ECONOMIC INTEGRATION IN WEST AFRICA: SOME CRITICAL ISSUES

By

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I – INTRODUCTION

In recent years economic integration among developing countries, in its various forms, has become one of the more topical issues in the field of economic development, and the subject has increasingly attracted the attention of policy-makers in the developing countries, as well as that of international organisations and various governments among developed countries. This general trend towards some form of regional economic cooperation in both developed and developing countries is due to the realisation of the importance of economic inter-dependence for the promotion of the economic well-being of the peoples of these countries. This general awareness has found expression in the attempts by the United Nations and its various agencies, as well as by bodies outside the U. N. framework to encourage regional economic integration *(1)*.

Since the early 1970s, and especially following the increase in oil prices, fluctuations in other commodity prices and the consequent financial and balance of payments problems, the need for collective self-reliance among the developing countries has received a new note of urgency. The multiple problems have all combined to wreak havoc on these countries and to jeopardise their prospects of attaining the goals and targets set forth in the International Development Strategy as well as in their own development plans. The action of the members of the Organisation of Petroleum Exporting Countries (OPEC) was viewed by the countries of the Third World as constituting some kind of watershed in North-South relations. The developing countries saw in this action, despite the consequences it had for many of them, a manifestation of the ideas of self-assertion and a departure from what appeared to them the futile exercises in persuasion, even supplication, in which they had hitherto been engaged. It was not surprising, then that the issues of structural change and collective self-reliance were the dominant themes of the resolution finally adopted by the Sixth Special Session of the United Nations General Assembly.

However, in spite of the Declaration and Programme of Action for the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States adopted by the Sixth Special Session of the General Assembly, and even in spite of the optimism engendered by the co-operation between the developed and developing countries the Seventh Special Session of the General Assembly, very

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little progress has been achieved when it comes to concrete measures to reorganize international economic relations on bases which are both realistic, just and equitable. The confrontation between the developing countries and the developed countries which manifested itself at the Sixth Special Session, the failure of the developing countries to achieve most of the objectives that they sought for the purposes of restructuring the world economic order at the Fourth Session of UNCTAD at Nairobi in May 1976 *(2)*, and the breakdown of the Paris North-South Dialogue in June 1977 – all suggest that the salvation of the developing countries lies in mapping out their own strategy to solve their own economic problems. They are to foster mutual cooperation so as to impart strength to their national endeavours to fortify their independence *(3)*. For although each individual country might be weak, President Nyerere has said,

> *Together, or even in groups, we are much less weak. We have the capability to help each other in many ways, each gaining in the process. And as a combined group we can meet the wealthy nations on very different terms; for though they may not need any one of us for their own economic health, they cannot cut themselves off from all of us (4).*

To the developing world, therefore, economic integration and cooperation has become imperative.

It is against this background that we attempt in this paper to analyse the case for economic integration in West Africa and the problems and issues that arise in connection with such a scheme. The paper is divided into five sections. After this introductory section, we consider in section II the theoretical bases for West African economic integration. Section III analyses the complexities and objective conditions in West Africa, and briefly summarises the current efforts at economic integration in the sub-region. In section IV, some of the most serious, and potentially most disruptive, problems which are likely to confront an economic integration scheme in the sub-region are highlighted, while section V, the concluding section, attempts to make some observations for consideration by policy-makers involved in the creation and operation of a viable West African economic integration scheme.

II – ON THEORETICAL BASES FOR WEST AFRICAN ECONOMIC INTEGRATION:

Although most cases of regional economic integration are among Third World countries, yet research in this field has been dominated by theory based on the European experience. The EEC has thus become, in the words of Joseph Frankel, «a living laboratory for the integration theory» *(5)*. Not surprisingly, the literature on economic integration and development has pointed out that developing countries do not satisfy the criteria of neo-classical customs union theory and that they will not reap the traditional welfare gains from integration. Hence some economists, such as Jacob Viner and R. G. Lipsey, deny that integration schemes will benefit developing countries *(6)*. Their argument is based upon the concept of trade creation and trade diversion. Professor Viner defines trade creation as a shift in trade from a high cost to a low cost source of supply within the integration area, and trade diversion as a shift from a low cost source of supply outside the integration area to a high cost producer within it. In Viner's view, if there is more trade diversion than trade creation within a customs union, then the net effect on world welfare and the welfare of the members will be negative. Since trade diversion (at least in the short run) will obviously prevail over trade creation in Third World customs unions as the members shift from low cost producers in the developed world to high cost producers among their neighbours, Viner and Lipsey are opposed to the creation of customs unions among developing countries.

