA at -7.0 per cent. In the 1985-1990 period, the recorded rate was 3.8 per cent and 2.9 per cent for 1990-1993. Overall figures usually conceal wide variations from one country to another, however Table 4.2 shows that virtually all the countries in West Africa experienced declining trend in MVA especially between 1985 and 1993. During the period 1990-1993 the average growth of MVA for all West African countries ranged between - 6.7 and 3.7. per cent. The story was not different even for the so-called industrialized countries in the sub-region: Nigeria recorded 3.6 per cent annual growth rate, both Cote d'Ivoire and Senegal recorded 0.6 per cent and Ghana recorded 0.8 per cent growth rate.

The industrial scene in West Africa is dominated by light indutries. Table 4.3 shows in some respects the rudimentary nature of industries in ECOWAS countries. Most of the industries are for food processing, beverages and tobacco production, and also the manufacturing of textile and wearing apparel and leather. Production in this subsector is basically for domestic market, and export production is very minimal. The latter is limited to the processing of cocoa and fruits in most ECOWAS countries. Production capacity in the subsector has not increased significantly since 1980s, except in the case of beer production that rose by 36.0 per cent in 1980-1986, but then fell by a considerable 34.1 per cent in 1987 when the Nigerian Government banned the importation of cereal grains.[6]

TABLE 4.1

Level and Growth of Industrial Development in West Africa. (1965-1990)

Country	GDP million $			Manufacturing Production as %tage of GDP			Average %tage Growth of Manufacturing	
	1965	1980	1990	1965	1980	1990	1965-80	1980-90
Benin	220	1,041	1,810	–	6	7	–	5.8
Burkina Faso	260	1,199	3,060	–	–	14	–	2.6
Cape Verde	–	89	–	–	–	–	–	–
Cote d' Iviore	760	8,482	7,610	11	11	–	–	–
Gambia	37	205	–	3	4	–	–	–
Ghana	2,050	4,445	6,270	10	8	9	2.5	4.0
Guinea	520	1,764	2,820	–	2	4	–	–
Guinea Bissau	–	105	–	–	–	–	–	–
Liberia	270	1,001	–	3	8	–	–	–
Mali	260	1,629	2,450	5	4	8	–	–
Mauritaina	160	666	950	4	–	–	–	–
Niger	760	2,538	2,520	2	4	5	–	–
Nigeria	5,850	100,174	34,760	6	9	7	14.6	-1.0
Senegal	810	2,970	5,840	14	15	13	4.5	4.8
Sierra Leone	320	1,013	840	6	6	6	0.7	-1.6
Togo	190	1,136	1,620	10	7	9	–	0.7

Sources: 1. World Bank, **Sub-Saharan Africa: From Crisis to Sustainable Growth** (Washington D.C.; 1989)pp.222-223
2. World Bank, **World Development Report, 1992** (Washington D.C., 1992) P.220 and P.222.

TABLE 4.2

Annual Average Percentage Growth of Manufacturing Value Added in ECOWAS Countries (1970–1993)

Countries	1970–1975	1975–1980	1980–1985	1985–1990	1990–1993
Benin	1.4	-2.8	7.3	5.1	1.5
Burkina Faso	4.3	3.9	0.5	2.0	1.2
Cape Verde	2.1	0.8	10.0	0.0	-2.1
Cote d'Ivoire	6.7	13.0	-2.9	0.72	0.6
Gambia	5.6	-16.7	200	4.17	1.0
Ghana	1.1	-3.7	-3.3	6.1	0.8
Guinea	0.0	-1.32	-0.3	2.0	3.6
Guinea Bissau	0.0	0.0	7.1	-7.1	2.4
Liberia	0.3	2.2	-1.2	-1.5	-0.3
Mali	-0.3	-0.3	10.4	7.0	-0.8
Mauritania	-0.6	1.2	4.3	-1.3	3.7
Niger	1.3	3.2	-1.5	3.9	-0.4
Nigeria	10.0	5.5	-1.2	4.1	3.6
Senegal	8.2	-0.9	5.4	4.7	0.6
Sierra Leone	5.4	-6.2	2.0	-3.3	-4.1
Togo	6.9	5.7	-1.4	11.9	-6.7
West Africa	7.7	4.7	-7.0	3.8	2.9

Source: Computed from data available in ADB, African Development Report, 1994 op cit P. A-13.

TABLE 4.3
Structure of Manufacturing in ECOWAS Member States

Countries	Value added in Manufacturing (millions of current US $)			DISTRIBUTION OF MANUFACTURING VALUE ADDED (PERCENT														
				Food & Beverages			Textiles & Clothing			Machinery & Equipment			Chemicals			Others		
	1970	1980	1989	1970	1980	1989	1970	1980	1989	1970	1980	1989	1970	1980	1989	1970	1980	1989
Benin	19	61	-	-	59	-	-	14	-	-	0	-	-	6	-	-	21	-
Burkina Faso	65	-	360	69	59	-	9	19	-	2	3	-	1	1	-	19	17	-
Cape Verde	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cote d'Ivorie	149	926	-	27	35	-	16	15	-	10	10	-	5	6	-	42	34	-
Gambia	2	8	-	-	35	-	-	2	-	-	0	-	-	3	-	-	60	-
Ghana	252	347	525	34	36	-	16	10	-	-	4	2	-	4	4	-	41	47
Guinea	-	38	108	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guinea Bissau	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liberia	15	77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mali	25	70	153	36	29	-	40	51	-	4	8	-	5	3	-	14	8	-
Mauritania	10	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Niger	30	94	124	-	30	-	-	25	-	-	-	-	-	-		-	-	-
Nigeria	426	9,214	2,365	36	21	-	26	11	-	1	25	-	6	12	-	31	31	-
Senegal	141	456	609	51	48	-	19	19	-	2	4	-	6	8	-	22	21	-
Sierra Leone	22	56	60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Togo	25	78	114	-	47	-	-	13	-	-	-	-	-	8	-	-	32	-

Sources: i World Bank, Sub - Sahara African: From Crisis to Sustainable Growth op cit pp. 236-237
ii World Bank, World Development Report, 1992 op cit p. 228

In Ghana, beer production declined in 1981-1983 possibly because of the country's economic crisis. Nonetheless, production went up in 1986 by 3.5 per cent.[7]

In countries such as Cote d'Ivoire, Ghana, Niger and Senegal, Burkina Faso and Mali textile goods and clothing accounted for between 14.0 and 51.0 per cent of their manufacturing value added in the 1980s (see Table 4.3). The production of these comsumer goods is still heavily dependent on the importation of intermediate inputs and raw materials. Efforts at promoting technologies based on locally available materials have not been quite rewarding. Also, efforts at using local fibre materials to produce paper and pulp have not been successful so far. In Cote d'Ivoire factories built for the purpose of producing pulp from local wood were closed down "either because of techincal problems or because of poor design and management".[8] And in Nigeria, the Iwopin paper mill which was designed with a 500,000 ton capacity was yet to be fully operational, even by late 1994.

The production of chemical accounted for between 1.0 and 12 per cent of manufacturing value added, with the higher percentages applicable to Nigeria (12.0), Senegal (8.0), Togo (8.0), Cote d'Ivoire (6.0) and Benin (6.0) (see Table 4.3). Petroleum refining is important in Cote d'Ivoire, Ghana, Nigeria and Senegal. In Nigeria substantial investments had been made in poly propylene and carbon blank plant at Ekpan and in Kaduna.

Intermediate goods production was scanty, and capital goods industries were apparently marginal in number. For most countries in the ECOWAS sub-region value added for machinery and equipment accounted for less than 10.0 per cent. Only in Nigeria did value added in machinery and equipment accounted for 25 per cent. (See Table 4.3). By 1990, Nigeria had one integrated plant, one mini plant and one rolling mill; Ghana and Mauritania had one mini plant each; and Cote d'Ivoire, Liberia and Togo had one rolling mill each.

Industries in West African sub-region are mainly assemblies of consumer or capital goods with parts from abroad; there is little or no linkages with the dominant sectors of the economy such as agriculture. While the imports for the manufacturing sector in most of the countries in West Africa is well pronounced, the region's manufacturing exports is minimal. Also, while manufacturing exports account for an average of less than 10.0 per cent of the total exports of the region, the industrial sector's requirements of imported inputs such as raw materials, components, machinery, and equipment account for an average of about 60.0 percent of total imports[9]. The extent of foreign presence in the manufacturing sector as well as the imbalance between the export performance and import requirements of the industrial sector constitute major contradictions of import subtstitution industirialisation which is the dominant model of industrialisation adopted in the ECOWAS countries, Adedotun Philips indeed remarked that;

> ... the `type' of import - substitution strategy adopted in the region until recently which simply replace the importation of finished consumer goods with the local production of the same goods, using imported components and raw materials. Import - dependent import-substitution strategy of this type does not result in effective industrialisation[10].

The similarity of the products produced by industries in the sub-region is making industrial products to be in competition rather than complementing one another. Also, the relatively small size of the industrial plants makes them to produce exclusively for their national markets. By implication they "produce under quasi-monopolistic, inefficient, and high cost condition within the protected national markets". Often, the result has been "wastage of scarce resources, duplication of plants, and fragmentation of production which ultimately increase costs of production and the process of end products".[11] The prospects of intra-ECOWAS trade in manufactured goods are not bright in this circumstance. Thus, whereas there is scope for trade in manufactured goods among member states, but their outputs are grossly below internal demand. There are, therefore, no surpluses available for export from one member state to another. Industrialisation in West Africa is largely representative of a pattern whereby input supplies are nationally based with little or no recourse to subregional or regional markets.

The large and medium manufacturing establishments are largely foreign owned. For instance, Nigerian major companies include UAC of Nigeria, West African Portland Cement (blue circle) Peugeot Automobile Nigeria, Volkswagen of Nigeria, Chemical and Allied Products (ICI), Metal Box, Dunlop, Mitchelin, John Holt (Lonrho), SCOA Nigeria, CFAO Nigeria, the Leventis and Mandilas groups, and PZ industries. They enjoy very generous fiscal privileges, like rapid depreciation allowance, tax holidays and carry over of losses. Other forms of largese of the state which these establishments enjoy include easy repatriation of profits, dividend and capital, which make some of them "fly-by-night" establishments. Besides, they are located in the major urban and port cities, especially the seats of government where they have access to urban markets, port facilities and government offices, from which they obtain import and investment licenses. It has been noted that, in 1975 two-thirds of Nigerian manufacturing facilities were concentrated around Lagos. In Liberia all the manufacturing activity was centred around Monrovia as it was in Accra, (Ghana) which alone in 1976 had over 60 per cent of the country's total number of factories[12]. For the whole sub-region, the geographical distribution of industries reveals the same pattern. There is disparity in favour of the fairly developed countries like Ivory Coast, Ghana, Nigeria and Senegal. The less endowed countries like Gambia, Cape Verde, Guinea-Bissau, or Mauritania have fewer industries.

The employment generating capacity of industries in the ECOWAS countries is very low. This is probably due to the overall small size of the industrial sector relative to the whole economy. In most of the countries in West Africa the rate of growth of MVA has been higher on the average than the rate of growth of employment in manufacturing.

TABLE 4.4

Sectoral Shares of Employment in ECOWAS Countries (%tage share)

	Industry				Services				Agriculture			
Country	1975	1985	1990	1993	1975	1985	1990	1993	1975	1985	1990	1993
Benin	6	8	8	9	19	28	32	34	76	65	59	57
Burkina Faso	4	5	5	5	9	10	10	10	87	86	85	84
Cape Verde	19	27	13	14	23	28	29	29	58	46	40	37
Cote d'Ivoire	7	10	12	13	22	30	34	36	71	60	54	51
Gambia	6	7	8	8	8	10	16	17	85	83	82	81
Ghana	17	18	19	19	26	27	28	29	57	54	53	52
Guinea	8	10	11	12	9	11	12	13	83	78	76	75
Guinea Bissau	3	4	4	5	14	14	15	16	83	81	80	80
Liberia	9	9	9	9	15	18	20	21	76	73	71	70
Mali	2	2	3	3	11	14	16	16	87	84	82	81
Mauritania	7	12	16	19	16	27	31	32	77	61	53	49
Niger	1	2	2	2	6	9	10	11	93	89	88	87
Nigeria	11	12	13	13	19	21	22	22	70	67	65	64
Senegal	6	7	7	7	12	14	15	15	82	79	78	78
Sierra Leone	13	15	16	17	14	18	20	21	73	67	64	62
Togo	9	10	11	11	16	18	20	20	75	71	69	68

Source: Compiled from ADB, African Development Report 1994, pp. A-46-48.

From Table 4.4, the industrial sector accounted for a much lower portion of total employment in the ECOWAS sub-region, compared with the agricultural sector and services sector: in 1985, the industrial sector accounted for an average of about 9.9 per cent of total employment, whereas agriculture accounted for about 71.6 per cent and services for about 18.6 per cent.In 1993, the industrial sector recorded 10.4 per cent of total employment, agriculture and services accounted for 67.3 and 21.4 per cents respectively. Only in Ghana, Nigeria, Cape Verde, Cote d'Ivoire, Guinea, Mauritania, Sierra Leone did the share of industry in total employment exceeded 12 per cent. For other countries the percentage shares ranged from 1.0 to 10.0 percent. If the industrial production in ECOWAS sub-region in the 1980s was considered very low in terms of the average annual growth rate, the record of the 1990s so far has not been an improvement in any respect. Although the share of the manufacturing industry in the GDP remained at 8.9 per cent in 1992 and in 1991,[13] it should be noted that the MVA has been increasing only marginally since 1990. In 1991 MVA was 7.1 per cent. In 1992 it went up by 2.6 per cent, and only by 1.6 per cent in 1993. Nigeria is the most industrialized country in West Africa; its MVA growth rate was estimated at 2.6 per cent in 1992 as against 9.3 per cent in 1991. In 1993 Nigeria's MVA growth rate was only 1.9 per cent. The crisis in the Nigerian economy brought about acute shortage of foreign exchange needed to import vital industrial inputs, spare parts and equipment, compounded the structural weakness and limitations of the manufacturing sector, and led to the closure of factories, or the underutilisation of installed capacity. A report by the Manufacturers Association of Nigeria (MAN), puts the annual capacity utilisation at 36.8 per cent in 1991 and 37.4 per cent in 1992.[14]

In Ghana, the share of the manufacturing industry in GDP was 9.0 per cent in 1992, while MVA was estimated at 5.6 per cent. A number of industries in Ghana folded up however, due to the negative effects of the trade liberalisation policy under which the local market were saturated with cheap imported products. But in Senegal industrial output went up by 4.4 per cent in 1992. This was a considerable improvement over the 1.6 percent increase recorded in 1991, although the groundnut processing industry, the country's principal manufacturing activity, was operating at 30.0 percent of production capacity. In Cote d'Ivoire MVA declined by 2.3 per cent and 1.7 in 1991 and 1992 respectively, due to serious financial constraints[15]

Generally, the West African sub-region is one of the least economically developed regions in the world (see Table 4.5); the contribution of its industrial sector to the socio-economic development of the sub-region is marginal. Yet the performance of the industrial sector in individual countries of the subregion varies from country to country. Thus, the above generalisations must be supplemented with some specific responses of the different countries.

4.3 Country Industry Profile

Benin

This is a small country whose economy is easily affected by changes in Nigeria's economic climate. The manufacturing sector is small, and according to UNIDO data, its share of GDP has decline from 8.7 percent in 1975 to 4.6 percent in 1986. The figures for real growth show a negative annual growth rate of 2.7 per cent in the 1970s, and a further decline for the period 1981-84. With the exception of the construction goods industry, which includes a cement plant at Onigbolo, most activity is concentrated on the processing of consumer goods.

TABLE 4.5
Some Basic Indicators of ECOWAS Countries

Country	Population (1990) (Million)	GDP Per Capita in Constant 1980 US $ (1990)	Average Annual Growth Rate of Consumer Price Index 1980=100		GDP (US $ Billion) at 1980 (Constant Price, (1990)
			1983-1987	1989	
Benin	4.7	340	-	0.0	1.6
B/Faso	9.0	223	1.4	-0.7	2.0
C/Verde	0.4	243	7.9	3.0	0.1
Gambia	0.9	372	30.2	8.9	0.3
Ghana	15.0	363	28.6	13.5	5.4
Guinea	6.9	333	-	28.3	2.3
G/Bissau	1.0	234	-	7.3	0.2
Liberia	2.6	277	2.3	4.1	0.7
Mali	9.4	261	0.4	-1.5	2.4
Mauritania	2.0	389	-	4.7	0.8
Niger	7.1	358	-0.3	-4.4	2.5
Nigeria	113.0	900	14.9	42.1	101.7
Senegal	7.4	531	6.6	-1.5	3.9
S/Leone	4.2	262	89.4	24.5	1.1
Togo	3.5	351	-0.3	0.3	1.2
Total	199.5	683	-	-	136.0

Sources: Compiled from Economic Report on Africa, 1991 (Statistical Annexes).

Food, drink and tobacco processing, footwear manufacture, cycle and assembly, and ceramic are major areas of import - dependent import- substituting activities.

Food processing takes the position of the major industry, with food products and beverages accounting for 42.4 per cent and 17.0 per cent respectively, of value added in 1980. within the food products sub-sector, palm oil processing is the major local resource-based industrial activity, but it has declined since the late 1970's. Both the cement plant at Onigbolo and the Save sugar plant were commissioned in 1982 and 1986 respectively as joint ventures with Nigeria. The sugar complex has been running only intermittently ever since. Exports to Nigeria have not been realised because the prices of sugar in Nigeria are much below production costs at the plant. The cement plant is being co-financed with Nigeria, which should normally receive a large portion of cement produced. Though capacity is 600,000 tons which is about double Benin's domestic demand, production in 1985 was 85,000 tons. It was possible that this was as ressult of serious over-capacity in cement production in sub-region during the period.

Benin's export sector is dominated by palm oil and cotton. The palm oil is sold mainly to the EU countries, while cotton is exported to countries within the sub-region. Consumer goods from indusrialised countries constitute the main imports, which are largely re-exported illegally to the West African countries, especially to Nigeria.

Burkina Faso

The manufacturing sector of Burkina Faso is small and rudimentary. Manufacturing sector's share of GDP which in 1970 stood at 9.3 per cent increased to 12.9 per cent, by 1983, and rose to 13.5 per cent in 1986. In 1987 manufacturing's share of GDP was 15 per cent. MVA per capita was recorded at

$16 for 1984, compared to $58 for Africa as a whole. The average annual rate of growth for MVA per capita was 2.5 per cent during the 1970-84 period, almost twice the growth rate of GDP per capita. Manufacturing was estimated to employ 8,968 people or only 1 per cent of the labour force in 1986. The average annual rate of growth for MVA was 3.9 per cent during the 1975-80, it went down to 0.5 per cent in 1980-1985, and it stood at 1.5 per cent during 1990-1993 period (see Table 4.2).

Food processing leads in the manufacturing sector, followed by the beverages sub-sector. In 1985 food processing's share of value added was 42.7 per cent, gross output 47 per cent, and manufacturing employment 33.7 per cent. The beverages sub-sector in 1986 accounted for 18.3 per cent of value added, 13.2 per cent of gross output, and 14.1 per cent of employment.[16] Other manufactured products include textiles, PVC tubes, mats, plastic bags, plastic plumbing equipment, cigarettes, soap, shoes, bicycles, scooters and tyres.

Burkina Faso exports cotton, vegetable oil and rubber products. The main destinations are Cote d'Ivoire, France and United Kingdom, while its imports are dominated by food products, petroleum products, transport equipment, machinery and electrical equipment, mainly from France, United States and Cote d'Ivoire.

Cape Verde

Cape Verde has a small manufacturing sector. It's share of GDP hardly changed, decreasing slightly from 5.7 per cent in 1975 to 5 per cent in 1984. The annual rate growth of manufacturing value added was 0.8 per cent between 1975 and 1980, and -2.1 per cent for the period 1990-93 (See Table 4.2). The MVA per capita in 1984 was recorded at $12, unchanged since 1975 when calculated in constant 1980 US dollars. The total manufacturing employment was less than 2,000 in 1985, or 6.5 per cent of total employment.[17]

Food processing, fish conserving, textiles, shoemaking, rum-distilling and soft drinks bottling are the major industries. Cape Verde's small domestic market, its narrow resource endowment and serious transportation problems are major obstacles to possible extensive isolated industrialisation. Fish and fish products are the major foreign exchange earners, accounting for more than three-quarters of total merchandise exports. In contrast, the great majority of imports are manufactured goods, followed by foods, livestock and fuel. Portugal, Algeria and Cote d'Ivoire are the major recipients of exports, while Portugal, Algeria and Federal Republic of Germany are the major sources of imports.

Cote d'Ivoire

Until recently the manufacturing sector was one of the most dynamic in Cote d'Ivoire which has a relatively high level of industrialisation compared with the other countries in the sub-region. The annual average growth rate of MVA was 13.0 per cent in between 1975 and 1980. In 1980-85 period the MVA growth rate recorded a negative value at - 2.9 per cent, and during 1990-1993 it stood at 0.6 per cent. (See Table 4.2)

The country has made significant advances in the processing and canning of pineapple, tomato, mango, and fish while sugar refining and palm oil milling are also notable examples. Agro-based industrial activities account for close to two thirds of industrial output. Textile, rubber and footwear activities are also prominent. The textile industry belongs to those industries that earlier were protected by import quotas and import surcharges until recently. The petroleum refining industry is far behind the earlier dream and hopes of the 1970s when Cote d'Ivoire had anticipated emerging as West Africa's main refining centre by processing oil imported from Nigeria, Angola and Zaire.[18]

Cote d'Ivoire's manufacturing industry is dominated by state-owned enterprises and by the high proportion of foreign ownership (see Table 4.6). The Government holds over 50.0 per cent of all registered capital of enterprises. Most companies and enterprises are joint ventures between the Government and foreign partners. The bulk of technology, finance and management originates in the industrialised market economies.[19] There are also few large-scale enterprises, which are mostly concentrated in the Abidjan area.

Under the SAP regime Cote d'Ivoire sought the adjustment of industrial structures to make them more productive. According to UNIDO data this led to higher prices of important export commodities. Probably as a result industries producing goods for export such as food, rubber and textiles, have developed more rapidly than industries producing for the domestic market.[20]

In Cote d'Ivoire, manufactured exports accounted for 1 per cent of total exports and for 20 per cent industrial production in 1960, for 44 per cent of industrial production in 1980, and for 10.7 per cent of total exports in 1983. Major products are petroleum products, cocoa butter and cocoa paste, wood products, chemicals and textiles. The developed countries purchase more than three-quarters of Cote d'Ivoire's exports. In 1983 the EC accounted for 30.1 per cent of export. Manufactured imports mainly consist of machinery transport

TABLE 4.6
Leading Foreign Multinational Companies in Cote'd Ivoire

	Home Country	Sector
Banque nationale de Paris	France	Banking
BRGM	France	Mining
Dumez	France	Mining
Crédit du Nord	France	Banking
Credit Industrial and Commercial	France	Banking
Ponticelli	USA	Construction (Oil)
Bankers Trust Company	USA	Banking
Chase Manhattan	USA	Banking
Citibank	USA	Banking
Chemical Bank	USA	Banking
Fluor	USA	Oil
Exxon	USA	Oil
McDermott	USA	Construction (Oil)
Mobil	USA	Oil
Colgate-Palmolive	USA	Pharmaceuticals
Philip Petroleum	USA	Oil
Tenneco	USA	Oil
Texaco	USA	Oil
Union Texas Petroleum	USA	Oil
DAF	Nerthalands	Motor Vehicle
Abay	Belgium	Construction
Solei Boneh	Isreal	Construction

equipment and chemicals. The EC countries are the source of over 60 per cent imported manufactures in Cote d'Ivoire.[21]

The Gambia

The most important manufacturing activities in The Gambia include groundnut shelling and milling, rice milling and textiles. Besides, the Gambia has moved into the manufacturing of steel materials such as steel windows and doors. There are other non-ferous metal structural and fabricated materials for furniture. Other manufacturing activities include fish freezing, paint, soap, and brick manufacturing.

Manufacturing accounted for 6.7 per cent of GDP in 1985, up from 6.1 per cent in 1975. MVA per capita grew from $30 to $56 between 1975 and 1985, and had an average annual rate of growth of 8.3 per cent between 1981 and 1985, while GDP per capital declined during the same period. Total MVA in 1986 was $8 million, and recorded manufacturing employment in 1986 stood at less than 2,000 people or 0.6 per cent of the labour force.[22]

The manufacturing sector consists of 40 to 50 enterprises of which three-fifths employ fewer than 20 workers. Banjul Breweries Limited is the only manufacturer among the enterprises listed as the country's major companies. Most are trading companies. The Gambia is another case where smallness combines with monocultural activity based on groundnuts; to create an important deterrent to rapid industrialisation.[23] Groundnuts and associated products account for some 90.0 per cent of domestic exports. Others consist of fish and fish products. Imports which are five times greater than exports, consist of everything from basic food items to machinery and equipment. Ghana is a major export market, (taking a third of total exports) and the United States is the main source of imports.

Ghana

Ghana represents an example of early ambitious industrialisation programme. Immediately after independence Ghana embarked on a wider range of industrial activities, with the largest including the Valco aluminum smelter, Saw mills and timber processing plants, cocoa processing plants, brewing, cement manufacture, oil refining, textiles and vehicle assembly. Before the production stagnation of the 1970s, Ghana had a higher proportion of its labour force work in the industrial sector than in any country (except Cape Verde) in the sub-region (See Table 4.4). After several years of negative growth, manufacturing fell to 9.0 per cent of GDP in 1990, compared to 10.0 per cent in 1965. In constant prices annual average growth rate of MVA was recorded at 0.8 per cent in 1990-93, down from 6.1 per cent in 1985-90. Development also reflected in total manufacturing employment, which remained at 19.0 per cent from 1990 to 1993.

In Ghana's industrialisation programme the emphasis was for long period on import-substitution, based largely on imported inputs. Typically when foreign exchange constraint set in since the 1980s, industries were the first casualties. Before now export-orientation was hardly a major area of attention in Ghana's industrialisation. Ghana has been implementing thoroughly the IMF/World Bank-inspired structural adjustment programmes since 1983. The Economic Recovery Programme (ERP) was reported by UNIDO source to have led to sectoral growth especially for the industrial and service sectors. SAP, according to this perspective, makes foreign exchange available and in turn makes it possible to rehabilitate manufacturing concerns, which in the case of Ghana had been on decline since the 1980 due to shortage of inputs. The investigation by 'West Africa' is complimentary in some sense:

> Before SAP, the Ghanian economy had faced a severe foreign exchange constraint, which had reduced the operation of industries to about 25 per cent of installed capacity. It is `guestimated' that since the introduction of SAP industrial capacity has increased to 35 to 40 per cent. Indeed, for some industries such as the breweries, capacity utilisation has climbed above to 90 per cent24

Although the IMF and the World Bank are celebrating the success of Ghana's SAP, there are questions yet unanswered. With the small share of the industrial sector in the economy, what are the likely impact of the general high growth of the industrial sector on the overall economy?; and what are the effects of the trade liberalisation policies and exchange rate on the small and medium scale industries? These are issues that require indepth research in themselves.

Guinea

Manufacturing in Guinea accounts for one of the lowest shares of GDP in the West Africa sub-region, contributing about 2.0 per cent of GDP in 1980 and 4.0 in 1990 (see Table 4.1) MVA per capita stood at $9 in 1985, one dollar higher than 15 years earlier. The growth of total manufacturing on a real average annual basis was recorded at 2.6 per cent between 1970 and 1985 and 3.0 per cent between 1981 and 1985.[25]

Vegetable oil, sugar refining, textiles, fish processing and fruit canning constitute the notable industrial activities. Other manufacturing activities include construction of a clinker crusher with a capacity of 250,000 tons per year; a soft drink bottling plant which was privatised in 1986; and manufacturing of plastic tiles, shoes, bags and industrial paints.

Guinea for over two decades experienced a highly - centralised economic management that encouraged the dominant ownership of manufacturing enterprises by Government. However, the trend now is to privatise, liberalise, as well as accommodate foreign capital, official development aid and private investment. Guinea also is implementing IMF/World Bank inspired structural adjustment.

Guinea - Bissau

Manufacturing in Guinea-Bissau is a tiny economic sector like that of Guinea. Most of the existing industries are small establishments engaged in the processing of agricultural crops especially groundnuts for food and export. The production of alcoholic spirits forms the most important industrial activity. Industry in 1993 employed about 5.0 per cent of the total labour force, which was 1.0 per cent increase over the 1990 and 1985 record of 4.0 per cent. (See Table 4.4) Annual average growth rate of MVA declined from 7.1 per cent in 1980-85 to 7.1 per cent in 1985-90 period. (See Table 4.2)

Liberia

The main industrial activity of Liberia is in the areas of rubber and iron ore production. And these are controlled by Foreign Firms, which have scant linkages with the rest of the economy (see Table 4.6). Other activities in the industrial sector are import-substituting consumer goods activities which are dependent on imported inputs. These include palm oil and wood processing, garment making and bakeries.

Manufacturing's contribution to GDP decreased from 8.0 per cent in 1980 to 5.0 per cent in 1987. Since 1980 Liberia has been recording negative growth

TABLE 4.7
Leading Foreign Multinational Companies in Liberia

Name	Home Country	Sector
Keihin Raefer	Japan	Sea Transport
Konoike Construction Co.	Japan	Construction
FRIED Krupp Gmbh	W.Germany	Bulk carriers
Hans Mehr	W. Germany	Mechanical engineeringg, textile, food, drink,tobacco, chemical and pharmaceutical
Nordman, Rassemann Gmbh and Co.	W. Germany	Wholesale distribution
Alpha - Laval AB	Sweden	Mechanical engineering
Electrolux AB	Sweden	Mining and metals manufacturing
Nordstrom & Thulin AB	Sweden	Banking and Finance.
Amax. Inc.	U.S A	Petroleum.
Aluminium Co. Of America	U.S.A	Telecommunication
Chemical New York Corps.	U.S.A	Chemicals
Exxon Corp.	U.S A	Petroleum Shipping
Gatx Corp	U.S.A	Petroleum
Getty Oil Co.	U.S.A	Shipping
ITT	U.S.A	Petroleum
Koppers Co. Inc.	U.S.A	Sea Transport
Marathon Oil Co.	U.S.A	Petroleum
Marcona Corp.	U.S.A	Shipping
Mobil Corp	U.S.A	Petroleum Shipping
Occidental Petroleum	U.S.A	Petroleum
Ogden Corp.	U.S.A	Shipping
Philips Petroleum Co.	U.S.A	Petroleum
Sea Containers Inc.	U.S.A	Sea Transport
Standard Oil Co.	U.S.A	Petroleum
Slenber Co. Inc	U.S.A	Shipping

in MVA. In 1990-1993 period MVA growth rate was -0.3 per cent. Also, the manufacturing lablour force remained at 9.0 per cent of the total labour force. The pace of industrialisation has slowed down since. This is in spite of its Economic Recovery Programme (1986-1989).

Mali

Although the most important industrial branch in Mali is textiles, which accounted for 40.0 per cent of turnover in 1970 and 51.0 per cent in 1980. The industrial structure of Mali is geared towards the processing of agricultural products such as groundnut oil, sugar cane, and tobacco. Other industrial activities include rice processing and ice cream production. There are plants for phosphate, batteries, and coffee.

The manufacturing sector's contribution to GDP was estimated at 5.0 per cent in 1965. The figure was 4.0 per cent in 1980 and went up to 8.0 per cent in 1990. The significant increase recorded in 1990 was an indication of recovery from the 1970s recession - a consequence of drought-related decreases in agricultural production of the Sahelian countries, affecting both the manufacturing sector's raw material base.

The manufacturing sector shows few signs of structural change. Over the 1975/76 - 1981/82 periods, the major industries - textiles, food products, beverages - all saw their share in MVA decrease slightly. However, leather, wood and paper products recorded small gains. But all these are not important industries. Only the tobacco sector grew conspicuously during this period, increasing its share by 17 per cent. The share of manufactured exports in total exports was 13.3 per cent in 1982. Cotton products (fabrics, cotton seed cake) accounted for slightly more than one-half of this figure. Other exports include groundnut oil and hides. Manufactured imports are far more dominant in total imports, followed by petroleum products.

Mauritania

The manufacturing sector in Mauritania is relatively small, and contributes very little to the economy. Main industrial activities include fish and meat processing and soft drink production. Food processing thus constitutes by far the most important activity, accounting for over 90 per cent MVA in 1980. Within the sub-sector, fish processing has become the major industry. By itself, the industry accounts for approximately one-third of the sector's contribution to GDP. The industry's exports consist mainly of frozen fish. Most processing of fish has taken place on foreign factory ships under Mauritanian license, thus limiting the contribution to domestic industrial development. All equipment and most of the manufacturing sector's inputs are imported.

Niger

Niger is very rich in minerals-uranium, iron and phosphate. Although uranium accounts for over 80 per cent of exports, the country's rich mineral base is yet to support a viable industrial sector. The share of manufacturing sector's contribution to GDP was 2.0 per cent in 1965, 4.0 per cent in 1980 and 5.0 per cent in 1990. Textiles, clothing, food processing are the major industrial activities. Other industrial activities are in the areas of brewery, soap, batteries and perfumes production. Most of these are concentrated in Niamey. Under a SAP regime a number of these industrial ventures are being privatised. Niger does not have export manufactures on a significant scale, but the country imports petroleum products, building materials, machinery and road vehicles, the full range of consumer goods.

Nigeria

Nigeria has a considerably large and varied industrial sector; it is the largest single industrial market in West Africa, with population of 119.3 million (1993) and $290 per capita income in 1990. The resource endowment in Nigeria should normally be able to provide adequate base to sustain a large industrial sector, but the contribution of industrial sector to GDP is limited: in 1980 the figure was 9.0 per cent and it declined to 7.0 per cent in 1990. The manufacturing sector was dominated by foreign capital until in the mid – 1970s at the inauguration of 'Nigerianization' policies and increased public sector investment. Today, however, most of the large manufacturing enterprises has significant foreign presence (see Table 4.7), up to 40 per cent ownership.

Nigeria has the widest variety of industrial activities in West Africa, ranging from simple food and consumer goods, through textiles and chemicals, to motor assembly, iron and steel, metal, machine tools and petrochemicals (see Table 4.8). This notwithstanding, it is the crude oil activity that dominates the economy, accounting for one-third of the GDP, over 75 per cent of government revenue, and about 85 per cent of export revenues.[27]

The manufacturing sector grew rapidly during 1970–1980 period. It was the era of increased direct state intervention in industrial investment. Growth rates vary across the subsectors of manufacturing. Beer was at the lead in terms of annual output, followed by vehicle assembly, soap and detergents during 1977–

1981 period. Vegetable oils, pharmaceutical and cigarettes recorded negative growth rates. In contrast, the period 1982-1986 witnessed a serious decline. The index of total manufacturing production (1972=100) fell from 432 in 1982 to 321 in 1986. The volume of production in 1986 was thus 25 per cent below that of 1982. Vehicle, cotton textiles, soaps, detergents and pharmaceutical recorded the largest contraction.[28]

The initial success in terms of the manufacturing growth of the 1970s gave way for stagnation in the 1980s due to the limitations of the import substitution industrialization which suferred shortage of foreign exchange in the 1980s. MVA went down during the first half of the 1980s. The manufacturing sector recorded a 19.2 per cent increase in MVA in 1985, compared with a 11.9 per cent decline in 1984. There was negative growth of 6.4 per cent in 1986. Capacity utilization rates fell seriously during 1986-87. During this period, most manufacturing branches suferred foreign exchange constraints for imports resulting into lack of spare parts and inputs for production. Consequently, MVA declined by 10 per cent in 1987.[29]

A major policy reform programme was embarked upon with the introduction of the Structural Adjustment Programme in 1986. Areas of concern include a significant reduction in the import content of production. Within the framework of SAP, a large-scale privatisation programme was put in place along with encouragement for foreign capital. However, inspite of all these Nigeria remains largely under-industrialised, with capacity utilisation of 34.4 per cent for manufacturing as a whole in 1992. During 1980 and 1990 MVA has grown at an annual average of -1.6, which means that on a capita basis, industrial production has been falling.

TABLE 4.8
List of Selected Nigerian Manufacturing Enterprises

Name of Enterprise	Products	No of Employees	Turnover (N million in 1985 except as indicated
Cadbury Nig.	Confectionary	2,000	113
Flour Mills of Nig.	Flour milling	-	232
Food Specialities Nig.	Confectionary	1,454	102
Lever Brothers Nig.	Food detegents	3,5000	266
Nigeria Tobacco	Tobacco	3,600	116
Guiness Nigeria	Beer	5,200	258
Nigeria Bottling	Soft drink	4,330	309 (1986)
Nigerian Breweries	Beer	4,000	179
Nigeria Newsprint Manufacturing	Newsprint	-	-
Nigerian Paper Mills	Paper	1,023	-
Arewa Textiles	Prints	4,200	-
Bata Nigeria	Footwear	2,000	47
United Nigerian Textiles	Textiles/Prints	-	76 (½ year 1982)
Western Textile Mills	Spinners/Textiles	1,021	22
Leyland Nigeria	Commercial Vehicles	1,100	-
Peugeot Automobile Nig.	Vehicle Assembly	1,995	$118 million (1987)
S.C.O.A. Motors Nig.	Vehicles	-	-
Ajaokuta Steel	Iron and Steel	7,650	40 (1986)
Delta Steel	Iron and Steel	5,400	86
The West African Portland Cement	Cement	2,500	110 (1982)
Metal Box Toyo Glass Nig.	Glass Bottles	1,250	38 (1982)
West African Glass Industry	Glass Products	-	28
AGIP Nigeria	Petroleum Products	315	54 (½ year 1984)
Berger Paints Nigeria	Paints	550	32
Chemical and Allied Products	Chemicals	-	58
Elf Nigeria Lagos	Oil/Gas	-	-
Gulf Oil Co. Nigeria	Oil	-	-
Mobil Oil Nigeria	Petroleum Products	-	329
Nigeria National Petroleum Coorperation	Petroleum Products	1,500	$6,500 million (1987)
Shell Petroleum Development Co. of Nigeria	Oil	-	-
Texaco Nigeria	Petroleum Products	240	213
Total Nigeria	Petroleum/Gass	800	345
Beecham	Pharmaceauticals	600	42
Glaxo Nigeria	Pharmaceauticals	534	32
Paterson Zochonis Industries	Detergents/Pharmaceauticals	-	242 (1982)
Leventis Technical	Electronic Products	1,016	69 (1983)

Source: UNIDO, NIGERIA: Industrial Restructuring Through Policy Reform (1988) p.110.

Table 4.9
Leading Foreign Multinational Companies in Senegal

Name	Home Country	Sector
James Park	South Korea	Manufacturing
Main L. Park	South Korea	Manufacturing
S T C	South Korea	Manufacturing
International Housing Co.	U.S.A	Construction
Favomar	Denmark	Fishery
Laurritzen	Denmark	Fishery
Beliard Murdoch	Belgium	Transportation equipment
Chanic	Belgium	Manufacturing
Hachette	France	Distribution
Novetel	France	Hotels
Optora	France	Transportation equipment
Petro-Canada	Canada	Oil
Fincantieri	Italy	Transportation equipment
Weser	West Germany	Transportation equipment
Campagnie Francais des Petrolas	France	Oil
Lafarge	France	Cement
Mobil	U.S.A.	Oil
Nestle	Switzerland	Food products
Schneider	France	Mechanical engineering

Senegal

Senegal is relatively industrialised,especially by West Africa standard. The manufacturing sector's contribution to GDP was 9.0 per cent in 1990, up from 7.0 per cent in 1980. Although per capita MVA expanded, but the increase is negligible when compared with the 1970 figure of $8.8.[30] In 1985,1990 and 1993 Senegal's modern manufacturing employed only 7.0 per cent of the total labour force [see Table 4.4].

Food products dominate the industrial sector which accounted for 43.0 per cent of gross output in 1980,it went up to 42.1 per cent in 1986. The food products (sugar and preserves, cereal products, fish and groundnut processing) is followed by textiles and wearing apparel with a 1985 share in gross output, MVA and employment of 12.4, 17.0 and 12.0 per cent respectively.[31] Other industrial activities include metal products, petroleum refining and phosphate products, tobacco, engineering, building materials, and ship-building.

Senegal's major manufactured exports include groundnut products, processed fish and phosphate products. Industrial exports predominate in total exports: the 1986 share was 76 per cent, up from 74 per cent in 1980.[32] Imports are dominated by petroleum products and equipment. Senegal is another case of the prominent presence of foreign capital in its industrial sector (See Table 4.8).

Sierra Leone

The manufacturing sector is dominated by food products industry which in 1986 accounted for 48.6 per cent of gross output, 65.3 per cent of MVA and 35.8 per cent of employment, followed by wood products and industrial chemicals. In 1986, wood products accounted for 6.4 per cent of gross output, 17.1 per cent of MVA and 17.6 per cent of employment. Industrial chemicals accounted for 34.0 per cent of gross output, 4.3 per cent of MVA and 13.3 per cent of employment.[33]

Manufactured exports do not assume large dimensions. About 90 per cent of manufactured exports in Sierra Leone consist of iron ore concentrates. Manufactured imports dominate total imports and far exceed exports. Petroleum products accounted for about one-third of manufactured imports. The manufacturing sector is dependent on imports (inputs, spare parts and equipments). The United States presence is dominant in the industrial sector of Sierra Leone (see

Table 4.9).

TABLE 4.10
Leading Foreign Multinational Companies in Sierra Leone

Name	Home Country	Sector
Caldeonian Hotel Holding	United Kingdom	Hotels
Aracca Petroleum Corp.	USA	Hotels
Bethlehem Steel	USA	Oil
Nord Resources	USA	Mining
Transierra Exploitation Corp.	USA	Oil
Austro Mineral	Austria	Mining
Alu Suisse	Switzerland	Mining
BAT Industries Plc	United Kingdom	Tobacco.

Togo

In Togo the share of manufacturing in GDP was 10.0 per cent in 1965. It decreased to 7.0 per cent in 1980 and went up slightly by 2.0 per cent to 9.0 per cent in 1990. (See Table 4.1) Table 4.1 also shows that during the 1980-90 period average growth of manufacturing stood at 0.7 per cent. The sector employed 10.0 per cent of the total labour force in 1985, 11.0 per cent in 1990 and 1993. (See Table 4.4)

Food and Beverages is the major subsector (See Table 4.3), which acounted for 47.0 per cent of manufacturing value added in 1980. Texiles and clothings industries are also important, recording 13.0 per cent of MVA in 1980. Also, industrial chemicals accounted for 8.0 per cent in 1980. Togo had experience of regional industrial cooperation with Ghana and Cote d'Ivoire in cement production.

