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UNDERDEVELOPMENT AND COLLECTIVE SELF-RELIANCE IN THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES

BY

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ABSTRACT

The formation of ECOWAS is usally seen as a decisive attempt to reorient the economies of West Africa inward in a framework of collective self-reliance. While the absence of the necessary political will is usually identified as the basic constraint to the effective take off of the organization, there is usually no attempt to situate the difficulties in mustering this political will in the concrete situation of underdevelopment and dependence, that is, the structural conditions under which policies of integration are formulated and are expected to operate. On an equally crucial note, the issue of how adopted integration measures affect, or may affect the goal of breaking out of underdevelopment and dependence is either neglected or treated in abstraction.

This study focuses on the impact of the structures and processes of underdevelopment, exemplified in the external orientation of the economies of West Africa, on the creation of ECOWAS and the community's choice, elaboration and implementation of concrete measures of intergration.

The general character of West African states lies essentially in their incorporation into the world economy as peripheral states and therefore, a common orientation to foreign trade, aid and investments as the fundamental basis of accumulation

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and social reproduction. However, the conditioning impact which this singular process of incorporation has on each member state is mediated by certain factors such as resource endowment, special external ties and the peculiar manifestation of the post-colonial state. In this context, the character of national accumulation and social reproduction contain objective specificities which imply peculiar patterns of impact and expectations from incorporation into the world economy.

At both the singular and specific levels of incorporation, integration and the measures that chart its motion have opportunity costs for member states. These opportunity costs are based on the impact, actual or potential, of joint measures on the accumulation and reproduction process. It is therefore argued that the explanation for support or resistance to policies of integration must be sought in their impact on the accumulation and reproduction of the economy and state. This, in reality, implies that member states evaluate integration measures in terms of their implications for external expectations and specific foreign ties.

In line with this, we argue that a fundamental facilitating factor in the formation of ECOWAS was the common orientation to certain external ties and expectation from such ties, forged among West African states through British entry into the EEC

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in 1973- in effect, the partial merging of the two preferential zones that had hitherto bifurcated West Africa. This common orientation underlines much of the distributive policies of ECOWAS, which have been largely predicated on the aid provisions of the Lome Conventions. As the externally induced economic crises of the eighties took their toll, the common orientation has also become visible in the attempt to create an ECOWAS common currency whose stability may be anchored on an EEC guarantee,

The opportunity costs arising from the common orientation to foreign trade are well exhibited in the general tendency to resist the community trade liberalization programme during economic crisis, As a logical outcome of the crisis of peripheral accumulation, protectionism has become a ready tool for member states which feel that trade liberalization in ECOWAS endangers domestic prospects of accumulation.

At the specific level of incorportion, integration measures indicate different structures of opportunity costs for member states. Trade liberalization and a common payments system are actively supported by some states and actively resisted by others. The rules of originating products accord with the dominant interests in some states as indicated in their indigenization and nationalization policies

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whereas in others where the dominant interests in the state are expressed through the conspicious absence of such policies, the rules of origin threaten to undermine accumulation.

The dynamic nature of opportunity costs and its impact on the motion of integration is brought out vividly in many cases. While favourable export performance tend to elicit a favourable attitude to, or at least, a tolerance of the free movement policy, crisis in the export base, and the consequent threat to accumulation tend to reverse such tolerance. This situation is reflected in the formulation and subsequent elaboration of the free movement policy of the community.

The changing structures of opportunity costs have indicated a direction that tend to project ECOWAS as a collective body for the consolidation of the structures of underdevelopment and dependence. The resolution of the impasse of the trade liberalization and common payments issue is predicated on the widespread supervisory role of the IMF/ World Bank group in West African states. The adoption of their economic recovery packages promises to unhinge policies of nationalization, indigenization and monetary and fiscal measures of member states which have tended to impart a certain rigidity to positions on integration measures.

This, it is argued does not point to the autocentric and

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autodynamic path that must be seen to mark any break with underdevelopment. In fact, it shows ECOWAS as consolidating at a collective level, the external orientation of the West African economies. Integration, to the extent that this is outlined in ECOWAS, does not indicate a concidence, but a contradiction to collective self-reliance. In the circumstances, the challenge that faces ECOWAS member states is to delink from the international economy in order that collective self-reliance can be embarked upon as a complement to, and a logical advance of internal self-reliance.

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August, 1988. M. I. M. Abutudu.

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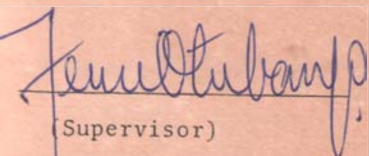
CERTIFICATION

We certify that this work was carried out by Mr. M. I. M. Abutudu in the Department of Political Science, University of Ibadan.



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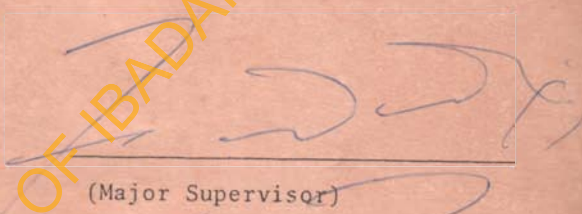

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DEDICATION

TO

My father,

Alhaji M. M. Abutudu,

in Memoriam

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LIST OF ABBREVIATIONS

A.C.P.	African, Caribbean and Pacific states.
A.D.B.	African Development Bank.
B.C.E.A.O	Banque Centrale des Etats de L'Afrique de L'Ouest.
B.W.A	British West Africa
C.A.C.M.	Central American Common Market.
C.A.P.	Common Agricultural Policy.
C.C.O.M	Caisse Centrale de la France d'Outre-Mer.
C.D.F.	Colonial Development Fund.
C.E.A.O	Communaute Economique de l'Afrique de l'Ouest.
C.E.T.	Common External Tariff.
C.F.A	Communante Financiere Africaine
C.F.A.O.	Compagnie Francaise de l'Afrique Occidentale
C.I.D.A	Canadian International Development Agency.
C.O.M	Council of Ministers.
C.S.R	Collective Self-Reliance.
E.C.A	Economic Commission for Africa.
E.C.O.W.A.S	Economic Community of West African States.
E.C.U	European Currency Unit.
E.D.F	European Development Fund.
E.E.C	European Economic Community.
E.F.C.C	ECOWAS Federation of Chambers of Commerce.

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E.I.B	European Investment Bank.
E.R.P	Economic Recovery Programme.
E.T.I	Ecobank Transnational Incorporated
E.U.A	European Unit of Account.
F.C.D	Fonds Communautaire de Developpment.
F.I.D.E.S	Fonds d'Investissment pour le Developpment Economique et Sociales.
FOSIDEC	Fonds de Solidarite et d'Intervention pour le Deveppment de las Communante.
F.W.A.	French West Africa.
FWACC	Federation of West African Chambers of Commerce.
IANRC	Industry, Agriculture and Natural Resources Commission.
I.G.O	Inter-governmental Organization.
I.B.W.A.	International Bank for West Africa.
I.F.B	International Financial Bureaucray.
I.M.F	International Monetary Fund.
INTELCOM	Integrated Programme of ECOWAS Telecommunication Network.
LAFTA	Latin American Free Trade Area.
LDLIC	Least Developed, Landlocked and Island countries.
M.F.N	Most Favoured Nation.
M.N.C	Multinational Corporation.
M.R.U	Mano River Union.
N.T.Bs	Non-Tariff Barriers.