On a theoretical basis, therefore, there might appear to be little to justify economic integration in West Africa. It must be pointed out, however, that Viner's analysis is set within a static framework; it ignores dynamic factors. This approach relies heavily on neo-classical assumptions of full employment, perfect competition, constant returns to scale, perfect internal mobility of factors of production and equality of private and social costs. It also evaluates the desirability of a customs union from the viewpoint of global welfare considerations only. Although recent literature on customs unions does not ignore static gains, it is now concerned also with the dynamics of economic growth and emphasizes the positive effects of the creation of regional markets on the developmental pace of member countries. In other words, the dynamic effects refer to the various possible ways in which integration affects the rate of growth of GNP of participating countries. They include, for example, the economics of scale brought about by the enlargement of the size of the market for firms producing below optimum capacity prior to integration; or the effect on the value and location of investment *(7)*.

Besides, while the initial effects of a customs union among developing countries may be «expensive» or negative, the long run consequences of public and private entrepreneurs' being able to produce and sell for a regional rather than a more limited national market may be positive in terms of economic efficiency and growth. From a dynamic perspective, economic integration widens the scope for and reduces the cost of import substitution *(8)*. These considerations seem to be of over-riding importance in the decision to integrate the economies of the West African States. For, while there could not be sufficient justification on a «purely static analysis basis» for the creation of a West African customs union, the contrary is the case on dynamic grounds *(9)*.

III – OBJECTIVE CONDITIONS IN THE WEST AFRICAN SUB-REGION:

The intricacy of the economic, political and social dimensions of the West African sub-region has been acknowledged and highlighted by previous writers on the subject. As one ECA study put it, «The West African sub-region is the most varied in Africa as to size of countries, degree of economic development, language and economic internal and external links» *(10)*. Nicolas Plessz, on the other hand, states that «West Africa occupies a very particular position in so far as integration is concerned» *(11)*, while Adebayo Adedeji aptly adds that «a study of integration efforts in West Africa is inevitably a study of frustration» *(12)*. For if Africa as a whole is badly fragmented, West Africa is much more so affected than elsewhere on the continent. The region has the largest number of mini-states – the smallest being the Gambia, with a population of less than 0.5 million and a land area of 11,291 sq.km. Similarly, if frontiers are artificial and arbitrary on the continent in general, they are absurd and capricious in West Africa. They run inwards from the coast, cutting across tribal, cultural and linguistic borders. To these must be added the great African political divides – French, Portuguese and English speaking regions, the franc, dollar and sterling areas and, until the Lome Convention of February 1975, EEC associates and non-associates. Besides, with the possible exception of Nigeria, which has a total land area of 923,768 sq.km. and an estimated population of 71 million, representing roughly 58 per cent of the sub-region's total population, none of the states in West Africa is a large enough economic unit capable of creating and sustaining an integrated modern economy with high levels of productivity *(13)*.

Furthermore, if trade dependence is a characteristic feature of developing economies, such dependence is chronic in the West African countries. Exports and imports almost exclusively to and from outside the region account for as much as one-half of the gross domestic product in most cases. Added to this unenviable position is the fact that the majority of the West African countries depend on a single crop – such as cocoa (Ghana) and groundnuts (Senegal) – and some do not possess even this resource in significant quantities.

The countries are poor and the standard of living in the sub-region is one of the lowest in the world. The per capita income of the West African community in 1974 was about 270 US dollars compared to the World average of US dollars 1,422, the European average of US dollars 3313, the Latin American average of US dollars 953, the Asian average of US dollars 366 *(14)*. The level of industrialization is generally very low although the levels vary from country to country. The countries of the sub-region thus possess all the characteristics of under-developed economies. Against this background, therefore, West Africa is perhaps the region of the world where economic integration or at least the avoidance of disintegration, is more imperative for economic development.