4.5 Uneven Development and Industrial Inequality in West Africa.

The marginal contribution of the industrial sector to the socio-economic development is evident from the above review of the industrial situation in West Africa. An early study by NISER and CIRES attributes this trend to factors which include low level of capital formation, high rate of population growth low growth rate of per capita income, and the high rates of inflation[34]. This study further identifies regional development inequalities as a problem. The unimpressive performance of ECOWAS states in industrialisation is truly representative of the whole sub-Saharan Africa where there has been decline in industrial production in real terms since compared to other parts of the developing world. In the circles of the World Bank group, the disappointing performance of African economies and the manufacturing sector in particular is already being explained in terms of internal policy errors, excessive government control, biases against agriculture and against exports through import protection and overvalued exchange rates. Conceived in this way, negative external shocks such as the declining terms of trade for primary exports are identified as mere factors, but not considered critical. Thus, the logical policy prescription and key to recovery stress eradication of past errors and increased concessionary aid flows[35].

Beyond the above arguments, any explanation of the crisis of industrialisation should start with an understanding of the main features of the industrialisation process under consideration. In the West African sub-region, the structure of production, trade, consumption pattern, and social and economic institutions inherited from the colonial era and presented under neo-colonial arrangements generate structural contradictions which are serious inhibitions to industrial development. Admittedly, the adoption of bad internal policies by states over the years has deepened these contradictions. Threfore, for us in this study, measures for accelerating the development of industries in West Africa bear more directly on the political economy of imperialism.

The general character of West African political economies lies essentially in their incorporation into the world economy as appendages. Their role in the international division of labour facilitates the development of a common orientation among the states in West Africa towards foreign trade, aid and investment as the fundamental basis of accumulation and social reproduction. It is to be noted however that, the conditioning impact of the process of incorporation varies from one country to another, due to factors which include disparity in resource endowment, the nature of their external relations and the peculiar manifestation of individual post-colonial state[36]. It is true that, member states of ECOWAS are endowed with different natural resources, and this is capable of promoting regional inequality. But more importantly, it is the pervasiness and power of the capitalist development in West Africa which logically makes regional imbalance and unequal development inevitable.

The economic performance in West Africa for 1991 reveals some variations as well as regional imbalance. According to ECOWAS Secretariat, the decline in West Africa's GDP between 1990 and 1991 "was due largely to a cut back in economic activity in Nigeria whose growth rate dropped from 5% in 1990 to 3.5% in 1991."[37] In 1991 Nigeria alone had a GDP of US$103 billion, which amounted to 73.4 per cent of the total GDP of West Africa, estimated at US$104.3 billion at 1980 constant prices.[38] During this period, Ghana recorded a 5.0 per centin increase in GDP while Benin's real GD rate increased by 2.5 per cent. Guinea in 1991 recorded a growth rate of 4.0 per cent whereas production fell in Cote d'Ivoire by about 1.0 per cent. In the Sahelian region Burkina Faso, Mali and Senegal recorded growth rate of 5.0, 4.0 and 4.0 per cent respectively. In this period Sierra Leone and Liberia had the lowest economic growth rates in the subregion at -5.0 and -2.0 per cent respectively.[39]

Different criteria present themselves in measuring the extent of regional inequalities in any given situation, regional or global. The choice of a particular index depends on the objective of the study as well as the stage of development.[40] However, among the less developed countries, regional inequality is usually measured in terms of per capita income and industrialisation.

The geographical spread of industry across West Africa is uneven. Also, there is marked diversity in the level of industrialisation among West African countries. The diveristy is wide when account is taken of the share of manufacturing in GDP. Table 4.1 shows that in 1990 manufacturing contributed less than 10.0 per cent in eight West African countries while at the other extreme, its contribution in two countries were 14.0 per cent (Burkina Faso) and 13.0 per cent (Senegal). In 1990s, structural problems arising from heavy dependence on imported factors of production as well as high debt service obligations hampered growth in the West African manufacturing sector. Its contribution to the region's GDP increased only from 7.1 per cent in 1990 to 7.2 per cent in 1991.[41] Table 4.2 shows the rate of growth of the MVA between 1990 and 1993 at 2.9 per cent average.

Again, there are marked diversity in the perfomances of West African countries. Cote d'Ivoire, Ghana, Nigeria and Senegal accounted for about 85.0 per cent of the value of the West African manufacturing sector in 1991. Nigeria alone shared 58.0 per cent of the value of the region's manufacturing sector.[42]

It is pertinent to note that the gains and benefits of integrative arrangements among less developed societies are usually measured in terms of critieria which include income growth and degree of industrialisation. In this regard, natural resources like fertile soil, rich vegetation, minerals, and water which are immobile are assumed to be, although critical to industrialiastion, dependent on the scale of industrialsation in the location where they exist.[43] According to Bode Olowoporoku:

> Since most developing countries measure that level of success in industrialsation, it is therefore not surprising that the most sensitive issue in a common market among these countries is related to question of regional distribution.[44]

Thus, in West Africa the question of what to do with the diversity in the level of industrialisation among West African states has remained a major issue in virtually all the attempts at regional integration and cooperation in the subregion. In some circles among countries in West Africa, it is generally assumed that the success of any integrative arrangement depends on its being able to reverse the great inequality with respect to industrialisation.

The lessons from the defunct East African Community is relevant here. Among other regions for its collapse, namely–differences in ideological and political leaning, the influence of pressure groups, and the impact of inter state conflicts, the pattern of industiral production within East African Community reinforced a lopsided distribution of cost and benefit which was in favour of Kenya.[45] This led to mutual suspcion as Kenya was accused of attracting foreign investment at the expense of other members of the community. The account of the collapse of the EAC lends credence to the fact that wide regional inequality poses a very serious problem to regional integration among countries in the Third World.

Nonetheless, there are other view different from the above. According to Yakubu Gowon:

> While the poorer, Sahel states in ECOWAS would naturally be concerned at possible "backgwash" effects - which was why we envisaged the Fund for Compensation and Development, which was by no means restricted to compensation alone - the single most important barrier to be overcome within our region was no between more or less developed states, or coastal and land-locked ones, but between French and French speaking states.[46]

Although, it is not difficult to agree with the view that the influence of exteral ties of member states on the operation of integration schemes matters a lot. However, the effect of external manouevrings must be appreciated in terms of the structural asymmetry they are capable of creating, and which in trun undermines the growth and development of integration scheme. The depth of the problems arising from structural asymmetry is beyond resolution through the inauguration of compensatory arrangements within the framework of 'laissez faire' model of economic integration.[47] Many integrative arrangements in Africa, including ECOWAS hold theoretical allegience to the 'laissez faire' model especially in their compensatory and corrective regimes.

4.5 Notes and References

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CHAPTER FIVE

EVOLUTION AND DYNAMICS OF REGIONAL INTEGRATION IN WEST AFRICA

5.1 Introduction

Both internal and external factors had inputs in the whole process of forming an all-embracing economic community in West Africa. With regard to internal factors, perhaps the most easily recognised is the quest for expanded market especially for the stimulation of the industrial sector in West African countries. For most Africa states,

> ... economic cooperation at the regional level in Africa will lead to the efficient allocation of industrial activity, production capacity, encourage the effective use of local raw materials and it will reduce dependence on foreign intermediate capital and even consumption goods.[1]

Thus like in most economic cooperation schemes in the Third World, the desire for industrialisation was a major economic motivation for the integration efforts of the ECOWAS states. It is evident that it is in the context of national industrialisation that individual ECOWAS states have identified their economic interest with the Community.[2] In broad terms, the exigencies of development motivated West African states towards economic cooperation, however,

> ... the main reason for agreeing to the partial relinquishment of sovereignty, seemingly inherent in any attempt to achieve integration, is the hope of turning to account the economies of scale offered by the new economic region for the purpose of establishing industries with greater vertical integration and modern technology.[3]

A closely related issue is the general economic goals and aspirations of individual states, particularly during the early years of independence. For example in Nigeria, by 1970, at the on set of the Second National Development Plan (1970-1974), policy makers had already started planning towards Nigeria becoming the industrial heart of West Africa through significant growth in the country's manufacturing sector. The Plan had envisaged an increase in West

African trade in manufacture that would lead to "a more rapid economic growth in the sub-region", if West African countries would maintain non-discriminatory duties.[4]

Some political considerations also reinforced the interest of West African leaders in sub-regional and even continental economic cooperation. During their nationalist struggles, and even after their political independence African states generally gave serious thought to the issue of the unity of African States. Among the 'moderates', the idea of unity through economic cooperation was received overwhelmingly. This "pragmatic strategy" was expected to enhance the bargaining power of African states vis-a-viz other actors in the international system. [5] Aaron Gana's analysis of Nigeria's role in the formation of ECOWAS is very much revealing in respect of the political dimension of the quest for regional integration in West Africa:

> Integration as a political weapon certainly featured prominently in the calculations of the Nigeria leaders. It must be recognized that they were not under any illusion as to the crucial significance of economics in the politics of integration. Indeed it would have been inconsistent with their avowed functionalist approach to unity.[6]

Olatunde Ojo's view compliments the above. He observed that there was a linkage of Nigeria's economic and political regeneration with the economic health of West Africa in the Nigeria's sponsorship of ECOWAS which was meant to correct "the hollowhess of Nigeria's diplomacy and political influence West Africa" in the 1960s.[7]

Additionaly, both the ECA and IMF had encouraged West African states to cooperate and integrate their economies. It is instructive to note that the first steps in the direction of establishing an Economic Community of West African States were taken at sub-regional meeting of the ECA held in Accra, in April 1967. Also, there were other forms of external influences on the evolution and direction of West African integration. The paternalistic character of French African Policy as well as other developments in Europe-African relations constituted considerable pressure on the evolution of West African integration. Our task in this chapter is to articulate the broad consequences and implications of the interactions of the internal and external forces on the evolution of West Africa regional integration.

5.2 The Evolution and Dynamics of West African Integration

The process of West African integration is representative of other integrative initiatives in Africa, especially in terms of its evolution and dynamics. The process of regional integration is conceived in this study as a dialectical unity of social, economic and political process. Therefore, to understand that process of economic integration in West Africa for instance, one must understand its people, their economies and their culture; its interactions with the western world since the 16th century and even its relations with some non-western worlds and cultures, such as, the islamic world that goes back to the 7th century. And more importantly, one must understand the evolution of West African economic regionalism in the context of the various struggles for liberation throughout the sub-region and the efforts towards some forms of West African Community starting from the 1950s.

The masses in Africa had generally participated in the various liberation struggles with the hope that 'African unity'and its institutional expression would "not serve the ends of a plethora of micro-nationalism, not to provide conditions for the enjoyment of power and wealth by little local non-productive Westernized bourgeois groups".[6] The movement towards African unity was evidently characterised by disagreement among African leaders. Although there were disagreements on such issues as the recognition of Algeria and the Congo crisis, perhaps on the matter of the right approach to African unity was the views of African elites appeared to be irreconcilable. Radical leaders like Kwame Nkrumah of Ghana and Sekou Toure of Guinea advocated for political unification of African continent as a strategic variable, in the struggle for the cultural and social development of the African peoples. The pan-Africanist stand of Kwame Nkrumah constituted a serious reproachment to the zeal of the more moderate leaders in the continent, whose vision of African unity was largely influenced by functionalist assumptions and propositions, that the unity of African states could only be achieved through gradual and functional integration of the continent which must start at sub-regional levels.[9] The victory of the `moderates' at Addis Ababa in May 1963, when the charter of the Organisation of African unity (OAU) was signed, was seen by the `radicals' as a retreat for pan- African consciousness.

The ECA's role as an apostle of regional integration in Africa was commendable. The Commission encouraged the efforts of the various African countries. Also, the African Development Bank was established in 1963 to promote the economic and social development of its member states by mobilising resources and financing projects and programmes which, by their nature and scope, are designed to make the economies of its members increasingly complimentary.[10] Also, the ADB in some respects helped in the consolidation of the OAU's commitment to functional cooperation and the policy corollary of regional cooperation. To date, African states have shown interest in the ECA's gospel of self-reliance and autonomous growth, made possible through the formation of sub-regional economic groupings. The West African sub-region alone is having over thirty-five ECA-OAU integration groupings (See Table 5.1). However, the same African states have pursued their separate development plans and other fragmented projects to the detriments of the generality of African masses. It therefore seems to one that OAU's approach to African unity and the ECA's strategy for African development converged easily to evolve and sustain a vision which was to benefit the interests of African elites and their sponsors rather than those of the African peoples.

TABLE 5.1

West African Intergovernmental Organisations: Year of Establishment and Membership

	ORGANISATION	YEAR ESTABLISHED	TOTAL MEMBERSHIP	NO OF WEST AFRICAN MEMBERS	MEMBERS
I.	INTEGRATION GROUPINGS				
a)	Economic Community of West African States (ECOWAS)	1975	16	16	Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Gambia, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo.
b)	Economic Community of West Africa (CEAO) Replaced with the West African Economic and Monetary Union (UMOA) in 1994	1972	7	7	Benin, Burkina Faso, Côte d'Ivoire, Mali, Mauritania, Niger, Senegal
c)	Mano River Union (MRU)	1973	3	3	Guinea, Liberia, Sierra Leone

	ORGANISATION	YEAR ESTABLISHED	TOTAL MEMBERSHIP	NO OF WEST AFRICAN MEMBERS	MEMBERS
II	MULTI-PURPOSE IGOs				
i)	General/Multi-purpose				
a)	Council of understanding (ENTENTE)	1959	5	5	Benin, Burkina Faso, Cote d'Ivoire, Niger, Togo
b)	(Inter-State Committee)	1973	8	7	Burkina Faso, Cape Verde, Chad, Gambia. Mauritania, Niger, Senegal.
c)	Authority for the Integration Development of the Liptako-Gourma region (ALG)	1970	3	3	Burkina Faso, Mali, Niger,
d)	Nigeria/Niger Joint Commission for co-operation (NNJCC)	1971	2	2	Niger and Nigeria
e)	Sene-Gambia Permanent Secretariat (SENE-GAMBIA)	1967	2	2	Gambia and Senegal
ii)	River and Lake basins				
a)	Niger Basin Authority (NBA)	1980	8	7	Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Guinea, Mali, Niger, Nigeria
b)	Organisation for The Development of the Gambia River (OMVG)	1978	4	4	Gambia, Guinea, Guinea-Bissau, Senegal
c)	Organisation for the Development of the Senegal River (OMVS)	1972 (but dates back to OERS created in 1968)	3	3	Mali, Mauritania, Senegal
d)	Lake Chad Basin Commission (LCBC)	1964	4	2	Cameroon, Chad, Niger, Nigeria
iii	SINGLE-PURPOSE IGOs				

	ORGANISATION	YEAR ESTABLISHED	TOTAL MEMBERSHIP	NO OF WEST AFRICAN MEMBERS	MEMBERS
iii	SINGLE-PURPOSE IGOs				
i)	Agriculture and Natural Resources				
a)	West African Rice Development Association	1970	16	15	Benin Burkina Faso, Chad, Côte d'Ivoire, Gambia, Ghana, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo.
b)	African Society for the Development of Millet and Sorghum-based Food (SADIAMIL)	1972	5	4	Burkina Faso, Mali, Mauritania, Niger, Sudan
c)	Economic Community for Livestock and Meat (CEBV)	1970	5	5	Benin, Burkina Faso, Côte d' Ivoire, Niger, Togo
d)	African Groundnut Council (AGC)	1964	6	5	Gambia, Mali, Niger, Nigeria, Senegal, Sudan
e)	Cocoa Products Alliance (CPA)	1962	7	4	Brazil, Cameroon, Côte d'Ivoire, Gabon, Gambia, Ghana, Mali, Niger, Nigeria, Senegal, Sudan, Togo.
f)	Inter-State Committee for Water Studies (CIEH)	1960	12	8	Benin, Burkina Faso, Cameroon, Chad, Congo, Côte d'Ivoire, Gabon, Mali, Mauritania, Niger, Senegal, Togo
g)	Regional Agro-meteorological and Hydrological Centre (AGRHYMET)		8	7	Burkina Faso, Cape Verde, Chad, Gambia, Mali, Mauritania, Niger, Senegal.
h)	Sahel Institute (INSAH)	1977	8	7	Burkina Faso, Cape Verde, Chad,,Gambia, Mali, Mauritania, Niger, Senegal.
i)	Remote Sensing Centre of Ouaga-dougou (CRTO)	1977	15	12	Algeria, Benin, Burkina Faso, Cameroon, Congo Côte d'Ivoire Ghana, Guinea, Liberia, Mali, Mauritania, Niger, Senegal, Sierra-Leone, Togo.

	ORGANISATION	YEAR ESTABLISHED	TOTAL MEMBERSHIP	NO OF WEST AFRICAN MEMBERS	MEMBERS
j)	Regional Centre for Training in Technical Aerial Survey (RECTAS)	1972	11	8	Benin, Burkina Faso, Cameroon, Central Africa Republic, Gambia, Ghana, Mali, Nigeria, Senegal, Togo, Zaire
k)	International Organisation for the Fight against the African Migratory Locust (OICMA)	1962	17	11	Burkina Faso, Cameroon, Central African Republic, Chad,Congo, Côte d'Ivoire Gambia, Ghana, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra-Leone, Togo, Uganda, Zaire
l)	Common Organisation for the fight against Locust and Fowl Pest (OCLALAV)	1965	10	8	Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Gambia, Mali, Mauritania, Niger, Senegal
ii)	Transport and Communications				
a)	Air Afrique	1961	11	7	Benin, Burkina Faso, Central African Republic, Chad, Congo, Côte d'Ivoire, France, Mauritania, Niger, Senegal, Togo
b)	Agency for Air Transport Security in Africa (ASECNA)	1959	14	8	Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Gabon, Madagascar, Mali, Niger, Senegal, Togo
c)	African Civil Aviation Commission (AFCAC)	1969	39	14	Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Côte d' Ivoire, Egypt, Ethiopia,Gambia,Ghana, Guinea, Gabon, Kenya, Lesotho, Libya, Liberia, Madagascar, Malawi, Mali, Mauritania, Morocco, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, Sudan,Swaziland,Tanzania, Tunisia, Uganda, Zaire, Zambia

	ORGANISATION	YEAR ESTABLISHED	TOTAL MEMBERSHIP	NO OF WEST AFRICAN MEMBERS	MEMBERS
d)	Benin and Niger Common Organisation for Railways and Transport (OCBN)	1959	2	2	Benin and Niger
iii	Industry				
a)	Electricity Community of Benin (CEB)	1970	2	2	Benin and Togo
B)	West African Cement Company (CIMAO)	1975	3	3	Cõte d'Ivoire, Ghana, Togo
C)	African Regional Centre for Engineering Design and Manufacturing (ARCEDEM)	1979	23	11	Algeria, Benin, Burkina Faso, Burundi,Comoros, Congo, Egypt, Ghana, Guinea, Kenya, Liberia, Mali, Morocco, Niger, Nigeria, Rwanda,Senegal, Sierra-Leone, Sudan Tanzania, Zaire, Zambia
iv)	Social and Cultural Matters				
a)	Organisation for co-operation and co-ordination in the Fight Against Endemic Diseases (OCCGE)	1960	8	8	Benin, Burkina Faso, Côte d'Ivoire, Mali, Mauritania, Niger, Senegal, Togo
b)	West African Health Community (WAHC)	1972	5	5	Gambia, Ghana, Liberia, Nigeria, Sierra-Leone
c)	African and Malagasy Council for Higher Education (CAMES)	1968	17	7	Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Gabon, Madaga-scar, Mali, Mauritania, Niger, Rwanda, Senegal, Togo, Zaire
iv)	MONETARY AND FINANCIAL INSTITUTIONS				

	ORGANISATION	YEAR ESTABLISHED	TOTAL MEMBERSHIP	NO OF WEST AFRICAN MEMBERS	MEMBERS
a)	African Centre for Monetary Studies (ACMS)	1978	33	16	Algeria, BCEAO Members, Botswana, Burundi, Cape-Verde, Egypt, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mauritania, Mauritius, Morocco, Nigeria, Rwanda, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Tunisia, Uganda, Zaire, Zambia, Zimbabwe
b)	West African Clearing House (WACH)	1975	16	16	Central Banks of Seven BCEAO countries, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mauritania, Nigeria, Sierra Leone, Cape Verde.
c)	West Africa Monetary Union (UMOA)	1973	7	7	Benin, Burkina Faso, Côte d ' Ivoire, Mali, Niger, Senegal, Togo
d)	Central Bank of West Africa	1963	7	7	Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, senegal, Togo
e)	West African Development Bank (BOAD)	1972	7	7	Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, Togo.

Among many Third World Countries, regional economic integration is seen as a key element of development strategy in their efforts to achieve economic growth and development. This is underscored by the assumption that, balanced development requires larger market which regional integration provides. In West Africa, with the possible exception of Nigeria, no one single economy in the sub-region is large enough to sustain an integrated modern economy on a large scale!

Thus, based on the above assumptions, it is expected that economic integration would result into expanded trade and increased investment in the Third World and thereby reduce external dependence. Virtually all the attempts at economic integration in West Africa assume the efficacy of the customs union model. The rationale is that a customs union will be beneficial if on balance it is trade-creating, and it will be harmful if on balance it is trade-diverting. However, the basic errors in the customs union model are its assumption of full employment, perfect competition, constant return to scale, perfect internal mobility of factors of production, and equality of private and social costs which are rarely realisable in less developed countries.[11] Besides, it has been argued that in evaluating the desirability of economic integration among less developed countries, the focus should be on dynamic efforts rather than static effects as in customs union schemes.[12]

Even where the reality of West African situation belies the proposition of the customs union theory, especially on trade expansion, further justifications for economic integration are still being sought in a marriage of orthodox development economics and traditional integration theory, which follows the argument of the Dependency School notably those of the ECLA School that the customs union facilitates more efficient industrialisation, through the promotion of import substituting industries within regional groupings than industrialisation within the confines of each national market.[13]

Early efforts by various West African governments to industrialise were not very successful. In these early attempts, inputs supplies were regionally based with little or no recourse to subregional or regional markets. Generally, each country had initiated development plans that were inward-looking and with measures for industrialisation which ignore the possibility of regional coordination of industrial development and industrial growth. Most countries in West Africa truely lack the size of market and development resources that can sustain industrialisation on a large scale. The stand of the ECA for instance is that, among other things, the small size of the markets in Africa limits industrialisation. Hence, the ECA encouraged countries in Africa to embark on subregional appraoch to economic planning and development; the optimum size of output for economic operations is far in excess of what could be absorbed singly by a number of the African countries. From the point of view of the availability of raw materials and power also it is advantageous for groups of countries to come together and promote these industries jointly.[13] Asante's analysis puts some of these assumptions in perspective:

> In order for these industries to be reasonably efficient they will have to operate on a relatively large scale and will have to find outlets for products on relatively large markets. A large market would allow industries to expand production and to take advantage of economies of scale, thus reducing prices.[14]

Rather than rehash these assumptions here, we will attempt a critique with focus on the political origin of the ECA's propositions on sub-regional cooperation. The strategy of development prescribed by Raul Prebisch and the ECLA School entails: structural change, import substitution, industrialisation under protection, and export of manufactures.[15] When the limits of import substitution are reached, export markets for manufactures have to be sought for. The prospeccts for African manufactures in this circumstances is very remote, giving the level of technological and industrial development in African countries. Therefore the only alternative consists in the export of their manufactures to each other. This is the underlying argument for what the ECA has called sub-regional cooperation and an approach to free trade areas or common markets. The following extracts by A.F. Ewing, an ECA insider, sums up the logic;

> ... most African market are small, partly as a result of the small population of many countries and also of the low income per head. Many indusries cannot hope to be economic without a sizeable market, owing to the influence of economies of scale. The advantages of international specialization are clear. External economies plus linkage effects cannot be

fully realized within the boundaries of single countries.[16]

But, inspite of the upsurge of interest in the quest for wider regional market to stimulate industrialisation in Africa, this approach raises several urgent questions that lead directly to the explicity political issues in regional integration and economic development in general. The approach advocate by the ECA is not free of contradictions. According to Ewing:

> Concentration of resources promotes foster growth, but there is also a tendency for the gap between the more and the less favoured countries or areas to grow. This is particularly apparent between the coastal Africa. A solution to this dilemma has to be found. Even within a single developed country, marked regional differences arise which have persisted until there has been a large element of central government planning.[17]

Against the background of the above view point, it is possible to identify so many issues that still impinge on the evolution of a 'supranational' authority with capacity for "central government planning" in West Africa. Perhaps, these issues qualify for analysis within a political economy framework. Within this perspective several urgent questions are raised. In spite of the dominant emphasis on sub-regional cooperation in West Africa since in the 1960s, why has the degree of West African integration remained so low? What configuration of national and international forces have combined to negate the evolution and growth of regional market in West Africa? Among other things, it is generally believed that African states are unwilling to surrender political power to a 'supranational' body in an integrative arrangement. Suffice it to note that regional integration in West Africa and elsewhere in Third World is fundamentally political. The decision to be committed to a programme of regional integration as well as implementing regional programmes are basically questions for the state and its political leadership to settle.

The above theoretical argument is not actually articulated in the experience of West Africa despite the long period of awareness on the need for regional market.

5.2.1 Some Early Efforts at Regional Integration in West Africa

Regional cooperation in West Africa is not strictly a post-colonial phenomenon. The history of nationalism in West Africa is punctuated with instances of reference to the idea of regional integration as part of Pan – Africanist sentiment. And taken further down the lane of history, even in pre-colonial times, there were activities that cut across states frontiers in West Africa that can reasonably be taken as part of the background to modern West African integration: movements of people, capital and goods in West Africa dated back to the 11th Century. Several West African cities such as Kano, Timbuktu and Jenne were important for their roles in the Trans-Saharan trade.

Although, in the period before the 1960s there were figments of desire for West African unity, but concrete moves towards West African integration were conspicuously absent until in the period immediately after independence. In the 1940s, Kwame Nkrumah defined the concept of `West African unity' as the means of achieving a United States of Africa. This was at the height of his political field work after the Fifth Pan African Congress of October 1945. His vision of West African unity was borne out of his anti – colonial struggles and pan – Africanist sentiments. According to Nkrumah in the Foreword to the 1962 edition of **Towards Colonial Freedom;**

> ... my ideas on African unity, important as I considered them even at that time, were limited to West African unity. Today, as I sit at my desk in Accra and glance at the several maps of Africa surrounding me, I see the wider horizon of the immense possibilities open to Africans – the only guarantee, in fact, for our survival – is a total continental political union of Africa.[18]

Nnamdi Azikiwe, in an address delivered to a meeting of the Committee of African Organizations held in London in August 1961, within the framework of Pan-Africanism, proposed an African Common Market as means of attaining political unity in Africa.[19] But these early initiatives could not record much success because of the sovereignity question; the emergent West African States were quite protective of their newly won political independence. Besides, the legacies of colonialism such as the reality of division along metropolitan linguistic lines (anglophone and francophone) constituted impediments as well.

Nonetheless, the independence of Ghana in 1957 was a major influence on post independence efforts at regional integration in West Africa. Barely a year after Ghana's political independence, Ghana, fired by Nkrumah's Pan Africanist aspirations, played host to the First Conference of Independent African States (CIAS). The meeting took place in Accra in April 1958. There were then only eight independent African states namely: Ghana, Ethiopia, Libya, Tunisia, Morocco, Egypt, Liberia and Sudan, and each of them was represented at the Conference. At this Conference, the eight independent states agreed to coordinate their economic planning; to improve communications between their states; to exchange cultural, scientific and educational information, and to assist liberation movements. Accordingly resolutions were passed on issues ranging from the demand for the end of colonial rule to the creation of an Africa Common Market.[20]

However, most delegates to the Conference did not favour the proposal of dispensing with the existing colonial frontiers, and the idea of a single continental union proposed by Nkrumah. Rather, they preferred working towards African unity gradually by attending to certain common problems. This certainly ran contrary to Ghana's proposal for a continental government of Africa states. Hence, the search for a less `official' audience for the radical approach to African unity. The various nationalist parties, freedom fighter movements, as well as trade union, cooperative and youth movements which had no responsibilities of office, and are therefore, likely to be more militant, and anti-colonial were more receptive to radical views.[21] Therefore, in December 1958 an All African Peoples' Conference (AAPC) was held in Accra.

The AAPC was attended by over 300 delegates made up of members of Liberation movements from British, French, Portuguese and Spanish territories as well as the countries under racist minority regimes. The AAPC came up with resolutions that were more sympathetic to Nkrumah's views and a strategy for the African Revolution was agreed upon. The delegates saw their struggle as being in extricably linked to the continental struggle for total liberation and unification of Africa. Members agreed to:

(i) Work actively for a final assault on colonialism and imperialism;

(ii) Use non-violent means to achieve political freedom, but to be prepared to resist violent if the colonial powers resorted to force:

(iii) Set up a Permanent Secretariat to coordinate the efforts of all nationalist movements in Africa for the achievement of freedom;

(iv) Condemn racialism and tribalism wherever they exist and work for their eradication, and in particular to condemn the apartheid policy of the South African government. and

(v) Work for the ultimate achievement of a Union or Commonwealth of African States.[22]

The AAPC was no doubt epochal. It was the first time that Africa peoples from different colonial background, met and were able to discuss their common problems and also formulated plans to attain their objectives. However, the

AAPC's "deliberations inevitably carried less weight as the majority of the participants had no governmental responsibilities and the organisers had some discretion in choosing the movements to be represented" [23]. Apart from this the problems associated with new states, colonial mentality, the pressures of neocolonialism, the influence of international monopoly finance over the indigenous bourgeoisie, all worked against the success anticipated by Nkrumah.

The influence of external pressures was very great on most of the new African states that much as Nkrumah tried to spread the gospel of Pan-Africanism, the responses were not encouraging. Thus, Nkrumah had to rely on personal relationships, which proved quite useful, most especially on the move toward African unification. On May 1, 1959 Ghana and Guinea announced that they had formed a Union. The Union was intended as a pilot scheme for a wider Union of African States[24]. In the circumstance of intensified external manipulations of African states, the divisions among them were assuming a more organised and competitive form. On 30th May 1959 the 'Conseildu I'Entente' was formed by four francophone countries - Cote d'Ivoire, Upper Volta, Niger and Benin. Compared to Ghana - Guinea Union, the former was more looser. Nevertheless, Conseil du I'Entente was formed essentially in reaction to the Ghana-Guinea Union. Among radical leaders like Kwame Nkrumah, Sekou Toure of Guinea and Modibo Keita of Mali, there was a `sense of oneness' which stemmed from both their Pan-Africanist policies of liberation and unification, and their commitment to socialist reconstruction.[25] These developments soon crystallised in "a cleavage at the governmental plane and was the prelude to the giant divisions between the Brazzaville and Casablanca groups and to the well-nigh total dominance of African problems of 'international' politics in contradistinction to Pan-Africanism".[26]

On the 19th of July, 1959, a meeting of Ghana, Guinea and Liberia was held in Sanniquellie which later led to the formation of a Community of Independent African States - an economic, cultural and social organisation whose main objective was to assist, foster, and speed up the total liberation of Africa. However, no sooner than the Sanniquellie Declaration was signed that its contradictions became quite clear to all and sundry. It was an ill-fated alliance of Ghana, Guinea and Liberia (countries that were definitely strange bed-fellows). Granted that the Ghana - Guinea Union was demonstrative of commitment to socialist reconstruction and political unification of African States, but the same thing could not be said of the alliance of Ghana, Guinea and Liberia: Liberia's zeal for the unity of all African states very much fell short of Nkrumah's vision of binding political union. These two differing views on how to attain the goal of African unity emerged clearly at the Second Conference of Independent African States in Addis Ababa in June 1960. At the Addis Ababa Conference Nigeria and Ghana emerged as leaders of the two opposing groups - the Brazzaville/Casablanca and the Monrovia blocs - that interpreted the Sanniquillie Declaration differently.

According to the Ghanaian delegation to the Addis Ababa Conference, the concept of "African unity" was article of faith and the means of attaining this was through a "real political union". This was largely representative of the views of the Casablanca group of countries. But to the Nigerian delegation, functional cooperation between African states should be the first stage of cooperation. In this way Nigeria and other countries in the Monrovia group considered the idea of forming a Union of Africas as premature.

It is conceivable that the difference in the stands of Nigeria and Ghana was reflective of the rivalry between the two for leadership role in Africa. But more importantly, the factors of external manipulations, neo-colonial preferences and strong emotional attachment to the newly acquired political sovereignty were dominant. Politics in post-colonial Africa was essentially under the influence of former colonial powers who were enjoying the support of African bourgeois nationalists, who occasionally would make declaration on the ideals of Pan-Africanism, but only to the extent that the existing neo-colonial links allowed them. The dominance of international capital in Africa was another obstacle to the development of a clear vision of African unity and the means of attaining it. Generally, the former colonial powers sought to maintain the dominance in their former colonised territories and to do this they often resorted to unconventional means.[27] Of course these had tremendous implications for inter-African relations and regional integration.

Most of the obstacles on the part of African states in the direction of regional cooperation and unity were essentially due to the dynamics of external forces. Such inhibition set in and the Ghana-Guinea-Mali Union came to an end in 1964: Mali drew closer to France and went the way of other non-radical Francophone neighbours, notably Senegal. Guinea 's external relations changed character after the deterioration in Guinea's relations with the Soviet Union and the East European States in 1961.[28] As Ghana started to experience depression in its economy in the late 1950s and could not compete with its moderate rivals - Cote d'Ivoire and Nigeria -the latter stepped up diplomatic manoeuvring to woo the poorer West African States.[29] Thus the Ghana-Guinea Union which for a considerably long period was the unifying point for the radicals disintegrated and was never able to attain the goals of economic integration. According to Yakubu Gowon, the contradictions of these early initiatives were many arising from their colonial origins:

> However commendable their objectives, however sincere their leaders, it was very doubtful to say the least, whether there could be effective linkage between states with recent and contrasting colonial backgrounds belonging to completely different monetary systems and, in the case of Ghana and Guinea, with no common border.[30]

While Gowon's postulation can be identified with, we maintain that in the main early initiatives were characterised by contradictions that were generated by forces external to West Africa States. For instance, regardless of the ideological compatibility of Sekou Toure and Kwame Nkrumah, the programme for the extension of Ghana - Guinea Union suffered when Ghana's economic base contracted in the 1960s due to decline in prices of her main export (cocoa).[31] Incidentally, Ghana's rivals especially Ivory Coast and Nigeria were better off economically, and therefore were at an advantage to preach the gospel of "gradualist strategy" towards African unity.

France made conscious moves during the period under review to promote distinct identity for the Francophone African countries. Under such circumstance, it was difficult for African countries "to break their colonial heritages, and to form effective economic groupings that cut across them".[32] But while attempts at establishing regional organisations involving both the Francophone and the Anglophone countries has proved unsuccessful, regional groupings and associations that were principally of Francophone countries dominated the West African geo-political landscape in the first decade of independence (See table 5.1) Francophone regional organisations are among the oldest in Africa; with origins deeply rooted in those regional links which existed during the colonial days and the success of which France at independence tried, successfully to ensure. (See Table 5.1). Among the Francophone countries in West Africa, the period between 1958 and 1965 witnessed the evolution of many regional groupings that were either fallout of France's African policy or responses to it. Whichever, throughout these years, and even up to date, Francophone regionalism remained a vector for close and exclusive link with France, and the regional groupings to date have contributed to the preservation of the 'French Family'.[33] On the other hand, similar regional links in the case of British colonies in West Africa were severed soon before or soon after independence. For example, Ghana after independence pulled out of the West African Frontier force, the West African Airways Corporation, the West African Currency Board and the West African Shipping Lines. Of course Nkrumah had been criticised by Nigerian apologists. But in defence of Nkrumah's action, these services at best were ways through which the British Government still was maintaining some influence in West Africa.

5.2.2 Efforts Towards an Economic Community in West Africa

For a considerably long period of time all efforts to form an effective and wider economic grouping in West Africa, that will involve both the Francophone and Anglophone countries were unsuccessful. Nonetheless, the eventual establishment of a Community in 1975 was not as a result of a 'bang'. According to Gowon, the establishment of ECOWAS was "the product of a decade and more of patient debate and continuous discussion in each state, and every leader in the region was, at one time or another, more or less closely involved".[34] In all respects the contributory role of the ECA and other agencies deserves to be investigated.

The Economic Community of Africa (ECA) indeed invested so much in educating African leaders about the need for effective economic grouping. Among other things, it sponsored series of meetings throughout Africa to raise ethusiasm for the building of viable economic groupings in each of the four sub-regions of Africa. In November 1963 a responses to it. Whichever, throughout these years. and even up to date, Francophone regionalism remained a vector for close and exclusive link with France, and the regional groupings to date have contributed to the preservation of the 'French Family'.[33] On the other hand, similar regional links in the case of British colonies in West Africa were severed soon before or soon after independence. For example. Ghana after independence pulled out of the West African Frontier force, the West African Airways Corporation, the West African Currency Board and the West African Shipping Lines. Of course Nkrumah had been criticised by Nigerian apologists. But in defence of Nkrumah's action, these services at best were ways through which the British Government still was maintaining some influence in West Africa.

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Events all over the world and in West Africa in particular heightened the old division and rivalries among the states in West Africa. During this period Guinea was evidently not on friendly terms with most of its conservative Francophone neighbours: the overthrown of Nkrumah's governments, while it negatively affected relations between Guinea and Ghana, it aggravated the already poor relations between Guinea and Cote d'Ivoire. Renewed divisions among the Francophone states, coupled with the overwhelming influence of France pointed to the fact that "relaxation of the French `presence' in West Africa"[40] was an important condition for regional integration in West Africa. The Entente states were divided for instance, on what should be their attitude to the civil strife that was on at that time in Nigeria. France had encouraged a pro-Biafra stand which was acceptable to countries like Cote d I'voire and Gabon. But for Niger and Guinea, it was possible to make a much more objective position. While it is possible to delve on the issue of the Nigerian civil war as a major cause of the set back to West African economic integration, the issue of external manipulations of countries in West Africa deserves much attention. In the particular case of Europe and Africa, the ideology of `Eurafrica was advanced by the European powers to facilitate easy manipulation of their former colonies. This had been demonstrated in both the Younde and Lome regimes. These contractual arrangements were justified on the false notion that Europe and Africa enjoy a network of complementary and interdependent relationships. These are the hard realities that confronted Nigeria and Togo as they became set for the reactivation of the movement toward the establishment of ECOWAS in the 1970s.

5.2.3 The Nigerian-Togo Initiative

Even though throughout the duration of the civil war, Nigeria to some extent had the support of its immediate neighbours, however, the lesson of the civil war, especially the need to have friendly governments in neighbouring countries made it necessary to review its 'good neighbour' policy. Although the latter had always been a component of Nigeria's foreign policy, however, in practical term this was no more than relations with other African countries. At the end of the civil war the leadership in Nigeria realised the implications of having hostile neighbours. Its understanding of the use of Cotonou (Republic of Benin) by the International Committee of the Red Cross in 1969 for sending relief supplies to Biafra was no more than a support for the Biafrans to break the blockade by the government of Emile Zinsou. The Nigerian Government also made sure that within its capacity friendly neighbouring governments were secured against internal and external threats. Within this framework the first friendship treaty after the end of the war was signed with Dahomey. And in 1969, during Equatorial Guinea's trouble with Spain, Nigeria had supported the former with economic aid and technical assistance. It should be recalled that the government of Macias Nguema had in January 1969 asked the Red Cross to cease its operations in Fernando Po. Some Nigerians had claimed that the island was being used by the International Red Cross to get arms and war materials to Biafra.[41]

More importantly, the authorities in Lagos believed that Nigeria's relations with her neighbours could be promoted mainly through closer economic cooperation, by creating a subregional economic community which will comprise Nigeria and her immediate neighbours, albeit without prejudice to the establishment of an Africa-wide common market.[42] Lagos had realised the implications of having neighbours that were strongly dependent on France whose relations with Nigeria could not be said to be friendly. Nigeria was thus committed to the idea of promoting the economic development of these countries in order to reduce their dependence on France. In 1969, at the meeting of the Nigerian Ambassadors, it was strongly recommended that Lagos should work "to undermine OCAM's solidarity by strenthening bilateral ties with Nigeria's Francophone neighbours."[43] These were part of the background considerations in the Nigeria's bold steps towards the establishment of a West African economic community.

Beyond the imperatives of national and regional security, there were economic considerations in Nigeria's quest for West African economic integration. Of course these considerations generated a lot of controversies. The Nigerian Government was not receiving the support of a section of the Nigerian bureaucracy that believed that Nigeria did not need regional expanded market for large scale industrialisation, and that Nigeria stands to gain little from a West African economic community as it would become the pay master of the economic development of other countries in West Africa.[44] But that faction of the bureaucray lost out in the politics to the private sector which threw its weight behind economic integration in West Africa. The soundness of the thinking of Nigeria military rulers did not go beyond the wisdom that informed the Second National Development Plan, 1970 - 74, in which government had considered the question of a West African Common Market.[45] While the Plan recognised the need for a West African Economic Community as a source of stimulation for the Nigerian manufacturing sector through increased involvement of private sector, it, at the same time advocated for government regulation and control of some strategic sectors of the economy.[46] With these ambiguities it appeared economics was only a secondary consideration in the calculations of Nigeria's leaders who were more committed to reversing "the hollowness of Nigeria's diplomacy and influence in West Africa" through "hegemony in economic integration"[47]. But while this lasted "the crucial significance of economics in the politics of integration" cannot be ignored just because of the predominance of geo-political and security considerations. To do so is to hastily dismiss as illusory the expectation of the Nigerian leadership that economic integration would ultimately produce political unity in West Africa.[48]

The political climate in West Africa in the early 1970s was quite conducive to the inauguration of the Nigerian - Togo initiative towards regional integration. First there was decline in the value of ideology as a basis of inter-state cooperation. There was no strict ideological divisions the way they existed in the late 1950 and early 1960s. Secondly, the traditional Ghana - Nigeria rivalry was in the cooler in the period immediately after the civil war. Although Nigeria had strengthened its African policy, it was not unlikely that Ghana was unable to rival prosperous Nigeria in view of its declining economic power.

Thirdly, the intense rivalry between Senegal and the Ivory Coast gave way to reconciliation in December 1971. Also, Nigeria did a lot to effect a reconciliation between Guinea and Ghana after the death in 1972 of Kwame Nkrumah. And in his capacity as Chairman of the OAU during 1973-4, General Gowon mediated in a number of disputes which included that between Guinea and Senegal. Generally, in this period Nigeria rigorously pursued the theme of reconciliation especially with its former opponents on the Biafran secession. On the international plane, with the demise of de Gaulle, there was a demystification of Francophone solidarity especially among African francophones who demanded for review of cooperation with France[49]. In some respects the movements ~~agreements~~ towards West African integration benefited from these cracks in the `French family'. Also, the decline in the influence of Gaullism eventually made it easy for Britain to enter the EEC in January 1973, a development which in turn facilitated the merging of the two existing preference blocs in 1975 as the EEC - ACP convention.