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O.A.U	Organization of African Unity.
O.C.A.M	Organization Commune Africaine et Malagache
PANAFTEL	Pan-African Telecommunication.
S.A.P.	Structural Adjustment Programme.
S.C.A.C	Social and Cultural Affairs Commission.
S.C.O.A	Societe Commerciale de l'Ouest Africain.
S.D.R	Special Drawing Rights.
S.R.	Self-Reliance.
TCIMPC	Trade, Customs, Immigrations Money and Payments Commission.
T.C.R.	Taxe de Co-operation Regionale.
T.T.E.C	Transport, Telecommunications and Energy Commission.
U.A.C	United African Company,
U.D.C	Underdeveloped Country.
UDEAO	Union Douaniere de Etats de l'Afrique de l'Ouest.
U.M.O.A	Union Monetaire Ouest Africaine.
UNESCO	United Nations Educational, Scientific and Cultural Organization.
USAID	United States Agency for International Development.
W.A.C.B	West African Currency Board.
W.A.C.H	West African Clearing House.
W.A.E.C	West African Economic Community.
W.A.U.A	West African Unit of Account.

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CHAPTER ONE

UNDERDEVELOPMENT AND COLLECTIVE SELF-RELIANCE: THEORY AND CONCEPTUALIZATION

1.1: The Nature of Underdevelopment

Underdevelopment is generally recognised as prevalent in most parts of the world - specifically those parts referred to as the third world. Although the term is usually associated with a pole of general poverty and a high degree of relative deprivation, there is no consensus as to the genesis of the condition it captures, its structures and processes, and consequently the nature of the appropriate remedies.

Three major perspectives of underdevelopment can be identified. These are the liberal, the structural and the dependency perspective.[1] The liberal perspective defines underdevelopment in terms of the predominance of subsistence production, a situation that finds expression in the 'low level equilibrium trap' or the 'vicious circle of poverty'.[2] Since capital, the central component in the development process, necessarily assumes a weak form owing to the low level of real income, and consequently a low savings capacity, a poor country will tend to remain trapped in poverty. Thus, underdevelopment is held to be an original state, once occupied by all countries at one time or the other, but as Leibenstein would have it, some broke out and became 'disequilibrium systems', generating growth while others remained as equilibrium systems, implying a state of stagnation.[3] This thesis is underscored in Rostow's attempt

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to predicate the growth process on the initial ruins of a traditional society.[4] The disequilibrating condition can only be set in motion through the disintegration of traditional economy. But the traditional economy is incapable of self-transformation through its own internal processes. It can only be transformed through contact with external economies already in advanced stages of disequilibrium. These supply the transforming agents - capital and technical skills in the form of 'Development Assistance'. Underdevelopment becomes an issue underscored by the weaknesses in the factors of production. A reliance on comparative advantage and the price mechanism for foreign trade, coupled with a massive infusion of foreign aid and investments are the crucial elements in over-coming the problems of transition.[5]

The liberal perspective has been criticised on various grounds. In the first place, historical findings indicate that the so-called traditional societies generated a surplus over and above what was required for self-reproduction as evidenced in their exchange economies and the marked capacity to support non-consumable cultural goods and services.[6] Secondly, what is generally referred to as traditional society in the third world is better conceptualized as 'Undevelopment' rather than underdevelopment, the former being definitive of a situation in which the economy is predominantly subsistent and generally isolated from the system of international exchange. This stage, it is argued could only have existed in Africa before the commencement of the slave trade.[7] Thirdly,

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it reduces the development process to a mere technical issue under which certain factor inputs are to be supplied from the advanced countries. Apart from the fact that such inputs do not come in the massive dosage envisaged, they create the paradoxical situation in which the more aid and investment that flows into a country, the more the surplus exported. This has led to persistent balance of payments crises, and compounded capital shortage with the debt problem. Moreover, the mere transfer of technology built for utilization in the different context of advanced economies tend to sharpen the unemployment problems of the third world and promote a pattern of demand for foreign input which furthers the depletion of existing surplus. The effects of all these have been the intensification of the crisis of underdevelopment.

The structuralist perspective does not necessarily deny the thesis of underdevelopment as an original state. However, it differs from the liberal school in positing the reinforcing role of the international economy in entrenching the condition of underdevelopment.[8] It is argued that international trade between the advanced industrial economies and the underdeveloped countries (UDCs) is biased in favour of the former. For Myrdal, this relative bias is exemplified in two related phenomena. One, the general level of prices of third world primary exports tend to be lower than the prices of the predominantly manufactured products which they import from the industrialized countries. Two, and on a more dynamic note, the secular trend

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of the prices of primary products and manufactured commodities tend to reflect a relative decline of the former The effect of this structural bias is a persistent trade imbalance, the result of which is a net transfer of income from the third world to the industrialized countries. This is further aggravated by the short term fluctuations of third world export prices that "continuously put their exchange balance, the stability of their economy and their development planning in jeopardy."[9] And the tendency of productive resources to gravitate to established locations further leave the underdeveloped areas in stagnation giving rise to "Spread effects" in the established locations and "backwash effects" in the underdeveloped areas.[10]

The structuralist remedy evolved from an import substitution industrialization strategy whose maturity paves the way for export promotion industrialization. While import substitution must necessarily be carried out behind tariff and non-tariff barriers in order to contain the free interplay of market forces,[11] export led industrialization, and export promotion in general will take place in a reformed international trade system, probably operating under the aegis of some forms of global interventionist agencies. These reforms, some recently advocated to be embodied in a New International Economic Order (NIEO) are expected to reduce third world imports of consumer manufactured goods through a process of light industry manufactures, and provide a wider international market for manu-

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factured consumer goods from the third world, especially in markets located in the industrialized countries.[12]

The basic assumption underlying these remedies is that given certain modifications of the international economy, adequate prospects exist for UDCs to carry out positive transformation of their economies within it. However, the structuralist position has not met the expectation of its protagonists. Import substitution induces and intensifies dependence as a result of its overwhelming reliance on foreign inputs and therefore the centrality of foreign exchange to the development process. In addition, third world manufactures are faced with a higher degree of discrimination in the industrialized countries. Apart from a variety of other obstacles, this is brought out most vividly in the form of cascading tariffs under which the duty imposed on a particular product depends on its degree of industrial elaboration. Moreover, export-led industrialization is not entirely free from the problems associated with import substitution. Since basic inputs like machinery, spare parts, processed raw materials and foreign skills and techniques need to be imported, the situation that develops is the type that in the tradition of import substitution, places foreign exchange at the centre of the development process. Inevitably, this imparts the crisis character of third world balance of payments to their industrialization process.[13]

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Finally, running through the gamut of the structuralist position is an abiding faith in the capacity of the international economic system to absorb reforms. However, the acceptance of the recommended structural changes by the core members who benefit most from the system has not been forthcoming. Thus, the general reliance on the international economy as the motivating force for development does not seem conducive to the attainment of that goal, since the recommended reforms necessary for the removal of the structural bias inherent in it, are at best, realised in highly truncated forms.