Nearly two decades of independence have brought into sharp focus the seriousness of these economic problems. While most West African leaders share an earnest desire to overcome these problems, there is often a tragic lack of resources to enable them to do so. Yet, internal economic weakness has meant continued reliance on external assistance, with some inevitable political repercussions at home. The principal task facing these countries, then, is to move away from the colonial pattern of economic activity, diversifying and modernizing their economic system, ensuring adequate investment in physical infrastructure while at the same time steering clear of capitulation to one or the other of the «isms».

Not surprisingly, since the early 1960s West African States have turned increasingly to co-operation with their neighbours, in the hope that this would enable them to overcome, at least partly, the problem posed by fragmentation and the difficulties created by export dependence. While cooperation both as an ideal and in practice has not been entirely new to West Africa *(15)*, there has been since early 1972 a more systematic discussion of the scope of closer economic integration, its advantages and problems, and of the institutional structures which could support it on a constantly expanding basis.

The outcome of the years of gestation was the creation in Lagos, Nigeria, on May 28, 1975, of the all-embracing Economic Community of West African States (ECOWAS). The ECOWAS treaty has been rightly described as one of «the most ambitious projects of its kind in the world» *(16)* and, in West Africa itself as «by far the most momentous and far-reaching economic treaty since its component parts won independence» *(17)*. The treaty aims at promoting cooperation and development among member states in all fields of economic activity for the purpose of raising the standard of living of its people. The ultimate objective of its efforts is to achieve accelerated and sustained economic development of member states through the elimination of all types of obstacles to the free movement of goods, capital and persons *(18)*. With an enlarged market and subsequent expansion in industrial production taking advantage of economies of scale, industrial growth and technological advancement in the sub-region will be enhanced with a view to benefitting more from technological progress which at present is not shared equitably by all members of the international community.

In view of the hopes, interests and aspirations which ECOWAS has generated throughout West Africa and, especially, of its uniqueness in that it embraces all the countries within the present boundaries of the sub-region, we intend to devote the rest of this paper to analysing some of the critical issues that may confront this infant organization. For in pursuing the ECOWAS objectives, there are constraints that are likely to limit the smooth and quick realization of the goal of desired economic union. Such constraints constitute the problems of the community. It should not be understood, however, that these problems are unique to ECOWAS; they are the type of problems and constraints which are likely to confront any other economic integration scheme of its kind in West Africa. Some comments on the various provisions of the ECOWAS treaty have already been made elsewhere *(19)*, and therefore do not need repetition. What we do here is to highlight the most serious, and potentially most disruptive, problems and issues which do not appear to have received adequate attention from scholars in the field.

IV – PROBLEMS AND ISSUES:

Academic theorists of regional integration, especially of the neo-functional persuasion, initially ignored the external causes and effects and only belatedly have incorporated them within their analytical frameworks *(20)*. It is now an established fact that regional change processes «are not autonomous or self-generated» *(21)*, but responsive to a context of global interdependence and interaction. For, as Philippe Schmitter has recently argued, «No matter what their original intentions, it should prove difficult to isolate regional deliberations from their context of global economic and political dependence» *(22)*. Yet, one of the most salient consequences of integration among developing countries is a reduction of the degree of dependence on the rest of the world *(23)*.

Given this background, it is easy to envisage the kind of problems likely to confront policy-makers and technocrats involved in the operation of ECOWAS. There is in the first place, the problem of the community initiating measures effective enough to combat attempts by extra-regional powers to take advantage of the newly created regional opportunities and thus derive more benefit from integration than would the intra-regional participants. Secondly, and closely related to this, is the problem of extricating the member states of ECOWAS from existing dependency relationships with the metropolitan powers and using national and regional institutions to bring about greater local control over resources. After all the term integration implies the replacement of the existing ties with the metropolitan centres by a new pattern of economic and political integration within the region.

As we have seen, the national economies of the West African countries are dependent in the sense that decisions taken by the metropolitan centres can affect not only the momentum, but the whole pattern of growth of the economy. The external dependence thus constitutes one of the main obstacles to the creation of a West African regional economy through laissez-faire approaches to integration and the operation of effective corrective measures. For it is unlikely that the metropolitan powers would easily allow their areas of influence and their sources of raw materials to slip from their hands. To continue to maintain the dependency relationships, these powers may apply several adaptive measures. For example, by aiding, advising, subsidizing, cajoling, or flattering regional and national actors in West Africa, they may seek to influence the course or collaborative effort and thereby protect their «essential» interests within the region. There is also the tendency that these metropolitan countries will unite and through such kinds of summit meetings, as for example, the recent conference of France and French-speaking African Heads of State held in May 1976 *(24)*, or the biannual meetings of the Commonwealth Heads of State, may gradually undermine the spirit of ECOWAS and all that it stands for.