Industrialisation was an issue on which all West African countries were in agreement. The need for industrial harmonisation was always central consideration, especially at the various conferences held in Lagos in November 1963 under the auspices of ECA. However, the export `boom', increased accumulation, and rapid growth in investment experienced by most countries in West Africa in the 1970s encouraged most of the West African states to concentrate on "pushing import-substitution industrialisation to its frontiers at the national level"[50]. For instance, the ambitions Nigerian Second National Development Plan had indeed anticipated a stimulation of the Nigerian manufacturing sector through expanded regional markets. It was noted in the Plan that "if West Africa countries could maintain nondiscriminatory duties, inter-West African trade in manufactures will be greatly expanded and this will promote a more rapid economic growth in the subregion"[51].

In the case of Nigeria, since 1968 oil had earned revenues which were in excess of official projections. The government had introduced tight foreign exchange controls at the height of the civil war, and this, in addition to the oil boom, had boosted Nigerian reserve from 197 million Naira in 1965 to 606.8 million Naira in 1971.[52] Consequently, the debt services ratio declined from the 1968 record of 4.2 percent in terms of foreign exchange on current account to 1.8 percent in 1971.[53] Also due to tight exchange control there was a jump from 10 percent to 95 percent in 1969 of the share of unremitted profit to total foreign investment. The effect of this was the evident internally generated capital for economic development which became available without the risk of debt - service problems[54]. Large scale investments were also made possible through the fast expanding export of crude oil. The Nigerian economy was generally in good state and could accommodate requests for assistance from poor African countries. Notably, the extension of Nigerian aid to poor African countries was an essential component of Nigerian post-civil war African policy.

The economy of Cote d' Ivoire which was based essentially on a relatively well diversified agricultural sector equally recorded fast growth in this period. Between 1960 and 1970, the Ivorian economy recorded an increase of about 250 percent in its capital formation, from 86.6 million dollar in 1960 to 302.1 million dollar in 1970[55]. Cote d' Ivoire was not alone in its experience as Nigeria and Senegal had similar figures. In Nigeria capital formation increased by 93.8 percent (representing $550.7million in 1960 and $1,0675 million in 1970)for Senegal the figures was 54.6 percent ($72.7 millionin 1960 and $112.4 in 1970) But in Ghana capital formation declined from 238.8 million dollar in 1960 to 288.1million dollar in 1970.[56]

In most of these countries, state policies had anticipated industrial expansion through production for export market. In this circumstance industrial strategies were closely linked to the quest for regional market. In Nigeria the popular opinion especially in the government circle was that with the existence of a regional market, Nigeria will be able to export the Peugeot and Volkawagen cars as well as the Leyland and Mercedes trucks assembled in Nigeria to countries in West Africa. Also, it was the argument of these who believe that Nigeria stood,to benefit from a West African Economic Community that such an arrangement would provide Nigeria with access to some strategic raw materials through direct investment in the production of these raw materials. The view in Nigeria was that the proposed iron and steel industry could rely on imported iron ore from Liberia and Guinea.[57] It should be recalled that Nigeria purchased 10.0 per cent of the shares in the Guinean iron ore mining company. In return Nigeria was guaranteed one million tons of good quality iron ore every year.[58] In this circumstance the prospect appeared to be there for joint industrial projects between community members. Apart from the joint sugar factory (in the Republic of Benin) of Nigerian and Benin, there was possibility for a joint project among West African countries towards the establishment of a cement industrial complex in Togo.[59] Also in 1975, Nigeria and Senegal concluded a 15 years agreement under which Nigeria would provide Senegal's refinery at Cayer with 2.5 million tons of crude oil at international market prices.[60] Similarly, in February 1976, Nigeria and Ivory Coast signed a bilateral arrangement on the sale of crude oil for processing to Ivory Coast.[61] The industrial policy of Liberia was already in anticipation of export boom from textiles and timber exports to the community market, while Niger was in quest for a regional market for an agro-based industry as the basis for dynamic and industrial export oriented growth.

It was perhaps an over simplification to assume that mere increase in the number of assembly plants for cars and trucks, texiles industries, timber processing industries as well as agro-based industries in the countries within the West African sub-region could lead to industrial harmonisation in West Africa. These efforts were soon to be engulfed in the contradictions of import-substitution industrialisation. According to Okon Udokang:

> Thus, from the point of view of the economic progress of the West African countries, the creation of assembly plants and consumer industries is at best a stop-gap measure, which should be gradually coverted into full-scale industrialization. Establishment of sophisticated industries implies

> the transformation of a basic economic structure from dependency to a self-substaining economy based on the relative symmetry of the levels of domestic production and the demand or consumption.[62]

While Nigeria and a few others in the West African sub-region were in the midst of " sudden prosperity and economic expansion", the global recession of the 1970s was on, following the collapse of the Bretton Woods agreement, and the effects of the energy crisis. Much unlike Nigeria that was to a larger extent insulated from the effects of the recession, the situation of most non - oil producing African states was quite pathetic. Thus, such countries became favourably disposed towards cooperation with other African countries to solve their problems, especially that of promoting industrial development which already could not be pursued with the support of the industrialised countries, who had become too protectionist. In the particular case of poor West African states, especially those in the Sahel zone which had since 1968 suffered the effects of severe and prolonged drought, regional cooperation held out prospect for assistance from their more fortunate West African neighbours such as Nigeria. It was in this circumstance that bilateral cooperation agreements and aid and assistance schemes became important feature of inter-state relations in West Africa. Nigeria's bilateral aids and assistance to African countries included relief materials, scholarships, and technical assistance. For example in 1972, Nigeria granted an interest-free loan of £1 million to Dahomey for the rehabilitation of the Idiroko/ Porto Novo road. Also, previously in 1971 Dahomey had gotten £2 million to pay for imports from Nigeria. Between the end of the Nigerian civil war and 1974, West African countries concluded agreements among themselves in areas which included, trade, joint exploitation of raw materials, monetary and economic issues etc. (See Tables 5.3). Significantly these agreements and aid arrangements had in view the quest for all - embracing West African Economic

Community.

TABLE 5.2

Bilateral Agreements Concluded Among West African States 1971 - 1974

Countries	Subject	Level	Institutional Framework	Year
Nigeria - Senegal	Closer Cooperation	Summit	Joint Commission	1972
Nigeria - Benin	Interest Free Loan	Summit	Joint Commission	1972
Niger - Ghana	Transportation	Experts	Joint Commission	1972
Togo - Ghana	Economic Cooperation	Summit	Joint Commission	1972
Liberia - Guinea	Economic Community	Ministerial	Proposals Stage	1972
Liberia - Cote d'Ivoire	General Cooperation	Ministerial	Joint Commission	1972
Nigeria - Togo	Economic cooperation	Summit	Joint Commission	1972
Sierra Leone - Nigeria	Aid and General Economic Cooperation	Ministerial	Joint Commission	1973
Sierra Leone-Gambia	Trade	Summit	Joint Commission	1973
Burkina-Senegal	Trade and Industry	Ministerial	Joint Commission	1973
Guinea - Nigeria	Economic and Technical Cooperation	Ministerial	Joint Commission	1973
Nigeria - Mali	Mutual Assistance	Summit	Joint Commission	1973
Gambia - Liberia	Trade	Summit	Joint Commission	1973
Cote d'Ivoire-Senegal	Trade	Summit	Joint Commission	1973
Nigeria - Liberia	Economic Cooperation	Summit	Joint Commission	1973
Guinea - Liberia	Joint projects	Summit	Joint Commission	1973
Senegal - Mauritania	Monetary issues	Ministerial	-	1973
Ghana - Liberia	Technical Cooperation	Summit	Joint Commission	1973
Liberia - Sierra Leone	Economic Community	Summit	Mano River Union	1973
Ghana - Togo	Joint projects	Ministerial		
Nigeria - Guinea	Joint Project			1974
Cote d'Ivoire - Ghana	Energy		Joint Commission	1974
Mauritania - Senegal	Trade		Joint Commission	1974

Sources: . West Africa (London) and Africa Research Bulletin, several issues between 1971 and 1974.

The activities of Nigeria again in this direction were well pronounced in the period immediately after the civil war. According to Okoi Arikpo;

> Within the few years, Nigeria has concluded trade agreements with seven neighbouring countries in the West African sub-region, air services agreement with five, and economic cooperation agreements with another five. We have also established telecommunication links with five OAU member countries in the sub-region, and joint customs posts with three others... Cash grants of over four million naira (some 6 million US dollars) have been made available to eight member countries of the

OAU, in addition to over a million naira (1.5 million US dollars) worth of grain and other foodstuffs donated to the Republic of Niger. Nigeria continues to make the facilities at her port and airfields available to the United Nations Food and Agricultural Organisation free of charge for the purpose of transporting relief material to the neighbouring countries (as a result of the drought that crippled a number of countries in the region).[63]

It was in this environment that Nigeria and Togo took the initiative in the eforts to establish a regional economic cooperation scheme. Given the division in West Africa along linguistic lines, a francophone state seemed the best option in Nigeria's search for a companion during the new phase in the movement towards economic integration in West Africa. Besides, Nigeria and Togo had always had very cordial relations. Citizens of the two countries since the 1964 agreement between the two governments were permitted to enter each other's country without a visa. There was also a trade agreement which was signed in 1966 and which extended `most favoured nation treatment' on a reciprocal basis without prejudice to the privileges and concessions that either party enjoyed as a result of a separate agreement with a third party, or which derived from its membership in another sub-regional grouping. This agreement in essence respected the sovereign rights of the two states while encouraging cooperation in trade relations. The civil war in Nigeria delayed the implementation of this agreement.

The Heads of State of Nigeria and Togo decided to reactivate the move to have an economic community in West Africa by signing a treaty of cooperation in April 1972. Thus, there was a mandate for the two countries' officials to work out a strategy for such cooperation. Later, the governments of the two countries agreed on the following guiding principles:

(i) that the new economic community should cut across linguistic and cultural barriers;

(ii) that , initially, limited objectives capable of early realisation should be pursued.

(iii) that a pragmatic and flexible approach should be adopted

(iv) that the necessary institutions should be set up to deal with specific issues calling for immediate attention; and

(v) that an open-door policy should be adopted to enable all the countries in the sub-region to become members of the community if and when they were ready.[64]

It is again instructive to note that after the reconciliation of Senegal and Cote d'Ivoire over the long standing differences between Presidents Senghor and Houphoet-Boigny, both with the support of France tried to reactivate francophone regionalism in West Africa. The idea was simply that France and her dependent African countries could not tolerate any form of cooperation different in objectives and orientation from the one supported by France. Such was the resistance of France, Senegal and Cote d'Ivoire to the emergence of a full West African sub-regional grouping. Thus when Nigeria and Togo announced intention in April 1972 to create the nucleus of the future ECOWAS, France and her allies intensified efforts to ensure that their organisation be the first in this respect. This culminated in the official launching of the CEAO in June 1972 at a conference of prospective members. The charter of Abidjan that established the CEAO was later signed in April 1973, but its intention was more to counter the rival Nigerian-Togo sponsored initiative. In addition, negative arguments, based on fear of Nigeria's size, population and economy were used to induce support for the CEAO initiative within the region. Thus, the establishment of Communauté économique de I' Afrique de I' ouest (CEAO) was the culmination of the efforts at evolving an exclusive Francophone economic union in West Africa. Established in 1973,the CEAO had from inception French support,and objectives similar to those of ECOWAS. The CEAO had a total population of 40 million and a GDP of about US 1800 million dollar. The CEAO was credited with relative success in trade cooperation than ECOWAS. Although abolished now, the CEAO for twenty -two years further polarised the West African sub-region into English and French - speaking West African countries and stalled the growth and development of an all embracing economic community of West African States in the form of ECOWAS for example. The existence of this economic grouping of seven French speaking West African countries who were at the same time members of ECOWAS was a major contradiction of West African integration process. Somehow most of ECOWAS-heralded defeats have been attributed in the main to the parallel existence of ECOWAS and CEAO with similar objectives but seemingly different approaches.

Nonetheless, with an intensified and effective Nigerian West diplomacy and supported by the Togolese government, developments continued upward. As part of its commitment to cooperation with countries in the West African sub region, Nigeria went into joint development projects with Guinea, purchasing 10.0 per cent shares an iron ore company in June 1973. Officials of the two countries prepared a proposal for a possible West African economic community which was later submitted by the two governments in November 1973 to a meeting of Ministers representing fifteen West African countries at Lome. Governments of the fifteen West African States agreed in principle on necessary institutions for the proposed community and possible areas of cooperation, as well as the nature and characteristics of the various levels of integration. The crucial issues discussed were: institutions of the community; trade, customs, immigration, monetary and financial matters; industrial harmonisation in three stages; national resources; infrastructural links, transport, communication and energy; and settlement of disputes.[65]

While most delegates generally agreed on the need to promote economic cooperation in the subregion, a few had reservations on the proposal by the governments of Togo and Nigeria. The Mauritanian delegation expressed concern over possible implications of State's membership of other subregional groups when ECOWAS is eventually established. Furthermore, the rules governing the re-exportation of products and the definitions and classification of community's goods, generated comments especially from the Mauritania delegation who again expressed some reservations. Also, Upper Volta, a land-locked country, expressed reservations on the question of fiscal charges, and the conditions governing the imposition and collection of the charges, drawbacks, and transit rights.[66] At the end of their meeting delegates adopted the basic principles of the document and gave the responsibility of preparing a draft treaty to the two pioneering states with the assistance of the ECA.

The draft treaty was to be discussed at a meeting of experts from the fifteen states scheduled for early January 1974 in Accra. Also, a second ministerial meeting was scheduled for March the same year to consider the draft treaty. It was expected that these developments would lead towards the ratification of the treaty at a meeting of the Heads of States and government in Lagos. Unfortunately states did not keep to these schedules. The Accra meeting of experts and jurists was held in February, 1974 with ten countries in attendance. Most members of the CEAO were absent. Political developments in Niger was taking its toil; on April 15, 1974 there was a change of government in Niger. This development was later to affect the hosting plan for the second ministerial meeting which was scheduled to take place in Niamey. When contacted the disposition of the new government in Niger was not encouraging, and eventually the responsibility for hosting the meeting was passed to Liberia after a deadlock that lasted some months.

The West African Francophone states, especially those of the CEAO would want two preconditions to be met before they could join ECOWAS. First was the concern over the future relations with the EEC. The CEAO states had favoured the Yaounde model under which they were receiving financial and technical assistance as well as preferential treatment for their exports to EEC countries. However, when in February 1975, the Lome Convention was signed by the Commonweath Associates, Guinea Conakry and also the former Associated African and Malagasy States (AAMS), it really helped the negotiation for ECOWAS. Since Lome Convention now provided a common ground on which future trade relations with EEC by West African states would be conducted, the Francophone states seemed not to be perceiving ECOWAS as a potential hinderance to their access to Western European markets. The second precondition concerned the inclusion into ECOWAS Treaty of provisions that would recognise the validity of agreements resulting from pre-existing groupings. During the negotiation for ECOWAS, the fear of the CEAO states with regards to the implications of their membership of ECOWAS for their membership of other susbregional association was allayed with the provisions in Article 59 (1 & 2), according to which member states can retain such membership of other economic groupings, "provided that their membership of such association does not derogate from the provision of this (ECOWAS) Treaty". The problems arising from the resolution of the matter have continued to affect the relationship between ECOWAS, CEAO, and other economic groupings in the West African subregion, and thereby the growth and development of intra-West African trade.

The draft Treaty establising the Economic Community of West African States was adopted in Liberia at the end of January 1975 by delegates from seven

English and French-speaking countries. The draft Treaty was submitted to the Heads of State conference in Lagos on May 25th 1975, where it was signed by eleven heads of state and four representatives of West African states.[67] It is important here to comment briefly on the role of the Nigerian Chambers of Commerce, Industry, Mines and Agriculture and the Federation of West African Chamber of Commerce in facilitating process of reconciling the interests of international and indigenous capital. Late Chief Henry Fajemirokun, the President of the Lagos Chambers of Commerce and Industry then, was a symbol of this reconciliation.

In the course of working towards the establishment of the Federation of West African Chambers of Commerce (FWACC) whose objectives among others included; ,"To promote the establishment of an Economic Community and a Common Market in the West African region and encourage the speedy re-establishment of supra-national commercial institutions",[68] Henry Fajemirokun and the Chambers felt that,

> ... while the political will was proving difficult to come by, and the governments dragged their feet, the private sector had sustained and kept alive the thriving commercial exchange of goods and manpower which had existed long before the imposition of the artificial barriers....[69]

Consequently, "efforts were resuscitated at the turn of the decade and further exploratory work was intensified between the national Chambers of Commerce of Sierra Leone and Nigeria"[70], The result was the inauguration of the Federation of West African Chambers of Commerce in 1972. Fajemirokun had boasted about the role of the Federation in the establishment of a Community that guarantee an expanded market "without tariff barriers which would facilitate the mobility of skilled labour, capital and technology and thereby accelerate the development of indigenous entrepreneurship, managerial and technical skill as well as monetary, financial and industrial harmony"![71] But the illusion of it all is the fact that, up till the time Fajemirokun and his associates in the Chambers Movements were aiding the Nigerian government in the floating of ECOWAS, the Nigerian business community was essentially dominated by foreign capital in a way not too different from what obtained in other West African countries. The ownership and control structure of about 60 per cent of the companies registered in Nigeria by 1970 was predominantly foreign, learning the balance of 40 per cent in the hands of Nigerians.[72] In Nigeria, not even the promulgation of the Nigerian Enterprises Promotion Decrees in 1972 was able to defeat structural constraints and allow the Chambers Movement to do otherwise than to create bigger geographical sphere for international capital to exploit. This had been made possible through the weakening of government control of the economy and the strengthening of the (foreign) private sector.

The vision of increased role for private sector in the economies of West African states permeated the whole process of negotiation for ECOWAS. At least this appeared the rationale behind the activities of the FWACC. But the actual fact is that, most of the countries in the sub-region, like Nigeria, did not have what could pass for indigenous private sector. Both Nigeria and Ghana embarked on indigenisation programmes to increase significantly the indigenous equity share of business enterprise in these countries. However, in terms of conception and implementation, the programmes failed to produce an indigenous capitalist class in these countries that was ready to take over from the foreigners. Therefore, in this circumstance, the efforts of the Nigerian Chambers as well as the Federation of West African Chambers of Commerce was able to guarantee inter-territorial expansion for private foreign capital in West Africa and none of self-reliant development, at least, not through the establishment of ECOWAS. Evidently it was not in error that all the provisions of the ECOWAS Treaty there was no provision for the control of foreign capital rather provisions were made for the accommodation of indigenous' and foreign capital.

5.2.4 The ECOWAS Treaty

ECOWAS was established with the signing of the Lagos Treaty in May 1975. The aims of the Community was the promotion of cooperation and development in all fields of economic activity, particularly in the fields of trade, transport telecommunications, energy, agriculture, naturalresources, commerce, monetary and financial questions and social and cultural matters for the purpose of raising the standard of living of its people, of increasing and maintaining economic stability, of fostering closer relations among its Member States and of contributing to the progress and development of the African continent.[73]

To facilitate these broad objectives, the Treaty States that the Community shall by stages ensure the followings:

(i) elimination as between the Member States of customs duties and other charges of equivalent effect in respect of the importation and exportation of goods;

(ii) abolition of quantitative and administrative restrictions on trade among the Member States;

(iii) establishment of a common customs tariff and a common commercial policy towards third countries.

(iv) abolition, as between the Member States, of the obstacles to the free movement of persons, services and capital;

(v) harmonisation of agricultural policies and the promotion of common projects in the member states, notably in the fields of marketing, research and agro-industrial enterprises;

(vi) implementation of schemes for the joint development of transport, communications, energy and other infrastructural facilities as well as the evolution of a common policy in these fields;

(vii) harmonisation of the economic and industrial policies of member states and the elimination of disparities in the level of development of member states;

(viii) harmonisation required for the proper functioning of the monetary policies of member states;

(ix) establishment of a Fund for Cooperation, Compensation and Development;

(x) such other activities calculated to further the aims of the Community as the member states may, from time to time, undertake in common.[74]

From its stated objectives ECOWAS assumed that, cooperation in vaguely defined economic activities can foster closer relations among members of the community without affecting the sovereignty of states. This disembodied and depoliticised conception had been matched in official practice of ECOWAS in West Africa by the serious neglect of the political dimension in its programmes and projects. But the irony is that interactions of the states are themselves political in nature, thus, the abstraction of politics has been the most important obstacle for achieving cooperation in West Africa. Tukumbi Lumumba – Kasongo puts this in perspective:

> One of the difficulties that I find in this treaty (ECOWAS) is how to distinguish between economy and politics, and economy from other cultural aspect of life. One should note that political aims are not mentioned in any part of this document. That is to say that politics is another domain that cannot interfere in the process of social change. Politics seems to be taboo but yet it is this taboo that sets up rules of economic cooperation.[75]

According to the Treaty, (Article 27), all citizens of member states are to be regarded as "Community citizens" with freedom of movement and residence within the Community. Among other things, the ECOWAS Treaty, recognises intra-regional mobility of factors of production as a way of rationalising and optimising resource use at the regional level. Yakubu Gowon made the following remark in this regard:

> Even more than the promotion of trade, the mobility of labour and the other factors of production was central to ECOWAS and exemplified what the community was about. The free movement of persons within the region was both a repudiation of colonial frontiers in so far as they impeded the economic development of the new states, and an affirmation of the spirit of cooperation and mutual assistance. It was not only a symbol of the ECOWAS idea, but was also the main ECOWAS initiative that sought to involve and to benefit the ordinary man and woman in the community.[76]

Also, in the various official discussions on the rationale for economic integration, it was assumed that regional integration would reduce dependence among the states of the region, as well as fight the dependence of many of these countries on foreign capital and markets. In Article 2 of the Treaty of the ECOWAS, these assumptions are ambitiously stressed:

> It shall be the aim of this community to promote cooperation and development in all fields of economic activity, particularly in the fields of industry, transport, telecommunication, energy, agriculture, natural resources, commerce, monetary and financial questions and social and cultural matters, for the purpose of raising and maintaining economic stability, of fostering closer relations among its members and of contributing to the progress and development of the Africa continent.

There are provisions to facilitate intra-community trade liberalisation in the Treaty (Article 12-26). Other provisions of interest include those relating to the establishment of multinational shipping companies for ocean and river transport, the merger of national airlines within the Community.[77] Articles 50 - 52 provide for the establishment of "A Fund for Cooperation, Compensation and Development" whose resources shall derive from sources which include "receipts from bilateral and multilateral sources as well as other foreign sources".

It was not difficult meeting the demand of Article 62 of the Treaty that the Treaty can only become operational after more than the minimum number of seven signatory states have ratified the Treaty: most of the governments ratified the Treaty almost immediately it was signed. This can be interpreted as **shown** of enthusiasm on the part of these various government. There are ambiguity on how the objectives and goals of the Community are to be achieved. A lot of assumptions were made that put burden on the institutions of the Community in the manner of the EEC but without the same power. According to the Treaty, the supreme policy -making organ for the Community is the Authority of the Heads of State and Government. Next in hierarchy of ECOWAS institutions is the Council of Ministers. The Council of Ministers meets twice a year and it is responsible for monitoring the functioning of the Community. It makes recommendations to the Authority on the efficient and harmonious development of ECOWAS, and it also supervises all other subordinate institutions. Apart from the Authority, Council and the Secretariat which is headed by an Executive Secretary, ECOWAS has four specialised technical commissions - the Trade, Customs, Immigrations, Monetary and Payments Commissions; the Industry, Agriculture and Natural Resources Commission; the Transport Telecommunications and Energy Commission; and the Social and Cultural Affairs Commission.[78] Since the Commissions are made up of experts from all member states, they are better placed to draw up detailed programmes to facilitate regional integration in their different fields of competence. The commissions prepare reports that are submitted with recommendations to the council through the Executive Secretary. There is provision in the Treaty for a "Tribunal of the Community" which is to ensure the observance of law and justice in the interpretation of the provisions of the Treaty.[79] The centralisation of power whereby the Authority does almost everything allows for only very little progress. Also, the unnecessary duplication of offices has the effect of making the Community's bureaucracy very "heavy, slow and costly."[80] Presently, ECOWAS headquarters is in Abuja (Nigeria) while the Secretariat for the Fund is in Lome (Togo). Nonetheless, the problem is not with the institutional framework of ECOWAS as it is with the deepening structural contradictions that engulfed the sub-region. The contradictions of its operations, with regards to industrialisation, is examined in the next chapter.

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30. **Ibid**

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60. Okon Udokang, "Nigeria and ECOWAS: Economic and Political Implications of Regional Integration" in A. B. Akinyemi (ed) op cit p.75.

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67. The eleven Heads of States who signed the Treaty were: Mathieu Kerekou (Dahomay), Dauda Jawara (Gambia), Luiz Cabral (Guinea-Bissau), Felix Haughouet-Boigny (Cote d'Ivoire), William Tolbert (Liberia) Moktar Quld Daddah (Mauritania), Seyni Kountche (Niger), Yakubu Gowon (Nigeria) Siaka Stevens (Sierra Leone), Gnassingbe Eyadewa (Togo), A Sanguoule Lamizana (Upper Volta). Countries not

represented by Heads of State were Ghana, Guinea, Mali and Senegal.

68. See "The Constitution of the Federation of West African Chambers of Commerce" Article 3 (e)

69. **Ibid** P.80.

70. **Ibid** P.81.

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73. " Treaty of the Economic Community of West African States (ECOWAS)" Article 2 (1).

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CHAPTER SIX

ECOWAS STRATEGY FOR INDUSTRIALISATION.

6.1 Introduction

Generally, the ECOWAS Treaty holds strong theoretical allegiance to the customs union model as well as to the logic of free trade. This is also evident in ECOWAS strategies for promoting industrial development in West Africa. Member-States are expected to cooperate with one another in the exchange of industrial plans, ensure that unhealthy rivalry and waste of resources are avoided, and harmonise their industrial policies so as to avoid disruption resulting from dissimilar policies.[1] In West Africa the need to harmonise policies is higher in the industrial sector than in any other sector. During the negotiation for ECOWAS most of the states were in support of efforts geared towards a rational development of industry in West africa as the foundation for an eventual coordinated regional approach to industrial development. Thus, the inclusion of the provisions on harmonisation of industrial policies which are the subjects of Chapter V (Articles 28 and 32) of the ECOWAS Treaty were seen as relief by most member states.

Unlike the implementation of the provisions on trade which in the Treaty is timed, the provisions for the harmonisation of industrial policies make no reference to any time-table for implementation. However, the provisions make for a three-stage approach to industrial harmonisation within the framework of custom union model. The first stage is for consultation and exchange of information on major industrial projects. At this stage member states are required to:

(i) furnish one another with major feasibility studies and reports on projects within their territories;

(ii) furnish one another, on request, reports on the performance of prospective technical partners who have developed similar projects in their territories;

(iii) furnish one another, on request, reports on foreign business groups operating in their territories;

(iv) furnish one another, on request, with reports on their experiences on industrial projects and to exchange industrial research information and experts;

(v) commission, where appropriate, joint studies for the identification of viable industrial projects for development within the Community; and

(vi) finance, where appropriate, joint research on the transfer of technology and the development of new products through the use of raw materials common in some or all of the member states and on specific industrial problems.[2]

The second stage is concerned with the harmonisation of industrial incentives and industrial development plans. Here member states undertake to:

(i) harmonise their industrial policies so as to ensure a similarity of industrial climate and to avoid disruption of their industrial activities resulting from dissimilar policies in the fields of industrial incentives, company taxation and 'Africanisation'; and operation with one another by exchanging their industrial plans so as to avoid unhealthy rivalry and waste of resources.[3]

The third stage is expected to launch member states into the era of the exchange of personnel training and joint development industries. Member states shall:

(i) exchange, as may be necessary, skilled, professional and managerial personnel in the operation of projects within the Community;

(ii) provide places for training in their educational and technical institutions for Community citizens; and

(iii) engage, where appropriate, in joint development of projects including those which entail the execution of complementary parts of such projects in different member states.[4]

In the implementation of the foregoing provisions, it is further stipulated that the Council of Ministers shall:

(i) keep under constant review in the implementation of the provisions, the disparity in the levels of industrial development of the member states and may direct the appropriate Commission of the Community to recommend measures to remedy such disparity;

(ii) recommend measures designed to promote the industrial development of member states and shall take steps to reduce gradually the Community's economic dependence on the outside world and strengthen economic relations among themselves; and

(iii) recommend measures designed to accelerate the industrial integration of the economies of the member states.[5]

Apart from the above, there are other provisions of the ECOWAS Treaty that address the issue of industrial development. Articles 27 and 39 provide for the free movement of `factors' within the Community in a bogus fashion. For instance, there was no definite provisions on strategy for harmonising the policies of indigenisation of individual member states of the Community.[6] The Fund for Cooperation, Compensation and Development was established by Article 50. The Fund's main purpose is to reverse possible inequity in development resulting from the application of the provisions of the Treaty on the liberalisation of trade within the Community, as well as on the harmonisation of industrial policies. The Fund shall derive its resources from sources which include "receipts from bilateral and multilateral sources as well as other foreign sources".[7] The other two chapters which are of direct relevance to industrial development are Chapters VII and IX. These are provisions on programmes for the evolution of common policies and joint development of transport, communication, and energy and other relevant infrastructures within the Community.

In broad terms the theoretical basis of ECOWAS regional approach to industrialisation results from the dynamic arguments in favour of customs union formation among Third World countries, as opposed to traditional static welfare gains considerations.[8] The pursuit of the goal of industrialisation within the framework of customs union in ECOWAS subregion has the tendency to encourage the extension of national import substitution by individual member state to regional level. The industrial structure of West Africa and type of industrial activity make the above a strong possibility. Apart from already known contradictions (which we discussed in chapter four) that are associated with import substitution industrialisation,[9] the adoption of same within a customs union arrangement will result in regional disparity, while market integration through free operation of market forces will result in disintegrative inequality as already argued in a study of ECOWAS conducted by Olowoporoku.[10]

The ECOWAS, Treaty provides for the Council of Ministers to remedy any disparity in the levels of industrial development of the member states arising from the implementation of ECOWAS industrial strategy.[11] However these provisions still do not guarantee much, especially since there are no provisions for regional policies to prevent such disparity (as against remedy) which may emerge as a result of free operation of market forces. Among developing countries, regional schemes conceived in this form have easily led to asymmetrical patterns of exchange and polarisation. And these in turn have resulted in instability and disintegration. According to Julius Ihonvbere;

> ... this model works against the interest of poorer economies which might depend on tariff duties for revenue and are uncompetitive outside their borders. The mobility of production factors under this model leads to the emergence and consolidation of "growth poles" or "centres of attraction" to which production factors migrate to take advantage of existing markets, infrastructure and purchasing power.[12]

Even where there are provisions for special corrective and compensatory scheme, just like with ECOWAS distributive policies, to secure the continual loyalty of the poorer states within the Community, such measures only make more demands on the members without altering the conditions of dependency.

One of the basic characteristics of the West African sub-region is the inequality in the development levels of the states. The industrial strategy of ECOWAS was aimed at re-distributing the sub-region's resources through comprehensive corrective and compensatory schemes, hence the adoption of the rehabilitative and remedial approaches to industrial production in ECOWAS. The Community rehabilitative programme for industries in West Africa became more pronounced during the economic crisis of the 1980s when West Africa went through a phenomenal decline in industrial capacity. The ECOWAS Secretariat noted in 1986 that member states recorded "low level of industrial development which (was) due, among other things, to the short fall in investments, the excess production capacity in enterprises and import substitution" Other reasons identified include "the small size of the domestic market, lack of spare parts, raw materials and qualified manpower.[13] Certain aspects of the ECOWAS Economic

Recovery Programme (ERP) were meant to address these problems. The programme for industrial joint ventures was another form of direct community involvement in industrial production which was aimed at attaining equitable distribution of industries in the subregion. However, the experience of ECOWAS with both rehabilitative and remedial programmes has not been without some contradictions as shall see later in the study.

Inspite of the detailed provisions on "remedial measures" to reduce the Community's dependence on the outside world, one can still argue that ECOWAS in its Treaty fails to address, in clearer terms, the questions relating to its methods for reducing dependency in the sub-region. Specifically, it is necessary to ask how the Community remedy industrial dependency through increased preponderance of foreign capital in the industrialisation programmes of West African States. Just as noted by in the **Official Journal of ECOWAS**, it is a known fact that the industrial sector in West Africa "is almost entirely dependent on foreign capital and technology.[14]

6.2 ECOWAS Industrial Policies and General Directives

Whereas the ratification of the ECOWAS Treaty was not delayed, the actual operationalisation of the Treaty experienced some initial difficulties. Political developments in West Africa after the signing of the Treaty could not but affect the `take-off' of ECOWAS operations. For instance, there was a change of government in Nigeria shortly after the signing of the Treaty, and the new military administration that succeeded that of General Gowon was to a large extent intolerant of its predecessor's considerably generous posture on Nigeria's share of responsibility in ECOWAS. General Joe Garba, the Minister for External Affairs during Murtala /Obasanjo administration, on reflections wrote about how bothered Gowon's predecessor was about his style;

> ...even though it was common knowledge that Nigeria was principal financier of ECOWAS, paying a third of its budget, the headquarters was being given away because Eyadema, no fool, wanted it. The Secretary - Generalship, which Eyadema was offering in compensation carried a four-year term, renewable only once. After at most eight years, Nigeria would have had to wait more than a century for another turn if the principle of rotation were to be rigidly followed. Murtala did not like it.[15]

Besides, ECOWAS during its early days was engulfed in what seemed to be personality and institutional clashes between its key officials. The first Managing Director of the Fund, Romeo Horton and the first Executive Secretary Abaobakar Quattara disagreed over the autonomy of the Fund viz-a-vis the Executive Secretariat. This eventually disintegrated into crisis which did not help the take off process.[16] However, by November, 1979, it was possible for the Council of Minister, at its meeting in Dakar, to approve the ECOWAS Industrial Policy and Programme. The Policy emphasises three factors: identification of critical industrial sectors which can enhance the harmonisation of efforts by ECOWAS member states in their development; the establishment of Community enterprises; and the location of regional industries in such a way that it can guarantee equitable distribution of benefits and balanced development within the Community.[17]

In May 1983, the Authority of Heads of State and Government adopted an "Industrial Cooperation Policy" as the framework for West African industrial development.[18] The objective is:

> ... to adopt a sub-regional approach to economic development which would include market integration (liberalisation and promotion of intra-community trade) and physical integration (in the areas of production, infrastructure, transport, communications, natural resources and energy.[19]

The Industrial Cooperation Policy is drawn around the idea that sub-regional approach to industrial development should give priority to industries that will contribute to the modernisation and promotion of the following sectors: the rural sector (agriculture, animal husbandry, fishery, forestry) with a view to achieving self-sufficiency in food and improving the standard of living of the rural population; transport and communications infrastructure; natural resources (including water resources; and energy.[20]

Also, in the implementation of the sub-regional industrial development strategy, the following industries, which the ECOWAS Council of Ministers had in 1979 defined as priority, must be taken into account. These include: food industries, agro-chemical industries, agricultural equipment industries, construction material production industries, wood industries, telecommunications and electronics industries, petro-chemical industries, pharmaceutical industries, iron and steel mills, and automobile and allied industries. The sub-regional industrialisation strategy is expected to work towards "opening up the Community to its own peoples".[21]

The industrial development policy of ECOWAS is also aimed at "establishing the industrial foundations for the Community by promoting intermediate goods and input production industries.[22] This is expected to facilitate the specialisation of states or groups of states within the subregion.

The selection of projects is based on the criteria adopted by the Council of Ministers in 1983, according to which a project should conform to the following projects selection criteria:

(i) contribution to collective economic self-sufficiency;

(ii) integrating factors and complementarity at both national and Community levels;

(iii) valorisation of the sub-region's raw materials and natural resources;

(iv) production of goods and services to satisfy the needs of the populations of the subregion;

(v) production of intermediate goods and inputs for priority industries and sectors;

(vi) job opportunities and training facilities in large enough members and of a high enough quality; and

(vii) possibilities as regards transfer of technology.[23]

These, in addition to the general directives early discussed, and also the ECOWAS rules of origin constituted the factors that influence the selection of projects.

6.3. Industrial Cooperation Programme of ECOWAS

To facilitate the execution of the Industrial Cooperation Policy, the Community adopted in 1983 the following industrial cooperation programmes which are in three categories, of short-term, medium-term and long-term actions. The short term actions comprise of exchange of information on major industrial investment projects; carrying out of joint studies for the identification of Community projects; and working towards improved technical cooperation through the exchange of upper level staff and of training facilities. Medium - term actions include: implementation of projects identified as bilateral or multilateral; harmonisation of investment promotion measures and industrial development plans; rationalisation of existing industries in the subregion, through specialisation; optimum utilisation of raw materials and other natural resources for the effective development of member states; and close collaboration in the areas of technology development which will include training; technical assistance and exchange and dissemination of results obtained. And the long-term actions consist of drawing-up of policies and strategies for setting up heavy industries in the ECOWAS sub-region, and financing of research projects on the transfer and development of new technologies.[24]

The implementation of industrial development programmes requires necessary institutional framework as well as efficient work force. The lack of this was one of the early problems which ECOWAS had to confrontwith after the adoption of the Industrial Cooperation Policy in 1983. Thus apart from a few accomplishments in the industrial sectors, such as the adoption in 1984 of the Protocol on Community Enterprises which provides the basis for regulating the establishment and the operation of enterprises that are of interest to two or more member states, the Community for a quite long period had little or nothing to show in terms of achievement in the area of industrial cooperation. This was part of the awareness that informed the designing of the Five-year Programme. Consequently, provisions were made for the strenghtening of the work force of the Industry Division of the Secretariat. A senior officer in charge of studies, and a second senior officer for training and assistance were to be recruited[25].

Having secured the adoption of industrial cooperation policies and programmes, the Secretariat of the Community became saddled with responsibility to carry out a number of schemes under a programme of action covering a five year duration. These activities should produce concrete results toward promoting integrated industrial development in the sub-region. Hence the adoption of a "Five-year Industrial Development Programme (1987 - 1991) in Lagos in November, 1986. Activities to be undertaken by the Community included: consolidation of assets in the industrial area and fostering of cooperation among existing industrial units; assistance to member states in the area of training of officers on how to effect the harmonisation of industrialisation plans and policies of member states.[26]

Under the programme, the following major activities were to be carried out for the period (1987-1991): a study of the rehabilitation of industrial enterprises, and assistance to member states to find human and financial resources for the rehabilitation exercise; strengthening cooperation between existing enterprises towards promoting increased intra-Community exchanges and harmonious development of the sub-region's industrial development; improvement of cooperation in matters relating to training; preparation of a West African Industrialisation Master Plan; coordination and harmonisation of the work of West African IGOs in the industrial sector in accordance with the mandate given to ECOWAS by the Association of West African IGO's; and the coordination of the integrated West African industrial promotion programme within the framework of the Industrial Development Decade for Africa (IDDA).[29]

Activities were to follow a yearly schedule because of their importance and the advantage to be gained from spreading them out over a certain period of time. At least this was the view of the Community that this arrangement held out potentialities for concrete results. It was also assumed that it would make it possible to assess results at the end of each phase and make adjustments as they became necessary.

Thus, 1987 was primarily a preparatory phase during which most of these activities were supposed to take off the ground. The second phase (1988) should, in the judgement of the Secretariat, be dependent upon the results attained by the activities for 1987. Activities of the Secretariat in the industrial sector during 1987 should concentrate on the implementation of recommendations of studies undertaken in the previous two phases. During the course of the fourth year of the industrial development programme emphasis should shift to finding fund for the implementation of projects for which pre-investment studies

TABLE 6.1

The Summary of Actions for ECOWAS Five - Year Programme of Action: 1987-1991 (Cost is expressed in US $)

Action	Year	Total Cost	Community Resources	External Assistance
- List (compilation)	1987	6,600		6,600
- Master plan	"	3,200 00	10,000	3,210,00
- Meeting of Industrial Development Committee	"	15,500	15,000	
- Industrial Dev. Decade Programme	"	PM		
- Rehabilitation Programme	"	PM		
- Training Seminar		105,000	5,000	100,000
- Master Plan	1988	10,000	10,000	
- Rehabilitation Programme	"	PM		
- Meeting of Industrial Development Committee	"	15,500		
- Meeting of Chambers of Industry	"	65,000	65,000	
- Study on Cooperation in Training Matters	"	60,000		60,000
- Training Seminar	"	77,000	3,000	74,000
- Industrial Dev. Decade Programme	"			
- Master Plan	1989	10,000	10,000	
- Cooperation in Training Matters	"	5,000	5,000	
- Meeting of Chambers of Industry	"	65,000		65,000
- Meeting of Industrial Dev. Committee	"	15,000	15,000	
- Industrial Dev. Decade	"	PM		
- Two Training Seminars	"	154,000	6,000	148,000
- Rehabilitation Programme	"	PM		
- Finding Funds for projects on which studies have been completed	1990	10,000	10,000	
- New Studies	"	225,000	255,000	
- Meeting of Industrial Development Committee	"	15,000	15,000	74,000
- Training Seminar	"	77,000	3,000	74,000
- Finding funds for projects on which studies have been completed	1991	10,000	10,000	
- New Studies	"	510,000	255,000	55,000
- Two Training Seminars	"	154,000	6,000	148,000
- Meeting of Industrial Dev. Committee	"	15,000	15,000	
- Meeting Chambers of Industry	"	65,000		65,000

Source: `Official Journal of the ECOWAS' November 19 86 Vol. 10. P.10.

TABLE 6.2

Synthesis of Costs for Activities

TITLE OF ACTION	ANNUAL COST					TOTAL COST
	1986	1987	1988	1989	1990	
- List (Compilation)	6600					6600
- Master Plan	3200000	10000	10000	10000		323000
- Sub-regional industrial Dev. Committee	25500	15500	15500	15500	15500	
- Industrial Division Decade Programme	PM	5000	PM	10000	10000	25000
- New Studies		60000	5000	25500	510000	830000
- Training Seminars	105000	77000	154000	77000	154000	567000
- Chambers of Industry Meeting		65000	65000		65000	195000
- Rehabilitation Programme	PM	PM	PM			
TOTAL	3347100	232500	249500	357500	754500	4921100

Source: Official Journal of the ECOWAS November 1986 Vol. 10. P. 10.

have already been completed and on the preparation of pre-investment studies on projects highlighted in the industrialisation master plan. The final year (1991) of the Secretariat's Five-year Industrial Development Programme was to be devoted to the completion of activities begun during the preceding years. Table 6.1 presents a summary of actions for the entire five years on a year-by-year basis. The table also shows the total cost of each activities for a particular year as well as the share of both the Community and external sources for financing the activities. The total cost of the five-year programme was put at US $ 4.92100 out of which only US $735 500 could be sourced by the Community while US $4,185 600 was to be gotten from external assistance. This is an example of how not to build a self-reliant regional industrial development. Table 6.2 shows the synthesis of costs for activities for the entire duration of the programmes on the basis of type of activities.