An attempt to link underdevelopment with global capitalism is most eloquently expressed in the perspective of the dependency school. This school derives its analytical focus from two main sources. The first is the Marxist theory of imperialism which explain why capital needs to penetrate pre-capitalist economies. The other source is the tendency towards inequalities in the international economy which as noted earlier, is the focus of the structuralists.

Although basically motivated by selfish ends, for Marx, the penetration of capitalism into pre-capitalist economies fulfills a dual role; the destruction of the old and basically unchanging structures, and a regenerative process that will see the transplant of the material conditions of western society into such backward areas.[14] Lenin's reasoning follows

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a similar line. He saw the export of capital as accelerating the economic development of recipient countries, although with the pre-condition that where the recipient is a colony, a liberation from colonial status is necessary for the liberation and internalization of the dynamic element that will facilitate the autonomous development of local capitalism.[15] However, Lenin was more interested in the impact of capital export on the territorial division of the world, and the attendant rivalry among the capital exporting countries. He did not systematically analyse the impact of that capital on its recipients. Thus, it is pointed out that independent statehood has not led to the autonomous development of local capitalism as marxist analysis envisaged. This has given rise to the school of thought which attempts to explain underdevelopment in terms of the historical motion of capitalism in the third world.[16]

Development and underdevelopment are conceived as two sides of the same phenomenon - global capitalism. For Amin, underdevelopment is not something manifested through a per capita indexation of economic indicators, but through peculiar structural features "that oblige us not to confuse the underdeveloped countries with now advanced countries as they were at an earlier stage of their development".[17] This implies a clear distinction between the state of'undevelopment' and that of 'underdevelopment', with the former an original state which

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all societies might have passed through at one time or the other, and the latter, a technical term that puts the impact of the mode of capitalist penetration of pre-capitalist formations in Africa, Asia and Latin America in analytical perspective.

For Frank, the incorporation of the backward economy into world capitalism is expressed in a polarization between a metroplitan centre and peripheral satellites, with the expropriation by the metropolis, of surplus generated in the backward economy, and making it unavailable for internal capitalization. So rather than be seen as successive stages in the process of growth, development and underdevelopment are actually simultaneously created, although in different areas, by global capitalism. One major criticism of this Frankian characterization of underdevelopment is that it assumes the simple character of sattelization, brought about by the transfer of surplus between geographical regions.[19] But as Dos Santos has argued, it is more of "a case of the formation of certain type of internal structures conditioned by international relationships of dependence", which makes underdevelopment assume the specific form of capitalist development known as dependent capitalism.[20] This denotes the subjection of one economy to another in such a way that the subject economy become conditioned by the develop-

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ment and crisis of the dominant economy. While the dominant economy possesses a self-expanding and self-sustaining capacity, the dependent economy can only expand as a reflection of the expansion of the dominant economy.[21] This position differs somewhat from that of Frank in that while the latter considers the state of underdevelopment essentially in terms of an externally induced stagnation, Dos Santos sees external conditioning as capable of inducing development, but that development cannot acquire an autocentric and self-transforming character within the world capitalist economy.

Dependence, according to Dos Santos, has historically assumed different forms, each form having a different conditioning impact on internal structures but essentially reproducing the structures of underdevelopment. Colonial dependence is straight forward unmediated subjection of a colony to the metropolis. This is followed by financial - industrial dependence which largely retains the colonially derived, and externally induced character of primary export production. Some processing takes place here subject to various limitations in the internal market. The third form, a creation of the post second world war period is sponsored by the Multinational Corporation (MNC), and is exemplified in the location of industrial investments in, and geared to the markets of the UDC. This form, representing dependence in its technological - industrial phase, is mainly con-

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ditioned by the exigencies of international trade and the world monetary system. Thus the possibility of generating new investments in UDCs becomes a function of the capacity of the export sector to generate the foreign exchange necessary for the acquisition of various industrial inputs. This put industrial-development under the conditioning impact of fluctuations in the balance of payments. With unequal terms of trade and other means of externalising the surplus generated in the UDCs, a near permanent crisis is imparted to the balance of payments so that foreign financing becomes necessary to cover the existing deficit as well as finance economic development. And thus arises the contradictory situation whereby foreign capital and foreign 'aid' are brought in to ameliorate deficits and capital shortage which various outflows had initially created, a process that further reproduces deficits and decapitalization in the form of balance of payments and debt crisis.[22]

Samir Amin sees this surplus externalization as the transfer of the multiplier and accelerator mechanisms from the periphery to the centre, the one through the export of the profit of capital and the other because the income arising from third world primary production only serves to stimulate the investment goods sector of the centre states.[23] Thus, the pattern assumed by the transition to 'peripheral capitalism' representing the pole of underdevelopment, differs sharply from that

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represented by 'central capitalism' or the pole of development. The latter internalizes its multiplier and acceleretor mechanisms, and therefore growth and development are autocentric and autodynamic. On the other hand, the phenomenon of unequal international specialization, the active ingredient in the development of underdevelopment, ensures that these cummulative investment mechanisms are externalised from the economy of the UDC. This extraversion is marked by an external articulation resulting from the absence of intersectoral linkages in the peripheral economy. Since export activity or extraversion is essentially a function of external demand, fluctuations in the external market becomes a major determinant of the volume of internal economic activity. The permanent crisis character thereby imparted to public finance and balance of payments inevitably blocks the transition to autocentric and autodynamic growth, which is the mark of central capitalism.[24]

The peripheral capitalist formation is marked by three basic structural features:[25] sectoral unevenness which is indicated in the co-existence of structures which belong to different economic epochs, and productivity as measured in terms of per capita income indicate a high degree of unequal distribution among sectors; internal economic disarticulation which is marked by the absence of intersectoral mobilizing

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effects - effects which are externalised, and; external dependenc which is not only the source, but also the result of both sectoral unevenness and internal disarticulation. This extraversion operates through (a) trade, or the unequal exchange of primary products on the one hand and manufactured goods on the other; (b) Foreign investments and the long term automatic transfer of profit it engenders in favour of the industrialized countries, and (c) the consequent balance of payments crisis which invariably necessitates dependence on foreign aid on an increasing scale. These features tend to be aggravated as economic growth proceeds.