For an integration scheme in West Africa to enjoy a reasonable likelihood of achieving success it must include measures which aim to reduce dependence on metropolitan countries, and this should be a significant distinguishing characteristic of such a regional integration scheme as ECOWAS. The regional measures should seek to regulate foreign investment and transfer of technology, including the designation of certain sectors of the economy in which foreign participation will be limited or totally excluded. Without such a policy the degree of success of ECOWAS will be sharply limited *(25)*.

Besides the potential threat to ECOWAS emanating from the metropolitan powers is the particular role of such non-governmental external actors as transnational corporations in the integrative process.

To be precise, the basis of operation of many of these actors are located in the metropolitan countries themselves. The actions of such external actors or, what Philippe Schmitter has termed, «external penetration» *(26)*, can have a profound effect on the direction of an integrative undertaking *(27)*. In both the Central American and the European Common Markets, for example, foreign investment has played a key role, even though in neither instance was that the original plan. Some of these actors, like the metropolitan countries, perceive their interests to be adversely affected by an integration process and they become involved in a negative way *(28)*. On the other hand, a large and seemingly positive involvement of these actors can also produce a negative effect in cases in which this gives them a veto power on further integrative steps, as for example, U.S. attitudes towards the Central American industrial allocation scheme *(29)*. Thus, whatever way one looks at it, ECOWAS will be confronted with the problem of how to control the role of these nongovernmental external actors, notably transnational corporations, in the economic activity of the sub-region. For these private external interests may seek to penetrate the new reward system from within in an attempt to get inside the boundaries of the emerging regional system. Therefore, one can expect that ECOWAS, in the absence of deliberate restrictive policies, will stimulate flows of foreign capital and technology *(30)*.

Experience of other economic co-operative arrangements in developing countries has shown that the creation of a customs union has led in many cases to opportunities being created for transnational corporations in particular to exploit the enlarged market. A case in point is the most painful lesson learnt from the experience of the Central American Common Market and Latin American Free Trade Area. The main beneficiaries of regional measures initiated by these two regional groupings intended to promote Latin American enterprises were transnational corporations controlled from outside Latin America, who used free trade area and customs union alike as springboards for obtaining dominant positions outside*(31)*.

The ECOWAS Protocol on the rules of origin anticipated the possibility of «external penetration», for it accepts that «the promotion of trade in goods originating in member states as well as the collective economic development of the community requires indigenous ownership and participation» *(32)*. Conditions which goods must satisfy to qualify as «goods originating in the country» are also specified *(33)*.

While these ensure a reasonable measure of participation of local factor endownments, it is clear that, critically examined, a lot of room is left for foreign participation and for the utilization of foreign resources and capital. It must be pointed out that «ownership and participation» do not necessarily ensure local control especially when it is seen that great reliance is to be placed on foreign technology and know-how. Although it is intended that this reliance on external forces should be minimized by pulling resources together, the tendency of the community technocrats to look outside for forces of development may tend to lead to greater dependence, making the possibility of achieving self-reliance even more difficult.

Unless the role which foreign partners are allowed to play in the Common Market is carefully circumscribed and progressively minimized they may become the dominant force within the community. If this happens then we would have created the opportunity for undermining sustained economic cooperation in the West African sub-region *(34)*.

Another issue of particular importance for a successful implementation of the ECOWAS scheme is the problem of harmonisation of industrial and commercial policies *(35)*. This has stemmed probably from the same significance attached to industrialization as an engine of growth. The primary rationale of ECOWAS as an economic integration scheme is the promotion of industrial development that will transform the economies of the member states. The success of ECOWAS will therefore crucially depend on the development and improvement in links fostered by balanced industrial development in the sub-region. Harmonisation of industrial policies to achieve this end would seem to constitute the precise sore-spot in the implementation of the ECOWAS scheme.

For, in the first place, meaningful harmonisation is predicted on the sharing of a common ideology and consequently common socio-economic objectives. Can we really say that this pre-condition exists in the West African sub-region? If the answer is in the negative, do the conditions in the sub-region allow for a progressive development in this direction? It will indeed not be too much of an oversimplification to conclude, then, that development plans can hardly be harmonised without first reconciling the social, political and economic divergencies that account for disparate policies in the sub-region.