The strategy of industrialisation adopted at any time depends largely on the process of accumulation put in place for accomplishing the goal of industrialisation. In ECOWAS there is very little indication, if any, of any industrialisation strategy that points to particular forms of accumulation. Whichever strategy adopted for promoting industrialisation in ECOWAS sub-region, it is crucial to identify existing and potential opportunities for the manufacturing industry that will be based on well defined process or models of accumulation. An industrialisation strategy that is mainly funded from outside might in the short-term be beneficial especially to most states in West Africa that are engulfed in fiscal crisis since the 1980s. But the failure to sustain minimum programmes on indigenous modes of accumulation can easily lead to the erosion of the autonomy of the state, and in some cases like ECOWAS, promotes collective dependency in the subregion.

In West Africa the role of the state and other social factors in the development effort have not yet evolved to a point where they favour the development of a genuinely collective self-reliant economic and social base that can obstruct the conditions of dependency. Unfortunately, the absence in West Africa of this social base is not receiving adequate attention, both at ECOWAS level and at individual member state level. On general terms, however, for the envisaged reduction of dependence to be realised without inhibitions from forces of imperialism, the strategy put in place must entail a fundamental change in the historical patterns of accumulation in West Africa.

6.4 Notes and References.

1. Treaty of ECOWAS, Article 30 (a and b)

2. **Ibid** Article 29 (a-f).

3. **Ibid** Article 30 (a & b)

4. **Ibid** Article 31 (a-c).

5. **Ibid** Article 32 (1-3).

6. H.M. Osha and G.E. Okurume, "Harmonization of Industrial Policies: Some Lessons for ECOWAS" in A. B. Akinyemi et al (eds) **Readings and Documents on ECOWAS** (Lagos; Macmillan/NIIA, 1983) p.266.

7. Treaty of ECOWAS, Article 51 (1c).

8. Sam Olofin, "Seeking Alternatives to National Import Substitution Strategy: The Case of The Sub-Region of West Africa" **The Quarterly Journal of Administration** 14 (4) July, 1980 P.407.

9. See **Ibid** and also Micheal N. Ogbonna, "Dependency Factors in Economic Integration: The case of ECOWAS" The Nigerian **Journal of Political Economy,** 3(1) P.113.

10. See Bode Olowoporoku, "Regional Problems and Policy Strategy for Industrialisation in ECOWAS" **The Quarterly Journal of Administration.** 12 (4) July 1978. pp. 379-391.

11. Treaty of ECOWAS Article 32(1).

12. Julius O.Ihonvbere, "Towards a Re-conceptualisation of Integration Theory in Peripheral Regions - The case of ECOWAS". **ODU - A Journal of West African Studies** No.24 (July 1983) P.16.

13. For detail see ECOWAS Document ECW/ECON/MIN.2/5. REV./P.4

14. **Official Journal of the ECOWAS** 10, November 1986. P.2.

15.

16. See Ibrahim A. Gambari, **Political and Comparative Dimensions of Regional Integration: The Case of ECOWAS** (New Jersey/London; Humanities Press, 1991) PP.35-39 and also Olajide Aluko, Essays on Nigerian Foreign Policy (London; George and Allen, 1981) PP.17-18. and also See Igezunyia Abutudu, "Fund versus Secretariat: The struggle for the Management of Extraversion in ECOWAS" **The Quarterly Journal of Administration** 25 (3&4), April/July 1991 PP.263.

17. See ECOWAS Document No.ECW/CM.VI/2.

18. See ECOWAS Decision A/DEC.4/5/83.

Joe Garba, Diplomatic Soldiering: Nigerian Foreign Policy 1975-1979 (Ibadan; Spectrum Books, 1987) P.4

19. Official Journal of the ECOWAS 10 November 1986. P.3.

20. Ibid

21. Ibid

22. Ibid

23. Ibid

24. Ibid

25. Official Journal of the ECOWAS November 1986. P.7. During the course of the research, a contact with the Industry Division revealed that until 1989 serious activities were absent in this Division of the Secretariat.

26. Ibid P.4

27. Ibid and `Contact' - The Magazine of ECOWAS, September 1990. p.28

CHAPTER SEVEN

THE IMPLEMENTATION OF ECOWAS INDUSTRIAL DEVELOPMENT PROGRAMMES

7.1 Introduction

Since the end of the 1980s, cooperation activities in the industrial sector have been based essentially on the Community Industrial Development Programme adopted in November 1986. The institutions of the community are working towards "an industrialisation programme for the West African subregion that will harmonise the different national industrial development strategies into a coherent integrated approach"[1]. In order to achieve this, activities are on in such areas as rehabilitation of industrial enterprises, coordination of production activities through the involvement of the private sectors in member states, regional cooperation in industrial training, sponsorship of West African Industrial Forum, coordination of the IDDA programmes in West African, and the formulation of an ECOWAS Industrial Plan. Some of these programmes have already been integrated into the ECOWAS ERP. Such is the programme for the rehabilitation of the industrial enterprises in the ECOWAS countries.

7.2 Rehabilitation of Industrial Enterprises

The rehabilitation of industrial units is a central issue in the Community Industrial Programme. Consequently it is among the projects that has frequently received attention from the institutions of the Community. The Secretariat from inception contacted a number of international institutions and agencies for assistance and financing possibilities. Information on the enterprises to be rehabilitated depends largely on contacts with the relevant technical departments of member states, while the actual rehabilitation depends on the availability of external resources. The response of member states on requests for information has not been very encouraging.

The support from UNIDO has been very helpful on this project. There was an assistance from UNIDO specifically to develop a two-year industrial rehabilitation project (1989-1991) for West Africa and part of Central Africa. The Secretariat of ECOWAS was chosen as the focal point for this project with the prospect of installing a Project Unit within the Secretariat. The Unit would undertake technical studies on enterprises to be rehabilitated in West Africa[2]. As helpful as this project appeared, its implementation depended mainly on the availability of fund and the disposition of individual member state especially in making available necessary information on the enterprises in their countries.

There is a sense in which one can safely say that the goal of the rehabilitation of industrial enterprises was a major concern of the West African Economic Recovery Programme (1987-1989), formulated by ECOWAS. The programme comprised of short-term measures which constituted the general framework of the economic recovery policy to be pursued and an investment programme made up of 136 projects, at a total cost of 920,286,288 US dollar.

The objective of the programme was to define general policies aimed at minimising the effects of the economic crisis and at the same time, to consider the continuous and lasting growth of the economies of ECOWAS states and the sub-region as a whole. Activities under the ECOWAS Economic Recovery Programme were to be implemented in two to three years, as a short term programme, overlapping with the African Priority Programme for Economic Recovery (APPER) and the United Nations Programme of Action for Economic Recovery and Development in Africa (UNPAARD).

The implementation of the ECOWAS-ERP and the APPER/UNPAAERD was concluded in 1990. The ERP was a combination of a macro-economic and microeconomic approaches toward revamping of the vital sectors of the various economies. There is a sense in which ECOWAS - ERP can be viewed as part of the on-going adjustment policies and programmes embarked upon by ECOWAS countries, albeit at the regional level.

Generally, ECOWAS - ERP set out to identify a number of sectoral measures for adoption by member states, focusing mainly on the productive sectors of the economy. Industrial rehabilitation under the ERP was based on the assumption that the low industrial output in member states was "because of the small size of the domestic market, lack of spare parts, raw materials and qualified manpower."[2] Also, the ERP considered the policy of import substitution as too restrictive and thus obstructing the development potentials of the industries.[3] The extract below summarises the premise of the ERP programme for industrial rehabilitation:

> Owing to its high dependence on foreign exchange, the industrial sector has suffered in recent years when foreign exchanges, scracity became particularly accute in many countries. Secondly, many enterprises have turned out to have been badly conceived or badly managed. There is a general tendency of shortage of working capital as well.[4]

Based on the above conceptualisations the followings were emphasised at the national levels as the objectives of the Industrial Rehabilitation Programme. These include: i) Competitiveness of the existing industries ii) rehabilitation of viable production units in selected key areas (food processing and other agro-related industries etc.); iii) ensuring constant supply of spare parts, raw materials and credit for working capital to industrial enterprises; and iv) promoting of small and medium-sized enterprises with high prospect for local sourcing of raw material. At the community level, the focus of attention was on the assessment of industries in the agro-chemicals, food processing and the agric-tools sub-sectors. The thought was that the step would help towards establishing industries in those areas, and lay the foundation for the adoption of a sub-regional industrial cooperation programme in West Africa.[5] Although all these activities were carried out, especially those that aimed at encouraging competitiveness. However, local enterprises were faced with the problems arising from unrestricted importation of foreign goods, especially those of better quality. Besides, certain macro-economic factors such as high interest rates for instance created cash flow problems for companies because of high cost of credit and inputs.[6] At the community level considerable success was recorded on the preparation of an inventory of industrial enterprises in West Africa which in turn was expected to provide the basis for the formulation of an industrial development cooperation programme[7]

Whereas the efforts of the ECOWAS institutions especially the Executive secretariat were commendable in respect of their involvement and monitoring of the ERP, it should be observed that ERP was not in the main a programme for industrial cooperation as it was although a general response of the decision-making bodies of ECOWAS to the deteriorating economic climate in the sub-region. In this way the programme for industrial cooperation under the ERP was no more than a mere 'ad hoc' arrangement. Essentially ERP was conceived to give "a new dimension and meaning to the on-going adjustment policies and programmes embarked upon by member states."[8] Thus;

> ...the objective of the Economic Recovery Programme of the West African sub-region is to define general policies aimed at minimising the effects of the crisis and, at the same time, to consider the continous and lasting growth of the economies of both individual member states and the community as a whole.[9]

Also, it is equally disturbing that a programme of 'recovery' from economic crisis would depend on "a solemn appeal to the international community to lend their support to the action programmes" under the ERP. Thus with the drastic reduction in external resources in the sub-region, ERP was implemented under a very diffiuclt circumstance because the poor state of both internal and external sources of financing for the economic recovery programmes and projects. In 1987, the balance of the internal resources for West Africa was about US $ 3.3 billion. And between 1986 and 1989 the external resources for the whole Sub-Saharan Africa decreased by 6.0 per cent.[11]

The limit of import substitution industrialisation was acknowledged in the ERP. Yet the policy prescriptions were not strong on the significance of collective self-reliance in capital-goods manufacturing. While **ERP** considered the problem of small size of natural markets, it failed to recognise the development of a capital goods sub-sector on a national and sub-regional basis for industrialisation in West Africa.

7.3 The Involvement of Private Sector

The business community in the West African sub-region represented by the Federation of West African Chambers of Commerce, and the Economic Community of West African States do not appear to have strictly contradictory objectives. Yet these two differ considerably in their legal status. It has already been pointed out in this work that the Federation's role was quite pronounced in reconciling the seemingly different interests in West Africa towards the goal of regional cooperation. Of course this role had been very much exaggerated in some quarters. The Honourable Commissioner for Trade and Industries in Nigeria, Mohammed Shuwa, at the Fourth Annual Conference of the Federation of West African Chambers of Commerce in Lagos on 23rd November, 1976, eulogised the Federation which according to him "is a percussor of the Economic Community of West African States (ECOWAS), and should be commended" for its contribution not only to the economic and commercial advancement of the West African sub-region in particular but also to the greater understanding and unity among the people, in the region"[12].

Also, Chief Peter Afolabi, as the Director of the Department of International Economic Cooperation in the Nigerian Ministry of External Affairs, once praised the Federation that "the origin and birth of this Community (ECOWAS) can thus be partly attributed to the vision of the private sector"[13]. It is true that during the negotiation for the establishment of ECOWAS and even immediately after, the goal of both institutions (ECOWAS and FWACC) appeared the same - promotion of economic cooperation in West Africa. In the particular case of the Nigerian Association of Chambers of Commerce, Industry and Mines, it promoted contacts among non-governmental institutions of the sub-region. Thus with the support of the FWACC, the Association of Central Banks of West Africa and some other professional bodies, an atmosphere conducive for the negotiation of ECOWAS was created[14]. A number of joint ventures and trading links were established among countries. Such include the joint ventures on the production of sugar and cement between Nigeria and Benin; the Mano-River Project between Sierra Leone and Liberia and joint ventures between Ghana and Upper Volta and between Nigeria and Guinea. No doubt that these came out of regular visits and contacts by members of the Federation of West African Chambers of Commerce since the incorporation of the chambers.

However, no sooner than ECOWAS was established than the romance between the two bodies began to suffer neglect especially from the ECOWAS side. While the Federation had wished to establish "a systematic and continuous rapport with the ECOWAS headquarters in Lagos", as well as collaborate with the Fund, the response of the institutions of ECOWAS was not quite encouraging. Also the relationship between the states in West Africa throughout the 1970s and 1980s generally was not impressive. According to E.O Esiemokhai;

> ... one thing has come out glaringly perhaps, to the disappointment of members of the Federation of West African Chambers and other National Associations of Chambers of Commerce and Industry. From all indications there are problems of economic development through private enterprises. Very often, governmental activity has proved irritating for businessmen in developing countries. Secondly, governments in developing nations use loans granted for industrial purposes for social improvement of their communities. Some Governments actually take interest in trading[15].

The above thus provided the background for the new initiative of the 1980s by the Community when the latter thought seriously of the involvement of the private sector in the implementation of the sub-regional industrial cooperation programme[16]. Cooperation among West African industrial entrepreneurs was seen as a major step towards attaining the goal of involving the private sector in the operation of the Community. Hence the initiative of the Community to develop an integrated industrial production base as well as the coordination of production activities in West Africa through the formation of a West African Manufacture Association, among other things[17]. With the support of the Secretariat, the Federation of West African Manufacturers Association (FEWAMA) was established in 1988. Also, the Secretariat helped with organising the first meeting of the FEWAMA, held in 1990, as well as in its subsequent meetings and activities. Such was the collaboration between the FEWAMA and the Secretariat on the preparation of an action programme for re-vitalising the former and promoting intra-community investment[18].

Within the framework of this new initiative, the Community seems ready to identify with the interests of FEWAMA with ECOWAS creating a congenial atmosphere for cooperation, defining direction and content, while FEWAMA ensures that appropriate industrial units were established and operated efficiently[19].

With Africa witnessing the age of economic liberalisation, the gospel of increased involvement of the private sector in the development process is gradually becoming popular. `The Revised ECOWAS Treaty' includes provisions which may in future guarantee the involvement of both FEWAMA and FEWACC in the formulation of policies affecting investments in West Africa, and thereby encourage their members to participate in the implementation of Community Programmes[20]. However, the Community's project of strengthening the private sector holds out just little chance for success in view of the fact that West Africa largely still lack the indigenous capital base necessarily for `privatisation' to promote self-reliant growth and economic development. Foreign capital is definitely the one that profits in such a situation where foriegn capital is predominant.

> The Chambers Movements in Nigeria and in other West African countries are mainly dependent on foreign economic centres for any substantial economic activity. Since they are not principally engaged in manufacturing but rather, only serve to distribute already fabricated goods, they merely operate as commission agents and authorised dealers. This makes them members of the commercial bourgeoisie class, which in most African States, is more committed to the capitalist market and imperialist interests. The Government of most African States is made of members from the private sector. The concern of the businessman in government is to create a favourable climate for private enterprise[21].

Thus, mere encouraging the private sector in West Africa has not guaranted regional cooperation in industrial activities towards attaining integrated industrial production base. The truth is that the private sector in West Africa has not evolved as part of the efforts to undertake an independent economic policy that can facilitate coordination of production activities within the sub-region towards industrial integration in West Africa. For example, the measures adopted by most states in West Africa as part of SAP have led to increase in foreign ownership of local businesses, especially as a result of privatisation drive, rather than liberate indigenous capital within the sub-region[22]. So also, the initiative to strengthen the private sector in West Africa seems to have a considerably narrow focus; it seeks for the liberation of indigenous private sector without a redefinition of the roles of other social and economic forces within the sub-region. The apparent absence of a regional policy on foreign capital or even a regional control system on the activities of the TNCs lends credence to the above assertion.

7.4 West African Industrial Forum

ECOWAS has continued to collaborate with the EEC, UNIDO and the Centre International du Commerce Exterieur du Senegal (CICES) in the planning, organisation and follow-up actions on the West African Industrial Forum. It was at the 1988 Forum that these organisations and agencies were appointed members of the Monitoring Committee for the Industrial Forum. The main focus of the Forum is the development of the West African industrial sector with European private participation.

Since 1988 when the Forum identified some industrial products from West Africa for promotion and development, the Secretariat has been working in collaboration with other members of the Monitoring Committee. For example, an assessment was carried out on the situation of some industrial products identified at the Forum. And this was later followed up with the preparation of a joint evaluation report on the implementation of the Forum's projects. The activities of the Secretariat on the Dakar Forum centred on ensuring maximum benefits for member states in the Forum.

On 30 September, 1991, ECOWAS participated in a meeting with other members of the Monitoring Committee in Brussels. The meeting reviewed the follow-up actions being taken on the 1990 Forum recommendations. At the

Bruseels meeting responsibilities were assigned to sponsors for the purposes of monitoring the implementation of the programme. Each sponsor, including ECOWAS was assigned some West African countries in this regard. The meeting also discussed preparations for the 1992 edition of the Industrial Forum which included sending missions to some countries to publicise the programmes as well as to create awareness. The 1992 Industrial Forum was significant in that it introduced another dimension to the Industrial Forum, the promotion of intra-African Investment (in addition to the promotion of European investment in West Africa)[23].

7.5 Formulation of ECOWAS Industrial Master Plan

Based on the Community Industrial Development Programme which was adopted in November 1986, the ECOWAS institutions, in their efforts to ensure the harmonisation of different national development strategies into a coherent integrated approach, have set about a study aimed at formulating a Master Plan for West African Industrialisation Programme. This project included visits to member states which also has facilitated the preparation of an exhaustive inventory of industrial production enterprises existing in member states.

The project on the formulation of an ECOWAS Industrial Master Plan was approved by the Council in June 1989. The technical support and input from the ECA on this project has been quite helpful especially on the modification of the terms of reference. The cost of the study was originally estimated at US $323,000 with the UNDP providing US $262,000 under the UNDP Fourth Programming Cycle and the balance of US $61,000 was to be borne by the Community[24].

The preparation of a draft of the Master Plan required considerable financial and human resources beyond the capacity of the Community. Thus the

Secretariat again had to intensify contact with external sources (UNIDO, ECA and UNDP) for support and assistance.

The first phase of the project involved an inventory of existing industrial enterprises within the subregion. This was undertaken in each of the member states by a local consultant and reports have already been submitted to the Secretariat. An evaluation of the result of the first phase was carried out and the next phase is already at an advanced stage. So far there are available reports on studies conducted on specific industrial subsectors by consultants. The report on the findings of the consultants will be presented to a joint meeting of industrialists and policy makers before the Secretariat embarks on the formulation of a regional plan for industrial development.

The extent of the external funding of ECOWAS Master Plan for Industrialisation raises questions on the possibility of external manipulations especially by donors and sponsors who may wish to benefit from the Plan which is largely financed by them. As for the content and strategies of the Plan, very little can be said now until the final report is ready. However, one thing stands out clear, that unless the Plan provides for strategies that challenge the conditions of dependency in West Africa, the Plan may not worth the efforts. How a Plan which is heavily dependent on external funding (almost up to 80 per cent of the total cost) can guarantee an autonomous industrial development is the question on the ground. This is a question that has to be answered. Besides, the preparation of the Plan has dragged on for too long[25].

7.6 Regional Cooperation in Industrial Training

The Secretariat of ECOWAS has been receiving support and assistance from UNIDO for the development of an industrial training scheme in West Africa.

There is on the ground a collaboration between UNIDO and the Secretariat of ECOWAS on this project. The scheme consists of three components: training of trainers, training of industrialists and improvement of the infrastructures of training institutes.

The November 1988 Session of the Council of Ministers had requested the Secretariat to undertake a sub-regional study on existing training facilities and programme for industrial personnel. The purpose of the study was to assess the state of facilities of some existing national training institutes that could be expanded and improved to make use of them for the training needs of member states. The Secretariat, in Lagos, in October 1991 organised a seminar; the major objective of the exercise was to define an appropriate regional framework for human resources development in the industrial sector[26]. The ECOWAS Secretariat has been very much active in the development of industrial training scheme in West Africa. However, this has depended on the sponsorship by donor agencies and assistance from agencies such as UNIDO.

7.7 Coordination of Industrial Development Decade for Africa (UN-IDDA)

The period of 1981-1990 was proclaimed by the United Nations General Assembly as the Industrial Decade for Africa (IDDA). To this effect a programme for the decade with a set of qualitative and qualitative targets was adopted. ECOWAS was made the coordinator of the sub-regional programmes for West Africa. Since 1983, the Secretariat has been collaborating with UNIDO, ECA and OAU to interpret the IDDA into operational terms for the West African sub-region. A major thrust of the programme adopted for the IDDA was the production of multinational or sub-regional enterprises in chemical, metallurgical engineering, agro-and forest based, and building material industries.

Therefore, subregional integrated programmes including specific projects were agreed upon in all sub-regions. Also, regional scientific and technological institutions were set up to promote the development of research and technological manpower. Between 12 to 16 December 1983 a sub-regional seminar was held in Abidjan which led to the production of a preliminary draft of an initial integrated industrial promotion programme. The draft programme was submitted to the Agriculture. Industry and Natural Resources Commission of the Community in November 1984. The latter requested for a more complete coverage of member states under the programme and the ECA was very instrumental in the preparation of the additional studies requested. Another meeting of officials of member states and the OAU, ECA and UNIDO was held in December 1985 in Lome to consider the revised programme[27].

The collaboration of the Secretariat with ECA and UNIDO continued especially for the purpose of assessing progress in the implementation of the IDDA in West Africa sub-region. It was in connection with this that a meeting was held in Dakar in November 1989 to review the progress so far made[28]. A number of constraints hampered the achievement of objectives of the IDDA. According to Adebayo Adedeji, these were "compounded by domestic structural rigidities and rapidly shifting patterns of international economic relationship."[28]

ECOWAS had suggested that because of the disruptions by the economic crisis of the 1980s, outstanding projects of IDDA - 1 should form the core of the succeeding programme[30]. The Second Industrial Decade for Africa (IDDA - 2) was proclaimed by the UNGA on 22 December 1989 (Resolution 44/237). The objective of IDDA is to promote an industrialisation policy designed to make the African countries self-sufficient and self-reliant and to make the industrial sector the engine for growth of their economies[31].

The over-all programmes for the decade was drawn up on the basis of national and sub-regional programmes. The basic document was prepared jointly by UNIDO, ECA and OAU and circulated to the African countries in April 1991. Series of meetings were held with inputs from experts which culminated in the Conference of African Ministers of Industry (CAMI-10) which adopted the text of the programmes previously submitted to a meeting of the Intergovernmental Committee of Experts on Industrialisation in Africa. The final CAMI text, constituting the programmes for the IDDA-2 was adopted and declared a priority programme by the Fourth Session of the UNIDO General Conference (Resolution G.C.4/Res.8) held in Vienna, Austria, from 12 to 22 November, 1991.

The IDDA-2 Programme consists of 50 national programmes (designed and developed by different African States with UNIDO and ECA assistance), four subregional programmes.[32] The industrialisation policies and strategies for IDDA-2 rest on the followings:

(i) Development of strategic core industries and promotion of small-scale industry in order to bring about collective self-reliance;

(ii) Promotion of intermediate industries;

(iii) Expansion and strengthening of the private enterprise base;

(iv) Intensification of technical cooperation and exchanges of experience concerning industrial technologies and training programme;

(v) Optimisation of the relationships between industry and agriculture;

(vi) Stimulation of an industrial culture and development of measures to safeguard the ecology under the pressure of industrialisation;

(vii) Creation and development of physical and institutional structures;

(viii) Strengthening of industrial institutional structures;

(ix) Creation of an environment favourable to investment and;

(x) Promotion of subregion and regional cooperation.[33] The IDDA-2 was allocated US$8.6 million in the UNIDO budget for biennium 1990/91.[34]

The ECOWAS Secretariat made input in the preparation of the IDDA-2 by supplying information on the West Africa component of the programme.[35] ECOWAS has been re-assigned the responsibility of coordinating the implementation of the West African component of the programme, and already the Secretariat and UNIDO are in the process of preparing an action programme to guide the implementation of IDDA-2 in West Africa.[36]

7.8 Community Industries in West Africa

Although a number of joint ventures were carried out in West Africa in the 1970s, generally the development of community industries within the framework of ECOWAS has not been quite encouraging. Most of what pass for joint industrial

TABLE 7.1
Some Agreements on Joint Industrial Venture Among Member States of ECOWAS in the 1970s

	PRODUCT	PARTICIPATING COUNTRIES	LOCATION	DATE OF AGREEMENT
5	Cement	Ghana, Ivory Coast and Togo	Togo	1976
2	Cement	Benin, Nigeria and a Danish Firm (F.L. Smith)	Benin	1971, Reactivated
1	Sugar	Benin and Nigeria	Benin	1971
8	Bauxite	Guinea and Nigeria	Guinea	1977
7	Aluminium	Guinea and Nigeria	Nigeria	1977
6	Bauxite	Algeria, Guinea, Liberia, Libya, Nigeria and Non - African firms	Guinea	1977
9	Fertilizer	Cameroon, Ivory Coast, Nigeria, Senegal and Other non - African partners	Senegal	
3	Petro-Chemicals	Nigeria and Ivory Coast	Nigeria	1975
4	Asphalt	Nigeria and Ivory Coast	Ivory Coast	1975

ventures are existing outside the Community's regime for joint ventures. (See Table 7.1). This is inspite of the fact that the establishement of community enterprises is an important element of the ECOWAS industrial policy and programme.

The Executive Secretariat, in 1979, Set out to establish a regime for community enterprises. The objective was to provide a legal framework to govern the development of industries in West Africa in such a way that guarantee equitable distribution.[37] Beside the above, the legal regime would define the level of local participation in such joint ventures so that the involvement of foreign capital in an `ECOWAS company' do not legitimise a control of the latter by foreign partners.[38]

The Protocol Relating to the Community Enterprises was signed in Lome on 23rd November 1984. The Protocol stipulates that at least 51 percent of the equity capital of a community enterprise must be owned by citizens or legal persons of member states of ECOWAS.[39] As part of the Community distributive measures, the approval criteria favour the less endowed member states. For instance, for the purposes of equity capital and financial investment levels, member states are classified into three categories which reflects their levels of development. If a community enterprise is to be located in Burkina Faso, Cape Verde, Gambia, Guinea-Bissau, Mali, Mauritania and Niger, all that are classified as the least developed states, its equity capital should not be less than 1.5 million units of account while its investment capital must be at least 6 million units of account. But if the firm is to be located in any of the following states, Benin, Guinea, Liberia, Sierra leone and Togo, the minimum equity capital is 2 million units of account, while the intended investment must not be less than 8 million units of account. Cote d'Ivoire, Ghana, Nigeria and Senegal are categorised together as the most developed states. Thus for these, a minimum equity capital level of 2.5

million units of account and an investment of at least 10 million units of account must be met.

Among the priviledges and concessions granted community enterprises are the exclusion of their products from any tariff and non-tariff restrictions within the subregion. Products from such enterprises can be exposed to protectionist policies of member states to ensure the competitiveness in the Community market. Thirdly, regardless of where they are located a community enterprise has legal personality in all member states, and such firm cannot be nationalised, "except for valid reasons of public interest and where upon fair and adequate compensation shall be promptly paid" in the currency of original investment or in a convertible currency.[40]

Both the Executive Secretariat and the Council of Minister can exercise near absolute regulatory powers over community enterprises. These two institutions must be informed of any attempt to deal in shares of each enterprise, fix or alter prices of its products, decrease or increase the capital or effect its dissolution. The Executive Secretariat should be notified of the appointment and removal of member states on Boards of Director, and any change of location of the headquarters of the community enterprise. The Council of Ministers has powers to admit an enterprise, or to suspend or cancel that privilege. The Community also can exercise powers of taxation over community enterprises in addition to those by countries of location; and such community enterprises are required to comply with "such audit as may be authorised by the Executive Secretariat in collaboration with the relevant authorities of the member states where they are located in order to ascertain compliance with the terms of the Approval Agreement"[41].

The response in respect of community enterprises is not quite impressive.

It should be noted that the community itself delayed in providing the framework for the establishement of community enterprises. Where joint ventures are in existence in West Africa, most of such were planned outside the framework of ECOWAS, and even those that are operational have remained outside the ambit of the Community. Take for instance, not until 1984 before the Protocol Relating to the Community Enterprises was signed by member-states and none ratified until 1986. Up to thirteen states have ratified the protocol but no state seems to be showing interest in applying for registration under the terms of the protocol[42]. Even states like Nigeria whose participation in joint ventures has been so pronounced have done so regardless of the Community's legal regime for joint industrial ventures. It was not impossible that Nigeria's initial enthusiasm in joint ventures was all part of her diplomatic moves to win the confidence and support of other states in West Africa, especially the less developed states. The very high rates of growth recorded in the Nigerian economy in the 1970s largely made the above possible. However, with the setting in of the economic crisis of the 1980s, erstwhile buoyant economies like Nigeria experienced fiscal crisis and have not been able to sustain the initial enthusiasm for joint ventures.

Whereas the principles behind the establishment of community enterprise appear to be sound especially in the context of the need to ensure balanced development in the sub-region, however, in its conception as well as implementation, the idea of community enterprise is provoking thoughts along these lines. First, one of the main factors in industrial development regionally is the setting up of heavy industries that are indispensable for building up the technological and industrial base necessary for ensuring a sustained rate of industries. The Protocol Relating to Community Enterprise has not addressed this issue. Secondly, such heavy industries require a substantial increase in investment which may not attract foreign resources. And in the circumstance where the private sector in most West African countries are largely underdeveloped and lacking the capability to establish such industries, a programme of industrialisation at the regional level should entail very active role for the state. Lastly, the successful implementation of the protocol like the other ECOWAS regional programmes for development depends on the successful integration of regional policies into all aspects of national policy of individual member states of ECOWAS. Also the implementation of the protocol has not recorded much success partly because of the general unseriousness of member states. Most states have not been able to integrate this aspect or any other aspect of ECOWAS regional policy into their national development policies and programmes.

7.9 Trade Liberalisation and Industrialisation in ECOWAS

Advocates of economic integration in Africa regard the existence of a wider market made possible through regional cooperation as a necessary condition for industrialisation. Simply the idea is that the creation of large-scale modern industrial sectors requires the existence of broadened markets. According to Green and Seidman; "There is no point in producing manufactured goods if there are not enough people or they do not have enough cash income to buy them".[43] African national markets are too small and cannot in isolation support industrialisation on any substantial scale. Hence the Economic Commission for Africa advocates for "sub-regional cooperation as a condition precedent to industrialisation of Africa"[44] The assumption is that economic grouping at sub-regional level will lead to increase in the volume of trade among members and thereby provide the broadened markets which are needed to support modern industrial growth.

To date, trade between the ECOWAS countries has been small in kind and extent. The official intra – ECOWAS trade is about 4.0 per cent of the total of the West Africa sub-region.[45] This rate of intra – ECOWAS trade cannot provide the required wider market which is needed for modern industrial growth. Trade within the ECOWAS sub-region has generally followed the pattern set during colonialism by the colonial authorities:

> Colonial economic policy geared the cash economies of dependent territories to the export-import trade with Europe. Investment flows, transportation networks, tariff rates, commercial and government purchasing policies, and provision of infrastructure and services were shaped in terms of this pattern and served to reinforce it.[46]

For instance, most of the French-speaking countries still have one-third of their imports originating from France. Over 40.0 per cent of the imports of the import of two portuguese speaking countries originate in Portugal. And about a quarter of the imports of the English – speaking countries of the Gambia, Ghana, Nigeria, and Sierre Leone is from United Kingdom, while Liberia obtains about the same proportion from the United States[47]

Also, the strucutre of the trade links with the metropolitan countries has implications ~~has implications~~ for the development of local industry in West Africa to produce manufactured goods as component of intra-ECOWAS trade. Notably, industrialisation in most ECOWAS countries is still largely at the rudimentary state. The attempts at import substitution industrialisation has not brought about any significant reduction in the foreign component of the manufacturing process or even led to the establishment of capital goods industries. Consequently, West African states have continued to depend on the metropolitan countries for the supply of their industrial products in the main. In this circumstances it is also assumed by many African integrationist that industrial cooperation at subregional level will reduce depedence on foreign industrial products and increase the volume of trade among members of such regional grouping as ECOWAS. Therefore, the relationship between industrialisation and trade cannot be overemphasised. The above in some respects provide the background to the ECOWAS trade liberalisation scheme.

Trade liberalisation is simply the elimination of obstacles disrupting trade flows among a given group of countries obstacles that are created principally by government policies, regulations and administrative practices. Truly these obstacles do hinder the flow of goods and services. However, it is common knowledge that the generally low official intra-ECOWAS trade, is not exclusively due to the existence of the above mentioned obstacles. Nonetheless ECOWAS has given attention to how to eliminate administrative constraints to trade flow in West Africa.

The Community from inception made boosting community trade a matter of great concern. Hence the decisions and measures taken by the various institutions of the Community which include: establishment of procedures for the approval of products under the liberalisation scheme; introduction of a compensation budget for loss of revenue suffered by member states as a result of liberalisation; adoption of harmonised customs documents such as the Certificate of Origin, and Customs Declaration Forms.

In ECOWAS terms (as defined under Article 12 of the ECOWAS Treaty), trade liberalisation means the gradual establishment of a custom union among its member states. The Treaty provides for the establishment of a free trade zone and a common external tariff as intermediary stages to the attainment of the final objective. Within ECOWAS, custom duties and other taxes of equivalent effect are to be eliminated, as well as quota, quantitative restrictions and administrative obstacles. A common external tariff will be put in place, made applicable to all goods imported into member states from third countries.[48]

On the 28th May, 1979, the two-tier tariff and non-tariff barriers consolidation scheme of the community came into force. With this, all customers duties and taxes of equivalent effect, as well as all non-tariff barriers on goods originating from the community have been consolidated and frozen by each member state. In effect during the initial two year period, commencing 28 May 1979, member states would not bound or cut or eliminate taxes on imports. Also, they could neither introduce new taxes or duties, nor increase existing ones. After the two-year period no new tariff barriers could be established, nor could existing ones be increased, consolidated taxes are to be gradually reduced and ultimately eliminated totally by each member states. This was the first of the three stages of the envisaged trade liberalisation process.

The second stage which should have begun in May 1981 involves the reduction of tariff and non-tariff barriers and the elimination of tariff barriers would be governed by a schedule for trade liberalisation. By the decision A/DEC/18/80, the Authority of Heads of State and Government of ECOWAS member states took another step forward by liberalising trade in industrial products. Within this framework the elimination of tariff barriers would be governed by a schedule for trade liberalisation in which both products are divided into two groups. According to the schedule Cote d'Ivoire, Ghana, Nigeria and Senegal were considered as industrially more advanced countries and were required to eliminate their tariff barriers over the period 1981-86. Other member states - Benin, Cape Verde, Gambia, Guinea Bissau, Burkina Faso, Liberia, Mali, Mauritania, Niger, Sierra-Leone and Togo - were not required to eliminate their tariffs until 1988. Priority industrial products were to enjoy accelerated liberalisation (four years for the industriallly more advanced, six years for the others). According to Council Decision C/DEC 3/5/82 (annex), such products included manufactured food products, building materials, mineral fuels, pharmaceutical products, fertilisers, plastic materials, rubber articles, wood articles, cremic products, iron and steel products and certain agricultural machinery. Other products are to be liberalised over a six-year period in the case of the industrially more advanced member states and eight years in the case of the others.[49]

As clear as the principles of trade liberalisation within ECOWAS appear, implementation had been very difficult due to some institutional as well as structural problems. In the particular case of ECOWAS, the multimembership of some states in regional groupings did not help situation. Some members of the CEAO and the Mano River Union (MRU) are also members of ECOWAS. Essentially because of the trade obligations arising from their membership of these two organisations, (CEAO and M.R.U), the members of ECOWAS who are also members of the organisations had requested that the provisions of Article 20 of the ECOWAS Treaty be derogated. Article 20 of the ECOWAS Treaty is on Most-Favoured-Nation Treatment. According to these provisions;

1. Member States shall accord to one another in relation to trade between them the most-favoured-nation treatment and in no case shall tariff concessions granted to a third country under an agreement with a Member State be more favourable than those applicable under this Treaty.

2. Copies of such agreements reffered to in paragraph 1 of this Article shall be transmitted by the Member States which are parties to them to the Executive Secretariat of the community.

3. Any agreement between a Member State and a third country under

which tariff concessions are granted, shall not derogate from the obligations of that Member State under this Treaty.

The principle of most-favour-nation treatment is that all the concessionary treatments accorded by any one of the contracting parties in respect of a given product originating from a member state will be immediatetly and unconditionally extended to any similar product which originates from the territory of any of the other contracting parties. This applies to all customs duties and any other kind of tax levied at the time of importation or exportation. Thus the implication of Article 20 for the Ecowas member that are also members of the CEAO and MRU is that the preferential treatment which exists within the CEAO and MRU should be extended to products originating from the other member states of ECOWAS which are not members of the CEAO or MRU. Also, the concessional tariffs accorded to any other country should not be more favourable than those provided for in the ECOWAS Treaty.

In that illuminating comment, W. A. Ndongko warns on the limitations of multiplicity of regional grouping as well as dual or multiple membership;

> ...the multiplicity of regional groupings, coupled with dual memberships, will give rise to numerous commercial problems beacause of the trade obilgations which member states have either individually or collectively, under the different treaties and protocol agreements establishing the groupings of which they are members... To be sure, some touchy commercial problems are bound to arise in the course of fulfilling these obligations.[50]

The CEAO was a regional grouping within ECOWAS. It's members enjoyed a relatively free trade among themselves. There was also a satisfactory compensation mechanism. Trade within the CEAO expanded significantly amounting to about 10.0 per cent total trade.[51] With the exception of Mauritania all other CEAO members belong to the West African Monetary Union as well as the Franc zone. In the CEAO there was the Common Fund from which industrial projects were financed as well as the operation of a common regional development tax. In essence members of the CEAO had been able to attain some level of fiscal harmonisation in terms of tax structures and nonmeclatures. Thus, confronted with the demands of the ECOWAS trade liberalisation system, the CEAO states preferred "their more established grouping (which) is built on strong mutual political, cultural and economic background".[52] Ndongko has rightly observed that:

> Certainly a Customs Union of the kind envisaged in ECOWAS Treaty, involving the gradual elimination of all tariffs is incompatible with the present CEAO's preferential system, partly because of the potential loss of revenue to be incurried by all the member states of CEAO in lowering and eventually abolishing all external tariffs, and partly because of the vagueness of the functioning of the ECOWAS Fund for Development, Cooperation and Compensation and the payment system.[53]

Within a regional grouping of unequal partners like ECOWAS the existence of effective and efficient compensatory arrangement cannot be over emphased. The absence or adequancy of measures to compesate relatively less developed partners within an integration scheme easily work against securing the support and commitment of this group of countries who usually thought of integration programmes as exclusively to the benefit of the relatively more developed countries because of the latter's competitive strength. In the case of ECOWAS, the CEAO states of Burkina Faso, Mali, Mauritania and Niger gave thought to the crucial and senstive issue of equitable distribution of the benefits and costs which may arise from trade liberalisation within the ECOWAS trade liberalisation system. Thus, they strongly supported the request of the CEAO states for a period of derogation for their members in respect of the introduction of ECOWAS Customs and Statistical Nomenclature, and the ECOWAS trade liberalisation programme which were supposed to commence in January and May 1981 respectively. In this circusmstance it became almost necessary to modify the initial ECOWAS Authority's decision on trade liberalisation in industrial products and elimination of tariff barriers. This was done by the decision of the Authority on May 1983 (A/DEC 1/5/83).

The Authority of ECOWAS in 1983 adopted a single regional trade liberalisation programme which was prepared by the three secretariats of the economic communities in West Africa (CEAO, ECOWAS and MRU). The adopted scheme was left unimplemented for a long time. In 1987, the Authority revisited the matter, made preparations towards the launching of the scheme. This led to the adoption of procedures for the approval of industrial firms and products, and the adoption of a provisional compensation budget. Other levels of preparation for the launching of the scheme included working on the modalities for allocating numbers to approved firms and products and the establishment of a Community mechanism for guaranteeing inter-state road transit operations.

On January 1, 1990 the trade liberalisation scheme was launched. The scheme consists of a multi-phase operation which was to have commenced with the consolidation of customs duties and taxes of equivalent effect in 1979. As from January 1, 1990, all non-tariff barriers to intra-community trade are being removed gradually over a four-year period by each ECOWAS member state. In this way by January 1, 1994, every non-tariff barrier would have been eliminated through West Africa on Community-originating goods. It is also important to note that the Community agreed on a clear definition of non-tariff barriers and has adopted a list of such non-tariff barriers.[54]

The second phase of the scheme entails the total liberalisation of trade, beginning with unprocessed goods and handicrafts. In effect, as from January 1990, ECOWAS member states are to charge no customs duties or levy taxes of equivalent effect on any unprocessed goods or handicraft products originating from the Community. Unprocessed goods, are taken to mean products of animal, mineral or vegetable derivation which have undergone no industrial transformation. In other words, such products ceased to attract any tariff within the Community as from 1st of January 1990. These products are not eligible for compensation for loss of revenue suffered as a result of the importation into a Member State from another member state, as long as they have been issued with the ECOWAS Certificate of Origin. [55]

The third phase of the scheme covers the industrial products originating from member states of the Community. With respect to industrial products, the elimination of tariff barriers should be more gradual and the rate depends on the category to which the industrial product and the exporting member state belong.[56] Industrial products have been divided into two: priority and non-priority groups. The rate of tariff reduction is faster for the priority industrial products. Whatever the category, however, these industrial products and the enterprises manufacturing them, must have successfully passed through the selection and approval procedure laid down by the Council of Ministers. Industrial products must conform to Community's rules of origin in order to be eligible to benefit under the scheme. In other words, to be considered as originating from a member state, an industrial product must conform to criteria stipulated in the Protocol Relating to the Definition of the Concept of Products Originating from Member states of ECOWAS as follows: Goods shall be accepted as originating from member states for purposes of trade liberalisation if:

i) they have been wholly produced in the Member States in accordance with the provisions in Article V of the protocol; or

ii) they have been produced in a Member State other than by any of the operations and processes listed in Article IV of the protocol or with the material from a foreign or undertmined origin used in the process of production of goods whose c.i.f. value does not exceed 60.0 per cent of the total cost of the material employed in the production or with the material of community origin whose value must not in any case be less than 40.0 per cent of the total cost of the material used in the process of production or with raw material of community origin representing in quantity at least 60.0 per cent of the whole raw material used in the production or;

iii) if the goods has been produced from material of a foreign or undetermined orign and having received in the process of production a value-added of at least 35.0 per cent of the f.o.b. price of the fininshed product.

ECOWAS member states have been grouped into three categories for the gradual elimination, over a ten-year period, of customs duties and taxes of equivalent of industrial products. The classification of member states into three categories is based on the followings: the level of industrial development; the percentage of the national budget derived from costoms revenue; and problems arising from inaccessibility of the countries concerned (e.g. transportation to land-locked or island countries). The first group, with relatively the highest level of industrialisation, comprises of Cote d'Ivoire, Ghana, Nigeria and Senegal. These countries are required to eliminate tariff faster. This is to be done over a four-year period for the priority products, and in six years for non-priority products. The next group of countries is made up of Benin, Liberia, Sierra Leone and Togo.