Thus, while growth in the centre states is development in the sense that it produces sectoral linkages, and its motion is essentially based on self-propulsion, in the peripheral states, growth is not development, since it is marked by the absence of the vital sectoral linkages, and is largely a reflection of external dynamics. Amin, therefore, concludes that growth in the periphery based on integration into the world market is "development of underdevelopment"[26] a position that restates Frank's earlier thesis.[27]

The social formations of the periphery must therefore be understood in terms of incorporation into the world economy. The capitalist penetration of the precapitalist modes of production is such that the latter are dominated by

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the former. But unlike the centre where the social formation and the capitalist mode of production tend to coincide and the latter therefore exclusive, in the periphery, capitalism puts in motion a simultaneous process of destruction and perpetuation of the precapitalist modes. In some cases, it even creates them to serve its needs.[28] In line with this, the class structure in the centre tend to assume a clear polarization between bourgeoisie and proletariat. On the other hand, in the periphery, the co-existence of different modes of production involve a heterogeneous mix of classes each of which is defined by the particular mode from which it originates. But the great unifying factor here lies in the fact that the local bourgeoisie, no matter what form it takes (agrarian, commercial or bureaucratic) is formed, and can only be understood in the context of the world market. In general, it is a dependent bourgeoisie, although the nature of the pre-capitalist mode interacting with international capital conditions its forms. In the same vein the proletariat of the periphery takes different forms, but like the dominant local bourgeoisie, it can only be understood as a creature of incorporation.[29]

Thus, the bourgeoisie of the periphery being a dependent one, can in alliance with international capital, only engage in those activities that serve to reproduce the social

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formation in which it is dominant. It cannot transform it. In otherwords, it is historically unprogressive.

For Amin therefore, incorporation into global capitalism means a transition blocked, that is, an inability to replicate the central capitalist form. Geoffrey Kay holds a similar view, although arrived at from a different angle. For him, capitalism created underdevelopment in precapitalist formations because merchant capital, the dominant form in which it penetrated these formations does not create value, as against productive or industrial capital which fueled the growth of capitalism in the centre. This is the basis of kay's dictum that capitalism did not create underdevelopment "because it exploited the underdeveloped world but because it did not exploit it enough".[30] In otherwords, capital did not make its appearance in UDCs in its most dynamic form-industrial capital. When merchant capital penetrates third world formations, it integrates the pre-existing modes of production into the global exchange economy without revolutionising their means of production. This becomes an obstacle to the implantation of real capitalist development since it now reproduces on an expanded scale, the relationship between the producer and his means of production. Thus, incorporation is actually expressed through the articulation of different modes of production, with the capitalist mode which eventually becomes dominant, preserving or reconstituting the preexisting modes, but always

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retaining their non-capitalist character.

1.2 Underdevelopment: The radical critique.

The foregoing sketch of the radical thesis of underdevelopment has been the subject of three major but overlapping lines of criticisms. The first is identified with the liberal or modernization school while the other two originate from within radical political economy.[31]

For the modernization school, the paradigm offers no methodological bridge between the phenomenon of economic dependence and political action on the part of third world elites. Perhaps, viewed along the paths charted by early dependency theorists, this criticism would have some merit. However, the subsequent elaboration by various scholars, of the conditioning impact and mutual reinforcement of the structures of economic dependence, the modes of production, class structure and the state, colonial or post colonial, has largely rendered this position untenable. But the modernization school also contends that it does not take empirical account of the demonstrated ability of third world countries to chart their own paths of national development. In consequence, it tends to ignore the real developments that have been transforming the face and the people of the third world. In varying degrees, this argument is shared by the radical critique.

The second line of critique is identified with those radical theorists who emphasize the changing conditions of capitalist accumulation in the periphery. To Palma, for example,

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the external dependence that characterizes underdevelopment does not necessarily depict, or induce stagnation or a path of growth blocked, but represents the specific form in which the generally uneven character of capitalist development assumes in the periphery.[32] In effect, Palma holds that the contradictions which are held to demonstrate the impossibility of capitalist development actually form the basis of its development in the periphery. The character of the international capitalist system at any point in time is based on certain general determinants. Under the contemporary capitalist system, the central component of these general determinants is the multinational corporation (MNC). Thus,

> As foreign capital has increasingly been directed towards manufacturing industry in the periphery, the struggle for industrialization which was previously seen as an anti-imperialist struggle has become the goal of capital. Thus, dependency and industrialization cease to be contradictory and a path to 'dependent development' becomes possible.[33]

As the central component of the singular process of contemporary capitalism, the MNC equalizes, or at least eliminates the qualitative differences between the conditions of accmmulation in the centre and the periphery. The issue then becomes the internal structure shaped by this phenomenon, and not necessarily the extraversion of the peripheral economy and its attendant distortions.

For Palma, therefore, capitalism might have been regressive in its approach to the periphery as long as it di

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not create an industrial apparatus, but once the MNC, the agent of modern capitalist industrialization locates its plants in the periphery as it does in the centre, then of course, capitalism has extended its historical, progressive mission to the third world.

Marcussen and Torp have identified the new phase in the internationalization of capital through the recycling of oil supluses in Western banks, as the historical condition that has led to the increasing transformation of third world industrialization into auto-centred development.[34] This new phase is founded on three main factors:

(a) the tendency for capital to be increasingly internationalized towards the periphery in the face of crisis in the capitalist West . This reflects the need to internationlize production in order to lessen the effects of the crisis;

(b) the existence of huge reserves of petro-dollar in Western banks as a direct consequence of huge OPEC surpluses from 1973/74; and

(c) the existence of the active peripheral state, with the resources, ability and willingness to take advantage of these conditions to realise its development objectives.

The oil crisis and the consequent recession in the West in the mid 1970s has oriented international capital to a new form in which private bank lending, not foreign direct

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investment has become the major means of transnationalization of capital. Some states in the periphery are able to take advantage of the changed condition to effect a greater share and control of their industrialization process-through licensing and management contracts. But most important in this regard is the shift from equity participation to the use of loans and supplier credits, and a shift from direct control by the parent MNC to management participation, technical assistance, supply contracts etc "all of which contribute to blurring the picture of internationalization of capital as defined solely by the rate of foreign investments."[35]

The industrialization that arises from this, which is held to transcend Samir Amin's 'blocked development model' reflects a new international division of labour founded on the changing conditions of capital accumulation in the West, and which has led to new ways in which the reproduction of peripheral capital is embodied in the reproduction of the capital of the centre.[36] In other words, crisis in the West, and the need for continued valorization of international capital has led to the export of capital to the periphery on terms that have remarkably transformed its industrialization into auto-centredness and self-sustainment.

Finally, Bill Warren, claiming roots in Marxist orthodoxy has articulated this notion of industrialization in the third

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world in its most simplistic and revisionist form.[37] For him, capitalism, even under colonialism, 'far from initiating a reinforcing process of underdevelopment, launched almost from its inception, a process of development.'[38] This is followed by a rather clouded view on the issue of the drain of surplus from the periphery to the centre. The existence of an adverse, self-reinforcing international division of labour is denied. In addition, capitalist penetration of the third world does not preserve precapitalist modes of production, which retard the growth of autocentric development, but rather that capitalism is rapidly becoming exclusive, , the existing precapitalist modes being only in a transitory stage. For Warren then, underdevelopment is fast vanishing from the third world and is being replaced by capitalist interdependence. The proof of this is to be found in the rapid pace of industrialization in the periphery.[39]

The foregoing critique is in essence, an assertion that the reality captured by the concept of underdevelopment is being transformed into autocentric development. This is not so. There is the problem of a proper grasp of the meaning assigned to concepts, or the deliberate removal of certain concepts from their context. For example, Warren reduces underdevelopment to an issue of income per capita and productivity levels (GDP etc). Once this is done, it becomes easy for him to see little incremental changes in these as transformation of underdevelop-

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ment into development - in effect, a retreat to the linearity of the modernization school.[40] This attempts to repudiate, inspite of the mass of evidence to the contrary, the role of the global capitalist system in the creation and perpetration of underdevelopment. It ignores the phenomenon of unequal exchange, various forms of dependence which have evolved through colonialism in accordance with the logic of internationalization of capital, and the role of the state, colonial and post-colonial, in reproducing the structures and the class relations of underdevelopment.