Secondly, apart from difficulties posed by divergent ideologies of socio-economic development, harmonisation that does not differentiate the various levels of development and particular needs of individual member countries is either not going to be accepted or even if accepted is not likely to endure the test of time *(36)*. For the wide disparities among the ECOWAS countries in natural resources, population and the level of industrial and overall development have resulted in broad disparities in national priorities, policies and objectives. Reconciliation of these disparities for harmonisation purpose is unlikely to be an easy task.

Besides, major problems are likely to arise from the location of common projects. If ECOWAS projects are to be growth-promoting, they must be sited where conditions are most conducive to efficient production. While the location of such industries in the more favoured areas of the sub-region may accelerate overall growth of the community, it may depress the less developed areas further and widen economic imbalance. The provisions made for compensating member states which sustain economic losses because of the location of community projects are unlikely to make the less favoured areas altogether willing to make such sacrifices in the interest of overall growth of the community. On the other hand, if projects are concentrated in the less favoured areas, such as the land-locked sparsely populated desert countries, in order to promote balanced industrial development, overall growth of the community may be sacrificed *(37)*.

This tendency is likely to provoke unhealthy rivalry among the ECOWAS member states instead of co-operation. The problem will be accentuated if the less developed areas have any reason to believe that industrial harmonisation would aggravate the problem of economic imbalance in the long run as the case has been in such integration schemes as the East African Community (EAC), Latin American Free Trade Area (LAFTA) and the Central American Common Market (CACM), in spite of the fact that in all these schemes provisions were made for the less developed territories.

Although the ECOWAS treaty has also made provisions for the development of the less developed member states in the industrial field, these have not been as explicitly and attractively documented as, for example, in the case of the recently created Andean Common Market. The Andean sub-regional agreement accorded special treatment or concessions to the two less developed countries – Bolivia and Ecuador. The expectation was that special treatment would accelerate their economic growth, thus reducing the disparity between them and the other members and, in turn, making them more effective participants in the Andean Common Market. The four concessions stipulated in Article 78 – 81 were somewhat more extensive and explicit than those of LAFTA *(38)*. It would appear that the less favoured areas in the West African sub-region may have to enjoy considerable preferential treatment in the short run if their loyal cooperation is to be guaranteed in the long run.

Added to all this are two other highly critical elements of any effective integrative schemes. These are first, the problem of equitable distribution of expected gains and losses from integration and, secondly, the problem posed by political factors. These are perhaps the most difficult and divisive issues which have been the root cause of all the major conflicts experienced by developing countries within integration systems. The two problems often exacerbate each other. Differences on these issues can prevent the provisions of ECOWAS from being implemented, or can weaken and destroy the scheme at a later date. As the two problems have already received adequate attention elsewhere *(39)*, we intend here to highlight aspects of a few relevant details.

In all integration schemes, including even those among industrialized countries, the gains are not likely to be distributed evenly. Among developing countries disparities in the distribution of the gains from integration are likely to be greater, with some member countries being net losers. Because of the highly charged nature of economic questions and of strong nationalistic tendencies, each member country assesses regional integration in terms of the benefits which accrue it. And since the costs and benefits of regional economic integration are differently distributed among the member countries, policies which bring regional gains may be opposed by those countries which do not directly and immediately benefit. The main problem is that no effective formula has yet been devised for ensuring equitable distribution of benefits. Some benefit-sharing plans have been tried with a certain degree of success, but they related only to small specific aspects of co-operation. In such major aspects of economic development as industry and agriculture, difficulties still arise in regard to the establishment of a system of distribution of benefits.

This, then, poses a serious problem for ECOWAS, especially in the light of the West African peculiar situation. For the actual distribution of gains from economic integration depends upon national differences of size, reflecting dissimilar capacities to take advantage of specialization, scale economies, factor input endowments, and market structures *(40)*. Data show that these factors are not prevalent in West Africa and the extent to which they are, would result in their benefits being distributed unevenly throughout the region. Evidence of this latter point is that the free trade area proposed between Senegal and Gambia would offer Gambia «no obvious advantage and some evident immediate disadvantages in the form of higher administrative costs» *(41)*. In 1968 Chad decided to withdraw from membership of the *Union douanière et économique de l'Afrique Centrale* (UDEAC) and to agree to close links with Zaire mainly because of the dissatisfaction over UDEAC's inability to work out a formula for measuring the costs and benefits at integration and «to agree upon an equitable distribution of industrial projects» *(42)*. In addition, the recent collapse of the East African Community bears out this point *(43)*.