These member states should eliminate all tariffs on priority industrial products over six years, and in eight years for non-priority products. The last category of member states comprises of Burkina Faso, Cape Verde. The Gambia, Guinea-Bissau, Mali, Mauritania and Niger. These are accorded the slowest rate of tariff elimination. Their rate of tariff elimination is eight years for priority industrial products and ten years for non-priority products.

TABLE 7.2
Time-Table for the Elimination of Tariffs in ECOWAS

GROUP OF COUNTRIES	PERIOD WITH WHICH TARIFFS ARE TO BE ELIMINATED	RATE OF REDUCTION OF CUSTOMS DUTIES AND TAXES
Group I Cape Verde, The Gambia Guinea Bissau, Burkina Faso, Mali, Mauritania, Niger	10 years	10% reduction each year
Group II Benin, Guinea, Liberia, Sierra Leone, Togo	8 years	12.5 % reduction each year
Group III Cote d'Ivoire, Ghana, Nigeria, Senegal.	6 years	16.1 % reduction each year

Source: `Contact' - The Magazine of ECOWAS, No. 4 October 1992. P. 33

TABLE 7.3

First Set of Approved Products (Industrial under ECOWAS Trade Liberalisation

Company	No Nomenclature	Product/Designation
BENIN		
Usine Africaine de Confiserie	17-04	Other non-cocoa based confectionary
P.E.B. (Plastiques et Elastomere du BENIN	94-04	Mattresses - foam
Industrie Benin - orise de Refrigeration (IBER - S. A)	84-15	Refrigerators
MANUCIA	84-12	Air - Conditioners
BURKINA FASO		
Faso Plat	36-06	Matches
	39-07	Plastic Bags
SBMC (Societe Burkinabe de manfacture de cuir	41-02	Hides (leather)
CAPE VERDE		
Socal	64-02	Natural leather shoes
	64-02	Synthetic leather shoes
GHANA		
Ghana Pioneer Aluminium Limited	76-15	Kitchen Utensils
MALI		
Sado Diallo	28-31	Bleach
	22-10	Vinegar
Sircob	69-07	Tiles
NIGER		
Sonichaux	25-22	Lime
Niger Peinture	32-09	Emulsion paint
	32-09	Floor paint
NIGERIA		
Delta Steel Co.	73-07	Billets
GAZAL Industrial Enterprises Ltd	69-07	Tiles
CREST Products Ltd	19-08	Biscuits
Golden Guinea Breweries	22-08	Beer
	23-03	Stout
SENEGAL		
SPIA (Societe de Products industries et agricoles	3-11	Insecticides
	38-11	Fungicides
	28-42	Limestones

Source: 'Contact' - The Magazine of ECOWAS, September 1990, P.6.

The trade liberalisation scheme for industrial products started off with twenty-five approved products selected from eight member states. These were industrial products in both the priority and non - priority category. Table 7.3 consists of these industrial goods together with their producing enterprises. After the May 1990 Statutory Meetings, 42 industrial products were added to the list of approved goods under the scheme. In 1991 a move for approval was made for another set of industrial firms and products, and in 1992, the Secretariat recommended the approval of 40 new industrial products. The plan was to have a total of 130 industrial products approved under the scheme by 1 January, 1993.[59]

All products for export under the ECOWAS trade liberalisation scheme are to be accompanied by certain relevant documents as proof of their Community origin and beneficiary of the scheme to facilitate their movement in transit, and to enable member states make claims under the scheme for compensation for loss of customs revenue. These documents include: Certificate of Origin, Export Entry, ECOWAS Inter-State Road Transit (ISRT), and the Log Book.

The compensatory arrangement within the ECOWAS trade liberalisation system is based mainly on the provisions of Article 25 of the ECOWAS Treaty and the Protocol on Assessment of Loss of Revenue by Member States which establish compensation procedure and define modalities for the assessment of losses and payment of compensation. An annual compensation budget has been set up. Funds for the compensation budget derive from contributions due from the exporting member states concerned. However, the compensation mechanism has not fully become operational before the Council called for a review of it as well as other aspects of the entire trade liberalisation system.[59]

In June 1992 the Executive Secretary reported that there was no record of a single intra-community trade transaction undertaken under the trade liberalisation scheme just as no claim has been made from the annual compensation budgets that have been locked up.[60] Apparently there appears to be some differences among the institutions of the Community on the best approach to trade liberalisation scheme. In the 1991/92 Annual Report of the Executive Secretary, it is admitted that there could be "alternative ways of tackling trade liberalisation in the region". Yet the following problems call for concern: (i) failure to transform Community decisions into national legislation and administrative regulations; (ii) failure to print and put into circulation ECOWAS customs documents; (iii) inadequate training of governmental officials responsible for applying community schemes; and (vi) little publicity of the scheme and poor circulation of information about the scheme to economic operators.[61]

Inspite of the existence of a trade liberalisation scheme, liberalisation and growth of trade between ECOWAS member state is still unimpressive. In a study conducted by the World Bank on the constraints and obstacles to intra-regional trade in West Africa, eighteen non-tariff barriers were identified which need not exist in the region if free trade and economic integration are to be promoted in the sub-region through ECOWAS.[62] In June 1992, the ECOWAS Authorities adopted some decisions to change certain elements of the trade liberalisation scheme and also the application procedure. These include fixing the indigenous capital ownership criterion at a single rate of 25 percent (instead of the earlier graduation from 20 per cent to 51 per cent). Also, the priority industrial product category was abolished. Thus there is no product classification into priority and non-priority industrial goods. The period for reducing tariffs on all Community - originating industrial products to zero has been fixed at 10 years for the Group 1 Member States, 8 years for Group II and 6 years for Group III.[63] (see Table

7.2)

Upon the recommendation by a World Bank study group, the ECOWAS Secretariat formulated a Minimum Agenda for Action. One major consideration in the 1992 Minimum Agenda for Action was the need to facilitate the free flow of goods and services across national borders. Measures advocated for include simplification of transit and customs procedures, reduction of check points on international highways, printing and circulation of ECOWAS Travel Certificate and customs documents, and increased use of national currencies in intra-Community trade and payments transactions.[64] The study by the World Bank, "Constraints to Trade Payments and INvestment Flows in ECOWAS" has identified eighteen non-tariff barriers which need not exist in the region if sufficient emphasis has been palced on free trade and economic integration.

Also to boost intra-Community trade expansion and development, the Community has continued to put into place other supportive programmes, namely the monetary cooperation scheme whose primary objective is the establishment of a single monetary zone; [65] the completion of the free movement of persons, right of residence and establishment by 1995; the completion of the telecommunications and highway networks; the preparation of an Industrial Master Plan; and the implementation of the ECOWAS cooperation programmes in agriculture and related subsectors. While ECOWAS commitment to the development of infrastructural links within the Community as well as improvement in the sub-regional monetary situation is commendable, it is still not very feasible that these regional cooperation initiatives can render trade liberalisation within the Community less problematic as it is presently. The fact is that ECOWAS trade liberalisation system has continued to place emphasis on strategies for the elimination of administrative restrictions to trade while ignoring the structural rigidities which constrain intra-ECOWAS trade.

In the West African sub-region, there are in existence three different schemes for the elimination of both tariff and non-tariff barriers (CEAO, MRU, ECOWAS). This is inspite of the 1992 modifications of the trade liberalisation regime. The three schemes have their separate rules of origin and customs documents compensation schemes. No doubt therefore that, nothing has been accomplished in terms of trade expansion within the Community beyond mere adoption of programmes by member states without implementing them. In such circumstance; "It should, therefore, come as no surprise if the operation of three trade liberation schemes in the same region creates certain difficulties and impedes the development of trade among the countries"[66]

The Community trade liberalisation regime which has the objective to stimulate intra-Community trade, revive and expand the production base of the entire West African economy can hardly achieve these without a radical change in the orientation of West African economy which is to date towards the industrial countries of Europe. The major trading partners of ECOWAS countries are the developed market economies.[67] The dominance of these trade links is not a source of structural problem as the structure of these links. The dependence on the metropolitan countries for manufactured goods is a major structural contradiction. Usually the dominance of this vertical link has negative effect on horizontal links such as the intra - West African trade. The experience of Nigeria is demonstrative of this trend. In 1991 Nigerian import trade with other ECOWAS countries was about 0.6 per cent of total imports while Western Europe had about 41.6 per cent of Nigeria's total imports for the same period. Also, in the first quarter of 1991 Nigeria's export to ECOWAS sub-region was about 6.0 per cent while Western Europe's share was about 40.0 per cent.[68] Besides, this trade pattern makes ECOWAS countries to be very vulnerable to any crisis in the economies of the developed countries as has been the case since the 1980s. To date, the EU-ACP Convention remains an example of an arrangement for the promotion of vertical link between the North and the South.

Inspite of its negative impacts on intra-ECOWAS trade, EC aids allocation under the Lome Convention represents a very tempting irresistible measure for addressing the low level of regional cooperation in West Africa. Under the Lome regime quite a substantial fraction of the EC aid goes now to assist regional projects encompassing more than one ACP state in the areas of industrial development, transport and communications, exploitation of natural resources, trade promotion, research and development, and rural development. The breakdown of regional cooperation funds of the Lome Conventions shows that Western Africa has always received the largest share of the resources from the EIB. Under Lome II, West Africa got 160 million (ECU) out of the 631.5 million (ECU) allocated. Under Lome III it was 210 ECU million out of the total allocation of 1000 ECU million; and out of the total allocation of 1250 ECU million for Lome IV West Africa received 228 ECU million.[68] However, the sectoral breakdown reveals that the allocation for industry generally for the ACPs were usually less than 16.0 per cent while for trade promotion, it was less than 9.0 per cent. The biggest share of the regional cooperation fund usually was spent on transport and communication development. This sector was allocated 45 per cent of the total grant under Lome III.[70] The bias for the development of infrastructures is definitely not out of place, especially in such places where infrastructures are largely inadequate.

Nonetheless, there are constraints in the Lome regime that work against the development of strong production base in the ACPs especially with respect to the Rules of Origin and the `Safeguard Clauses' under Lome regime that can be invoked by the EC to prevent third countries from gaining preferential access to the Community under the cover of ACP. For instance, under the Rule of Origin, 50 to 60 per cent of the value added should have originated in the ACPs. In practice this condition is too tough to be met by the ACPs that are not as highly industrialised. Besides, cooperation with non-ACP countries for the purpose of industrial manufacturing is discouraged through these provisions. Such arrangement has implications for industrial cooperation among Third World Countries.

The latest problems in the area of intra-ECOWAS trade is the danger posed by the overall trade liberalisation which is being advocated by the World Bank and IMF. In a situation of overall trade liberalisation, subsidised products from Europe especially can have adverse effects on the economies of Third World countries. It is enough to consider the effects of foreign competition on infant industries in West Africa, whose products are usually discriminated against through the protectionist practices of industrialised countries. The latest victims of the European policy on subsidies are the 4 million pastoralists in the semi-arid Sahel region whose livelihood is being threatened through the heavily subsidised European Community beef exports to West Africa. `West Africa' reports that "EC beef, which has been subsidised to the tune of £280 mm since 1984, has drastically reduced the earnings of Sahelian pastoralists..."[71] According to this report, since 1984 exports have increased seven -fold reaching a peak of 54,000 tonnes in 1991; exports of chilled or frozen EC beef account for more than 99 per cent of all non African beef exports to West Africa.[72]

The effect of this trend on the millions of cattle farmers in West Africa and the Sahel (from Mali, Burkina Faso, Chad, Niger and the Central Africa Republic) who had during the 1970s and part of the 1980s supplied the beef importing coastal countries - Cote d'Ivorie, Ghana, Nigeria, Togo, Benin - is severe. Also, the whole economy of beef - producing countries in the region is at stake and the age of self-reliance in beef production is gone, as noted by `West Africa'.[73] Also, the 1993 **Interim Report of the Executive Secretary of ECOWAS** notes that such unfair competition with subsidised European meat by the four million Sahelian cattle farmers will not only deprive them of markets, it has adverse effect on the growth of regional production of beef meat in West Africa.[74]

7.10 Notes and References

1. ECOWAS Document ECW/CM.XXIII/2. P.26

2. ECOWAS Document ECW/CM.XXV/2. P.40.

3. Ibid

4. Ibid p.17.

5. Ibid pp.17-18

6. ECOWAS Document ECW/PLANFIN/EXP/11/5 p.22.

7. Ibid p.36.

8. ECOWAS Document ECW/ECON/MIN. 215 REV. p.9.

9. Ibid p.8.

10. Ibid p.7.

11. ECOWAS Document ECW/PLANFIN/EXP/11/S p.58.

12. Speech by honourable Commissioner of Trade and industries, Mohammed Shuwa, to the 4th Annual conference of west African Chamber of Commerce 23rd November 1976.

13. Peter Afolabi, "economic Community of West African States and Business Opportunities " paper presented at the Fourth Annual Conference of the Federation of West African Chambers of Commerce, 23rd November 1976.

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15. E.O. Esiemokhai, "The role of the Nigerian Chambers of Commerce, Industry, Mines and Agriculture in the Establishment of ECOWAS", Being the text of an address delivered at the International Conference on "The Future of Africa and the New International Economic Order" University of Ife, Ile-Ife. March 27-29, 1984.

16. `Contact' September 1990. P.28.

17. ECOWAS Document ECW/CM.XXIII/2 P.26.

18. ECOWAS Document ECW/CM.XXV/2 P.23.

19. `Contact' November 1989 PP.21-23.

20. ECOWAS Document ECW/CM.XXXI/2 P.67.

21. E.O. Esiemokhai op cit

22. The adoption of `privatisation' and `commercialisation' as key policies by most West African countries has eroded whatever advantage the introduction of indigenisation programmes brought in the 1970s.

23. ECOWAS Document, ECW/CM.XXXI/2 P.66.

24. ECOWAS Document, ECW/CM/XXVII/2 P.58.

25. The last contact with the Secretariat of ECOWAS reveals that the Plan was not ready for 1994.

26. ECOWAS Document, ECW/CM.XXXI/2 P.68.

27. ECOWAS Document, ECW/CM.XIX/2 P.28

28. ECOWAS Document, ECW/CM.XXV/2 P.23.

29. Adebayo Adedeji, "Africa Alternative Framework and a new Industrial Strategy for Africa." p.59.

30. ECOWAS Document, ECW/CM.XXXI/2 P.68.

31. See `Industry Africa' - Journal of IDDA 6/ September 1992 PP.9-10.

32. Ibid.

33. Ibid.

34. Ibid. P.10.

35. Interim Report of the Executive Secretary to the 13th Session of the Council of Ministers of ECOWAS, Lome 20-22 November1991 p.24. P.24.

36. ECOWAS Document ECW/CM. XXX1/2 P.65.

37. See ECOWAS, "Formulation of ECOWAS Regional Industrial Policy (Legal Framework)". Report of Meeting Lagos, 10-11 October 1980.

38. Ibid

39. Protocol A/PI/11/8 Relating to the Community, community Enterprises.

40. Ibid Articles 16 and 18.

41. Ibid Article 13.

42. As at 30th November 1993 the following member states ratified the Protocol (A/PI/11/84): Burkina Faso (25/04/90); Cote d'Ivoire (19/07/91); Gambia (10/07/89); Ghana (12/05/89); Guinea (13/10/89); Guinea Bassau (13/11/90); Nigeria (18/04/88); Senegal (10/09/86); Sierra Leone (30/09/86); Togo (17/02/88); Mauritania, Benin and Cape Verde were yet to ratified the Protocol.

43. Reginald H. Green and Ann Seidman, **Unity or Poverty?: The Economics of Pan-Africanism** (Penguin Books, 1967) p.59.

44. See ECA, "Survey and Out look for Industrial Growth in Africa" (mimeo) cited in Allison A. Ayida, **Reflections on Nigerian Development** (Malthouse Press/Heinmann, 1987) p.148.

45. See Abass Bundu, "Trade Liberalisation in ECOWAS", Paper delivered at ECOBANK Seminar on `Trade and Investment in ECOWAS", Lagos, April 8, 1991.

46. Reginald H. Green and Ann Seidman, op cit p.73.

47. S.K.B. Asante, The Political Economy of Regionalism in Africa: A Decade ECOWAS (New York ; Praeger, 1985) p.92.

48. Treaty of ECOWAS, Article 12.

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50. W. A. Ndongko, "Trade Liberalisation within the setting of Multi-membership in African Regional Groupings" in W. A. Ndongko (ed) **Economic Cooperation and Integration in Africa**, Dakar, CODESPIA, 1985) p.28.

51. The World Bank, **Sub-Saharan Africa: From Crisis to Sustainable Growth: A Long-Term Perspective Study** (Washington, D.C. 1989) p.149.

52. W. A. Ndongko **op cit** p.34.

53. Ibid p.33.

54. 'Contact' - magazine of ECOWAS. September 1990 p.6.

55. `Contact' - magazine of ECOWAS, September 1990. P.6 and also `Contact' October 1992 PP.32-33.

56. 'Contact' September 1990. p.6.

57. See for details Article II on Rules of Origin of Community Goods.

58. ECOWAS Document No.ECW/CM.XXXI/2 P.52.

59. Ibid P.51

60. Ibid

61. Ibid PP.51-52.

62. Ibid P.52.

63. ECOWAS Document ECW/CM/xxxi/2 P.11.

64. Ibid P.13.

65. The West African Clearing House (WACH) which was formed by the governors of the Central Banks in West Africa had its scope expanded and it is soon to become a specialised agency of ECOWAS, to be responsible for the Community Monetary Programme.

66. Abass Bundu, "ECOWAS and the Future of Regional Integration in West Africa", Paper presented at IDRC-ECOWAS International Conference on West African Integration, Dakar, 11-15 January, 1993.

67. ECOWAS Document ECW/CM.xxxi/2 p.17.

68. CBN, 'Statistical Bullentin' 3(2) December 1992 pp.12 and 124.

69. The Courier 142 (November - December, 1993) P.89.

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71. `West Africa', 7-13 June 1993 P.957.

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73. `West Africa' 9-15 August 1993.

74. ECOWAS Document ECW/CM.xxiv/2. p.5.

CHAPTER EIGHT

CONSTRAINTS ON INDUSTRIALISATION AND INDUSTRIAL INTEGRATION IN ECOWAS.

8.1 Introduction

The overall contribution of industrial sector to the socio-economic development of ECOWAS countries is not very impressive. Similarly, industrial cooperation and integration within the sub-region based on the customs union approach is facing a lot of constraints. It is common knowledge that in its almost two decades of existence ECOWAS has not raised its members' share of the world's industrial output significantly beyond the records of the 1970s when it was established. For instance, there has not been cost reduction through economies of scale, increase in foreign exchange earnings in proportions that can correct trade imbalances, or even remarkable employment generation in the ECOWAS sub-region as a result of increased industrialisation or industrial cooperation in the sub-region.

ECOWAS' disappointing performance in sub-regional industrial development and industrial cooperation during the past two decades reflects structural problems that evolved from historical circumstances as well as from the physical environment; the crises of dependency, underdeveloped human resources, unfavourable climatic and geographic factors that inhibit development etc[1].

According to the World Bank, Africa's low industrial production is largely due to internal policy errors; Government control and regulation, biases against agriculture (through low producers prices to farmers) and against exports (through import protection and overvalued exchange rates) low level of private sector involvement, lack of competition, misguided import-substitution. Whereas the World Bank acknowledges the negative external shocks such as the declining terms of trade for primary exports as issues for consideration, it however maintains that the crucial point is that internal structural problems and the external factors impeding Africa's industrial growth have been exacerbated by policy inadequacies. Thus the logical prescribed strategies for the expansion of industry in most countries in Africa should include generous concessions, greater support for small and medium scale industries, revival of the agricultural sector and support for private sector industrial initiatives[2]. However, the arguments by the World Bank above should be taken with caution. Because the problems listed above are mere manifestations of the worsening industrial dependency, and the general crisis of structural dependence which ECOWAS has not been able to challenge. The lack of indepth understanding of these dimensions has led many African countries towards meandering in between `import substitution' and `export promotion' as strategies of industrialisation.

Throughout the 1970s `import substitution' was the vogue in most of the ECOWAS countries. It entailed protective measures and packages of incentives to foreign capital. The economic crisis of the 1980s and the consequence for 'import substitution' provided the background for the introduction of `export promotion' which makes most of the countries to depend on external market for sustaining their economy. These strategies of industrialisation are based on private fortunes and public privileges which are exploited by powerful commercial and political interests. These strategies involves political alliances of forces across national frontiers that are opposed to genuine regional integration, which would put an end to their undue privileges and fortunes. In these circumstances, policies are developed towards the retention of external markets. This is done mostly through the strengthening of these political alliances rather than developing social forces that can make regional integration a reality.

External forces have constantly intervened in these economies on the side of the above mentioned coalitions of powerful interests. In Nigeria for instance, her traditional trading partners have colluded with the coalitions to discourage the take off of crucial basic branches of activity necessary for economic independence, namely, iron and steel, non-ferrous metallurgy, power generation, chemical industry, and the construction material industry. One recalls that between 1960 and 1966 the reports of the commisioned studies carried out by consultants from the United Kingdom, Canada, West Germany and the United States on the economic feasibility of a Nigerian iron and steel industry were unanimous in expressing pessimism. It was scarcely possible that the report of the West European and North American studies were not underscored by "over-riding political and economic interests of the Western capitalist nations for whom Nigeria and other emerging nations of the Third World represented a present and future market out let for their home-based steel industries."[3] Moreso that in 1967 another study by some soviet geologist produced an encouraging report.

This form of intervention in the economies of Third World countries is an essential elements of the `new world order'. This was again demonstrated in Nigeria recently when her external creditors demanded that her escrow account for funding the iron and steel and the liquefied natural gas project be scrapped to facilitate debt servicing.[4] In addition to this tendency is the proliferation of trading blocs, unreserved commitment to the doctrines of market forces and maximum integration of Third World economies into world capitalist economy. The `success' of the World Bank -supported structural adjustment programmes in some African countries, especially the claim by the Bank that there are "changes in policy orientation", is expected to create a favourable condition for the reinvigoration of market integration process in Africa[5]! Under the `guidance' of the IMF and the Bank, `adjustees' are `forced' to take `maximum advantage' of market integration and to pursue export - led growth strategy[6].

The cummulative effects of these policy prescriptions have been increased impoverishment and disempowerment in Africa since the 1980s[7], and for Africa's industry in particular, it has been "a veritable process of de-industrialisation"[8]. In the following analysis we continue our discussion of the obstacles to industrial integration in ECOWAS within the context of the general and fundamental problems of economic integration in West Africa. However, it is necessary to bear in mind the distinction between the general problems of industrial cooperation and the fundamental ones such as depedence, the state, class formation and struggles and national and transnational class alliances. These are both economic and political issues which relate to the political economy of contemporary global imperialism. This approach allows for indepth analysis of why the general problems of integration persist and the consequences of their persistence on integration schemes within particular frameworks. As we have already indicated in the introductory chapter, the phenomena we are investigating in this work can only be effectively discussed in a historical context. Historical in terms of understanding the nature of the contact between West Africa's undeveloped formations and imperialism, the resultant dependency relationship (as well as its changing forms), neo-colonial alignment and re-alignment of social forces, and the state and the structured integration of the sub-region into a metropolitan dominated world capitalist system. This is because it is necessary to appreciate why and how small markets, competitive exports, political instability, the proliferation of similar institutions, low intra-regional trade, foreign economic domination, poor communication facilities, resistance to free movements of factors of production combine with conditions of dependency and underdevelopment to promote dormancy, ineffectiveness, disintegration and crisis.

There are many mendicant economies in West African that cannot, on their own, finance large-scale development projects without foreign aids. Of course this reinforces dependency syndrome with the attendant results of lost of autonomy in the initiation and implementation of policies, and vulnerability to external manipulation, especially by transnational interests. In this way such economies represent "the weak links"[9] in integration efforts of the West African countries.

Although the monetary question has been on the agenda of ECOWAS for over a decade, yet an ECOWAS-inspired West African African Monetary Union is not likely to be realised in the immediate future[10]. Monetary cooperation through harmonisation of monetary policies requires the "preparedness to give up sovereignty over certain matters". However, the question is : "How much of their powers are West African leaders, both anglophone and francophone, ready to cede to enable regional institutions to work"[11]? Commenting on the rush to form the `Union economique et monetaire des Etats de I' Afrique de I' Quest (UEMOA), the `West Africa' magazine comments as follows:

> Then there are mutual anglophone-francophone suspicious to deal with. If Senegal and The Gambia could not, in spite of the common cultural traditions that link them, make the Sene-Gambia confederation work, how can Mauritanians and Nigerians be expected to see eye to eye in the precipitate rush that is being proposed for regional integration?[12]

Different forms of colonial and post colonial systems of government have affected the lives of the people in the anglophone and francophone states of West Africa that have further deepened their suspicions for one another. Beyond mere romaticisation, reconciliation cannot be that easy. Amady Aly Dieng questioned the basis of the optimism for West African regional integration through the creation of UEMOA:

Is the creation of UEMOA intended to promote francophone economic integration first, which is later to be re-integrated with the other lusophone and anglophone parts of the subregion?[13]?

It was not impossible that the hastly move to form UEMOA was engineered by France as part of the `accompanying measures' to cushion the effects of the recent CFA devaluation. The `Revised ECOWAS Treaty' in its Article 2 is quite clear on the centrality of ECOWAS: ECOWAS shall become the sole economic organisation in charge of regional integration in West Africa. Similarly, in 1991, at the OAU Summit, the AEC Treaty was signed which designated ECOWAS as the organisation that will be responsible for regional integration in West Africa[14]. The coming into operation of the UEMOA will be a test of the power of the above declarations. No doubt that parallel existence of ECOWAS and UEMOA will make demands on national loyalties and scarce resources in such a way that inhibit the operation of monetary cooperation schemes.

Integration process and institutions within the framework of ECOWAS have been victims of premature politicisation and bureaucratic manipulations. Depending on what gains can be reaped, politicians and bureaucrats have preyed on regional schemes. In West Africa like in most other Third World integration schemes, integration is operated as a Head of State club. Usually, in this way the social forces necessary to carry integration towards attaining desirable goals are either neglected or are not properly mobilised. The participation of the civil society is not provided for in the ECOWAS Treaty. Thus ECOWAS for a long time now has not concerned itself with the involvement of the people and their representatives in the operations of ECOWAS. Without sufficient involvement of the people either in the political process where decisions relating to the integration process are taken or through adequate consultation, integration programmes stand the risk of becoming easy prey for sabotage. This is the context in which the new moves to promote and encourage a more active private sector in the business of ECOWAS is being welcome. For instance, businessmen in ECOWAS sub-region have stepped up pressure on national governments "to back up their talk with action by creating conditions conducive to liberalising trade"[15]. It is also our opinion that this development should extend to involve the participation of the representatives of the people in associations, professional societies, farmers groups, women groups, and so on, as well as political parties. All of these groups can be better sensitised to the goals of regional integration.

Kwame Boafo – Arthur, commenting on the prospects for integration in West Africa, notes that; "political instability manifested through coups, ethnic warfare, and civil wars as well as the lack of democratic governance have been common and recurring features of the West African political landscape". In virtually all the West countries there is no coordination or dialogue between the civil society and government on development programmes. And more inportantly there is lack of greater democratisation of power. These circumstances upset cooperative regional linkages and "cast a gloomy pall on the future of West African integration"[16].

Also, the unwillingness to give up sovereignty over certain matters leaves ECOWAS Secretariat with no authority to over rule national governments in various areas of Community activity. The commitment to political sovereignty is nothing other than mere seeking of protection and security over the accumulative base of dominant forces as well as the linkages between national and transnational capitalist interests.

A cursory glance at the politics and model of development within individual countries of ECOWAS reveals that the sixteen countries have different roles ascribed to the state. The broad alternatives in the ECOWAS sub-region are varieties of capitalism (e.g., laissez-faire neocolonial capitalism, neocolonial bureaucratic state capitalism, neocolonial welfare capitalism or independent peripheral capitalism) and socialism (Scientific socialism or African socialism). The contradictions arising from this pose major problems for economic integration. For instance, within the non-socialist states, limited state intervention in the production, exchange and consumption processes of the region is encouraged and supported. While those inclined towards socialism seems to pursue policies that are geared toward reducing or eliminating foreign intervention and exploitation. It is instructive to note that during the negotiation of the ECOWAS rules of origin and the Protocol on Community Enterprises, "Socialist governments and national administrations" with strong indigenisation policies favoured a regional policy with emphasis on greater state or indigenous participation. On the contrary the laissez fairists preferred a very liberal stand on the issue of third country participation in community projects.[17]

Regional economic integration, formulated at whatever level requires free movement of factors of production within the region. Factors mobility is enhanced through effective means of communication and this is largely underdeveloped in the West African sub-region, in most member states railway lines do not cross national frontiers. As for air transportation links with Europe are quite easy compared to air links among themselves. This also inhibit sub-regional trade. However, ECOWAS has some success stories as it is. The Lagos – Nouakchott trans-coastal highway and the Dakar-N^c Djamena trans-sahelian highway are near completion.[18]

These problems identified above are mere manifestation of deeper causes. The origin and persistence of these problems as noted earlier are explained in the conditions of underdevelopment and dependence, as well as the alliance of the interests of the few powerful local elites and their metropolitan allies. It is these interests that are preserved and protected in the choice of development paths and industrial strategies at different times in ECOWAS countries.

8.2 The Limits of `Import Substitution' and `Export Promotion' Strategies.

No serious discussion of the crisis of industrialisation in Africa can ignore the historical position of African in the international division of labour. The peripheral location of Africa in the world economy "defines some of the most important parameters of the environment within which the process of industrialisation unfolds"[19]. This constitutes the "international context for national strategies" within which national initiatives are formulated and implemented[20]. However, the management of whatever opportunities and obstacles generated by the world economy depends to a larger extent on the national `social structure of accumulation'[21], which itself is defined as product of the contradictions within the social classes and the pervasiveness and power of the dominant ideology. Thus, the process of industrialisation in Africa, and generally in the Third World is, according to Mkandawire, "characterised by important changes in the international division of labour and flows in capital and trade"[22]. Although Western economists have celebrated the efficacy of their prescriptions ~~they formulated~~ as the appropriate models for African development, especially on the need to resolve the crisis of indebtedness and dependence by changing from say `import substitution' strategies to export-oriented' strategies. However, these 'changes' were "largely logical although inevitable responses to a changing international context and to the domestic imperatives of accumulation and legitimation"[23].

It is therefore expedient for one to concentrate on the global economic crisis of the 1970s and 1980s as the source of the `change' from `import substitution' to `export expansion' while taking note of the existence of the form of the internal social structure of accumulation in existence that made this change to be possible[24].

Import-substitution was the first strategy of industrialisation to be adopted in the Third World. The Latin American countries experienced this strategy of industrialisation considerably earlier than other countries in the economically backward regions of the world. Import substitution later spread to Africa from Latin America. It is seemingly the most popular industrialisation strategy in the Third World. Its essence is

> ... striving at any cost, no matter what price, to achieve cuts in imports of the less sophisticated industrial goods by expanding local production of them for the purpose of easing problems of the balance of trade and payments and reducing currency outlays on purchases abroad. This was the very essence of the policy of import-substitute production[25].

Import substitution industrialisation (ISI) entails "producing commodities that are already familiar to consumers and, therefore, with an assured market", it is simply "displacing imports", in order "to save foreign exchange"[26]. Import substitution represented a boost on the ego of the bourgeois nationalists of the newly independent African states, especially as their craze for greater role in local business activities became quite pronounced in the early days of post-independence; it was easy for this class to join in the establishment of local production plants[27]. The paradox was however that while ISI was a boost for economic nationalism in the newly independent countries, it allowed foreign monopolies that were already concentrated in the light industrial sector (such as detergent, soft drink, leather works, textiles, confectionery and alcoholic drinks, etc) since the colonial times easy manoeuvreing; to get their parent companies in Europe to transfer, in a package form, some of the production techniques needed for local manufacturing in these newly independent states[28]. In this way the erstwhile multinational exporters were able to beat the high tariffs and restrictions erected by these states and even took advantage of the protective measures and other packages of incentives to foreign capital which ISI was providing.

Much has already been written about various aspects of the politics and economics of the adoption and implementation of ISI in African countries.[29] Suffice it to note that by the outset of the 1980s it had become apparent in most of the countries that ISI had deepened their crisis of dependency by its reliance on foreign technology and capital. Import-substitution had been based on demand structures that were generated by highly skewed distribution of income and favoured `luxury goods' which were capital intensive and relied on technologies controlled by TNCs. Although there was partial reduction in imports of some goods, mainly finished industrial articles for consumer purposes, the countries in Africa were faced not only with buying more sophisticated machines and equipment in Europe, but also a wide range of so-called intermediate goods produced by foreign firms for the local plants.

From a dependency perspective, ISI exposes African economics to various forms of `leakages' of economic surplus through soaring expenditure of foreign currency involved in employing foreign currency know how and technology (the purchase of licenses, patents, trade marks, etc). By the 1980s it had become evident that a wide gap existed between the aims of the ISI and its accomplishments. The following extract from a CODESRIA source sums it up:

> For almost all countries, the seeds of the current industrial crisis were sown during the initial phases in the installation of import substitution industrialisation. Contrary to its stated objectives, what was initiated was import dependent industrialisation with very little attempt to use local resources and ensure a viable transfer of technology. Even in countries like Nigeria, it was noted that the

degree of dependence on the foreign supply of industrial and agricultural machinery and equipment is as high as 98.8% and 93.9% respectively. As a result, the vital link between agriculture and industry was only indirectly established. Agriculture was denied the benefits of industrialisation as its major role was perceived as the source of foreign exchange earnings with which industrial inputs could be purchased.[30]

The contradictions of ISI decidedly tipped policy discourse towards the neo-classical perspective on export-led industrialisation. The deterioration in the terms of trade for primary products concomittant with rising oil prices in the 1970s resulted in industrial crisis. The hardest hit were countries whose industrialisation depended on revenues from export crops. Thus, in West Africa Ghana, Cote d'voire, Gambia, Senegal, Mali and Guinea Bissau went through hard times. Similarly, oil exporting countries like Nigeria paid back what they acquired during the `oil boom' days of the 1970s, following the drastic cut in revenues from oil in the 1980s. Thus, due in the main to declining export earning and soaring prices of vital imports from industrialised countries, most West African countries experienced increase in debt service obligations. Although from the available record, industry has not been a primary cause of the debt expansion except in Benin and Nigeria. In 1983 the percentage share of manufacturing in the total debt of Benin and Nigeria amounted to 50.0 and 34.0 per cents repectively. For other ECOWAS countries it ranged between 1.0 and 12.0 per cents while for the entire sub-region it was 19.6 per cent.[31] However, it was possible that the low level of domestic production of industrial items led to imports which deepened the crisis of balance of payments and therefore the debt expansion. The prescription that derives from dependency critique of ISI puts emphasis on the need to broaden the market and improve the bargaining position of Third World countries through collective self-reliance, `delinking', regional cooperation etc. However, the World Bank[32] pressed for the adoption of `export promotion' which it recommended as the way out of all the problems that import-substitution either could not solve or aggravated. Export promotion should be able to cut down foreign indebtedness, encourage intra-African trade and collective ISI as well as help to improve the standard of Africa's manufactured exports through competition!

`Export promotion' simply means manufacturing for export and it is expected to solve the problem of unfavourable balance of payment through additional foreign exchange which it is expected to generate. It is possible that more than necessary is being ascribed to 'export promotion' when conceived thus. Hence the warning by Esko Toyo that:

> We must avoid a confusion between export promotion and self-reliance, export promotion and so-called `structural adjustment' and export promotion and economic independence. Self-reliance, restructuring and economic independence have no necessary connection with export promotion. In fact, the name `promotion' implies that nothing is supposed to change as far as the structure of industry is concerned. Rather, the authorities are supposed to pursue policies that facilitate the export of what is already being produced as well as encourage the making of new products for export.[33]

The argument on the externality of the market holds no ground. It "ignores the fact that current industrialisation has not tapped much of the potential internal market for industrial product, due to the elitist orientation of these industries producing luxury and semi-luxury goods"[34]. Under a much more serious arrangement, the expansion and optimality of internal market will be sought via a more equitable redistribution of income. Also, the revival of Africa's rural economies for instance will expand their internal markets for industrial products[35].

Also, to the extent that export promotion is not conceived to check the excessively large foreign sector of African countries with their huge import bulks, reverse the asymmetrical relationship between production and consumption patterns, or generally seeks for a new international economic order which would re-define completely the existing unequal exchange and power relations between the North and South (the terms of trade with the metropole, the role and power of international financial institutions and transnational corporations), export-led industrialisation represents another false strategy.

Both under ISI and export-led industrialization African countries, including those of ECOWAS, subscribed to the idea of accelerating their industrial growth by improving the economic efficiency of their industrial sector on a wider, inter-nation market basis, by organizing specialization and cooperation in the form of regional and sub-region integration in some sections of production. However, the question is whether there are in existence conditions for, `independent' industrialisation and regional integration. Neither `import substitution' or `export promotion' has been able to facilitate collective self reliance in ECOWAS for instance. The contradictions of dependent industrialisation have engulfed the entire ECOWAS subregion, distancing it from the goals of self-reliance and autonomous development.

Under `export expansion' the target has changed from regional and subregional integration to making the world capitalist market at all cost much more accessible to the exports of ECOWAS countries. The very levels of manufactured exports within ECOWAS and their slow growth rate do not offer a firm basis for an export-led industrialisation strategy for Africa. Table 8.1 shows manufactured export share in some ECOWAS countries. Except in Cote d'Ivoire where percentage ~~show manufactured~~ share of manufactured export was 17.8 per cent in 1989, no other country in the ECOWAS sub-region recorded up to 10.0 per cent share. It is also evident from Tables 8.2 and 8.3 that the structure of production and trade and consumption patterns invented from colonial era have either changed little or worsened. Consequently these countries are still producing what is not appropriate for domestic consumption and consuming what they do not produce all in the quest for more access to international market. It is evidently clear that the ECOWAS countries as well as other African countries have not been able to make a major switch from exports of primary products to manufactures following the collapse of commodity prices between 1970 and 1990. In contrast to the impressive performance of Asian commodity producing countries whose manufactured exports increased along with their total exports thereby reducing their debt and increasing `per capita' income, Africa has not been able to build a comparable manufacturing to make an Asian-style switch[36].

TABLE 8.1
Manufacture Export Share in Selected ECOWAS Countries in Selected Years

Country	Year	Total (Million Dollars)	Percentage Share
Burkina faso	1975	2.8	0.3
	1988	11.0	0.3
Cape Verde	1975	0.3	-
	1988	0.4	-
Cote d'Ivoire	1975	132.3	14.2
	1989	542.3	17.8
Gambia	1975	-	-
	1988	4.9	0.2
Ghana	1975	10.2	1.1
	1989	115.7	3.8
Mali	1975	4.3	0.5
	1989	18.4	0.6
Mauritania	1975	3.7	0.4
	1987	1.7	0.1
Nigeria	1975	16.0	1.7
	1989	81.4	2.7
Senegal	1975	69.4	7.4
	1989	167.9	5.5
Sierra loene	1975	75.9	8.1
	1989	28.4	0.9
Togo	1975	-	-
	1989	3.5	0.1

Source: Complied from World Bank data cited in "Industry and External Debt in Africa: a preliminary analysis", Industry and Development, 17(1986) pp.8-9.

TABLE 8.2

Export Structure by main Categories in Selected ECOWAS Countries in Selected Years (Percentage) (Main Export Categories).

Country	Year	Total Million $	All food Items	Agric Raw Materials	Fuels	Ores & Metals	Manufactured Goods	Unallocated
Burkina Faso	1975 1988	43.54 154.0	74.8 24.5	18.6 43.2	- -	0.1 0.2	6.5 7.3	- 24.8
Cape Verde	1975 1988	2.0 3.6	80.0 83.3	5.0 -	- -	- 2.8	15.0 11.1	- 2.8
Cote d'Ivoire	1975 1989	1181.6 2963.4	62.5 48.7	19.4 15.3	5.7 17.1	0.5 0.3	11.2 18.3	0.7 0.3
Nigeria	1975 1989	7983.4 8137.7	5.2 2.2	0.6 2.0	93.3 95.3	0.5 0.9	0.2 1.0	0.3 0.5
Gambia	1975 1988	48.1 48.0	99.7 87.3	0.1 1.6	- -	- -	0.1 10.2	0.1 0.9
Ghana	1975 1989	728.2 1023.9	77.8 44.7	9.7 9.9	2.8 4.4	8.2 25.9	1.4 11.3	0.1 3.8
Mali	1975	3.65	41.0	47.0	-	0.2	11.7	-
Mauritania	1975 1987	174.3 427.8	8.4 64.3	0.9 0.2	- 3.9	86.6 31.2	2.1 0.4	2.0 -
Senegal	1975 1989	462.4 648.4	52.0 45.6	2.0 2.6	7.0 18.6	24.0 7.0	15.0 25.9	- 0.3
Sierra Leone	1975 1989	140.0 137.9	24.8 31.1	0.9 0.5	5.9 3.5	14.2 43.4	54.2 20.6	0.1 0.9
Togo	1975 1989	124.8 245.1	27.7 22.1	1.0 16.2	- -	655 53.4	5.8 7.1	- 1.2

Source: Compiled from HandBook of International Trade and Development Statistics, 1991 (UN, 1991) pp.110.

TABLE 8.3

Import Structure by Main Categories in Selected ECOWAS Countries in Selected Years (Percentage) By Main Categories of Imports

Country	Year	Total Million Dollars	All Food Items	Agric Raw materials	Fuels	Ore & Metals	Manufactured Goods	Unallocated
Cote d'Ivoire	1975 1985	1126.5 1733.8	14.7 17.2	0.6 1.0	13.9 22.0	17 1.6	68.3 57.5	0.9 0.7
Nigeria	1975 1986	6041.2 4028.2	9.5 16.1	1.0 1.2	2.7 0.5	19 2.5	84.6 79.6	0.3 0.1
Senegal	1975 1989	581.4 1534.0	24.7 25.5	3.2 1.3	11.9 23.5	1.2 1.9	58.7 47.7	0.3 -
Sierra Leone	1975 1984	159.3 126.5	20.2 20.7	1.4 1.1	13.7 19.7	8.0 1.1	62.6 65.7	1.3 0.6
Togo	1975 1989	173.9 471.9	14.2 25.8	2.2 1.1	7.5 6.1	1.1 1.0	74.8 65.6	0.2 0.4

Source: Compiled from HandBook of International Trade and Development Statistics, 1991 (UN, 1991) pp.110.