Another concept similarly and widely treated out of context is that of Amin's blocking' of transition to autocentric development. The tendency is to point to economic growth in parts of the third world, and declare that Amin's prediction is thereby falsified. But as Amin has pointed out, the blockage phenomenon does not mean stagnation or a denial of the possibility of growth. On the contrary, the model of blocking is that of rapid growth phases whose dynamics are external, "and of crises which arise precisely through the lack of an 'internal transmission relay".[41] Thus, the rhythm and pattern of accumulation in the periphery is largely the subject of external constraints to which it must adjust itself. Amin points out that these crises of expansion of capitalism in the third world "are precisely the points at which the project for national bourgeois development desired for a moment, breaks down and gives way for a recompradorising of the local bourgeoisie".[42]

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In effect, the idea that industrialization is not only taking place in the third world, but also undermining external structural dependence fails to take into account the character of that process.[43] Industrial accumulation in the third world is exhibited in three major forms.[44] The first type, and usually the initial stage is the simple processing of raw materials for export to the industrialized countries. Usually introduced by merchant capital, it represents an attempt to reduce the latter's costs. For example, transport costs can be reduced substantially through the kind of primary processing that sheds primary products of unnecessary bulkiness. In essence, this pruning exercise is an operation within the pattern of international specialization, being merely the export of qualitatively unchanged raw materials.[45]

The second type, import substitution industrialization (I.S.I.) is essentially a boost to the local assembly of consumer goods formerly acquired from the industrialized countries in the finished state.[46] Import substitution explicitly requires that inputs such as machinery and raw materials be derived from the industrialized countries, a condition that is necessarily founded on the availability of foreign exchange. This critical factor has to be made available through the intensification of unequal linkages with the world economy-through trade, aid, investments etc. It also implies the intensification of the exploitation of the precapitalist forms

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whose primary production for exports, in most cases, must generate the foreign exchange. It must also fund capital repatriation and the inevitable debt that must be amortized. Thus, the crisis of ISI, usually manifest in chronic balance of payments deficits and a huge indebtness whose end product is deindustrialization, unemployment by retrenchment, etc, actually has another hidden form, the exploitation and perpetuation of the precapitalist modes, and the reproduction of economic disarticulation.[47]

This exploitative relationship is also evident in the third type of industrialization - export substitution, or export promotion industrialization (EPI). This represents manufacture of light industrial goods for export to the industrialized countries. As in ISI, EPI is based on the location of the subsidiaries of the multinational corporation (MNC) in the periphery, and to that extent, does not in itself lead to the internalization of the productive regime of the MNC. The latter's record under ISI paints a picture of multi-faceted crises. In the some way, EPI, for those few third world countries that can afford it does not lead to external balance. Rather, the dependence on foreign exchange, the rapid growth in expenditures on imports and indebtness to finance them, all end up with EPI mortgaging the economies of the periphery to foreign debt.[48]

Marcussan and Torp have optimistically projected that

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the autocentric development of industrialization in the third world would be based on the precise conditions that have brought about the unprecedented debt situation of the periphery. As western capital must be valorized, the third world countries have been placed in the precarious position of having to use a substantial proportion of their foreign earnings on debt servicing, at a time when the world market conditions for such earnings are fully expressed in adversity. Thus as the internationalization of capital through foreign lending actually attains its objectives for the west by reproducing itself on an expanding scale, in the periphery, it increasingly takes on a diminishing form. The crises chart as reflected in balance of payments deficit, deindustrialization, massive and multiple currency devaluations coupled with an inflationary spiral that has dramatically reversed real income to levels barely enough to sustain subsistence levels of reproduction, point to an actual blocking of growth, in which the usual condition of growth without development has been transformed into the crisis of "neither growth nor development."[49]

This crisis emphasizes the reality of dependence as played out in the presence of the international financial bureaucracy (IMF and the World Bank) as socio-economic managers or supervisors of virtually all third world countries in the 1980s. This has raised the spectre of recolonization of the periphery.[50] This presence, an objective consequence of

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incorporation and the world capitalist conjuncture, is manifest in mandatory structural adjustment programmes (SAP) or economic recovery programmes (ERP) ostensibly aimed at improving these economies, but actually motivated by the need to ensure debt repayment and therefore, continued valorization of finance capital, the dominant form of contemporary global accumulation. The paradox of these externally dictated economic recovery programmes is borne out by the fact that they ensure the continued inflow of loans to facilitate the repayment of old loans. The resulting debt trap is the most visible contemporary expression of the dependency trap.[51]

On a crucial note also, the argument that the dominance of international bank lending has reduced foreign direct investments, and therefore produced autocentred growth in the periphery is likely to be negated by another objective consequence of the debt trap - the phenomenon of debt-equity swap. The latter, proposed and increasingly adopted as a solution to the debt crisis and its attendant deindustrialization is a wholesale mechanism of accentuating and entrenching the regime of the MNC. Some basic conditionalities of the international financial bureaucracy in its management role in the third world are privatization, denationalization and deindegenization. Marcussen and Torp see the reduced emphasis on foreign direct investment as concomittant with the enhanced role of the peripheral state in industrialization based on foreign borrowing. But debt-equity swap riding on the above

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conditionalities does not only imply the resuscitation of the regime of the MNC (that is, if it ever lost any ground in the first place) but also means a clearer field for the latter as the role of the state is increasingly constricted. Thus, the internationalization of capital and the predicted process of reduced MNC role in the periphery, enhanced role for the peripheral state, and consequently, the transformation of industrialization into self-sustainment and reduction in dependency will tend to be realised in their opposites. As Geoffrey Kay has put it, "industrialization is now such an integral part of underdevelopment that it can no longer be considered as its solution, at least not in its present capitalist form."[52]

Finally, in addition to the failure of the critics of underdevelopment and dependency to grasp the essence of third world industrialization, there is also the tendency to acknowledge, but not to accept the consequences of the on going 'explosive fragmentation' of the third world.[53] This is the increasing bifurcation of the third world, with the off shoot of a fourth world.[54] As Raul Fernandez has pointed out, the industrialization that is going on in the third world is actually carried on in a few countries "which include such "cities as Singapore and HongKong, and small countries such as Taiwan and South Korea. Once the proportion of manufactured exports produced in these areas is subtracted, there is not much basis left on which to proclaim a clear