This situation thus poses some crucial challenges to the member states of ECOWAS: How, for example, can they agree upon an acceptable distribution of the benefits from the community? How could this be implemented? How, also, can the obvious gaps be bridged between say, Benin, Upper Volta, Niger and Mali on the one hand, and Nigeria, Ivory Coast and Ghana on the other? Which countries would be required to give up what, when, and for what rewards? These are the most contentious and highly politically-laden issues which are likely to confront the Community, even though the protocol relating to the Fund for Co-operation, Compensation and Development contains elaborate provisions to meet eventualities *(44)*.

The second issue, political factors, may pose no less a problem than the question of distribution of costs and benefits. For an economic integration to succeed, participating states must be politically willing to surrender some sovereignty in the overall community interest. Put in other way economic nationalism and policies of national self-sufficiency could thwart moves toward integration and cooperation. This may be an uphill task for ECOWAS, for the West African sub-region ranks high in political instability – caused in many cases by military takeovers –, ideological differences, problems arising from the charm of national sovereignty and frequently strained political relations. A case in point was the dramatic closure of the Togo–Benin border, even after the ratification of the ECOWAS treaty; while in recent years indigenisation policies have sometimes resulted in the expulsion of nationals of some member states from certain areas.

From the experience gained from past attempts at economic cooperation in West Africa, it is clear that the political problem is a factor to be given close attention at all times. For, as Felippe Herrera warned a few years ago:

> *We have a long way to travel and all the longer, the more we delay in recognising that economic integration cannot be attained exclusively through strictly economic measures, that economic integration is not in itself enough to assure the progress and welfare of nations, and that every development progress entails-*

> ***simultaneous struggle on the fronts of technology, law, education, institutions, and fundamentally, politics (45).***

Thus, the successful implementation of the ECOWAS provisions will ultimately be a function of political decisions. Hence any attempt to isolate economic policy from the *related* processes of political decision-making and political exchange seems certain to be incomplete.

To this point in the analysis, a few of the most potentially disruptive problems likely to confront the newly created ECOWAS have been identified. Taken together, they raise serious questions about the viability of economic integration in West Africa. These problems are, however, not unsurmountable, given the necessary commitment and the readiness to take concerted action on all fronts. On the other hand, for an effective implementation of the ECOWAS scheme, a few other issues are worth considering. It is to these issues that we turn in the next section.

V – OBSERVATION AND CONCLUSION

One issue of particular importance is perhaps the problem relating to the community's attitude towards foreign capital, as unrestricted or unregulated foreign investment is likely to lead to complete loss of political control by the member states. No doubt sizeable injections of foreign capital, especially direct investment, which brings with it technology and management, will be needed to put the large unemployed labour and natural resources to work. At the moment the various countries of West Africa have wide differences in their policy towards foreign capital. These range from an open-door policy to one which looks upon foreign capital with suspicion. An integrated market is likely to be attractive to foreign capital and the opportunity should not be missed.

It will therefore be necessary to have a clearly defined long-term policy towards foreign capital. A regional investment policy, as John Sloan has recently confirmed, is «perhaps the most important positive integration agreement» *(46)*. For, in the first place, such a policy is needed if maximum benefits are to be derived from «inter-industry specialization and from economies of scale, if duplication of efforts is to be avoided and if it is considered competition and private investment decisions are insufficient to provide these benefits». Secondly, a regional investment policy is at the same time needed to counteract the clustering effects of industrialization and can be used to reduce the need for financial compensation agreements by ensuring, a more equitable distribution of the employment and income generated by integration *(47)*. Finally, policy harmonization in this policy area will also obviate competition among member countries whereby some countries offer to foreign investors excessively generous concessions which are hardly justifiable on purely economic grounds.