Unlike the Asian countries, Africa's access to the target markets in North America, Australia, Europe and the former Eastern bloc is minimal. Most of the countries in these regions are themselves producers of primary commodities which Africa also `specialises' on. However, unlike African countries weak mix of resources on which to build broader industrialisation, these other countries based their industrialisation on the raw material resources at their disposed[37]. Another point relates to the type of manufacturing that is being developed for export. About 6.5 per cent of the African LDCs' total manufactured exports consist of foods, beverages, textiles and clothing which are largely products of the first stage of industrialisation. African can hardly compare with Asian countries whose one-half of manufactured exports is made up of products of more advanced industrialisation such as chemicals, machinery and transport equipment[38]. In this circumstance the prescriptions by the World Bank on export-oriented industrialisation for Africa is thus not feasible. But somehow `export promotion' has remained on the agenda of most African countries, largely as a result of the political alliances of the foreign monopolies and local bourgeoisie. Imperialist and local petty-bourgeois elements that stand to gain from export-led industrialisation, especially through the importation of the capital goods which are not produced locally, have vehemently defended policies favouring export promotion. Presently `export promotion' is comfortably accommodated in the SAPs of most ECOWAS countries. Again, SAPs reflects the basic interests of the political leadership and its foreign imperialist collaborators. This is the critical sense in which the pursuit of industrialisation within the frameworks of ISI, export production and presently SAPs is basically political.

8.3 Effect of Adjustment Programmes on Industrialization

The economic crisis of the 1980s set many African countries on the path of SAP or economic recovery programme (ERP, as it is called in Ghana) of the IMF and the World Bank. Between 1980 and 1988, thirty three African countries had concluded Standby Arrangement Facility and twelve had Extended Fund Facility from the IMF, and fifteen had Structural Adjustment Loans from the World Bank.[39] As at December 1989, thirteen ECOWAS member states had signed agreements with the IMF. Out of these three countries signed for Stand-by Arrangements, four signed for Structural Adjustment Facilities (SAF), and six signed for Enhanced Structural Adjustment Facilities (ESAF)[40].

The objectives of the varying forms of SAPs by ECOWAS countries since the mid-1980s were: optimising resource allocation; reorganising public enterprises and/or parastatals with or without privatisation; adjusting exchange rates mainly through devaluation; liberalisation or rationalisation of trade and payments as well as monetary and credit control; and deregulation of prices of good, services and inputs. SAPs are entirely national economic policies based on the premises that production, employment and price levels are best determined by the free interaction of market forces, and that prices are the most effective instruments for the optimum allocation of resources.

A typical structural adjustment package for the adjusting countries in ECOWAS included: devaluation of the currency; reduction of the role of the state in directly productive activities through denationalisation or privatisation (often treated as unproductive expenditure); `opening up' of the economy through the removal of trade barriers such as quotas and tariffs; greater reliance on market forces for price setting; and export promotion.

Thus, adjustment measures in ECOWAS countries had entailed increase in prices and closure of `inefficient' industries as adjustment process was expected to weed out inefficient and highly protected industries. Also, the removal of factor prices distortions (minimum wages, over valued foreign exchange rates' and artificially low interest rates) was expected to usher in a new era of industrialisation which would reflect the factor endowments of adjusting countries. Within the context of adjustment, countries were encouraged by IMF and World Bank to produce only those commodities for which they have comparative advantage. As part of the adjustment measures, the role of the private sector was emphasised as the motive force for development. The industrial sector investment codes were reviewed in the ECOWAS countries to attract more foreign private investment. These were in addition to other incentives such as favourable tariffs, priority for import licenses or imported goods destined for export production and exemption from import levy and excise duty. Essentially these policy instruments were put in place by the adjusting countries within the context of SAPs. For example, in Nigeria the aims of SAP in relations to the industrial sector included:

(i) to encourage the accelerated development and use of local raw materials and inter-mediate inputs while at the same time discouraging the importation of these inputs;

(ii) encourage the development and utilisation of local technology;

(iii) increase substantially, the level of local value-added in the manufacturing sector;

(iv) promote the development of export-oriented industries;

(v) generate factory employment through the encouragement of private sector small and medium - scale manufacturing concerns;

(vi) remove bottlenecks and constraints that hamper industrial development, including infrastructural and administrative deficiencies;

(vii) attract foreign investment through the creation of a more liberal investment climate, the establishment of local foreign exchange domiciliary accounts and the adoption of an incomes policy favourable to international capital; and

(viii) liberalize controls to facilitate greater indigenous and foreign investment.[41]

Much has already been written about the impact of SAP and so we need not detain ourselves with this issue. According to ECA's **African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation**, in spite of the efforts at implemetating SAPs, the crisis remained unabated. Many African economies moved from stagnation to declining growth; food deficits reached alarming proportions; unemployment mounted; underutilization of industrial capacity became widespread; and, environmental degradation threatened the very survival of the African people.[42] The World Bank, however, feels that: "There has been much talk about the cost of adjustment, less about the substantial benefits":[43] In a study by the Bank the following conclusions were made:

> Adjustment alone will not put countries on a sustained, poverty-reducing growth path. That is the challenge of long-term development which requires better economic policies 'and' institution-building, along with better governance. But development cannot proceed when inflation is high, the exchange rate overvalued, farmers overtaxed, vital imports in short supply, prices and production heavily regulated, key public services in disrepair, and basic financial services unavailable. In such cases, fundamental restructuring of the economy is needed to make development possible.[44]

It is outside the scope of this study to examine in details the various positions in the debate about SAP. Whereas each of the above explanations contains part of the truth, it suffices to note that "SAPs have tended to favour the finding of solutions to macro-economic disequilibria over measures for the structural transformation of the West African economies."[45]

Adjustment policies had very serious impact on the industrial sector in the adjusting countries. It is evident in most ECOWAS countries that 'de-industrtialization' has resulted from the limplementation of such adjustement policies as trade protection, currency devaluation, cut in public spending, removal of government subsidies, increase in real interest rates, and promotion of privatization. Confronted with the evidence that about half the countries in sub-Saharan Africa recorded declines in industrial output in less than 2.0 per cent growth in industrial output, the World Bank's response was that "many of these countries with negative growth had not implemented adjustment programs, or had done so only recently, so that poor performance cannot be blamed on adjustment:"[46]

> Countries that made large improvements in their macro-economic policies had strong increases in the growth of industry and manufacturing - with Median increases close to 6 per cent points between 1981-86 and 1987-91....The response was weaker in countries with small improvements in macro-economic policies and weakest for countries with deterioration in policies.[47]

According to the study by the World Bank, to be able to sustain the hypothesis that SAP de-industrialised the adjusting countries the following conditions must really be in existence: There should be

(i) significant declines in industrial output shares of GDP and employment as a result of reforms, (ii) significant declines in output and employment far beyond temporary outcomes of efficient adjustment; (iii) changes in the industrial sector with negative consequences for the economy; and (iv) impediments to pace and pattern of investment due to policy reforms.[48] Against this background the Ghanaian experience had been celebrated as "not of stagnation and de-industrialization," because in Ghana,according to World Bank sources;

> Aggregate employment and output have been increasing about 2 per cent a year for a sample of manufacturing firms in four sectors representing about 80 per cent of manufacturing employment-food processing, metal working, wood working, and textile and garment manufacturing. Both old forms (those operating before adjustment) and new firms (those started after adjustment) have been growing, but new firms outpace older enterprises in every size class. Some old,larger firms are down sizing to become more efficient in response to adjustment policy changes, and some have shut down. Of forty-three medium-sized and large old firms, 63 per cent had fewer employees in 1991 than in 1983 (at the start of adjustment). For all new firms in these size classes, however, the number of employees rose between start up and 1971.[49]

Table 8.4 shows the growth in industry and manufacturing in ECOWAS countries between 1981 and 1991. The World Bank appreciates the problems associated with the absence of systematic evidence on the impact of adjustment policies on the industrial sectors in African countries, and which makes it impossible to conclusively resolve the de-industrialisation debate. Thus the easy explanation offered by the Bank was that countries that made "large improvements" in their macro-economic policies had strong increases in the growth of industry and manufacturing.[50] Such countries in the ECOWAS subregion include Ghana, Nigeria and Burkina Faso. Countries with "small improvement" in macro-economic policies as well as those with "deterioration" in policies experienced weaker and weakest responses respectively in the growth of industry and manufacturing.[51]

Analysing the impact of adjustment policies on the industrial sector is far more complex than what has been attempted by the World Bank whereby growth in industrial sector is simply a function of improvement in macro-economic policies between 1981-86 and 1987-91. Such analysis leaves out a lot of issues that revolve around the politics of adjustment. The following question becomes relevant:what configuration of national and international forces have combined to prevent improvement in the macro-economic policies of these other countries in ECOWAS other than Ghana, Nigeria and Burkina Faso? This is the critical sense in which one for instance appreciates the role and interest of the political leadership and its foreign imperialist collaborators in the adjustment programmes of the individual adjusting countries. The experience in Ghana lends credence to the above. Both the government of Jerry Rawlings and international aid agencies have shown maximum commitment to adjustment reforms in Ghana.

Table 8.4

Growth in Industry and manufacturing in ECOWAS Countries.

	INDUSTRY			MANUFACTURING		
Countries	Average annual growth rate (percent)		Difference between 1981-86 and 1987-91 (percentage points)	Average annual growth rate (percent)		Difference between 1981-86 and 1987-91 (percentages points)
	1981-86	1987-91		1981-86	1987-91	
Benin	8.3	4.0	-4.4	7.8	5.8	-2.0
Burkina Faso	2.5	5.0	2.5	-0.3	6.3	6.6
Cape Verde	-	-	-	-	-	-
Cote d'Ivoire	-1.2	-2.2	-1.1	-	-	-
Gambia	5.2	2.8	-2.3	-	-	-
Ghana	-1.8	6.4	8.2	-0.4	4.5	4.9
Guinea	-	5.0	-	4.6	-	-
Guinea Bissau	4.5	5.2	0.7	-	-	-
Liberia	-	-	-	-	-	-
Mali	11.2	2.1	-9.1	-	-	-
Mauritania	5.2	-	-	-	-	-
Niger	-3.0	-	-	-	-	-
Nigeria	-5.0	5.1	10.1	0.6	-	
Senegal	2.1	4.8	2.8	5.8	5.6	-0.3
Sierra Leone	-3.5	4.3	7.8	5.2	6.3	1.1
Togo	-2.6	4.7	7.4	-0.4	8.3	8.7

Source: The World Bank, **Adjustment in Africa: Reforms, Results and the Road Ahead** (Washington D.C. 1994) pp.247-248

Although it is generally believed that the effects of adjustment programmes differ according to products and firms however, in almost all the adjusting countries in ECOWAS, structural adjustment has led to the dramatic drop in capacity utilisation, close up of many industrial establishments, demand restraint and wage freeze, drastic decline in the number of people employed in the industrial sector, and cuts in public expenditure and subsides.

Monetary and credit policies implemented by adjusting countries within the context of SAPs included currency devaluation. This measure resulted in a considerable depreciation in the exchange rates of the adjusting countries. For instance in Ghana the rate of the dollar to the cedi rose from $1 = C2.8 in 1982, to C8.8 in 1983, to C36 in 1984, to C153.7 in 1987, to C520 in 1992, to C770.0 in 1993 and to C933.0 in 1994 (June).[52] Guinea, while implementing SAP heavily devalued it's currency by 93.0 per cent in 1986, prior to this, in Guinea a dollar exchanged fro 24.3 sylis in 24.3 sylis in 1985. In 1986 the Syli was replaced by the Guinean franc at the $1 = FG.333.4, then to F.G.812.29 in 1992 and to F.G.976.69 in 1994 (June).[53] In Nigeria, the rate of the dollar to the Naira moved from $1 = ₦1.8 in 1986 to ₦40.00 in 1993, although the exchange rate was then pegged to ₦22.00 in 1994, in the 'open market' a dollar was going for up to N100. Until 1994 member countries of UMOA were not using devaluation of exchange rate as a monetary adjustment instrument. Most of the adjusting countries, introduced support measure for devaluation, notably Ghana, Guinea and Nigeria. Ghana introduced a foreign exchange auction system which was reported to have facilitated the availability of foreign exchange and "made it possible to rehabilitate some manufacturing concerns, and also provided raw material for inputs"[55]. Consequently, industrial capacity in 1993 was reported to have increased from 35 to 40 per cent. For some industries such as the breweries, capacity utilisation went up to above 90 per cent 56

However, the introduction of the auction system for the allocation of available foreign exchange among users in Nigeria led to increase in cost of production in industries, and this was ultimately passed on to consumers. The liquidity squeeze and the high cost of goods generated a consumer resistance and resulted in major stock pile of goods in warehouses.[57] The situation was further exacerbated by the interim tariff system which encouraged dumping and exposed local industries to major competition from TNCs.[58] The operation of the tariff regime was such that made it profitable to import the finished goods rather than producing them at home.

Credit policies were major supports of monetary adjustment. Restrictive policies such as the deregulation of interest rates were introduced. Interest rates in the economics of Ghana, Guinea and Nigeria since the adoption of SAPs had risen astromically; Ghana, from 10.5 percent in 1982 to 14.5 percent in 1985 and 23.5 percent in 1987; in Nigeria, from 10 percent in 1986 to 12.3 percent in 1987 and to 15 percent in 1994; and Guinea, interest rates also rose(in 1987 the rate was the normal financing rate of 17 per cent offered by the Central Bank) [59]. In principle these different interest rate policy measures were geared towards mobilising savings, restricting credits and encouraging productive investments.

However, these measures had adverse effects on industrial investment despite the incentives. The case of Ghana was particularly pathetic: Ghana had a low industrial base and so also low saving, which made domestic sourcing for increased investment increasingly difficult. Worst still, the interest of foreign investment in Ghanian economy was essentially limited to the extracting industry. These along with other measures such as trade liberalisation and increase exchange rate marginalised some of the small and medium scale industries.[60]

The impact of SAPs varied in accordance with the type of industry. The most seriously affected industries were those that have a high import content such as automobiles, pharmaceutical and electrical industries. Whereas industries with high potential for local resources sourcing such as breweries, footwear, roofing sheets etc. were better off. Nevertheless, these consumer good industries also were faced with the collapse of aggregate demand which in itself was the outcome of wage freeze, weakened purchasing power, devaluation of currency, retrenchment.

Many countries in West Africa initiated and implemented policies within the framework of adjustment reforms which had implications for employment in these countries. Variety of measures were introduced in such countries as Guinea, Ghana, Gambia, Mauritania, Mali and Senegal that led to unprecedented unemployment in these countries. Ghana, Gambia, Mauritania, Senegal and Nigeria used various forms of hiring freezes to ensure attrition. Other measures such as early retirement and voluntary departure schemes were used in Guinea - bissau, Mali, and also in Ghana and Guinea who in addition adopted outright dismissal. Senegal also used outright dismissal to reduce the size of work force in its public sector. Consequently all these countries experienced serious loss of public sector employment with attendant increased hardship: the retrenched employees in these countries were either unable to find "income opportunities equal to their previous jobs" or "remained unemployed" since they were retrenched.[61]

As part of adjustment reforms, countries introduced some reforms which enhanced the freedom of capital against labour in the private sector. For example, in Nigeria the Minimum Wage Act was amended to exclude firms employing less than 500 persons (as against 50 persons previously). Such relaxation of labour controls worked in favour of industrialists against labour under 'adjustment' environment. Devaluation resulted in a considerable increase in the cost of production for most industrialists and most took to shedding labour in order to cut costs. For example, in Nigeria when the country became "a risky investment economy" for Unilever Limited of England, the latter pressurised its subsidiary, the United African Company (UAC) to retrench staff and prevent further decrease in the real value of its earnings as a result of the drastic devaluation of the Nigerian Naira. Thus, as noted by Sam Aluko;

> ...while the UAC has been announcing increased annual profits since 1987, the number of its Nigerian employees has been falling. In 1980, UAC employed about 20,000 Nigerians, 22,500 in 1982, and 23,850 in 1985. But the number fell to 19,000 in 1986 shortly after the introduction of SAP. 14,000 in 1987, 9,000 in 1988 and is now about 7,500. It is planning to further reduce the number to about 6,000 employees in 1990, under pressure from its parent company, Unilever Limited of England.[62]

The UAC was not alone in its approach. Other industries most especially those who were very vulnerable to foreign exchange scarcity, and whose turnover declined, accordingly slashed down their work-force by more than 60.0 per cent between 1982 and 1988.[63] According to Yusuf Bangura and Bjorn Beckman the worst hit sub-sectors in Nigeria were the construction, automoble, pharmaceutical and elecrical equipment industries.[64] These trends contributed in no small way to the serious decline in demand as a result of the drastic fall in purchasing power of labour.

Paradoxically, SAPs in West Africa were expected to benefit small scale industries and enhance the latter's potentials for employment generation, improve income distribution, generation and diffusion of local technology and industrial skills, increased utilisation of local resources, improved spatial distribution of industrial activity and hence its mitigation of rural-urban migration.

The argument that small-scale industries will benefit from structural adjustment was largely based on the assumption that under SAP possibility exist for increased local sourcing of raw materials. Of course, if we restrict the definition of small-scale industry (SSI) to those that largely depend on local raw materials (such as local garment industries, baskets weaving, leather works, woodwork, local food processing etc.) one can reasonably argue that SAPs may not have adversely affected SSI . Yet this category of SSI was also affected by the general decline in demand. The category of SSI that use imported machinery as well as local resources such as bakeries, confectioneries, printing, shoe making etc. were not as adversely affected by SAP as those that use largely imported technology and raw materials such as battery, bolts and nuts, cosmetics, exercise books, candles, nails and screws, tiles, bricks etc. Since most of these are linked to big industry they could not be isolated from the effect of SAPs on the bigger industry. Besides, most of the SSI that required foreign exchange suffered depression due mainly to foreign exchange squeeze; most were not able to compete with larger companies in the acquisition of credits and foreign exchange. Consequent upon this, most of this category of SSI experienced import compression which resulted into capacity underutilisation and low industrial productivity in most of the countries. In some cases as in Nigeria the growth of small-scale sector was constrained by lack of fianance. Credit receipts from the government declined due to the foreign exchange crisis in the country. There was rapid rise in prices of imported raw materials largely as a result of the sharp depreciation in the value of Naira.[65] Most small enterprises could not accommodate the exchange rate position and consequently were closed down.

It seems that advocate of SAPs have exagerated hopes with regards to the potential of SSI as viable strategy of industrial development in the Third World countries. The SSI and informal sector have been presented as shock absorber for crisis of adjustment and industrilisation, "by cushioning workers and providing an opportunity to fall back on in times of unemployment."[66] In Senegal for instance retrenched workers were encouraged to go into self-employment or to form cooperatives and set up small scale enterprises. While these measures cannot be totally dismissed, the aspiration of most ECOWAS countries for relative autonomy on those crucial basic branches of activity necessary for economic independence cannot be adequately addressed by merely substituting "full industrialization strategy"

> Small scale enterprises cannot be a substitute for a full industrialization strategy nor a panacea for current crisis. At present, the multiplication of these activities indicates peoples disengagement from the state and the deficit of `legitimacy' of the state.[67]

There is a wide-spread notion in the World Bank and IMF circles especially,that devaluation within the context of SAP raises the profitability of import substitutes as well as exports. But manufactured exports from West Africa were quite negligible (see Table 8.1) In Nigeria, for instance, although export potential was identified in a number of manufactured products which include palm oil and cake, cement, finished steel products, LNG, Carbon black and caustic soda, however manufactured exports did not respond significantly to the large-scale devaluation of the Nigerian Naira that was carried out within the framework fo SAP. The manufacutring sector of Nigeria is still a large consumer of foreign exchange with import content of raw materials which was over 50.0 per cent, but a very low capacity to earn foreign exchange. In these circumstances, the export sector of manufacturing industries recorded no improvement as it was faced with imported input constraints as well as inability to meet international standard.[68] Even where firms could obtain inputs through local sourcing, it was not really a solution as such firms were also confronted with the problem of price increases due to the inflationary spiral associated with devaluation. The export promotion policy of 'export all exportables'and the resultant 'rush' for scarce foreign exchange by producers of such raw material as cotton, cocoa, coffee and groundnuts did not help the situation of these firms.[69]

Privatisation was a central issue in the adjustment reform programmes of most of the adjusting countries in West Africa. It was an essential element within the Structural Adjustment Programme which enjoyed the support of the World Bank, IFCs and other Western monetary institutions and aid donors. The argument for privatisation revlove around the quest for increasing role for private sector in the economy. It was generally assumed that privatisation will attract foreign investors. In Nigeria a basic objective of the privatisation strategy announced in1987 and 1988 was to attract foreign capital into manufacturing. Consequently, one-fifth of all the firms earmarked for privatisation were in the manufacturing sector. Two-thirds of these manufacturing companies included in the programme were for full privatisation. Firms in this category included those of food manufacturing, beverages, texiles and wood products sub-sectors. All government-owned companies in the cement, paper, automobile assembly were to be partially privatised. So also were the steel rolling operations outside the main iron complex.[70] By the end of 1989, the Technical Committee on Privatisation and commercialzation (TCPC) that was set up in Nigeria to oversee and implement the privatisation exercise had arranged for the sale of sixteen firms through the Nigerian stock exchange. These firms included the Nigerian Flour Mills, two petroleum firms and thirteen insurance companies.[71] In June 1988, Ghana identified 32 of its total 235 public enterprises as the first batch of enterprises to be privatised through the following ways:

outright liquidation, outright sale, total or partial sale of shares to the general public, joint venture, worker shareholding, community shareholding and institutional shareholding. However the response of Ghanian private sector, especially outside the mining sector was not very encouraging. In contrast Togo had been able to move ahead in its privatisation programme: it had disposed of a steel mill, an oil refinery, a dairy and two textile mills through outright sale, lease or joint venture participation, involving both local and foreign investors. Niger was also reported to have made some progress in its privatisation programme after some initial delays.[72]

It has often been said that African countries need privatisation policy "to promote efficiency and to signal government's overall commitment to a development strategy led by the private sector."[73] The picture which was painted by advocates of privatisation in Africa emphasised the poor performance of public enterprises in Africa. To be sure, it is not possible to outrightly dismiss the above argument. However, no vigorous theoretical analysis or even a world-wide survey of the performance of public enterprises has come up in support of claim of institutional superiority of private over public enterprises. The ECA has also argued that it is also incorrect to assume that "the indigenous private sector is strong enough to take over state enterprise:" "In Africa countries, where this generally is not true, privatisation could lead to the take-over of these public enterprises by transnational corporations, thereby deepening further their external dependence."[74]

Very much unlike the conduct of privatization in the industrialized countries whereby there are measures put in place to regulate the excesses of capital, privatization scheme in Africa had meant opening up the economy for exploitation by the TNCs. Only in few cases had indigenous private sectors benefitted from the privatization programmes carried out in member states of ECOWAS under the adjustment reforms.

According to ECOWAS sources, most West African countries have been experiencing very low level of national capital participation as a result of privatization. In Togo, the level of national participation in some companies went rather too low: Complex Sucrier d'Anie (0.0%), SOPROLAIT Detergents de Togo-SODETO (16.0%), Industries Togolaises de Textiles - ITT (15.0%). The story is not different in Benin where several companies have been bought over by European investors who now own more than half of the equity capital. The companies include Manufactures de Cigarettes et d'Allumettes (MANUCIA), Industries Beninoise de Textiles (IBETEX), Societe Beninoise des Textiles (SOBETEX), and Societe Nationale des Ciments du Benin (SONACI). Also, in Guinea privatization has favoured foreign manufacturers, and at least 74.0 per cent of the capital of the privatized enterprises in Cote d'Ivoire are owned by foreign investors.[75]

The significant increase in the acquisition of major shares in the capital of the privatized enterprises in West Africa by foreign private investors had its effect on the growth and development of Community enterprises. Part of the provisions of the ECOWAS Protocol on Community Enterprises particularly these relating to capital ownership stipulate that at least 51.0 per cent of the capital should be owned by the member states or citizens of ECOWAS, or that the Chairman and the majority of the members of the Board of Directors should be citizens of the Community. With the dominance of foreign participation in the privatized enterprises, the provisions relating to the ownership of Community enterprises is now out of place and cannot accomodate many of the privatized enterprises in these countries.

The picture which has been painted so far in our discussion here is one in which the adjustment programmes in ECOWAS countries has had adverse effects on the industrialization process in the West African sub-region. It must be borne in mind however that the poor state of industrialization in the various ECOWAS countries was not exclusively as a result of adjustment measures directed at the industrial sector. The main lesson to be derived nonetheless is that the implementation of adjustment programmes by member states of ECOWAS has significantly affected the environment in which both the industrialization programmes of the various individual countries and the Community's industrial cooperation programmes had been carried out.

The World Bank is of the view that African countries among which are all ECOWAS countries are making great strides through improving policies and restoring growth, but that there are still room for improvement if they hope to move on to a faster growth path and reduce poverty.[76] Previosuly, in 1990 the ECOWAS Secretariat had observed that SAP was "generally accepted" and "adjustment programmes were necessary and have proved to be effective"; and that "without recourse to adjustment programmes the economic situtation could only have worsened in the countries that have been implementing these programmes".[77] Abass Bundu as the Executive Secretary of ECOWAS had argued in favour of SAP thus, that where the motive force that stimulates and propels an economy lies in the external sector, it is in order that the external sector be attended to whenever it is perceived as contributing to the domestic economic depression.[78] In the general terms the logic of SAP, was acceptable to ECOWAS, yet ECOWAS acknowledged the limitations of adjustment reforms in West Africa and which it attributed to "both the structure of the West African economies and the nature of the policies and strategies applied".[79] There was also the issue of implementation. On this Bundu said:

> Experiences withe structural adjustment are not conditioned only by the design and content of the programmes. Of equal importance is the implementation of the programmes. Implementation is influenced by the commitment of the government and the cooperation of those actually executing or involved with the execution of the programmes. Implementation is also affected by the quality of the institutional arrangements for carrying through the programme. One also needs to consider the availability of resources - especially foreign exchange and manpower. Related to this is the system put in place for monitoring performance: to ensure that the right or expected signals are being received, and if not, that the necessary corrections are being made.[80]

One last point on national SAPs: the implementation of SAPs in the ECOWAS countries and elsewhere in the Third World is fundamentally political. The decision to be committed to adjustment reform as well as the concrete policies to be adopted are basically questions for the state and its political leadership to settle. This immediately raises several questions. What political forces inhibit the implementation of SAPs and why? which domestic class forces oppose SAPs and which ones support and demand for it? For example, is the emphasis on privatization within the framework of SAP not associated with the fact that powerful members of the dominant class gain from it - through the expansion of its capital base by collaboration with foreign capital. In the particular case of Nigeria, beyond the economic arguments for privatization was "the pressure of international financial institutions and Nigeria's trading partners in the industrialized world on the government...."[81] By constrast, the provatization and commercialization of public enterprises combine with other reform programmes to exacerbats the problem of unemployment, especially for the broad masses. It is in the context of this essential conflict of interests that the implementation of SAPs can be appreciated.

Since 1990 there has been a growing concern in the ECOWAS circles for the implications of the incompatibility between some measures adopted within the framework of SAPs and ECOWAS cooperation programmes. The background to this was the recommendation of the Joint Meeting of ECOWAS Ministers of Planning and Finance which was held at Abuja on 10 and 11 December, 1990. The Meeting reviewed the memorandum presented by ECOWAS SEcretary on the "Structural Adjustment Experiences in West Africa: Achievements, Problems and Perspectives". It also identified a number of problems arising from the implementations of national SAPs by ECOWAS member states especially their consequences on ECOWAS cooperation progarmmes subsequently, the Council requested the institutions of the Community to carry out a detailed study of the areas of incompatibility with a view to propose solutions towards better harmonization of the objectives of national SAPs and ECOWAS cooperation programmes. A memorandum on the "Impact of the structural Adjustment Programmes on ECOWAS Integration Programmes" was accordingly prepared by the ECOWAS Secretariat.

The memorandum aimed at "identifying areas of incompatibility between the objectives of SAPs and those of economic integration". In addition, it should also initiate search for effective solutions to the possible harmonization of the objectives and mechanisms of SAPs and economic integration".[82] In the Memorandum it was noted that:

> In many cases, the adjustment process had tended to give priority to the short-term managment of certain aspects of the economic crisis such as `demand management rather than finding solutions to such long-term development problems as the realization of economic integration objectives in the structural transformation of the economies. Very often, the short-term measures are not easily reconciled with regional economic integration objecctives. A solution needs to be found to this problem by adapting the objectives of SAPs to those of economic integration.[83]

The very few studies available on the relationship between SAPs and regionalism acknowledge the fact that SAPs have impeded efforts aimed at fostering regional integrations[84]. The special studies commissioned by the

African Development Bank (ADB) suggested that SAPs and regional integration efforts of African countries be harmonised for Africa to achieve faster economic growth:

> Irrespective of how bold and courageous structural adjustment programmes are, they are not likely to have a significant impact on the growth and development process in the absence of more substantial progress with regional integration[85].

The problems posed by neglecting regional dimension of structural adjustment, according to 1993 African Development Report, derive from the "excessive preoccupation" of SAPs with short-run objectives which is preventing the economies of African countries from moving progressively faster towards self-sustaining growth and development[86].

Thus the bulk of SAP policy instruments that appear the same as those of ECOWAS do not have identical goals, orientation and focus with ECOWAS. For example, while trade liberalisation is an important policy plan in both SAP and ECOWAS, its aims differ under the two programmes. Under SAP trade liberalisation is to make the productive sectors more efficient through ensuring a better allocation of resources in favour of the latter. Measures to be adopted in clude: removal of quantitative restrictions, devaluation of currency, domestic demand reduction and other adjustment measures. These have implications for the objectives of the ECOWAS trade liberalisation programme, for example, the rules of origin which form the basis of the free movement of community originating products. The establishment of a common external tariff which is a key integration instrument is antithetical to the interests of SAP which calls for the free play of market forces in all aspects of economic life. The removal of quantitative restrictions will create a situation whereby ECOWAS originating products have to compete on national markets with imported goods from industrialised countries. The fear is clearly not that of exposing the infant industries in ECOWAS countries to competition. Of course all healthy and fair competitions have advantages. Unfortunately, ECOWAS originating products are competing on national markets with heavily subsidised goods from industrialised countries. Agreed. Competition will stimulate efficiency and improvement in industrial production. However, it is better to start with exposing the enterprises of ECOWAS member states first to regional competition through effective operation of ECOWAS liberalisation scheme and later encourage overall trade liberalisation such as the one advocated by the World Bank and IMF.

The liberalization of trade in products that enjoy subsidies in industrialized countries, especially in Europe, have adverse effects on West Africa's development. The dumping of EC beef in West Africa endangers African livestock farming. Livestock farming accounts for 8.7 per cent GDP in Burkina Faso, 14.0 in Mali, 16.0 in Niger.[87] The dumping of EC beef in the coastal countries to West Africa accounted for a 700 increase in exports of subsidized European meat to West Africa between 1984 and 1991. By contrast, exports from Sahelian countries to these same coastal copuntries declined by 30.0 per cent during the period, 1984-91.[88] Previously, the coastal West African countries of Cote d'Ivoire, Benin and Gnana that are not favoured by beef production had constituted the regional markets for Sahalian herds from Mali, Burkina Faso, Chad, Niger and the Central African Republic. In the 1970s some 700,000 head of cattle were traded across the borders each year.[89] In 1975 two-thirds of the beef consumed in Cote d'Ivoire was supplied from the Sahel. By 1970 however, the Sahel's share of the Ivorian market for beef had reduced to a little over a quarter, while imports of frozen beef shared almost half the total consumption.[90]

The EC beef exports have increased seven - fold since 1984 reaching a peak of 54,000 tonnes in 1991. The increase in export was largely in response to the subsidies for beef exports on which EC has spent 280m Pounds since 1984.[91] It is instructive to note that EC offers no subsidies for beef exports to the United States, Japan and Latin America, or for the six African countries which export beef to Europe. The EC target is the WEst African market, and according to a recent GATT report, EC beef account for more than 99 per cent of all non-African beef exports to WEst Africa.[92]

The ECOWAS Secretatiat noted that subsidized European meat sells for about 225 FCFA/kg. at the sea-ports fo the region, and is resold to the consumers at an average 600 FCFA/kg; Sahelian meat, on the hand sells at 800 to 900FCFA/kg. But for the subsidy, European meat would sell at 1300 FCFA/kg, with comparative advantages in favour of Sahelian meat producers.[93] And if the entire beef exports of EC to West Africa were replaced by cattle from the Sahelian region, this would restore a good market for cattle production in Burkina Faso, Mali, and Niger which can then be the basis of regional production of beef. However, the reality is that the importing countries in West Africa, faced with the problem of drop in purchasing power have come to see the low prices of subsidized European beef as some relief, while the Sahelian farmers are finding it difficult to sell their herds in the regional markets.

There were major trade reforms in Ghana, Niger, Nigeria and Senegal within the framework of SAP. However, these were carried not without due regard to the integration programme of ECOWAS. Largely the trade liberalization measures tended to promote trade with the industrially developed countries. The consequence of this has been evident low intra-regional trade in spite of ECOWAS trade liberalisation programme.

To increase fiscal and non-fiscal receipts, ECOWAS states within the framework of SAP sought means of improving fiscal collection system, and in some cases raised customs duties. Duties on certain originating products eligible under the ECOWAS liberalization scheme were also increased even though these rates were supposed to have been consolidated since 1979, while the incompatibility of the need to increase fiscal receipts under SAPs and the ECOWAS requirement of tariff reduction constitute problem for effective implementation of the Community's trade liberalisation programme, most ECOWAS member states derive their budgetary resources principally from fiscal receipts. In Benin the contribution of fiscal receipts was 88.3 per cent in 1980. The figure was 90.2 per cent in 1988 for Burkina Faso; for Mali, it was 75.3 per cent in 1988; 80.0 per cent in 1988 for Niger; and 93.58 per cent in 1988 for Togo. Also, share of customs duties and taxes of equivalent effect in fiscal receipts was very high in these countries: in 1988 the figure was 54.9 per cent in Benin, 50.0 per cent in Burkina Faso, 30.7 per cent in Mali; 43.3 per cent in Niger; and 43.58 per cent in Togo.[94]

Whereas there is a broader sense in which it can be said that certain aspects of the SAP monetary policies and the ECOWAS monetary programme are in essence similar, namely the adjustment of relative prices and exchange rate. However much depends on an effective operation of the West African Clearing House as well as the development of intra-ECOWAS trade. The low volume of sub-regional commercial transactions is having negative impact on the operations of the WACH. The volume of total transactions passing through WACH fell by 65 per cent from US $109.3 million in 1986 to US $38.5 million in 1989.[95]

Generally speaking, SAPs are seen as being driven more by individual country-by-country method of implementation with little or no attention to the development of collective or regional interests. According to Peter Da Coast; "Every country is thinking as an individual, with all its individual adjustment conditionalities. If integration is to be realized, all countries have to streamline their economies and tackle adjustment as a single unit"[96]. The experiences of West Africa is worthy of note, where exchange rate policies produced serious destablising consequences. Rapid exchange rate adjustments by some anglophone states in West Africa in response to adjustment programmes had a disruptive impact on franc zone members in the short-run. According to Jean-Claude Boidin:

> When Gambia devalued the Dalasi to stimulate its export trade, it saw more than half its groundnut production disappear - the purchase price in Senegal had just gone up and it was paid, of course, in 'revalued' CFAF. This meant a loss of export income for Gambia and an unexpected high cost of collection and intervention for the Senegalese budget. After 10 years of structural over-valuation of the Nigerian currency unit, the Naira, (and two years of closed frontiers), the sudden devaluations of 1986-87 overturned the relative prices, destablising informal trade and production on the frontiers of Benin and Niger and threatening the industries of both countries[97].

Thus, the more radical the adjustment measures and the more rapidly they are implemented, the stronger the external (cross-border) effects[98]. With this trend persisting, regional neighbors, according to Boidin,

> inevitably feel the waves from the shock treatment which countries apply to right their economies and the nearest are the first to be affected. Even if adjustment is along roughly the same lives in all the countries concerned, this regional impact is to a large extent inevitable, since some countries adjust when others do not and the various countries which are adjusting have not coordinated their economic policies and are at different stages in the process of recognisation[99].

Certain measures for increasing non-fiscal receipts violate the provisions of the ECOWAS protocol on Free Movement of Persons, Right of Residence and Establishment. Under their SAPs some member - states in order to correct their domestic deficits have been levying taxes on foreigners resident in their territories, including community citizens[100]. While this goes on some, state personnel have resorted to all kinds of extortion, erecting roadblocks and obstructing movements.[101] According to Paxton Idowu;

> It is much easier to import goods from overseas than it is from Togo. Your goods from Togo may, for instance reach Europe first before getting to Nigeria ... If you make the mistake of going by road, apart from the menace of armed robbery, you will be frustrated as a result of impediments created by uniformed men along the border towns.102.

Whereas liberalisation is aimed at removing barriers to domestic and regional trade, the inherent contradictions in the adjustment measures have tendencies "to compound the risks, frustrations and costs of doing business in national and regional markets"103.

As SAP is being effected through the reduction of public expenditure including subventions, it has created a tendency for hard-pressed states to slack in their financial obligations to regional integration. From time only very few member states ever tried to be up to date in their payment of dues to ECOWAS, except for very few countries like Cote d'Ivoire, Togo and Nigeria that are having no record of accumulated arreas[104]. However, it is not impossible that the effects of SAPs have aggravated this. Similarly, the ECOWAS compensation Budget under which exporting countries are called upon to compensate importing countries for the loss of customs revenue due to the application of the ECOWAS trade liberalisation scheme has suffered, as a result of the shortage of financial resources in member states.[105] Also, several Community projects for promoting physical integration within ECOWAS have been ignored by member states as their size of the financial resources allocated to public investment decreased significantly. Rather than undertake community projects, member states have given priority to national projects. Consequently, the ECOWAS Fund has been facing problems in mobilising resources for the execution of projects that can facilitate integration in ECOWAS[106].

The ECOWAS Treaty and Protocols provide a plethora of integration instruments in the form of several monetary, fiscal, administrative, institutional and legal measures. However, these ECOWAS integration instruments are not functioning effectively due to some structural problems. It is sufficient to say that most of ECOWAS problems are traceable to its internal contradictions, structures, rivalries and mutual distrust. All the same the divergent objectives of SAP and the Community is seen here also as an obstacle. There is therefore an urgent need to ensure that SAPs are compatible with both the monetary harmonisation programme of the ECOWAS and its trade liberalisation drive. The new awareness among the officials of the ECOWAS Secretariat is that SAPs can assist both if the nature and timing of reforms are coordinated, hence the strong advocacy for the missing regional link in the adjustment Programmes.[107] A regional dimension of SAP should be able to reconcile the objectives of SAP with those of ECOWAS:

> Structural adjustment and economic integration aim at a common objective, that of lasting and sustained economic development. Both processes are based on the same macro-economic and sectoral variables. Any policy introduced with regard to one has repercussions on the other. If the two programmes are to succeed, they must play complementary rather than conflicting roles. The relationship between structural adjustment and integration are either pisitive or negative, depending on circumstances. however, the positive aspects outweight the negative aspects.[108]

However, the course of events in West africa shows that the success of the regional dimension of SAP like other ECOWAS development programmes can only serve as a superficial solution to the structural problems facing the sub-region in the sphere of industrialization especially. Regional dimension of SAP may be effective only if it is accpompanied by social and economic reforms. Moreover, it should be realised that such socio-economic transformations depend on the nature of political power and correlation of the class forces in the individual ECOWAS countries.

8.4. The Role of Foreign Capital

It is crucial to examine and assess the participation of foreign capital in industrialization and integration in ECOWAS. In chapters two and three we demonstrate that West African economies are characterized by concentrated external dependence. In chapter three especially, we show that industrialization remains largely under the control of foreign capital. To quote S.K.B. Asante "the type of industrialization undertaken in the post-independence ECOWAS countries has usually been within the context of multinational enterprise and has been shaped by that context.".[109] Peter Robson notes that the economies of all the CEAO countries are characterized by "heavy dependence upon investment by European and American transnatioanl corporations."[110] Also, in Nigeria even when the indigenisation programme had not been overtaken by the government provatization programme, foreign investment has retained an active presence in the Nigerian manufacturing sector"[111]. According to Ralph Onwuka, the high concentration of transnational corporations in most of the ECOWAS countries"Stifles internal development effort by way of conditioning economic and political decisions towards development effort in service of their profit-motivated interests."[112]

It is difficult to resist the records of the conclusion by Onwuka. This view is underscored by the records of the misuse of the oligopolistic advantages which the TNCS enjoy especially in the case of weak hosts in developing countries particualrly in Africa. Onwuka notes that:

> ....the TNCS have the capacity to coordinate their various functions in the areas of research, and development, production distribution and management on an efficient and cohesive manner. Thier centralised decision-making style makes for easier coordination of these diverse functions....TNCS are oligopolists that dominate the international investment and trade, and in the world technology market:"[113]

The roles and implications of technology and capital for industrial development cannot be overemphasised. West African countries and indeed Africa are laregely dependent on the industrialised countries for their technological needs as well as the capital for industrial investment. The ECOWAS Fund which among other things should promote industrial investment is reported to be in a bad state as members are not forthcoming in the payment of the Fund called-up capital as well as their loan repayments.[114] ECOWAS countries ate therefore at the mercy of foreign investment, either in form of Indirect Foreign Investment (IFI) or Direct Foreign Investment (DFI). The main source of IFI for ECOWAS regional cooperation efforts is the EC. For example, the Community has continued to provide special financial support under the Lome convention. The breakdown of EC regional cooperation fund reveals that West Africa was allocated 160 (ECU.M) under Lome II, 210 (ECU.M) under Lome III and 228 (ECU.M) under Lome IV.[115] The ECOWAS Secretariat has shown concern for the implications of the "aid fatigue" of the donor community for the cooperation programmes of IGOs.[116] Previosuly, the Authority of ECOWAS had given thought to "the dimution of the flow of external resources to the sub-region....to support the necessary efforts of African countries". Consequently, appeal was made to the international community especially the EC to "ensure a renewed flow of development assistance..."[117] The prospect of increased aids within the context of new developments in Europe is further discussed in chapter nine.

However, an aid-relationship like ECOWAS -EC raises some fundamental questions on the prospect for autonomous, self-relaint development for the recepient country:

> ...to what extent does this relationship facilitate the realization of the objectives of ECOWAS' strategy of self-reliance or its goal to function as an independent autonomous unit? Can it be said that the genuine transformation of ECOWAS would not be constrained in the long run by the logic of its continued dependent relationship with the EEC? How does the EEC-ECOWAS linkage tend to perpetuate (or de-emphasize) the client

status of the West African coutires as a consequence of their integration into the international (Western) ecoonomic system?[118]

The constraints of adopting development strategy which is premised on access to external funds is far too serious.