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cut trend towards the structural transformation of Third World economies."[55] Fundamentally, therefore, while most countries of the third world exhibit various degrees of industrialization, only a few can really lay claim to Warren's optimism (or Palmas, Marcussen and Torp, etc), misplaced as it is. This is explicitly recognised by Marcussen and Torp who indicate that in West Africa, their model of internationaization of capital is only applicable to Ivory Coast and Nigeria, while others continue to show the model of blocked growth predicted by Amin.[56] This does not negate the contention that the reality of underdevelopment is reflected in the "enduring condition of dependency of peripheral nations on the centres of imperialism."[57]

1.3 Underdevelopment and the state

In the foregoing, an attempt has been made to sketch the conditions and processes of accumulation that produce and sustain the condition of underdevelopemnt and dependence. So far, the role of the peripheral state in this scheme has not been made explicit. Infact, it is quite difficult to analyse the accumulation process under conditions of underdevelopment without focusing attention on the crucial role of the state in setting those conditions.[58]

The peripheral state must be viewed as the product of an objective economic reality, a reality whose reproduction

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is a central manifestation of the activities of the state itself. In this regard, the p st colonial state comes out in its basic character as a historical continuity of its colonial precursor.[59] To the law and order pre-occupation of the colonial state, independent statehood has added the critical element which Ake has termed the "ideology of development,"[60] This denotes creating the conditions of rapid growth in GDP and modernization (or westernization) based on the sustainment of the existing colonially-derived structure of reproduction and accumulation, that is, the conditions and processes of underdevelopment and dependence. Thus, the essential task of the post-colonial state has been to protect and advance the inherited structure of relations with the world economy as the condition of its own reproduction. Presiding over the pattern of production and international exchange, the state mirrors and upholds the alliances, which the dominant internal socio-economic groups thrown up by the production and exchange process, enter into with a metropolitan bourgeoisie. Thus, the post-colonial state tends in essence to be a neo-colonial state.[61]

In specific terms, the state in the periphery performs the following functions in the context of its role of promoting the conditions of accumulation and economic reproduction. First, the state nurtures and extends the framework of primary export production for the world market, the central element in the acquisition of foreign exchange, and the

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fundamental necessity of the accumulation and the reproduction of the state apparatuses. This encompases the stimuli for boosting internal production as well as the negotiation and maintenance of a pattern of intricate external economic relations for access to guaranteed markets at remunerative prices for exports.

Secondly, the state actively canvasses and regulates foreign investments, official and private. In this role, elaborate investments codes are carefully formulated with special packages of incentives (in the form of monetary, fiscal and labour regulations) to attract and retain foreign investments as well as preserve in some cases, certain preferential arrangements. The state further reinforces this process by soliciting for financial and technical aid, loans, contractor finance and supplier credits from various foreign sources which include governments, suppranational bodies like the European Economic Community (EEC), private institutions, the international financial bureaurcracy - the I.M.F and the World bank among others.

Thirdly, through the virtual monopoly of foreign exchange earnings and its role in mobilising them through foreign investment, the post-colonial state has the crucial task of priotizing the goals of development. This is usually reflected in sectoral allocation of foreign exchange for

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investment, repatriation of profit and dividends, etc. This process itself mirrors the dominant interests and alliances which the state upholds - nationally and internationally.

The role of the state is often taken beyond these soliciting, negoitating and regulatory functions into direct participation in productive ventures. This is the entrepreneural role of the state,[62] which since independence had increasingly pushed the spectre of state capitalism to the forefront.[63] However, the pinkish rhetorics that sometimes inform state capitalism, whether assuming the form of nationalization, or subsumed within the general context of indigenization, do not hide the fundamental basis of their production activities- a dependence on externally derived inputs and therefore the imperative of primary production for the world market.[64] In most cases, these monopolies are formed with foreign partnesship.

Nevertheless, such nationalization and indigenization efforts do point to attempts to autonomize the economy and state in relation to international capital. To that extent, their presence or absence represent some degree of difference among underdeveloped countries in their perception of the role of foreign capital in the local economy. Such a perception is not only coloured by the nature of the dominant domestic class alliances and the special ties that may exist between the

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post-colonial state and the metropolis, but also by the level of resources available and at the disposal of the former, and the character of the crisis of accmmulation in the periphery.

Fundamentally, the post-colonial state articulates the processes of underdevelopment. But as it does this, it also mirrors its crisis. Such crises have very often been manifested in cumulative balance of payments disequilibra, large fiscal deficits, chronic external indebtness, spiralling inflation, unemployment, and in numerours instances of governmental instability. This pattern of crisis which has become generalized to the third world in the 1980s emphasizes the role of the post-colonial state in the crisis of third world accumulation. Under these harsh conditions of accummulation, its crisis management role is emphasized in two major ways. One, negotiating with the IMF and the World Bank on conditions to repay external debts, the level of external earnings to be devoted to internal production, allocation of fund between public and private sectors, restoring the confidence of foreign investors in the local economy etc, all necessitating various conditionalities which tend to increase the influence of the international financial bureaucracy in the socio-economic management of the post-colonial state. Two, the state has to maintain the kind of internal political discipline and order

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that will allow for the implementation of the conditionalities.[65] This is a critical variable for maintaining the relations of dependence between the underdeveloped countries and the industrialized world.

1.4. The Particularity of Underdevelopedment

Although underdevelopment is informed by a singular process of incorporation, the peculiar characteristics of each country, produces a diversity of orientation to this singular process.[66] Indeed, incorporation becomes a matter of degree and form since various levels of participation exist in the international capitalist system. Among these specific factors shaping the level and pattern of incorporation are the resource base, geography, climate and ecology, internal class structure and the peculiar form of external ties, among others. The resulting economic forms in the periphery possess distinctive characteristics which are manifested in differences in conditions of accumulation and the level of participation in the international economy. The relative autonomy of the domestic economy with reference to international capital becomes a function of the degree of autonomy in the condition of accummulation, the strategic importance of export products to the centre states, and the ability to diversify the sources of dependence.

In the interaction of the general and specific determinants of the concerete situation of underdevelopment, we find an analytical tool for the differentiation of the socio-economic processes among diverse UDCs inspite of the singular process of incorporation. This does not only define their vertical relations with industrialized countries, but also go a long way in shaping the pattern of horizontal interactions among them.

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1.5 Collective Self-reliance: Scope and Meaning.

In contemporary usage, the concept of self-reliance (SR) is a response to the problems associated with dependency and underdevelopment. It admits that the structures of underdevelopment tend to externalize the locus of decision making from the local economy either directly or indirectly through various forms of induced effects. However, its basic idea is a recurring theme in the history of international economic relations. Aristotle predicated his 'optimum' state on among other things, the self-sufficing' principle.[67] Although this appears to have much in common with autarky (with which modern day SR is at pains to maintain a distance) it nevertheless captures the essence of a self motivated and autonomous production base in the development process and the quest for statehood. In the 18th century, Adam Smith advocated a universal free trade regime which the German, Friedrich List saw as a veiled attempt to consolidate England's global industrial and commercial dominance. List attacked this 'groundless cosmopolitanism' for assuming an identity of interests between such a universal trade regime and the individual nation-state.[68] In its place, he called for protectionism in Germany, a cause which the American, Alexander Hamilton also pleaded in favour of his country. Although this prescription amounted to some form of limited and temporary disengagement from the international

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economic system, the goal was to consolidate the national productive base in readiness for a more competitive future role in that system. The underlying assumption here is that free trade can only be free when it is carried on between equals. Thus, a measure of national SR becomes a necessity for gainful and effective participation in the international economy.