Closely related to this problem is the need to keep the transnational corporation at arm's length and to offer subregional entrepreneurs – whether private, state, or co-operative – an amount of protection against their overmighty transnational competitors that mere tariff barriers have failed to give in the past. This can be done by adopting the principle of the «phase-out» by which all investments of extra subregional origin, whether present or future, are to be accommodated within what might fairly be described as «subregional company law», and barring foreign investment from certain areas of economic activity altogether. In addition, a decision can be taken to create procedures for the licence and selective transfer of technology from outside the sub-region. More significantly, a relatively attractive term for the formation of sub-regional multinational companies able to absorb safe amounts of extra-subregional capital and act as channel for the mobilization and diffusion of sub-regional savings could be framed.

To tackle these issues effectively, some regional planning will be required. Indeed much of the success of ECOWAS will also depend upon the ability of the member states to make some headway in the relatively unchartered terrain of regional planning *(48)*. The use of resources on a subregional scale to effect a real «integration of production» in the whole of West Africa can be considered as one of the most important benefits to accrue to ECOWAS. It is in this area of activity that «positive» policies of integration can be implemented to go beyond the creation of conditions under which economic forces are free to operate. Unfortunately this new field of regional planning is burdened by a series of thorny issues on which ECOWAS will have to take some important decision. For example, should a regional planning be a single plan covering a number of countries? Or should each country devise its own plan, subject to overall co-ordination during preparation and implementation? In either case, where does final authority lie when scope extends beyond individual countries?

However these questions are decided, it is obvious that some regional planning is essential for the success of an economic integration in West Africa. Perhaps in its most effective form a West African sub-regional planning should not be limited to the co-ordination or harmonisation of national development plans, but rather should involve the adoption and implementation of development planning at the sub-ragional level, combining resources across national boundaries to undertake development in the service of the sub-region. Such policies imply a great deal of state participation in controlling economic activity and a large measure of responsibility on the part of the ECOWAS institutions. They thus also require a high degree of political commitment to regional integration.

Briefly stated, a regional planning agency in West Africa, which has gained the confidence of national decision-makers through its technical competence, can perform invaluable developmental services even if it lacks – as it surely will for some time – supra national authority. Such an agency will be able to design blueprints whereby national developmental interests may be harmonized within the association with each country being offered a favourable balance of benefits over sacrifices. Above all, a regional agency in West Africa might also help members to foresee – and hopefully overcome – possible bottlenecks to accelerated regional trade and development in terms of transportation inadequacies, communication difficulties, lack of natural resources, and the scarcity of capital and trained personnel.

Finally, cooperation among West African countries and, indeed, among the developing countries of Africa «is not or rather should not be just the concern of government». It should be the concern of all the people who must put pressure on their governments «to keep moving in the right direction as well as doing all they can to bring about the realization of such cooperation» *(49)*. Needless to add that cooperation goes far beyond treaty making, the negociations of protocols and the establishment of institutions and machinery. To this and, internal specialized pressure groups with international outlook must emerge: businessmen, elites, parliamentary groups, religious groups, trade unions, chambers of commerce, journalists, who feel that the present national boundaries are too narrow and have served only to limit the horizon and scope of their varied activities. The solution of current economic problems should then be seen as consisting, partially, of widening of the market through economic integration.

It should be emphasized, in conclusion, that this paper is a preliminary inquiry into the propects of economic integration in West Africa, focusing on the challenges the fledgling Economic Community of West African States is likely to face. While it is too early to assess the contribution of ECOWAS to integration in the sub-region, it is to be noted that it constitutes a serious attempt, for the first time in the sub-region, at economic cooperation and integration cutting across divisions of language, history, and existing affiliations and institutions. Despite the problems highlighted above, it is evident that ECOWAS has a much larger potential market and more widespread trading links than other groupings in Africa. It should always be emphasized, however, that economic integration is not a panacea for the problems of the West African countries; its success is crucially dependent on a number of factors such as domestic reforms and the political will to integrate. There is always a need, particularly in the special case of West Africa, for far-reaching political decisions that will endow the instruments of integration with the efficacy needed to withstand elements of possible stagnation in the near future. It is hoped that the strategy of the economic integration can ultimately help the West African countries overcome the obstacles to development by gradually increasing their inter-sub-regional trade, by gradually subjecting their industries to competition, by gradually creating a community spirit among the members and by gradually impressing upon them the need for national and regional planning.