The transnational corporations are purveyors of foreign capital inflows in the form of direct foreign investments (DFI). Their activities in ECOWAS countries cover manufacturing, distribution and also consultancy services. When they invest in industry, the level of local value added is very low. Thus they are concentrated mainly in the production of primary goods and in the assembly of goods imported from their metropolitan headquarters. These TNCS are basically biased against the domestic manufacturing of capital goods in these ECOWAS countries. The motives for private foreign capital which include "the search for foreign markets, cheap raw materials, safe investment outlets and quick profits" conflict with the local production of capital goods in the ECOWAS countries.[119] The traditional role of these countries in the international division of labour as markets for capital goods produced in the industrialised countries as well as sources for cheap raw materials needed in the North is being preserved by discouraging the domestic production of capital goods in these countries. Both the DFI and IFI are acting in unison on this objective with their intervention in the economy of the Third World. For instance, the tying of foreign aid to particular projects and purchases in particualr foreign countries may seem methods of ensuring efficient administration of aids. However, it has been suggested that such conditions "also restrict the local production of capital goods" in the recepient countries.[120]

In the ECOWAS sub-region some of these TNCS operate in only one country while some do business in more than one member states. In Nigera, CFAO and

SCOA come across easily as foremost examples of large commercial conglomerate. In both companies 40.0 per cent share is france's while the remaining 60.0 per cent equity share is owned by Nigerians. CFAO has subsidiaries in Nigeria which include: CFAO General Import, Structor, Qualitex, CFAO Motors, Electro Hall, Transcop, DPI Limited, Galvanising Industries Limited, Passat Industries, Dumex Pharmeceuticals, Nippen Industries, and Nigerian Motors Industries. The Peugeout assembly plant at Kaduna has 40.0 per cent of its shares owned by Peugeuot France, 50.0 per cent by the Nigerian government and 10.0 per cent by some of its distributors.

The CEAO countries have greater member of the transnational manufacturing corporations which operate in more than one contries. Notably the CFAO is in distribution process in the CEAO countries. Bata is into footware maunfacturing and it has establishments in Cote d'Ivoire, Senegal and Burkina faso. Peugeuot has branches in Cote d'Ivoire and Burkina faso which produce cycles, motorised cycles, tyres and inner-tubes. Carnand produces metal cans and boxes and it has affiliates in Cote d'Ivoire and Senegal. Wonder produces batteries in Cote d'Ivoire, Burkina Faso and Mali. Nestle, produces instant coffee in Ivory Coast and Senegal, operationg as capral. Grands moulins de Paris and Brasserie et Glaciere d'Indochine operates also in Senegal and Niger, Gonfreville, Texunion, Riegel, Schaeffer, Rhone poulenc and CFAO have strong interests in the textile industry in Cote d'Ivoire, Senegal, Niger and Burkina Faso..[121]

The literature is vast on the exploitative role of the TNCS in the Economics of Third World countries.[122] The dominant assesement of the role of TNCS in African development process sees them not only as "rapacious exploiters of raw materials and labour, but also the invaluable allies of petty bourgeois elitist and in some cases 'progressive' Government; they are a source of capital but also the major agents of profit repatriation and resource outflow."[123]

The scope of the activities of the transnational corporations in the West African sub-region is quite big with implications for the development process of their host countries.[124] Langdom and Mytelka indeed notes that the operations of TNCS in Africa has usually raised "problems that are associated with the distribution of gains between national and international capital,"[125] as TNCS seeks to maximise their profits and interest. Onwuka remarked that the profit-motivated interests of the TNCS are running into conflict with the development-oriented motives of the ECOWAS countries: the "TNCS stifles internal development effort by way of conditioning economic and political decisions towards development effort in service of their profit-motivated interests."[126]

Within the framework of ECOWAS Treaty member states are expected to pursue self-reliance through the adoption of discriminatory measures which seek to establish "differntial inducements" for "insiders". It is to be expected that "outsiders" such as the TNCS will strive to minimise the effects of any discriminatory measure introduced by regional integration schemes. Whereas ECOWAS has on the ground several of such "differential inducements" for its members, it's official integration policy does not create obstacle to the activities of TNCS: the ECOWAS Treaty has no comprehensive regulations in respect of foreign capital.

The evaluation and analysis of the extent of participation by foreign capital in the integration process, particularly in area of industrialization in West Africa, involve considerable difficulties. Firstly, the existing methodologies for analysing the participation of TNCs are still largely inadequate as research in this area is relatively new[127] Secondly, ECOWAS statistics and data are far from being adequate, especially on the origin of goods exchanged within the Community. Thirdly, the foreign capital within the sub-region is capable of manouvring and manipulation to conceal its true identity. This was evident in the evolution of the 'Federation of the West African Chambers of Commerce which was formed in 1972 to represent the organised private sector of the economy of the subregion. The business community in virtually all the eleven countries - Nigeria, Ghana, Sierra Leone, Liberia, Togo, Guinea, Gambia, Niger, Benin, Burkina Faso and Cote d'Ivoire - that formed the Federation was predominantly foreign.[128]

The evolution of foreign capital as a component element of the national economic structure in the ECOWAS countries facilitated its direct participation in many integration agreements towards the establishment of ECOWAS. Largely as a result of the dominant participation of foreign firms in the formation of ECOWAS through the Federation, the ECOWAS Treaty was unable from outset to put in place a thorough regulatory regime on foreign capital. As a result of this, the foreign monopolies' subdidiaries have not encountered any inhibitions as they expand their activities across the frontiers of ECOWAS countries. In these circumstances, foreign monopolies have continued to exert some influence on the activities and programmes of ECOWAS in general terms. The weak nature of the state in the ECOWAS countries as well as the dependent accumulative base of the bourgeosie have been major hindrances towards the establishment of control regime to curb - the excesses of foreign enterpreneurs.

Against the above background, it would be a mistake to think that foreign monopolies are really interested in developing West African economic integration, in expanding all-round regional economic cooperation, and in promoting industrial cooperation. Foreign capital supports West African integration only in so far as it enables it, by means of reducing or eliminating trade, customers and currency restrictions, to extend the markets and the spheres of influence so badly needed by the industrial enterprises.

By its own standard, the ECOWAS has recorded some modest achievements in the bid to regulate foreign capital in the sub-region. First, Article 32 of the ECOWAS Treaty provides for the Council of Ministers to "take steps to reduce gradually the community's economic dependence on the outside world and strengthen economic relations among themselves". However, no arrangement is provided for within the framework of the treaty to facilitate fair and balanced relationship between ECOWAS countries and external actors. Also, provisions and protocol are made for the operation of Community enterprises. However, this particular initiative has encountered a lot of problems since its inauguration. Today there is hardly any ECOWAS community enterprise in the actual sense. Thus, the role of foreign capital in industrialization and integration still remains one of the issues yet to be addressed: to date the role of foreign capital in ECOWAS industrialization is not very clear. According to Obuah E. Ezi:

> This uncertainty about the ECOWAS induatrialization stems party from the fact that internationalization of capital in the region has manifested itself through the activities of the TNCS, and the fact that past attempts to indigenise foreign firms have not produced the desired results.[129]

So far in this chapter the focus of attention has been on the sturctural constraints, which combined with other factors, influenced the course of industrialisation and industrial cooperation in the ECOWAS sub-region. The focus on structural problems or regional integration in West Africa is deliberate. If other vitally important factors like political instability, ideological diversity and lack of infrastructures are not stressed, it is not because these factors are undervalued, but rather because emphasis in this chapter is delibrately on the structural constraints.

By way of conclusion, the nature of political power and correlation of the class forces have a tremendous influence on the direction of integration processes in the Third World. The direction of integration process in ECOWAS sub-region has been influenced by specific political situation in the ECOWAS countries. While economic integration remains on the agenda of all the member states, the forms it had taken in the past nineteen years has depended on such factors as the nature and orientation of state regimes which can significantly alter the aims and nature of the integration process for better or otherwise. In the particular case of ECOWAS, integration has been used to the benefit of big local capital and foreign monoplies.

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CHAPTER NINE

THE NEW WORLD ORDER AND THE FUTURE OF ECOWAS

9.1 Introduction

Although there is only scant evidence of practical success of regional integration in Third World, nevertheless a new global consensus on the validity of the basic principles of regional cooperation is emerging. The idea is that regional schemes are still very effective means of promoting the goals of self-reliance and economic development. This is underscored by the fact that all regions of the world are experiencing closer economic cooperation and integration among their respective countries. For the European Community the year 1992 will remain ephocal especially for the success of 'Europe 1992'. In North America, the establishment of North American Free Trade Area (NAFTA) is already a reality. Both in Asia and the Pacific regions efforts are on towards forming genuine trading blocs. Such moves have been demonstraed in the first summit of the Asia Pacific Economic Cooperation (APEC). In Africa, the effort of the PTA countries towards coverting their arrangements into a full-fledged economic community is notable. Also, realising the need to redefine its objectives in the light of Southern Africa's changed political circumstances, SADCC governments in August 1992 signed a new treaty and thereby changed the organisation from a loose standing conference of ten states to a formal regional integration scheme the Southern African Development Community (SADC). The quest for regional economic integration has come to characterise the 'new world order'[1]. Also, it is a matter of concern that the global economic system has degenerated into a system of regional trading blocs practicing a new form of protectionism as it is the case of EC's 1992 programme.

The establishment of the African Economic Community in 1991 and the adoption of the Revised Treaty of ECOWAS in 1993 represent in some respects significant African response to the 'new world order' The `Treaty Establishing the African Economic Community' is just coming into force having obtained the required number of ratifications from member states.[2] Therefore any attempt to evaluate it would seem premature.

The background to the 'Revised ECOWAS Treaty' can be said to consist, among other things, of the challenges posed by the 'new world order' which is characterised by

> the rapidly changing economic landscape in different parts of the world; the recrudence of economic blocs, a single Market in the EC in 1992; and the on-going democratisation process in many part of the world, coupled with the introduction of the free market economy...[3]

In considering ECOWAS in the 'new world order', it is imperative to examine the impact of the various elements of the world order on the ECOWAS countries, notably the Single European Union, 'democratisation' of Eastern European countries, the unification of Germany and other emerging tendencies in the global economic system.

9.2 Increased European Integration through Single European Market

The European Union is today the largest trading bloc in the world. Since its metamorphosis from the European Coal and Steel Corporation in 1957, with the signing of the Treaty of Rome, its activities have left few in doubt that European integration was a great creation of the European powers to compete in the world stage and probably emerge a `force majeur'. Today the European Union has unprecedented network of preferential trading agreements with countries world-wide, and it has almost realised in full the dream of its founding fathers who had envisaged a `United States of Europe'. The signing of the Single European Act on 1 July 1987 concretised the various initiatives already made towards an integrated European Market. The European Union came into being with the coming into force of the Treaty establishing the Union on 1st November 1993.

Although the completion of the process of European integration is being regarded especially within the EU as an internal matter, however, in a world of growing interdependence, it cannot but have implications for non-EU countries, both developed and underdeveloped. The establishment of a Single European Market is an important element of the 'new world order', a significant change in the international economic environment. In the particular case of ECOWAS, whose members have close links with EC countries dating back to colonial period, the trend cannot be less worrisome. Thus, ECOWAS Authority by 1990 had become convinced of the adverse effects of "Fortress Europe" on the economies of its member-states. It was observed that the process of European integration was capable of "worsening the hostile international environment" in which ECOWAS and its member states have to operate."[4].

The quest for European integration goes beyond the essence of interdependence which the neo-functionalists present. Historically, efforts at European integration have always been conditioned by different phases in the development and growth of Western capitalism. Thus, the emergence of the European Union represents another strategic response to certain inherent contradictions within the economies of Western countries. In this way, it is in order to say that the process of the completion of European integration was a product of Europe's internal dynamism[5]. According to Abdul Raham Babu, "external causes are a condition of change, and internal causes are the basis of change". Based on this postulation, Europe's strive for integration can be explained within the context of its own internal dynamism, the internal force which propels it to greater concentration of the economic means[6].

Some important possibilities easily explain the desire by the European elites for European integration since the post-war era. Most important is the capacity of European economic integration to ensure high rates of export-led economic growth[7]. This view point was evidently upheld in the recollections of Jean Monnet that: "Our economies were able to expand only in the framework of a vast common market, favouring exports and stimulating our productivity" [8]. Another possibility is that European integration was providing a forum to forge a counter-weight to the dominance of the global economy by the United States. It was also a possibility that European integration would ensure an undisturbed supply of the needed raw materials from Third World countries, especially the colonies who were experiencing growing nationalism in the 1950s.

Truly, the establishment and operation of the EC provided new opportunities for economic expansion in Europe. Of special note is the continual high rates of growth after 1958 which were attributed to the existence of the Community notably by European decision makers. There were also other unintended consequences. For example, while the establishment of a large common market helped to allay such fears as there were about the increasing monopoly at the national level, the operations of the European Common Market further stimulated the growth of European national economies in the `new competition'. This invariably led to the emergence of firms large enough to compete with American transnational corporations for world resources. The competition had not been without implications for exchange and capital transfer at both national and international levels. The resultant crisis constitutes the background for further integration of European economies in the 1990s.

The global economy is now witnessing the expansion of giant industrial conglomerates who have not conformed to the normal workings of market economies. And their relationship with their home governments has often resulted into large-scale economic and financial crises for the latter. Thus, capitalist expansion becomes imperative, and this is now being sought through the construction of economic and monetary unions for Europe which entails the creation of new possibilities for economic growth, the expansion of consumer markets, the creation of conditions for the greater mobility of the factors of production, and the establishment of new monetary arrangements.

Therefore, the demands of capitalist expansion on the economies of the Western countries constitutes the background condition for the quest for a "unified Europe" This was the circumstance under which Jacques Delors assumed the headship of the new European Commission in 1985. He presided over the new Commission which drew a number of conclusions from the activities of the EC with special concern for achievement of a genuine European economic area without frontiers by 1992. Essentially, the Commission's findings rejected any further restrictive interpretations and applications of the Community rules. According to the Commission, there was need for adjustment both in view of the accession of new members and the changing international system, "in the knowledge that its (EC) competitors would not wait for the countries of Europe to settle their parochial disputes before pressing home their advantage":[9] the EC should be able to face-up to major world economic powers, notably. US and Japan! This should be possible through the means of a "fresh impetus for the Community by exploiting to the full, even exceeding the limits of the Treaty of Rome".[10]

These developments necessarily provoke concerns for some within the Community and its "privileged partners" in Africa, Asia and Caribbean. The former feared that the main benefits of the completed internal market will flow to third country enterprises, and the latter also showed deep concern that the possibility of a single unified internal market might introduce measures that could exclude them. The Commission had tried to dispel these fears, yet popular opinions both in Europe and in the South continue to warn about the negative impact of the Single European Market on the economies of its trading partners among which are the ECOWAS member-states. There is some sense in which one can see reason with such fears at least for countries in West Africa. According to Olusegun Obasanjo,

> ...the European Community remains West Africa's largest trading partner. No less than 70 per cent of West Africa's principal exports-cocoa, timber, cotton, coffee, groundnuts, gold and diamonds - goes to Europe. And it is from Europe that practically all West African countries derive the bulk of their imports of manufactured goods. In fact, so long- standing and so strong are the trading ties between the two regions that for virtually all West African countries external trade is merely trade with Europe by another name. And related to this is the fact that a great deal of private investment in West Africa stems from countries of the European Community principally Britain, France and West Germany.[11]

Apart from long-standing trade links and investment flows, the European Community has been the largest single source of foreign aid for most of the countries of ECOWAS - Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger, Senegal and Togo - constituted Union Monetaire Africaine (UMOA).[12] The arrangement united these seven in a single currency zone with a common central bank and a single common currency, the CFA Franc, which was linked to the French Franc.

While some may still consider it too early to discuss the possible effects of Single European Market on West Africa, especially in view of the apparent lack of sufficient information on developments on both sides, however, it is possible to make some projections, based on the existing knowledge of the historical role of Europe in the international division of labour, the EC-ACP Convention[13] in practice, and the current realities in the Europe - West Africa relations. The 'Courier' magazines once summarised some possible consequences of 'Single

European market on ACP countries: that the proposed single market will be uniform, and therefore, more transparent than the previous system; that, it would be easier to assess both the possibilities of trading with Europe, the suppression of national quotas for certain products which the present system maintained for various member state, would open the market to the ACP products concerned; and that harmonisation of VAT for all the countries of Europe may affect the prices to be paid by European consumers for their products, and if these products are exported by the ACPs their trade may be considerably affected one way or another.[14]

The EC had anticipated that the establishment of Single European market would stimulate European efficiency and economic growth. If this turns out to increase the demands for the goods and services from West Africa, then the effect may be beneficial to the latter as well. But to the extent that it causes trade diversion, away from the exports of West Africa, it becomes harmful. However, the Commission's memo on "Making a Success of the Single Act" had rhetorically responded to the fear and anxiety of the Third World countries in the following quotes:

> How can we pursue our support of better North-South relations if we hesitate to give trade concessions to aid the most under privileged countries for the sake of a few ECU? We have to be convinced. There will be no tangible progress with the constructions of Europe unless Europe asserts itself with strength, courage and generosity.[15]

Beyond the rhetoric of European policy makers on the effects of "Fortress Europe", it is hardly conceivable that Europe's role in contemporary international economic system will be reduced to unbridled generosity, sacrifice, and increase exercise in charity. But more importantly, it should be realised that the impacts of European Single Market on the Third World countries cannot be uniform.

Evidently the consequences of EC-92 will be specific to countries or groups of countries. We need to distinguish manufacturing economies from commodity producers and distinguish countries by such characteristics as their dependence on foreign capital, trade in service, or receipts from migrant labour.[16] Thus it is worth reviewing existing economic links between the sixteen countries of West Africa and the EC. No doubt that the ECOWAS member states are locked in a dependency economic relationship with the EC countries, with trade as an important aspect of this relationship. However, over the past several years ECOWAS trade performance in the EC market has deteriorated. Exports to the EC fell from a value of 10.0 billion ECU in 1982 to 9.3 billion ECU, while its share in EC imports recorded reduction from 3.0 to 2.8 per cent during the same year. Between 1982 and 1986 the value of imports from the EC fell from 10.8 billion ECU to 7.0 billion ECU while the share of West Africa in EC exports declined from 3.8 to 2.1 per cent. In 1989 (January-September) the value of ECOWAS imports from EC was 5 billion ECU only. The volume of West African exports had stagnated or fallen just as the prices for commodities exported by West African countries had dropped, while the prices of the EC exports had risen significantly[16].

In the light of the existing structure of ECOWAS trade with Europe as well as the general developments under the Uruguay Round of Trade Negotiations, it is not unexpected that further deterioation will attend EC-ECOWAS trade. There is today little or no competition for ECOWAS exports (which are essentially primary commodities), and therefore, lower prices for the latter in EC markets. The vast majority of the exports of the West African sixteen countries to Europe are primary products, including cotton, coffee, cocoa, iron ore, timber, fish, fruits and vegetables, phosphate and petroleum. The fall in the price of commodity exports has made trade in manufactured goods the only available means of exploiting the Community markets. For the ECOWAS countries (with the possible exemption of a few, especially Cote d' Ivoire), their export of manufactured goods to the EC markets remains quite insignificant. In contrast, a great deal of ECOWAS consumer goods, intermediate goods and capital goods are imported from the EC countries, and this has continued to encourage asymmetry in the trade between the two.

Apart from the structure of trade, there are specific provisions of the Single European Act on Community's external trade policy that have implications for the economies of EC trading partners. In the particular case of EC - ECOWAS trade which is largely being regulated by the Lome Convention, the abolition of compactmentalisation of the EC markets, the introduction of mutual recognition of products standards, and the harmonisation of technical regulations between EC countries, may tend to have negative effect on ECOWAS trade with member countries of EC, especially in view of the low level of economic and technological development of the former.[17] For instance, what would happen to the existing special arrangement between individual European countries and countries of West Africa, on the importation of some products such as bananas, textiles, footwear which West African now export to the EC? Such question as the one posed above agitates the mind of Carol Lancaster as she demonstrates with the case of banana producing countries of West Africa:

> If I am not mistaken, the Germans import bananas from Central America at a somewhat lower price, than France imports bananas from the Ivory Coast. These arrangements are going to be changed, but I don't think it is clear yet what is going to be put in their place, and which countries will benefit, and which countries will not. Will the bananas now come from Central America for the entire EEC? Or, how will the Ivory Coast and other African banana exports fit into the new regime?.[18]

It is interesting to note that by January 1993, the EU, in a new banana protocol signed with ACP banana producers, introduced a quota system which seemed a way to protect ACP countries. The new agreement is to last until 2005 and it exempts traditional banana producers of the ACP from import duty which South American producers (dollar bananas) pay to export banana into EU markets. However, this new arrangement did not favour new ACP producers such as Ghana which can now only export banana into the EU on condition it buy a quota from dollar banana producers.[19]

A number of ECOWAS countries have been reported in the recent years as having been successful in expanding the export of processed tropical products into the EEC: Cote d` Ivoire recorded a remarkable growth in her export of soluble coffee, cigars and textiles, while there is prospect for Guinea, Mali and Burkina Faso in the exportation of processed fruit like pineapples, mangoes and guavas. Such goods like rubber products, shrimps and processed fish, cultural and handicraft products are also expected to benefit from "Fortress Europe."[20] Agreed that all is not lost yet, especially with the prospect for the expansion of export trade in some non-traditional products. However, the critical question worth asking is; how will this be able to stimulate the needed industrialisation for the enhancement of greater prospects for manufactured exports in West Africa? The latter have much prospects than those of tropical agricultural products or even the so-called non-traditional products.

According to Salim Ahmed Salim, the OAU Secretary-General, "the benefit of the Single market will be in direct proportion to the ability of developing countries to utilise the opportunities offered."[21] The inefficient industrial base of the ECOWAS countries cannot compete with the newly industrialised countries like South Korea, Taiwan and the relatively less developed EU members like Portugal and Greece. These trends coupled with the prospect of increased reliance on cheaper substitutes for tropical products in Europe remain sources of quite possible trade diversion for ECOWAS exports.

Economic development in the Third World countries is particularly sensitive to foreign capital. The EU constitutes the dominant source of capital flows for ECOWAS member countries. Generally, the EU accounts for about 4.0 per cent of both the official development assistance and private resource flow to Africa. However, since the 1980s there has been a remarkable reduction in the rate of foreign private capital inflow into ECOWAS countries. It is not unlikely that European investors now prefer to invest in Asia, South America, Middle East and the Mediterranean region, where there are better opportunities and prospects for higher rate of return for their capital.[22] In the ECOWAS sub-region, only Cote d'Ivoire, Togo and Guinea experienced some levels of foreign capital inflow in the 1980s[23]

Since the 1980s, European aid to Africa in general has declined significantly. Apart from France and the Netherlands, most West European countries have not been able to meet the UN target of aid to developing countries. While this continues, the 'democratisation' of Eastern Europe has its implications for Europe-South relations, especially in the areas of trade, investment and resource flows. There is high possibility of reduction in the exports from developing countries as new trade and investment partners are found in Eastern Europe. The same can be said for concessional aid. Thus, as observed by Ibrahim A. Gambari:

> The possible rush by private investors in the new democracies of Eastern Europe is, of course, paralleled by official commitments by Western governments to support economic reforms in these countries. This confluence of official financial support and private investments has raised the spectre of diversion of resources from the developing to the socialist countries.[24]

The commitment of the Western European countries to the 'democratisation' of Eastern Europe is quite evident. Western grants of 5 billion US dollars had already been committed to the economic reform programmes of the 'new democracies' in Eastern Europe. The EU also established the European Bank for Reconstruction and development of Eastern Europe with its headquarters in London. Therefore, with the West in this new romance with countries of Eastern Europe, the EC and other Western industrialised might not be able to prevent a sharp decline in aid and grants available to all developing countries, especially Africa whose share of commercial lending and foreign direct investment has suffered significant reduction.[25]

It is instructive to note that the EU countries, especially, West Germany had pressurised the United States to join in the drive for massive investment in the Eastern European economies. Of course, to date no Western country has done half of this on behalf of Africa! The United States also had on her own pressurised the IMF to give Poland a loan of six billion dollars, following some changes in Poland.[26] Again, no African country has been so favoured. These are the currents in Europe which may help our understanding of the capital flight away from Africa as well as the anticipated significant decrease in aid and development assistance from Europe. The developed countries are also aware that the poor investment environment in Africa is not generally helpful. The investment climate is characterised by debt crisis, lack of economic infrastructures, insecurity and political instability.

Another issue of concern which relates to resource transfer is the free movement of persons throughout the EC. There are well over two million West African workers in the EC countries, arising from the existence of some bilateral and multilateral arrangements between member-states of ECOWAS and members of the EC. For instance, there are bilateral arrangements between the Common Wealth countries of West Africa and the United Kingdom, as well as between

France and her former colonies in West Africa.[27]

In the past, the existence of such special concessional arrangements had encouraged substantial movement from West Africa to Europe. Since it is quite unlikely that some concessions will be granted to the African guest workers in Europe of the 1990s and beyond, it is possible that the migration of labour or the return of labour from Europe back to West Africa will put pressure on local economies. Such economies stand to suffer losses of remittances from their migrant workers, which in some cases are a vital source of foreign exchange and, in a smaller way, of capital which is already in short supply. In Ghana, for example, remittance by Ghanians abroad has always been in the range of US $350m since the 1990[28]. Compared to remittance by other nationals such as the Morroccans that annually send to their country about US $1.5bn, the amount remmitted by Ghanians abroad is quite small. Nonetheless, it is a commendable financial contribution to economic revival of Ghana[29].

Financial system in the Single Market definitely have implications for the economies of West African sub-region. For instance what has been the impact on those countries whose currencies are linked to the French Franc? How was the matter of overseas 'Franc' handled? Although there are claims of success and economic efficiency in the Franc zone; it has served better the exclusive interests of French entrepreneurs and their African collaborators while the African masses are decapitalised.[30] Besides, a lot of illusion characterised this monetary arrangement. For instance, it was as a result of the boom in the Ivorian economy that the 50 CFA to I French Franc exchange rate worked tolerably up to the mid-1980S. Following the sharp fall in the prices of export commodities in the late 1980S, and the resultant growth in internal and external imbalances, the CFA Franc zone entered into a period of economic crisis characterised by payment deficit which was running at nearly 4 billion dollars a year.31

The implementation of the Delor Plan for European economic and monetary union was quite compelling for a prominent EU member like France[32], and the EU was apparently unwilling to share the burden of French `paternal responsibility'. Instead the EU remained very cautious in promoting close monetary ties with non-EU members. While France did not severe link between the CFA Franc and French Franc, it however sought to check the considerable overvaluation of the CFA Franc. Thus, on January 12 1994, fourteen African member countries of the Franc zone including those of ECOWAS devalued their currency by 50 per cent in collaboration with the IMF, which commended this as a "courageous action", and hope that along with other reform it measures should " facilitate re-establishment of the competitiveness of those countries, and the solution of their balance of payments difficulties."[33]

Prior to CFA Franc devaluation, smuggling activities between FCFA countries and non-CFA countries such as Nigeria, Ghana, Gambia etc., had assumed greater prominence. Worst still SAPs came and introduced distortions in exchange rates arising from successive devaluation of a number of currencies in the ECOWAS sub-region. For instance, in Nigeria the Naira depreciated from its 1983 official rate of 1 Naira to FCFA 550 to 1 Naira to FCFA 11 in 1993.[34] Under this circumstance, Nigerian goods became very competitive, and such items as textiles, plastic products, cement, petroleum and petroleum by-products from Nigeria flooded markets in UMOA countries while, on the other hand, Nigeria's imports from these countries remained at a low level, except for illegal re-export activities that was on the increase in West Africa.

In the period when adjustment in the UMOA countries did not include exchange rate, successive currency devaluations in non-UMOA countries aimed at correcting economic imbalances have adversely affected some industries such as textile and plastics in UMOA countries, due to the impact of prices and competitiveness of the exchange rates in the non-UMOA countries[35]

It is against this background that some have predicted that, illegal trade between FCFA countries and non-CFA countries will be drastically reduced "because currency dealers in these countries will no longer accept CFA notes once it is no longer a freely convertible currency which can be converted into FF for importing goods from abroad."[35] It may be possible also to expect that some goods that have become suddenly scarce in Nigeria, such as petrol due to their 'profitability` in the border areas, will soon become easily available.

But for the CFA countries, the expectations are not the same. Since the devaluation of the CFA franc by 50 per cent there has been "mixed reactions". The richer countries of the zone such as Cote d'Ivoire and Senegal have applauded the devaluation as measures that would make their countries more competitive and improve their chances of exporting abroad. Expectation is high for instance, in Cote d'Ivoire that the devaluation of the currency would increase confidence in the Ivoirian economy and encourage the repatriation of capital from abroad. But the effects on domestic spending and economic reform programmes can be a possible source of social crisis especially in the poor countries of the zone.[37] Notably, France, the World Bank, the IMF and the Paris Club have all been responding to the call for help by the countries of the CFA zone to cushion the effects of devaluation. The French Fund for Development (CFD) made some notable response by way of providing special supports for the CFA countries in its aids programme. Such supports include cancelation of some ff.25bn of debt in the sphere of aid to public development, the financing of projects in CFA countries to the time of FF.15bn in 1995, and the granting of FF.3.46bn to aid structural adjustment[38]. No matter the effects of devaluation on their economies, the CFA countries are already scared of further devaludtion. But the truth is that, there is no precedence to cite in support of their expectation that structural adjustment devaluation comes only once!

In some quarters, the reality of the devaluation has been seen as leading to increased awareness among the CFA countries for regional integration, which hitherto was just a mere slogan. The remark by 'West Africa' is apt as well as revealing:

> Many see the new enthusiasm for regional integration as being suspect. Still, the fervent francophone talk of integration, with immediate monetary (union), is at once both a very encouraging sign and political hot air which is now being cooled by the realism of technocrats and businessmen working on the ground.[39]

While the francophone countries in ECOWAS appear quite enthusiastic about the prospect for "accelerated regional integration" in West Africa, judging by what is on the ground, and even from the declared official objective of the Union Monetaire des Etats de I'Afrique de PQuest, (UEMOA) the focus of their enthusiasm is still largely on close cooperation with the CFA zone countries. This cannot but have implication for the operations of ECOWAS as the organisation responsible for regional integration in West Africa.

9.3 The African Economic Community.

At Abuja (Nigeria) on 8th June, 1991, the 27th Ordinary Session of the Assembly of Heads of States and Government of the OAU adopted the 'Treaty Establishing the African Economic Community'. Although, it was not the first time that leaders of African States would be making such declaration of commitment of regional integration, nonetheless there is a sense in which the moves to seek the promotion of Economic integration within the Continent initially via the strengthening of existing regional organisations indicate the growing importance of sub-regional groupings like the ECOWAS.

The Treaty in its 22 chapters and 106 Articles borrows from the logic that informed its various antecedents. Thus in the Preamble to the Treaty, there is a conscious effort to take into regard African integrative process; from the signing of the Charter of the OAU, to the adoption of the **Lagos Plan of Action** and the **Final Act of Lagos**. The detailed provisions in the Treaty and its legal instruments (the 29 Protocols that are proposed for) seek to establish a `hybrid' of the `laissez-faire' integration model, and the customs union arrangement as the basis of African integration. The broad objectives of the Community are the promotion of development and the integration of African economies "in order to increase economic and self-sustained development". More specifically, the AEC Treaty provides for the coordination and harmonisation of "policies among existing and future economic communities in order to foster the gradual establishment of the Community[40].

When in operation, the AEC might duplicate the activities of the OAU, the former also has economic, social and even political objectives which are all contained in Article 4 of the treaty. According to an observer,"the AEC treaty, compared to the Charter of the Organisation of African Unity (OAU), is by far more progressive in terms of determination to achieve the unification of Africa .... ".The argument here, according to the observer, is that "the AEC Treaty contains no stipulations similar (either in letter or spirit) to the queer provisions of Article III and VI of the OAU Charter" [41], which make the goal of African unity and integration unattainable. Thus, in the AEC Treaty;

> ... instead of `sovereign' equality of all member states, we now have `equality and inter-dependence of Member states', - instead of a roundly stated `non-interference in the internal affairs of states', we now have `solidarity and collective self-reliance', in lieu of

`respect for the sovereignty and territorial integrity of each state and its inalienable right to independent existence', the principle now is that of `inter-state cooperation, harmonisation of policies, and integration of programmes' - and more clearly, the aggressive phrase unreserved condemnation, in all its forms, of political assassination as well as subversive activities on the part of neighbouring states to `peaceful settlement of disputes among Member States, active cooperation between neighbouring countries and promotion of a peaceful development[42].

Agreed that, when compared to the "queer provisions" of the OAU Charter, the AEC Treaty appears an improvement in the search for the "unification of Africa" within the framework of the OAU system. However, the choice of the AEC strategy - its logic and methodology - can hardly move the idea of African integration beyond mere rhetoric which are usually associated with unbridled optimism. It should be appreciated further that the issues involved in African integration are far more than what can be concealed in mere multiplication and duplication of objectives and institutions.

Article 4 (section 2) of the Treaty provides for means of attaining the objectives of the AEC. The existing and future sub-regional and regional communities are to be strengthened. Other measures include, the promotion and strengthening of joint investment programmes in the production and trade of major products and inputs within the framework of collective self-reliance, trade liberalisation, and the harmonisation of national policies in virtually all fields. Also, special compensatory schemes are provided for to support and assist Afric's least developed and land-locked countries. Such is the Solidarity, Development and Compensation Fund.

The provisions in Article 6 (section 1) provide for the Community to be established gradually in six stages over a period of thirty-four years. Article 7 (section 1) of the Treaty, provides for the following institutions for the Community: the Assembly of Heads of State and Government; the Council of

Ministers; the Pan-African Parliament; the Court of Justice; the General Secretariat; and the Specialised Technical Committees provided for under the Treaty or established in pursuance thereof. Although the AEC Treaty substantially provides for the Community to be an integral part of the OAU 43, but the Treaty is not very clear on the relationship between the OAU and the Community, especially where both organisations are to be served by the same institutions; the AEC council of Ministers and the General Secretariat, including the secretary-general shall be the same as those of the OAU[44].

However, the commonality of institutions is not extended to the leadership of the Assembly of Heads of state and Government in the Treaty. In effect there is a possibility of two separate Chairmen of Assemblies of Head of State and Government relying on one General Secretariat and Council of Ministers to carry out their decisions. The only possible logic behind this institutional arrangement is that thirty-four years after the AEC becomes fully functional, the OAU will cease to exist[45].

Whereas the Treaty points towards possible benefits for member states, however, the disappointment with the operation of regional schemes in Africa offers little or no hope in the `hybridisation' typified by the AEC proposals. Apart from merely showing some awareness of some general problems confronting regional integration schemes in Africa, the AEC Treaty is not addressing concretely any of the major contradictions which severely militate against effort at successful integration of African economies. Thus, throughout the length and breath of the AEC Treaty issues that relate to the structural incorporation of the African economies into a world capitalist system are not raised or addressed. Similarly, many assumptions are made with respect to the role of the different social forces in Africa, as well as their interests in African integrative process.

For instance, the use of state power by the dominant class and the activities of TNCs are assumed as working in favour of African integrative process. Hence, there are no specific provisions to regulate or control the excesses of the latter. In the same vein, the AEC proposals are to be implemented within the existing international economic order. This has to be so, since the restructuring of the international system, through the democratisation of international relations, is not addressed as a matter of priority in the Treaty.

The lack of consideration for these structural problems is evident in the current direction and pattern of discourse and debate on the implementation of the AEC Treaty. Among African elites and statesmen, the issues of `who will benefit most and who will shoulder the cost', `how to popularise the Treaty', and the problem of `political will' are matters of priority'[46]. rather than specific strategies for restructuring the role of Africa in the international division of labour.

Whereas some see the AEC Treaty as the right direction for African development; that it "will lead to a bigger market for both primary and finished products", and "help spread the benefits of development so as to bring to a state of equilibrium the disparities between the more developed and the less developed countries in the Community",[47] for us, the AEC cannot be a true representation of the strategy for reversing underdevelopment and dependence in Africa. While we have not denied that some possibilities exist, within the framework of the AEC and African Common Market, for successful regional integration, they remain possibilities. The AEC Treaty cannot evolve the necessary internal and external dynamics for the operation of a viable integration process in Africa. The present state of African economy and the hostile international environment do not favour African integration.

Nevertheless, one can argue with some conviction that, the AEC Treaty is having some influence already on the activities of ECOWAS, especially the 'Revised ECOWAS Treaty'. It makes a good sense to have ECOWAS as "the sole economic community in the region (West Africa) for the purpose of economic integration and the realization of the objectives of the African Economic Community"[48]. This undoubtedly is a good development in the direction of rationalising the inter-governmental organisation in West Africa whose roles are competitive than complementary. The successful implementation of the provisions relating to the above, however, depends on the politics on the ground in West Africa, especially the divide between the Anglophones and Francophones in ECOWAS. For instance, while the former, following the devaluation of the CFA Franc have come to see reason with the need for the economic integration of West African sub-region across linguistic barriers, the commitment to francophone regionalism remains an issue; In January 1994, the UEMOA replaced the CEAO.

Both the AEC Treaty and the Revised ECOWAS Treaty make claims of recognising the importance of interest groups in the process of regional integration. The idea is that as long as integration remains a bureaucratic affairs in which the populations are neither involved nor made aware of its importance, it is not likely to record much success. This innovation is most welcome in terms of the prospects it holds for the implementation of decisions at the level of ECOWAS and AEC.

Whereas there are notable measures undertaken already at the level of ECOWAS Secretariat towards facilitating the involvement of the private sector in the operation of ECOWAS, very little has evolve by way of a clear strategy for popular support for ECOWAS programmes in member-states countries. For instance, the question which is still relevant to date is: what is the level of involvement for movements such as associations of youth, women, workers and other members of the civil society? Without sufficient involvement of these groups either in the political process where decisions relating to the integration process are taken or through adequate consultation, integration programmes stand the risk of becoming easy prey for sabotage. Admittedly, the 'Revised ECOWAS Treaty' has shown some concern for the dimensions such as those mentioned above that were omitted in the 1975 Treaty. The following sub-section examines the innovations in the Revised Treaty, especially the prospect they hold for West African regional development in general and industrialisation in particular.

9.4 The Revised ECOWAS Treaty

In 1993, the 'Revised ECOWAS Treaty' was adopted and signed by the Summit of ECOWAS Heads of State and Government. It was the hope that the event would mark "the institutional process of having a stronger and more dynamic ECOWAS ..."[49]. The Revised Treaty is based largely on the recommendations of the Report of the Committee of Eminent persons for the review of the ECOWAS treaty. By its decision (A/DEC.10/5/90) of 30th May 1990, adopted at the 30th Ordinary Session of the Authority of Heads of states and Government of the ECOWAS, the Executive Secretary was empowered to set up a Committee of Eminent Persons to undertake a review of the ECOWAS Treaty signed in Lagos in 1975, establishing the ECOWAS.

It has been previously noted in this chapter that ECOWAS seems to be drawing some inspirations from the provisions of the AEC Treaty. This is not unexpected since regional economic communities are the building blocks in the construction of the African Common Market. But more importantly, and infact in a broader sense, the Revised Treaty comes across as a response to "the rapidly changing economic landscape in different parts of the world"50 which has made the slowness of pace experienced over the past years of regional integration in West Africa most undesirable. According to Yakubu Gowon, chairman of the Committee of Eminent Person:

> We have no doubt that this contemporary period of economic, political and indeed philosophical change in the world presents great challenges and opportunities to all concerned, especially those seeking to foster and develop regional cooperation and economic integration among states. We are convinced that all West African leaders would want to be in the vanguard of this new movement towards regional economic integration. We believe therefore that the time is ripe to review the existing arrangements for cooperation and integration in West Africa and to update them in the light of the changes and reforms taking place both within and outside the region.51

Having adjudged the ECOWAS Treaty of 1975 as lacking in some areas such as; `political' cooperation, regional peace and security, the binding effect of the decisions of the Authority and the Council, and the supranationality of the ECOWAS, the Committee was mandated to review the Lagos Treaty of 1975 paying attention to : the legislative powers of the Authority of Heads of State and Government; the financing of the budgets of the Community Institutions; and the decision making procedures of the Authority and the Council of Ministers. The Committee in its deliberations identified for attention four basic issues : institutional matters; political cooperation, regional peace and security; financing of regional integration efforts; and available options for cooperation and regional economic integration.

The Committee came out with the following conclusions which provide the basis for the Revised Treaty: the involvement of non-governmental organisations (NGOs)and the private sector in the operation of ECOWAS; reinforcement of production and trade, while building national development capacities; improving upon ECOWAS; improvement of ECOWAS decision-making process and procedures; strengthening of ECOWAS institutional and operational framework as well as the delivery capacity of the Executive Secretariat; the imperative of alternative and effective ways of fund raising and resource management; respect for and observance of certain principles and basic undertakings; the rationalisation of inter-governmental organisations in West Africa along the decision of the Authority at Abuja in 1991 which approved a single economic community; and the necessity of the goal of establishment of an economic union of West Africa through ECOWAS.[52]

After considering the report of the Committee of Eminent Persons at its July 1992 Session, the Authority adopted, in principles, the various innovations proposed by the Committee and accordingly directed Council to complete its consideration of the 'Draft Revised Treaty'. A meeting of legal and other officials was organised in Lagos in October 1992 to carry out an in-dept examination of all the provisions of the 'Draft Revised Treaty', and at the 1993 July summit the ECOWAS Revised Treaty was adopted and signed.

The Revised Treaty contains 22 chapters divided into 93 Articles. According to Article 2 of the Treaty, ECOWAS "shall ultimately be the sole economic community in the region for the purpose of economic integration and the realization of the objectives of the African Economic Community". The aims of the Community include: promoting cooperation and integration towards the establishment of an economic union in West Africa "in order to raise the living standards of its peoples, and to maintain and enhance economic stability, foster relations among member states and contribute to the progress and development of the African Continent"[53].

To achieve the aims, the Community shall by stages ensure: the harmonisation and coordination of national policies and the promotion of integration programmes, projects and activities, particularly in food, agriculture and natural resources, industry, transport and communications, energy, trade, money and finance, taxation, economic reform policies, human resources, education information, culture, science, technology, services, health, tourism, legal matters; the harmonisation and coordination of policies for the protection of the environment; the promotion of the establishment of joint production enterprises; and the establishment of a common market through trade liberalisation, common external tariff and the removal, between member states, of obstacles to the free movement of persons, goods, services and capitals and to the right of residence[54].

Other measures provided for in the Revised Treaty are: the establishment of an economic union and the creation of a monetary union; the promotion of joint ventures by private sector enterprises and other economic operators, in particular through the adoption of a regional agreement on cross border investments; the integration of the private sectors; the promotion of enabling environment for the development of small and medium scale enterprises; the harmonisation of national investment codes leading to the adoption of a single Community investment code; the harmonisation of standards and measures, the promotion of balanced development of the region, the encouragement and strengthening of relations and, the promotion of the flow of information particularly among various social groups and organisations; the adoption of a community population policy; the establishment of a fund for cooperation, compensation and development; and any other activity that Member States may decide to undertake jointly with a view to attaining community objectives[55].