In the liberal perspective, the goal of development, conceptualised as the transition to modern industrial society is to be attained through various policies embedded in trade, aid, investments and monetary relations. But rather than serve the end of positive transformation of society, these policies produce and reinforce various forms of distortions in the recipient economies, the resultant effect of which is the development of underdevelopment.

It is in this context that the concept of SR is advanced, and it assumes the character of opposition to the 'structured dysfunction' that underlies the process of underdevelopment.[69] It aims to localise the development process through the conscious cultivation of an autonomous capacity for goal setting and implementation. The realization of these objectives is predicated on the mobilization of the efforts of the community and the utilization of available local resources.[70] Under a policy of SR, the primary criterion of development is the satisfaction of the basic needs of the population. It

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therefore calls for an investment pattern that should reflect this, and in this way, involves a denial of the imitative development strategy that emphasizes the transplant of externally derived goals and strategies with their attendant distortions.[71]

The simple utilization of imported technology for local consumption accentuates dependence. Command over the national economy requires appropriate technological policies. A policy of SR attempts to enhance the technological base of the domestic economy through self-motivated inventions - and a progressive deepening of the absorptive capacity of such technology. The effective articulation of this technology with the national economy and therefore the internalization of the accelerator mechanism requires its total internal control, with little or no outside assistance. Where technology or skills are imported, the emphasis is on their adaptation for local needs. Technological skills, processed raw materials, and the capacity to improve upon them are essentially to be internalized.[72]

Thus, the concept refers to a set of objectives as well as the strategies for attaining these objectives. In fact, a policy of self-reliance establishes an identity between the goal of development and the strategies for realising that goal. In this way, it becomes possible to view the satisfaction of the basic needs of the entire population and the effective local control and direction of the developement

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process as the goal and strategy of development.

SR does not mean autarky, or self-sufficiency, but it insists on a careful control over interaction with the external environment. While it unites the internal and external components of the development process, it clearly makes the former the reference point for meeting the challenges of the structural adversities consequent upon incorporation into global capitalism.[73]

If a policy of SR advocates domestic needs as the basic determinants of the extent of involvement in international economic relations, it is by no means clear how the general level or the sectoral scope of involvement should be determined. Two basic approaches can be distinguished. These may be referred to as the 'external balance' approach and the 'transformation' approach.[74]

The external balance approach emphasizes the adoption of policies that will overtime ensure a balance in the foreign exchange budget. Thus if equilibrium is achieved in external outflows and domestic inflows without the need for foreign aid, the economy is said to have achieved SR.[75] It advocates the avoidance of an adverse balance of payments position especially on consumer goods, although foreign capital should be admitted for capital projects.[76] This conception of SR finds expression in policies of import substitution and its

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logical advance, exports promotion. While a balance in the external account that reduces dependence on foreign aid is crucial and must be a component of any meaningful SR policy, its elevation as the central element in the development process does not address the structural problem of underdevelopment. In fact, as its defining policies have shown, the approach make conditions in the world market and the availability of foreign exchange the basic determinants of internal growth. Consequently, the outcome has tended to be a wholesale transmission of the recessive and crisis tendencies of international capitalism into UDCs, the breakdown of SR, and the reinforceemnt of the structures of underdevelopment.

Self-reliance is therefore not a simple matter of external balance. Its essence is captured in the transformation approach which advocates a structural dislocation process through disengagement from world capitalism.[77] In recognising that underdevelopment is a structural product of international capitalism, the transformation approach involves a dual-face process of dislocation and relocation. The former represents a disruptive operation under which an attempt is made to terminate the economic distortions typified by, and manifested in trade, aid, investments and monetary relations. This disruptive operation is vigorously extended to the internal class formation as well as the intellectual foundation of underdevelopment in general.[78]

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The relocation operation shifts the locus of economic activity from the world market to the domestic economy. It assigns central role to the utilization of the economy's most abundant resources, engendering public participation in the development process, and in general, a reduction in economic inequality.[79] The dislocation and relocation process is a national level operation that marks the disengagement or delinking phase of SR. As the disengagement phase distances the domestic economy from the international economy, the second phase of SR, which may be referred to as the replacement phase necessarily involves the construction of new horizontal relations with other UDCs as a logical advance. This is the collective self-reliance stage, and it involves the construction of a new but restricted international community.

1.6 Self-reliance, collective self-reliance and economic intergration.

The disengagement phase is expected to produce certain dislocations on the national economy, as trade, aid, investments and monetary relations with the centre states are seriously curtailed. However, the second phase aims to construct new trade, investment, monetary and mutual aid relations among various UDCs so as to ensure the rapid development of the productive forces of member states. Therefore collective self-reliance (CSR) involves an attempt to ameliorate the adverse effects of the national disengagement process by

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replacing North-South vertical relations with South-South horizontal relations among UDCs. This may be called the replacement phase, and it attempts to realise the ideals of SR at a level involving various sovereign units.[80]

There is a tendency to identify CSR with regional economi integration among UDCs. For example, Axline holds that regional intergration "fit most closely the approach to development called collective self-reliance", while Patel is of the view that CSR takes place when UDCs come together under an economic intergration scheme.[81] However, this connection need not be inevitable. When the integration process is itself shaped and conditioned by relations of dependence and underdevelopment, what ensues might in fact createa gap between economic integration and CSR.[82]

There is no consensus on the pattern of relationship between SR and CSR. Three basic theses on the issue are identifiable. These may be refered to as the incompatibility thesis, the conflict thesis, and the complementarity thesis. The incompatibility thesis, best exemplified by Imoagene, holds that:

> the very condition of underdevelopment in which the poorer nations find themselves make it impossible for them either to unite or challenge in any meaningful way the might of the industrialized nations .... So the best strategies for overcoming underdevelopment appear to be those formulated and excuted within the framework of the national economy.[83]

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This rejects the notion of CSR on the grounds that the condition of underdevelopment itself does not permit it. For this reason, SR has to be localised at the national level, which implies that the process should terminate at the disengagement phase. The danger in this position is that SR might assume the artificial and unreliable form of external balance, or degenerate into autarky which is rather too restrictive on the development of productive forces. However, it sensitizes us to the possibility that external ties of dependence might present alternative choices which members of a collectivist scheme would find difficult to substitute with collective measures, when such members are yet to embrace SR at the national level.

On a more accomodating note, there is a recognition that CSR, especially among countries of different background and contextual situations involve certain contradictions. Thus, while it is conceded that collectivising African economies is necessary for development, this is held to impinge on national economic independence so that the simultaneous drive for the latter and the attempt to integrate will tend to produce a relation of conflict. Theseconconflicts are however not insurmountable.[84]

The complementarity thesis suggests that SR cannot be achieved in a single country.[85] The delinking from inter-

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national capitalism must be replaced with some kind of international economic cooperation at a level involving different independent units with "an array of common interests" and the same degree of peripheralization.[86] Conceived in these terms, CSR takes on the form of concentric circles in which two basic levels of choices and actions are indicated. This allows for a progressive graduation from national confines into an international community, and thus, create room for the basic transactions of an international economy while avoiding the unequal tendencies that produce and sustain underdevelopment.