FOOTNOTES

(1) See for example, Proceedings of UNCTAD, Vol. 1: *Final Act and Report* (New York, 1964), p. 111; Report of the UNCTAD on Its Second Session, TD/L.37, Annex 1, (New Delhi, 1968), p. 65; United Nations: Resolution Adopted by the General Assembly on the Declaration on the Establishment of a New International Economic Order, A/RES/3201 (S.V2), 9 May, 1974.

(2) For an assessment of UNCTAD IV, see Samir Amin, «After Nairobi: An APPRAISAL of UNCTAD IV», *Africa Development* Vol. 1, No. 2, 1976, pp. 58 – 61; Gamani Corea, «UNCTAD and the New International Econo–

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(44) The Protocol which was approved by the second summit meeting of the Authority in November 1976 contains as many as 49 articles.

(45) Felippe Herrera, «Economic Integration and Political Reintegration», in Mildred Adams, ed., *Latin American: Evolution or Explosion?* (New York: Dodd, Mead and Co., 1963), p. 99.

(46) John W. Sloan, «The Strategy of Developmental Regionalism, Benefits, Distribution, Obstacles, and Capabilities», *Journal of Common Market Studies*, Vol. X., No. 1971, p. 160.

(47) F. Kahnert et al, *op.cit.*, p. 42.

(48) The case of regional planning in West Africa was the subject of an international seminar held in Berlin (West) in November 1979 in which the present writer participated.

(49) Adebayo Adedeji, *op.cit.*

RESUME

Dans cet article l'auteur fait une étude préliminaire des perspectives de l'intégration économique en Afrique de l'Ouest en insistant sur les obstacles que la jeune Communauté Economique des Etats de l'Afrique de l'Ouest (CEDEAO) aura à faire face. Il commence son étude en nous donnant un bref aperçu de l'instabilité économique mondiale des années 70 et de l'échec de toute une série d'efforts déployés dans le cadre du dialogue Nord-Sud qui avait pour but de jeter les bases d'un Nouvel Ordre Economique Mondial. Après une brève discussion des raisons théoriques pour une intégration économique de l'Afrique de l'Ouest et des caractéristiques généraux de la sous-région, l'article consacre une analyse détaillée

à quelques obstacles et contraintes majeurs que la CEDEAO est susceptible de rencontrer. Parmi les problèmes les plus sérieux susceptibles de provoquer un éclatement dans l'avenir, il faut d'abord mentionner l'intervention quasi-certaine de certaines Puissances extra-régionales comme les anciennes puissances coloniales ou les Entreprises Multinationales qui feront tout pour profiter de ces chances nouvellement créees en Afrique de l'Ouest et ainsi bénéficier de l'intégration plus que les agents de cet intégration eux-mêmes. Il faut donc que les pays membres de la CEDEAO non seulement tiennent ces Entreprises Multinationales à distance mais, plus important encore, il faut qu'ils essaient de se dégager des relations actuelles de dépendance vis-à-vis des anciennes puissances coloniales. Puis, l'article attire l'attention sur le problème de l'harmonisation des politiques industrielles et commerciales santionnée dans le chapitre V (articles 28 – 32) de la Convention de la CEDEAO pour ensuite discuter brièvement deux autres points extrêmement critiques qui ont généralement été à l'origine des conflits majeurs qu'ont connu les pays en voie de développement dans les systèmes d'intégration. Ces points sont d'abord le problème de la distribution équitable des bénéfices et pertes prévus dans l'intégration et ensuite celui posé par des facteurs politiques. Dans la dernière partie de l'article, l'auteur fait des suggestions aux politiciens et technocrates impliqués dans la création et la fonctionnement d'un plan viable d'intégration économique de l'Afrique de l'Ouest. Il souligne par exemple l'importance que les pays membres de la CEDEAO doivent accorder à la définition d'une approche commune pour l'utilisation du capital étranger puisque un investissement étranger illimité et non contrôlé ménera probablement à une absence totale de contrôle politique de la part des pays membres. Il souligne ainsi que la réussite de la CEDEAO dépend en grande partie de l'habilité des états membres à faire des progrès dans le terrain relativement inexploré de la planification régionale. L'utilisation de ressources à un niveau sous-régional pour effectuer une réelle intégration de la production dans toute l'Afrique de l'Ouest peut être considérée comme l'un des avantages les plus importants qui revient à la CEDEAO.