Article 13 of the Revised Treaty provides for the establishment of a

Parliament of the Community and, a Court of Justice is to be established under the provisions of Article 15. The Court of Justice shall carry out the functions assigned to it independent of the member states and the institutions of the Community, and its judgements "shall be binding on the Member States, the institutions of the community and on individuals, and corporate bodies".

Whereas it can be said that the overall logic and philosophy of ECOWAS has not changed fundamentally, it should be acknowledged that new institutional framework put in place under the Revised Treaty to enhance the delivery capacity of ECOWAS has largely borrowed from the Article 198 of the Treaty of Rome of 1957, setting up the EEC:

> In order to carry out their task in accordance with the provisions of this Treaty, the Council and the Commission shall make regulations and issue directives, take take decisions, make recmmendations or give opinions. A regulation shall apply generally. It shall be binding in its entirety and take direct effect in each member state. A directive shall be binding, as to the result to be adhered, on each member states to which it is directed, while leaving to national atuhorities the choice of form and method. A decision shall be binding in its entirety upon those to whom it is directed.

The idea is to assert the supranationality of ECOWAS institutions and facilitiate their functions and role in integration process. Perhaps it can also be said that the ideals of democratisation informed the provision for the establishment of an ECOWAS Parliament, tailored after the European Parliament, to exercise advisory and supervisiory powers over the organs of ECOWAS.

These innovations are most welcomed especially in view of the problem of lack of political will as manifestated in delay in the ratification of Protocols and Conventions by most member-states. Ratification constitutes a significant step in the process of implementation of community acts and decisions. Non-ratification or delayed ratitication represents another form of non-application of decisions or failure to fulfill the obligations devolving on member-state. Between 1978 and 1989, the Authority had adopted and signed 21 protocols, but only one of these had been ratified by the entire membership. As at the end of 1993 30 Protocols and Conventions had been adopted and signed. Ghana and Guinea had ratified 28 out of these Protocols, followed closely by Burkina Faso and Nigeria (26), Togo (25) Senegal and Guinea Bissau (24). The Gambia (23). Five member-states had ratified 23 Protocols and two ratified 18 Protocols. Mauritania had the poorest record of ratification with only three 3 Protocols ratified (see Table 9.1).

TABLE 9.1
Table of Ratification of Protocols and Conventions

Country	Status of Ratification as at 30/11/93 No. of Protocols and Conventions Signed from 1978 to November 1993 = 30	Status of Non-Ratification as at 30/11/93
Ghana	28	2
Guinea	28	2
B/Faso	26	4
Nigeria	26	4
Togo	25	5
Senegal	24	6
Guinea Bissau	24	6
Gambia	23	7
Liberia	23	7
Sierra Leone	23	7
Mali	23	7
Cote d'Ivoire	23	7
Niger	23	7
Cape Verde	18	12
Benin	18	12
Mauritania	3	27

Source: ECOWAS Secretariat

In 1990, at Banjul (Gambia), the Authority, observing that not all member-states had ratified all Protocols and Conventions as was previously decided by the Ouagadougou Summit (1989), urged the member-states concerned to complete the ratification of all outstanding Protocols and Conventions, and hence the above record of performance in Table 9.1. It is hoped that the new institutional setting will make impact by fostering political will which in turn will facilitate early ratification of Protocols to avoid impediments in the coming into force of Protocols.

The provisions on `political' cooperation, regional peace and collective security are product of the new wisdom that: "the status of political relations constitute a veritable determinant in the domain of regional economic integration"[56]. The particular experience of the Liberian crisis was quite helpful in drafting these provisions, especially, those relating to political stability and security of the sub-region.

Generally speaking, the institutional reforms brought about by the Revised Treaty hold out good prospect for efficient management of integration programmes and activities. However, it must be pointed out that these arrangements assumed easy surrendering of national sovereignty by member states. The issue of sovereignty is at the back of lack of commitment to integrations process. The reforms under the Revised Treaty have copied substantially the provisions of the EEC Treaty. But the attitudes of political leaders of ECOWAS countries to sovereignty differ significantly from that of European countries that would surrender sovereignty to a Council of Ministers and a Commission of Officials. Thus the concept of `sovereignty' and the interpretations given to it by leaders of West African states will continue to determine to a larger extent the successful implementation of most of the ambitious proposals in the `Revised ECOWAS

Treaty'.

To date developments in West Africa is not indicative of the readiness of both the Anglophone and Francophone to work together to enable regional institutions work effectively. Although there are talks about "accelerated regional integration first" on both sides, yet this has not removed mutual suspicion from their calculations. For instance, while ECOWAS has already been designated as the organisation responsible for regional integration in West Africa (Article 2 of the Revised Treaty says that ECOWAS will ultimately become the sole regional organisation in charge of West Africa), the existence of a sub-group within ECOWAS cannot be less worrisome. The creation of UEMOA can be easily associated with West African francophone solidarity through the West African Franc zone. A perceptive observer indeed asked the question: "Is the creation of UEMOA intended to promote francophone economic integration first, which is later to be re-integrated with the other lusophone and anglophone parts of the subregion?"[57].

While it is possible to speculate that some levels of preparedness to give up sovereignty over certain matters towards the success of regional integration now exist in West Africa, it still must be acknowledged that actual prospect in this regard depends largely on the resolution of some structural contradictions in the economies of West African States. It is quite common to find regional schemes in the Third World emphasising superstructural factors at the expense of substructural conditions. This shortcoming also characterised the provisions of the Revised Treaty in the pursuit of the goal of promoting industrial development of member-states and the integration of their economies.

To promote industrial development in their domains, member states are expected to "strengthen the industrial base of the community, modernise the priority sectors and foster-self-sustained and self-reliant development."[58] They are also to promote joint industrial development projects as well as establish multinational enterprises in priority industrial sub-sectors.The creation of "a solid base for industrialisation" and the promotion of collective self-reliance are to be pursued by member-states by emphasising "the modernization of priority sectors of the economy such food and agro-based industries, building and construction industries, metallurgical industries, mechanical industries, electrical, electronics and computer industries, pharmaceutical, chemical and petro-chemical industries, forestry industries, energy industries, textile and leather industries, transport and communications industries, bio-technology industries, and tourist and cultural industries.[59]

Other measures and strategies for achieving the goal of industrial cooperation and integration in ECOWAS include: encouragement and strengthening of private and public multinational industrial projects; promotion of medium and small-scale industries; promotion of intermediate industries with strong linkages to the economy in order to increase the local component of industrial output within the community; preparation of a regional master plan for the establishment of industries; the encouragement of the participation of West African entrepreneurs in the regional industrialisation process; the promotion of intra-regional trade in industrial products manufactured in member-States; encouragement of specialised institutions for the financing of West African multinational industrial projects; promotion of technical cooperation and the exchange of experience among member-States in such areas as industrial technology, and technical training; establishment of a regional data and statistical information base to support industrial development at the regional and continental levels; promotion of industrial specialisation on the basis of natural resource endowments, and which in turn enhances complementarity and expansion of intra-regional trade; and the adoption of common standards and appropriate quality control systems.[60]

From the above, it is clear that once again constraints to sub-regional industrial development and industrial cooperation have been conceived in terms of problems of insufficient funding, marketing and distribution facilities, inadequate infrastructures, uncomplimentary industrial products etc. We have maintained in previous chapters that these are unquestionably impediments to the actualisation of well-conceived programmes for industrial cooperation in West Africa. However, these do adequately represent the conditions of dependency in West Africa that prop up the physical and socio-political impediments to industrial development as well as sub-regional industrial cooperation in West Africa. Whereas the provisions relating to industrial development and industrial cooperation in ECOWAS cooperation are very ambitious, the Revised Treaty fails to seriously address the political economy of industrialisation in West Africa. Industrialisation is reduced to technical activity in the main, and that it can be expanded and made efficient through proper and proportionate combination of industrial inputs. The social forces such as labour, foreign capital and civil society that make (or unmake) industrialisation are all assumed to be working in favour of industrialization. This is the missing link!

Besides, trade liberalisation, monetary cooperation and other levels of cooperation are assumed to be working perfectly in order; and industrial cooperation programme are to make the best out of these. Similarly, the various national governments, civil services and elites of the different countries are assumed to be in romance with regional integration. What about the international environment? Its influence on goals of industrial development and industrial cooperation must be appreciated especially in view of the external orientation of the economies of the West African States.

It is not clear at present what the impact of the Revised Treaty will be on the ECOWAS, moreso as a vehicle for West African industrialisation. Much will depend on the amount of attention given to the social forces in West Africa to make regional integration a reality for the attainment of the goal of collective self-reliance.

9.5 Current Performance of World Economy and the Consequences for West Africa

The discussion on the 'Revised ECOWAS Treaty' concludes our presentation of the various institutional responses to the `new world order' by states in the West African sub-region. Our discussion has focussed on the forms of the responses. However, it suffices to say that the theoretical underpinings behind the proclamation of a 'new world order' and also the various forms of responses require further indepth understanding.

In consistent with the dominant perspective in this work, our interpretation of the 'new world order' which in a sense has remained implicit till now is contrary to the method of interpretation that informed the already discussed responses and prescriptions. While it is possible to say that there has been a change in direction in the international system, this change is not fundamental enough as to warrant a proclamation of a new world order. To interprete "changes in terms of the products of the clashes of ideology, that is, at the level of the superstructure"[61] as the dawn of a new order is theoretically inadequate. The main limitation in this conception of international system consists in its failure to identify the structural prospects of the `changes' in terms of `relations of production'. Within this conceptual framework the problem of `marginalisation' of Africa for instance is to be addressed through political pluralism, provision of economic and social infrastructures and compliance with international law.

There is no doubt that the international environment is going through changes "at the level of leadership, organisation and public administration"[62]. It is our opinion that mere changes at the superstructural level do not constitute radical change in the international system. A rapproachment between the East and West is not synonymous with a new world order. Rather a change in the global system should be accompanied with changes at the level of the social structure. The current performance of world economy has demonstrated that the patterns of interactions among social forces and movements in the international system has not changed. This is because the structure of international division of labour has remained largely unchanged.

Generally, the world economy has witnessed not strong recovery. In 1993 global output growth was 2.2 per cent. Although this was an improvement on 1992 figure (1.7 per cent), yet the record was below potential levels of output, particularly in the industrialised countries.[63] Major industrialised countries have continued to record weak economic activity as they battle hard to re-establish growth in their economies. In 1993 these economies responded differently. The US economy recorded a growth in output estimated at 2.7 per cent. With the exception of UK with a growth rate of 1.8 per cent, most of the countries of Western Europe maintained the record of the previous year or even declined from that[64]. Japan that had a GDP growth rate of 4.0. per cent in 1991 experienced a contraction in output in 1993 recording a 0.1 per cent[65].

In contrast to the performance of the industralised countries, the developing countries as a group enjoyed high rates of output growth in 1993 (6.1 per cent). Asia recorded an average growth rate of 8.7 per cent, and Latin America recorded 3.4 per cent. But Africa continued to experience a decline rate of growth. According to **The World Bank Annual Report 1993:**

> Sub-Saharan Africa's growth performance continued to be poor. Among the reasons were severe drought in the southern tier of countries, extremely poor world prices for coffee and cocoa, and an escalation of hostilities in Angola, Liberia, Somalia, and Zaire. Most countries in the region continued to endure declining per capita incomes....The decline in coffee and cocoa prices to their lowest levels since 1975 adversely affected a number of countires that are heavily reliant on the export of these commodities.[66]

Interest rates remain high in OECD countries pushing up the cost of debt servicing and further depressing commodity prices by raising the cost of stock holding. The implication of this for Third World countries is reduced earnings from their trade transactions and rise in their debt.

Although net resource flows to developing copuntries recorded dramatic increase in 1992 to US $175.6 billion from US $134 billion in 1991, with an increase of 31.0 per cent. The increase in private capital flow from US $62.2 billion to US $99.8 billion was largely responsible for the above. In contrast, increase in official development finance was modest at 3.1 per cent increase. It is expected that the private capital flows will increase futher in the 1990s especially for countries in Asia and Latin America[67]. Official Development Assistance is almost stagnating if not declining. Many of the OECD countries are themselves confronting difficult budgetry problems. Reduction in the flow of concessional resources to the South continues with cuts in aid to developing countries. Canada which is generally believed to be the most generous donor country is already cutting its foreign aid budget as part of the government's over all plan to reduce Canada's growing budget deficit.[68] With United Kingdom the story is not really different as aid to developing country is expected to remain frozen from

1993/94 to 1995/96.[69] Africa remains the most vulnerable because of the extent of dependence on external assistance. According to the African Development Bank: "The high dependence of Africa on official developemnt finance and its failure to attract substantial amounts of foreign investment has resulted in a noticeable decline in the region's access to external resources"[70].

The international trade environment is not in any way better. In 1991 the volume of world trades grew by only 1.5 per cent.[71] And only 7.0 per cent of world trade was conducted in full compliance with GATT principles.[72] Developing countries' exports continue to face formidable barriers in the markets of developed countries, including discriminatory protectionism such as technical and environmental standards in violation of international accepted principles.[73] World commodity markets remain generally depressed, adversely affecting a large number of countries such as those in West Africa which derive a high proportion of their export earnings from commodities.[74]

The volume of world trade increased by 3.0 per cent in 1993. This was still below the 4.6 per cent recorded in 1992. In 1993 industrialised countries recorded no growth in their exports while their imports grew by only 1.2 per cent. By contrast, the developing countries increased their expor by 9.3 per cent[75]. With regard to the movement of the prices of exports and imports, the industrialised countries recorded a gain of 0.6 per cent in their terms of trade in 1993, while the developing countries experienced a loss of 1.0 per cent; 1.9 per cent for fuel exporters and 0.7 per cent for nonfuel exporters[76]. Asia, Latin America and Caribbean regions recorded increased intra-regional trade. For Asia, intra-regional trade accounted for 40.0 per cent of total trade and for Latin America and Caribbean it was close to 20.0 per cent. But for Africa, registered intra-Africa trade was at only 6.0 per cent of the total trade of the region[77].

World developments have increasingly lowered expectations of what the revised and extended GATT might achieve: the Uruguay Round of trade negotiations under GATT was a protracted and frustrating exercise. The negotiations were threatened by collapse as well as a trade war, as nations threatened to resort to subsidisation of exports and extension of barriers to trade. Nonetheless, on December 15, 1993 in Geneva, 117 countries reached consensus on the 'Final Act of the Uruguay Round'.

The Final Act is expected to cut tariffs on industrial goods by an average of more than one third in agricultural products, and convert the GATT into a formal international organisation to be called the World Trade Organisation (WTO).[78] The Final Act would discipline the use of subsidies and countervailing measures, and technical barriers; tighten antidumping rules and eliminate certain restrictive trade related investment measures; strengthen existing measures to open up government procurement to foreign suppliers; regulate the use of restrictive safeguard actions; strengthen and clarify procedures for the settlement of trade disputes among WTO members; and increase the transparency of national trade policies.

The developing countries represent about 70 per cent of the contracting parties in the GATT negotiations. However, their share of world trade in terms of both the figures and the value of the goods traded is largely insignificant. Under current GATT system the terms of global trading are not favourable for developing countries, especially African Countries that stand to loose nearly 3,000 million dollars a year by 2002 AD from the changes in the Uruguay Round.[79]

Since African countries mostly have no industrial base from which to compete internationally, they depend largely on earning from export of commodities. Uruguay Round would do nothing to improve prospects for the traded primary commodities such as cocoa, coffee and copper, whose prices have gone lower than they were in the 1970s.80 Although GATT promises increase in the exports of developing countries by 2.8 per cent,[81] it is not likely that there would be much increase in value of exports. It is expected that export crops such as coffee and cocoa will experience further depression in prices by 6.1 per cent and 4 per cent respectively by the year 2002.[82]

The GATT system anticipates an expansion of global market place made possible through developing countries importing more. The latter now would have to export more goods and services to buy the same quantity of imports. The implication of this is the aggravation of the balance of payment crisis of the importing countries which will get them deeper into debt.83 Africa's lot cannot be any better under this arrangement. In 1992 the region owed the developed world US $178 billion. In 1993 debt servicing alone consumed about one-third of the region's total export earnings, while the substance of the real debt recorded increase despite debt forgiveness from some donor countries.[84]

Generally, the GATT arrangement is to the benefit of the North, notably the EU, the US and Japan with their TNCs. The TNCs would grow in power under the current liberalisation of Third World economies through privatisation and the devaluation of currencies. Most Southern countries are already implementing the World Bank/IMF SAPs which emphasise liberalisation of economy.

While it may not be completely out of place to expect that the new trade laws under GATT system will bring about a substantial boost for world trade and reinforce the trend towards the globalisation of world economy, the impact of the Agreement on the poorer countries such as those of Africa is largely uncertain. The GATT rules are strict and specific in areas such as coyright, where Third World countries are notably the culprits, whereas, where the North can easily become offender such as dumping and subsidies, the rules are still vague. One easily recall, once again, the adverse effect of agricultural subsidies on West African agriculture, and particularly on livestock farming in Sahelian ECOWAS countries. On the general level, the African Development Banks presents the uncertainlty of Africa's situation under new GATT laws, especially the future of African export trade:

> As African countries, for the main part, export raw materials and primary commodities that are subject to only minimal or no tariffs, the general reduction in tariffs cannot be expected to lead to greater market access. By contrast, the Agreement could lead to an erosion of the various preferential treatments that African exports enjoy - such as under the Lome Convention - and could, therefore, lead to greater competition from other exporters of primary commodities and manufactured goods. It needs to be noted, however, that African manufactured exports, while growing and significant for rew countries, are still relatively small[85].

Also, whereas the new GATT rules are expected to quicken the liberalisation of world trade, developments all over the world tend to straighten the trend towards increased protectionism. The global trading system between groups of countries to provide for reduction of tariffs on trade and the removal of investment restrictions in most sectors. In North America there is the recently signed NAFTA. Similarly, there is the European Economic Area which extends the single European Market to five other European countries in Europe. While the North American bloc may still have incentive to support the GATT trading rights and discipline since it still needs to expand its exports to the rest of the world, the EC through its EC-92 programme will rather errect greater barriers against the rest of the world. Giving the dependence of the Third World countries on European Markets, these new trading arrangements may have profound implications for their production and trade.

If we therefore accept that the world economy has not witnessed any structural change as already shown in our discussion of its current performance, it is hard to think of a more propserous future for West Africa and by extension ECOWAS within the existing national, regional and global structural arrangements. This assertion further reinforces one of our initial propositions in this study that structural transformation of integrating economies at all levels (national, regional and global) constitutes the basis of any viable collective self reliance programme.

9.6 Notes and References

1. Abass Bundu, "Sub-regional Organisations and the Promotion of African economic Integration: The Case of ECOWAS" Being the address delivered at the International Conference on African Economic Community Treaty, held at NICON-NOGA Hilton Conference Centre, Abuja, January 27th 1994.

2. Article 101 of the AEC Treaty provides that the Treaty shall enter into force thirty days after the deposit of the instrument of ratification by two-thirds of the member states of the OAU.

3. "Final Report by the Committee of Eminent Persons on the Review of the ECOWAS Treaty" P.2.

4. ECOWAS Decision A/DEC.7/5/90 Relating to the Effects of the Completion of the Internal European Market (Europe 1992) on West Africa.

5. See Peter Cocks, "Towards a Marxist Theory of European Integration", **International Organization** 34 (1) Winter 1980, PP.1-40.

6. Abdul Rahman Babu, "1992 and All That" in 'Africa Event ', November 1989. P.37.

7. Peter Cocks, op cit P.27.

8. Quoted in Ibid

9. 'The Courier' No.107 January - February, 1988. P.51.

10. Ibid

11. Olusegun Obasanjo, "Opening Statement" in **Impact of Europe in 1992 on West Africa : Proceeding and Results of a High Level Seminar** (Brussels, Africa Leadership Forum, 1989) P.13.

12. UMOA was one of the only three monetary unions in existence among independent African countries. The other two are the monetary union among five central African countries and France and the Rand area between Lesotho, Swaziland and the Republic of South Africa.

13. All West African countries plus 54 other African, Caribbean and Pacific countries have an agreement with the EC which provides preferential access to the EC market for certain exports from their countries and for financial and technical cooperation among them and the EC.

14. 'The Courier' No.107 op cit P.60

15. Ibid

16. A.J. Hughes Hallett, "The Impact of EC - 92 on Trade in Developing

Countries" **Research Observer** a(1) January 1994.

17. Unilag Consult, **The Potential Effects of the 1992 Single European Market On Members States of ECOWAS** (Lagos; ECOWAS, 1991) P.32.

18. Carol Lancaster, "Completing the European Market-Implications for West Africa" in **The Impact of Europe in 1992 on West Africa op cit** P.50.

19. `West Africa' (London) 6-12 March 1995 p.352

20. Unilag Consult, **op cit** p.32

21. Salimu Ahmed Salim, "Africa: The Challenge of European Economic Integration", Being the 1990 Guardian Lecture delivered in Lagos, June 21, 1990.

22. Unilag Consult, **op cit** P.8. See also `West Africa' (London) 11-17 July 1994. P.1241.

23. Unilag Consult, **op cit** P.35.

24. Ibrahim A. Gambari, "The Significance of Changes in Eastern Europe to Nigeria's Foreign Policy", Lecture delivered at the Faculty of Arts and Social Sciences Public Lecture Series, ABU, Zaria, July 14, 1990 p.8.

25. **Ibid** p.9

26. Nigerian Committee on Europe 1992 (and Beyond), **Dialogue on United Europe: Implication for Our Survival** (Lagos; NCOE, 1992) PP.8-9.

27. The status of most of these arrangements is not very clear especially in view of recent developments whereby some of the EC countries (like Britain) now require nationals of African countries to apply for visa.

28. `West Africa' (London) 10-16 April 1995 p.542

29. **Ibid**

30. See Ngek Tatah Mentan, "Monetary Politics in Franc Zone Africa: The Wolf-Sheep Game", **Africa Development**, 18 (4), 1988 PP.29-43.

31. `The Economist' (London) July 21, 1990 cited in Unilag Consult **op cit** P.42.

32. The recommendations of the Delors Report, upon which the Treaty of Maastricht is based, among other things listed, the three basic attributes of monetary union: full currency convertibility, complete integration of financial markets and irrevocable locking of exchange rates. Hence, the Report (in paragraph 23) maintains that: "The adoption of a `single currency', while not strictly necessary for the

creation of a monetary union, might be seen ... as a natural and desirable further development of the monetary union. A single currency would clearly demonstrated the irreversibility of the ... monetary union, considerably facilitate the monetary management of the community and avoid the transactions costs of converting currencies ... The replacement of national currencies by a single currency should therefore take place as soon as possible after the locking of parities" See the Report of the Committee for the Study **of Economic and Monetary Union** (Delors report. Luxembourg: Office for Official Publications of the European Communities, 1989).

33. \`IMF Survey' January 24, 1994. P.17.

34. **ECOWAS Document** ECW/CM.XXXIV/2 p.41.

35. **Ibid** P.52.

36. \`West Africa' (London) 18-24 October 1993. P.1870.

37. \`West Africa' (London) 31 January - 6 February 1994 P.182.

38. \`West Africa' (London) 10-16 April 1995 p.557

39. \`West Africa' 16-22 May 1994 P.854.

40. AEC Treaty, Article 4 (section 1).

41. C.A. Ogan, "The International Personality of the African Economic Community (AEC)" in M.A. Ajomo and Omobolaji Adewale (eds.) **African Economic Community Treaty: Issues, Problems and Prospects.** (Lagos; Nigerian Institute for Advance legal Studies, 1993) P.52.

42. **Ibid**

43. See Preamble to the AEC Treaty, and also Article 1 (c) and Article 98 (section 1).

44. AEC Treaty, Article 11 (Section 1) and Article 21 (section 1).

45. Ibrahim Gambari, "The Political Implications of the African Economic Community" in M.A. Ajomo and Omobolaji Adewale (eds.) **op cit** PP.62-63.

46. \`West Africa' (London) 16-22 August, PP.1443-1444.

47. See the Address by General Ibrahim Babangida, President Federal Republic of Nigeria to the International Conference on African Economic Community Treaty, held at Nicon-Nöga Hilton Conference Centre, Abuja, on January 27th, 1992.

48. The Revised Treaty of ECOWAS (Article 2); and also Article 78.

49. **ECOWAS Document** No. ECW/CM/XXXIV/2.P.20.

50. `Final Report by the Committee of Eminent Persons' P.2.

51. **Ibid** (Preface)

52. **Ibid** P.5

53. The Revised Treaty of ECOWAS, Article 3(1).

54. The Revised Treaty of ECOWAS, Article 3 (2).

55. **Ibid**

56. Abass Bundu, "Sub-Regional Organisation and the Promotion of African Economic Integration: The Case of ECOWAS", Address at the International Conference on African Economic Community Treaty, held at Nicon-Noga, Abuja, on January 27th, 1992.

57. Amady Aly Dieng in `West Africa' (London) 16-22 May 1994, P.860.

58. The Revised Treaty of ECOWAS, Article 26 (2).

59. **Ibid**, (3)

60. **Ibid**

61. H. Assisi Asobie, "Conceptualizing the Configuration of Forces in the Contemporary International System: Contending Perspectives". Paper presented at the 18th Annual Conference of the Nigerian Society of International Affairs, National Institute for Policy and Strategic Studies, Kuru-Jos November 23-25, 1992.

62. Address by the President, Commander in Chief of the Armed Forces of the Federal Republic of Nigeria, General Ibrahim Badamosi Babangida at the Nigerian Institute of International Affairs One-day National Seminar on Africa and the New World Order on Saturday, 11th July 1992.

63. ADB, **African Development Report, 1994** p.1

64. **Ibid**

65. **ECOWAS Document** ECW/CM.XXXI/2 P.18

66. The World Bank, **The World Bank Annual Report 1993** (Washington D.C 1993) P.30.

67. ADB **op cit** p.1

68. `West Africa' (London) 3-9 May 1993 P.736.

69. `West Africa' (London) 20-26 September 1993 P.1575.

70. ADB op cit p.1

71. ECOWAS Document ECW/CM.XXX1/2 P.18.

72. UNDP, Human Development Report (1992) cited in ECOWAS Document ECW/CM/.XXX 11/2 P.7.

73. Facing the Challenge: Responses to the Report of the South Commission (London and New Jersey; Zed Books/South Centre, 1993) P.4.

74. Ibid and also `West Africa' (London) 27 December 1993 -9 January 1994 P.2360.

75. ADB op cit p.10

76. Ibid

77. Ibid

78. The WTO will serve as a single institutional framework encompassing the GATT and all the results of the Round. It will be directed by a Ministerial Conference that will meet at least once every two years, and its regular business will be overseen by a General Council. Countries must accept all of the results of the Uruguay Round to become WTO members.

79. Christian Aid, "Winners and Losers" cited in `West Africa' (London) 20-24 December 1993, P.2311.

80. `West Africa' (London) 13-19 June 1994 p.1058.

81. Ibid

82. Christian Aid, "Winners and losers" cited in `West Africa' (London) 20-26 December 1993 P.2311.

83. `West Africa' (London) 13-19 June 1994, P.1058.

84. `West Africa' (London) 27 December 1993 - 9 January 1994 P.2360.

85. ADB op cit p.11

CHAPTER TEN

CONCLUSIONS

10.1 Summary

For most countries in the South, one of their aspirations is to attain a reasonable degree of industrialisation. This is because it is generally believed that industrialisation forms the bedrock of economic development. In the particular case of African countries, the disappointing overall industrial performance in the 1970s called for further rethinking on what should be the strategy for industrialisation. The dominant assumption is that the creation of expanded regional market and the removal of tariff and quantitative restrictions would eventually lead to economies of scale for members of such regional market. Thus African countries continue, up to date, to anticipate industrialisation made possible through increased regional economic cooperation. The 1990s have seen a resurgence of interest in cooperation and integration in Africa including the West Africa sub-region, which alone has about thirty-five inter-governmental organisations whose responsibilities centre on the promotion of regional economic cooperation. ECOWAS is one of such regional economic groupings among countries in the less developed region. Its setting provides a good context to postulates on the crisis of dependent regionalism.

The ECOWAS Treaty attempts to address the issue of industrialisation from the onset. Members are expected to cooperate with one another in the exchange of industrial plans, ensure that unhealthy rivalry and waste of resources are avoided, and harmonise their industrial policies so as to avoid disruption resulting from dissimilar policies.[1] Furthermore, there are provisions meant to facilitate industrial harmonisation among ECOWAS countries within the framework of the customs union arrangement. The first stage is for consultation and exchange of information on major industrial projects. The second stage is concerned with the harmonisation of industrial incentive and industrial development plans while the third stage is expected to launch member-states into the era of the exchange of personnel, training and joint development of industries.

In the official accounts of ECOWAS activities, the ECOWAS Secretariat gave catalogue of programmes in the industrial sector which include: the adoption of programme for close cooperation in the area of technological development, training, technical assistance and the exchange of information; the adoption of a protocol on community enterprises; and the preparation of a master-plan for the industrial development of West Africa. These official sources are largely optimistic of ECOWAS potentialities for development. The claim is that ECOWAS has now moved from the traditional market-integration to the production integration approach; and also that the wider market of ECOWAS can prevent the effect of the contradictions and limitations of individual country's industrialisation strategy!

In spite of the many claims of success and the catalogue of activities in the industrial sector by the ECOWAS agencies, the actual ability of ECOWAS to stimulate regional industrial development in the West African sub-region remains quite minimal. In its two decades of existence, ECOWAS has not succeeded in stimulating industrial development in West Africa. While there are some senses in which it can be said that Nigeria and Ivory Coast experienced some levels of industrial development in the 1970s, the ECOWAS sub-region as a whole is still far from the goal of industrial development. Even when judged against the standard measures provided for within the framework of customs union type of integration scheme - the harmonisation of national promotion instrument, the establishment of common rules on the treatment, control and regulation of foreign commitments such as foreign investment and TNCs, and the treatment and promotion of community - wide joint ventures - the disappointing overall industrial performance of the ECOWAS sub-region is undeniable. It is against this background that this study tried to find solutions to the problem of ineffectiveness of the Community, especially in the pursuit of the goal of West African industrialisation.

With the problem of ineffectiveness of the Community established, we conjectured that `dependency' may be responsible for the slow pace of industrial development in West Africa. Thus, the main thrust of the study was an assessment of the effectiveness of the role of ECOWAS in the industrialisation of West Africa, against the background of its dependent character. We have investigated the logic and philosophy of ECOWAS strategy for industrial development as well as the institutional arrangement put in place for the achievement of the objective of industrial development of West African states. We, as a matter of fact, treated the conditions of dependence in West Africa as the dominant variable that has impeded progress towards industrialization in West Africa. This approach helped to put in a clearer perspective the origin of the problems and contradictions of industrialization in West Africa.

Our theoretical emphasis was on the need to re-examine the existing theories of regional integration in the Third World. This also helped us to evaluate the logic of accepting regional integration within the framework of a `hybrid' model of `laissez faire' and customs union. This study rejected the analytic frameworks which are based on the experiences of the industrialised societies, because the conditions of West African countries are very different from that of the industrialized societies.

Thus, this perspective indeed led us towards making a number of specific assertions based on the major assumption that the process of West African integration is influenced by the historical circumstances and the dynamics of the social forces within the sub-region and in the individual integrating economies. Also it was contended in this study that ECOWAS can be regarded as a capable channel for fulfilling development objectives of its members only to the extent to which it epitomises an attack on the conditions of underdevelopment and dependence in West Africa.

10.2 Findings

The study revealed that the process of regional integration in West Africa has been pursued by ECOWAS through a `hybridisation' of `laissez faire' and the customs union theory with scant attention given to the crisis of dependency in the sub-region. This has resulted in the goals of integration being restricted to economic sphere with concern for purely economic relations. The ECOWAS Treaty therefore was meant to guide trade relations among member-states of ECOWAS as evidence of economic integration. Whereas integration represents a much more formal arrangements which require states to make certain political and economic sacrifices and commitments as well as concessions, and demonstrate political will towards a redefinition of their individual and collective participation in the international economy, the ECOWAS Treaty represents a case of deliberate abstraction of `politics' from the process of integration.

With regional integration conceived strictly in terms of economic relations among the states involved, the role of ECOWAS as an economic community was intended to be that of creating some infrastructures where commodities can be exchanged at a reasonable cost. Exchange and markets are to be set-up to facilitate movements of goods and people! Since the role of ECOWAS under the Treaty was that of facilitating exchange process at best, economic integration in West Africa should remain a tariff matter. If tariff obstacles are removed from the movement of people and commodities, the members of the Community may benefit from the dynamics of the market! By this ECOWAS, as a regional integration initiative, assumed that the relations of production be preserved. Similarly, the conception of `economic development' as tariff matter reduces the possibility of changing the Community and is generally silent on the issues of the origin of capital, the dynamics of production and the impacts on social classes.

It is only the owners and controllers of factors of production that can effectively take advantage of free-trade and factor mobility. Thus ECOWAS' adherence to the dominance of market forces in its operations has led to asymmetrical patterns of exchange, polarisation, and the resulting disequilibria created by forces of instability and disintegration. ECOWAS activities consisted in the freeing of trade, the adoption and determination of a common external tariff against third members and factor mobility. Since most countries of the West African sub-region depend on tariff duties for revenues and are largely unable to compete under free trade conditions, regional inequalities and how to resolve them had become the preoccupation of ECOWAS.

The ECOWAS Treaty provides for means of compensation, and also seeks to provide protection for the relatively less-developed member-states of ECOWAS, hence its attempts to spread the costs and benefits of regional integration in such a way as to avoid nationalistic antagonism. Such compensatory and corrective measures in the case of ECOWAS include: provisions on location of community industries. However, such special provisions have not been able to address the roots of the contradictions within the West African political economy.

All these point towards a fundamental constraint on ECOWAS. Its inability to address the contradictions arising from the conditions of dependence - the lack of internal linkages within West African economies, the largely unproductive nature of the dominant forces in West Africa, the lack of effective control over TNCs, and problems of instability - are capable of generating forces of disintegration. An alternative conception of West African economic integration should be able to emphasise a restructuring of the role of West Africa in the world economy, a very effective control over TNCs in order to promote re-investment, transfer of skills and technology, and the formation of sectoral linkages towards promoting self-reliance. Such an alternative conception recognises the unproductive alliance between certain social classes and transnational interests, the difference between production and distribution or exchange activities, the danger of import substitution industrialisation, cultural alienation, political instability and mass poverty, especially as they affect the outcome of integration. Also, this conception aptly relates regional integration to international politics, especially where member-states of regional schemes are still economically dependent on external forces as in the case of countries in West Africa.

The study also revealed the inadequacy of ECOWAS strategy for industrial development and sub-regional industrial cooperation. The claim that trade is the engine of growth and that increased trade through expanded market can stimulate industrialisation, which in turn lead to the development of industrial export was found to be inadequate in West Africa. The problem with this strategy is that of defining market's optimality as being determined by the size of market while paying less attention to other factors. This narrow conception has tendency to focus on the general problems of industrialisation in the Third World at the expense of more fundamental ones such as dependence, the state, class struggle, and national and transnational class alliances.

The model of industrialisation advocated by ECOWAS does not appreciate the negative consequences of imperialism on the process of industrialization, or even the impact of neo-colonial alignment and realignment of social forces, as well as their role in the structural integration of West Africa into the world capitalist system. The limitation of this model has been demonstrated in the successful adoption, cooption and control of the industrialisation strategy of ECOWAS by imperialism in various forms. Either under the Economic Recovery Programme or Structural Adjustment Programme, efforts at rehabilitating industries in West Africa have continued largely to `deindustrialised' West Africa as well as negate the goals of regional integration and cooperation. The implementation of SAPs in West Africa have not fought dependence or regulate foreign investment. They have contributed to accelerated dependence and domination rather than self-reliance, national and regional autonomy and the restructuring of local and foreign production and exchange relations.

10.3 **Propositions and Recommendations**

Today there can hardly be any controversy about the desirability of greater regional cooperation and integration as an essential strategy of development. However, the limited success of attempts at regional cooperation and integration in the Third World still raises further questions on what is being pursued as the goal of regional integration, and how to achieve autonomous development through economic regionalism.

On the one hand, one can argue with some conviction that the prospects for economic integration among countries in the ECOWAS community are very bright. Recent trends and developments showed many of the countries to be on the side of increased regional cooperation in West Africa[1]. Given the untiring efforts of these countries as well as the renewed interest of the OAU culminating in the establishment of the AEC, one can conclude that efforts in this direction will continue into the future. Of course, this resurgence of interest in cooperation and integration in Africa has been largely influenced by the unfavourable external environment characterized by depressed world commodity market, discriminatory protection, debt crisis, and the continuing distortive effects of TNCs.

Also, natural disasters (such as drought), the pursuit of foreign policy goals especially through coalitions, the limited achievements – economic and social – in over three decades of political independence and the pressures of increasing social contradictions, class struggles, political instability, and mass poverty have continued to dictate the need for one form of integrative scheme or the other for states to overcome these problems and contradictions. These contradictions have already forced various governments to show interest in more permanent and serious arrangements at a sub-regional or regional level. This is the context in which we can appreciate the renewed interest in regional cooperation in West Africa.

On the other hand, dominant social forces within West Africa also demonstrate lack of interest in economic integration efforts and secondly, for sub-regional industrial integration. The continued adherence to discarded models of development and administration, lack of initiatives and readiness to undertake the necessary internal socio-economic restructuring and the dominant pattern of accumulation which enriches a few at the expense of the majority have combined with other contradictions arising from the misuse of state power, wastefulness and misplacement of priorities to make national governments incapable of making their economies become more interlinked in an integration framework. The lack of regime continuity which is a dominant feature of African politics and governance[2], and the manipulative and technological powers of TNCs also constitute impediment towards the pursuit of serious integrative process in West Africa. Moreover, the class configuration within West Africa – particularly the domination and control of state power and societal resources by a largely unproductive dominant class has often led to isolationist and pseudo-nationalist policies which promote sub-regional disintegration. Under such conditions issues of regional control of foreign investment and collective self-reliance (CSR) are hardly given attention beyond mere rhetorics.

It is therefore obvious from the above that if economic integration in West Africa is to be achieved for the purpose of reversing underdevelopment and thereby facilitate genuine inter-dependence, the conditions of dependence in West Africa has to be properly addressed.

Based on our analysis so far, three phases of self-reliance are conceivable. These may be referred to as the `national', `regional' and `global'. First, and most important, individual ECOWAS countries needs a new `national' development programme for reversing underdevelopment. This implies embarking on internal changes in areas of political mobilisation and participation, popular access to opportunities for the majority, the overhaul of inherited socio-economic and political institutions, and the redefinition of relations with transnational corporations and other external forces. For instance, relations with TNCs should emphasise re-investment of profits, transfer of technology and skills, the use of location of industries to balance spatial inequalities and distortions and the use of local resources in order to stimulate local production and accumulation.

A self-reliant strategy at regional level constitutes the second phase. This entails the extension of structural changes at the national level to the regional level. This strategy should encourage and seek means of facilitating increase in intra-regional trade, the improvement of transportation and communication system, the erection of political institutions that would assist in the improvement of political relations and understanding and also, the effort to re-define the role of the region in the international division of labour. Policies are to be initiated towards the promotion and coordination of efforts to control the activities of TNCs within the region, promote industrialisation as a means of checking constant vulnerability to changes in global economy and the stimulation of the regional market and specialisation.

The third phase requires a restructuring of the global economic system. This implies a re-definition of the existing unequal exchange and power relations between the continent and the metropolitan economies; the terms of trade with the metropole, the role and power of international financial institutions and TNCs, the debt problem and the brain drain problem.

These are prescriptions with several political ramifications demanding complex institutions and structures, and extensive political will, as well as unity of objectives and commitment. The weight of demands on the strategy of self-reliance (or even collective self-reliance) is much that, it is unattainable within the frameworks of the liberal school, and the dependency model. As a struggle against the conditions of dependence and underdevelopment, self-reliance represents a dialectical unity of economic, political and social processes and each and every form can only derive its character from this dialectical unity.

From these general propositions and prescriptions of a focused consideration on the role of economic regionalism in the development process of countries in West Africa, other specific propositions towards attaining high level of industrialization especially at the national level may consider the followings:

(i) There is a fundamental need to review the development and industrial strategies of countries in the West African subregion to accord greater priority to the local manufacturing of capital goods. Therefore, there should be a serious planned commitment to capital goods projects in the areas of petro-chemicals, machine tool, transport, industrial construction and agricultural machinery and equipment, vehicle manufacturing etc. The benefits of giving priority to capital goods production cannot be emphasised; changes in the capital goods sector have ramifying effects on the entire economy. How? The machinery and equipment for producing both capital and consumer goods can only be produced by capital goods sub-sector.

(ii) The prevailing absence of capital goods industries in most countries in West Africa is not just a reflection of lacking capital but also lacking technical and engineering skills, necessary capital intensive and high technology production require industrial skills which are lacking in these countries. The import of technology in a packaged form (turn-key) is not helping the development of domestic technical skills. Thus, there is need for technology policy in the various West African countries to step up R & D activities for industry, and especially capital goods.

(iii) In West African countries there is the missing link between small-scale industry and medium or large-scale industry (where they exist). The implication of the missing link is that there is a missing sequence in the industrial development of these countries. Therefore there is need to emphasise cooperation and collaboration among small, medium, and large scale industries. Also there is need for the integration of the informal sector into the mainstream economy. Of course, this implies an acknowledgement of the limited absorption capacity of the modern, public and semi-public industrial sector.

(iv) There is capital shortage in West African countries. This of course has implications for industrial investment. How do we compensate for shortage of domestic investment and finance? There is need to encourage private enterprise (indigenous and foreign). This again requires caution, especially on the possible excesses of foreign investors.

(v) There is need to promote subregional and regional planning of development projects in West Africa, giving preference to industrialisation. Within this framework such issues as the condition of technological dependence, and rules concerning industrial property in the sub-region (region) can be addressed.

(iv) Some of the propositions presented above depend largely on sufficient participation of civil society; the people and their representatives in associations, professional societies, farmers' groups, women's groups and so on, as well as political paties. As previously discussed, without sufficient involvement of these groups either in the political process where decisions relating to both industrialization and regional programmes are taken or through adequate consultation, efforts and initiatives stand the risk of becoming easy prey for sabotage. The evident lack of democratisation of power in most of the ECOWAS countries reduces the chances of coordination and dialogue between civil society and the government, and therefore a minus for development possibility generally.

10.4 Notes.

1. Such recent development include the devaluation of the CFA franc and the dissolution of the CEAO which is being interpreted in some quarters as factors capable of disposing the West African Francophones towards a broad-base regional integration in West Africa. However, the creation of UMEOA seems another way of consolidating the Francophone groupings within ECOWAS.

2. Take for instance in West Africa, the English-speaking countries have on record three military regimes (Nigeria, Sierra Leone, the Gambia). It is of note that Ghana's current leader, although now elected, originally came to power through military coup. Also, the interim regime in Liberia is still confronting problems in its moves towards conducting democratic elections. On the Francophones side, the rulers of Burkina Faso, Togo, Mauritania, Guinea all started out with coups. Yet the end is not in sight!

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