In this way, the replacement phase, which the complementarity thesis suggests accomplishes two basic objectives. First, it differentiates SR from autarky. Although the former demands relative isolation, it does not imply the latter. As Onimode puts it, "the detraction from self-reliance which national resource limitations impose can be relaxed through regional cooperation in a framework of collective self-reliance."[87] By allowing unhindered resource procurement within an integrated community, CSR becomes a way of relaxing the strict discipline on external resource procurement on which the more localised dimension of SR is predicated.

Secondly, the enlarged and integrated community created allows for a rapid pace of development of productive forces

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and the fruitful deployment of the multiplier and accelerator mechanisms. On the basis of this, the combined productive resources of the collectivity and the general internalization of the development process transforms the group into an auto-centric and autodynamic system, the basic characteristic of centre states. As this process achieves maturity the basis of reassociation or recoupling with the wider international economic system increasingly takes shape.

This recoupling constitutes the third phase of the process of SR.[88] With control over the internal production process and the rapid development in the productive forces the initial character of the collectivity as a periphery is transformed into the dynamism of the centre. The capacity for effective participation in the international economic system is enhanced. In otherwords, the capacity and power base to effect an equitable redistribution of world production would have been achieved. This is the ideal of CSR, and the analysis and evaluation of any third world integration scheme must pay close attention to the possibility, problems and consequences of its realization.

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CHAPTER TWO

ISSUES AND CONCEPTS IN REGIONAL ECONOMIC INTEGRATION: A REVIEW

2.1: The Problem

Underdevelopment is the definitive process and condition of West African economies. Since independence, various policies and strategies supposedly aimed at transforming this process into the autocentric path of development have been mostly formulated and executed within the framework of the nation state, in close alliance with foreign governments and international capital. This framework has not only fallen short of expectations, but tended to reproduce and intensify the structures of underdevelopment. Furthermore, it has tended to confirm the reactive character of West African economies in the light of external conditioning.

There is a strong argument that the inability to launch the economies of most underdeveloped countries into the path of self-sustained growth is traceable to the inadequacy of their individual national resources. Hence pooling such national resources under regional integration schemes is urged as a fundamental strategy of self-reliant development. The underlying assumption is that an expanded economic size would widen the market for goods and services, stimulate production, induce external economies, and lower the cost of production.[1]

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Consequently, countries of the underdeveloped areas are increasingly attracted to regional economic integration as a vehicle for accelerated economic development. In Africa, as Ake has observed, the idea of regional economic integration as a means of collective self-reliance and development has been around for a long time. What is new however is the current emphasis.

> In the past, regional integration was regarded more as a supportive measure rather than as a development strategy. What is new now is that regional integration is being talked of rather more seriously as a grand strategy for breaking out of underdevelopment and dependence. As the favourite development strategies failed and the competitive position of the developing countries, particularly in Africa, continued to deteriorate, the idea of regional integration for collective self-reliance has become more attractive.[2]

In this pursuit, West African efforts have been quite pronounced. In fact Abangwu predicates any meaningful economic development in the countries of the sub-region on the outcome of their integration efforts.[3]

As a development strategy, integration schemes among UDCs have not borne out their rather optimistic expectations. Vaitsos eloquently captures the state of regional integration in under-developed areas when he observes that they "find themselves today in various degrees of serious crises, in state of stag-nation or in processes of disassociation."[4] In examining the 'crisis' of integration, two major tendencies are evident. The first, usually manifested in the analyses of customs union

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theorists, adopts the optimising condition of the western experience as reference point, with the inevitable conclusion that in the absence of those conditions that facilitate those western efforts, integration among UDCs will tend to fail.[5] This position points to the absence of certain factors without a recognition of the presence of other factors that may equally contribute to, if not the real basis of the crisis. This approach is negative, and rather than illuminate, it obscures the dynamics of the integration process among UDCs.

The other tendency points out that integration in underdeveloped areas takes place in a different context and pursue ends which differ fundamentally from those of integration among industrialized countries. It also adopts the position that economic integration is a viable tool of economic development in UDCs inspite of the pessimistic predictions of traditional customs union theorists.[6] The major problem then lies in mustering the political will to adopt and implement integration measures. While the absence of this vital force (Political will) is usually highlighted, the difficulties associated with mobilising it are hardly given any serious consideration, or systematically located in the structural context under which integration operates.

These two tendencies do not address themselves to the various ways by which the structures of underdevelopment and dependence within which the integrating countries operate, condition and

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structure their approach to, and expectations from, integration. Similarly, and on a highly crucial note, there is the noticeable absence of systematic attempts to evaluate the implications of integration measures for the attainment of the goal of collective self-reliance and an autonomous path of development.

An adequate comprehension of the dynamics of the integration process in West Africa must locate that process within the structural conditions of underdevelopment and dependence. That is to say, the process of integration must be given expression in the context of the external orientations of the economies of the sub-region. In addition, the criterion of evaluation adopted should be such that addresses the implications of integration policies (whatever their state), for the character of development emanating or likely to emanate from such policies.

2.1.1. The Objectives of the study

The main objective of this study therefore is to analyse the ways by which the structures of underdevelopment condition the process of economic integration in West Africa. Specifically, this resolves itself into a focus on:

(a) the impact of the divisive patterns of preferences, and common orientation to preferences on the formation of the Economic Community of West African States (ECOWAS), the Community's choice of instruments of integration and the implementation of integration policies,

(b) the crisis character endemic in the economies of

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West Africa as peripheral economies, and the pattern of its transmission into the integration process;

(c) the effects of resource differentials between member states on external expectations and the resultant effect on ECOWAS; and

(d) the evaluation of the policies of the community in the light of the requirements of a strategy of collective self-reliance.

2.1.2. Justification of the study.

The West African States function within a global economic framework. Their peripheral position in the structural arrangement that characterizes this framework is the basic issue which regional integration addresses.[7] Infact, in the Monrovia Declaration of 1979, African Heads of State and Government gave explicit recognition to this when they pledged to integrate their economies with a view to achieving self-sufficiency, self-sustainment and self-reliance. The imperative of self-reliance was further underscored by the African Heads of State in the Lagos Plan of Action when they gave explicit attention to the disquieting problem of "overdependence" of the economies of Africa, a problem which had made these economies "highly susceptible to external developments and with detrimental effects on the interests of the continent."[8] The Economic Commission for Africa (ECA) has adopted ECOWAS as the model for addressing these issues. Thus, ECOWAS is the vanguard integration scheme for other subregional groups in Africa, all of which will eventually be coordinated for an overarching African Economic

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community.[9] Self-reliance and self-sustaining development "puts the domestic market including sub-regional and regional markets rather than the external foreign market at the heart of the development process".[10] Regional integration becomes a strategy of breaking out of underdevelopment, and the assertion of an autonomous path of development. This is the task that faces ECOWAS. This study is an attempt to explore in depth, the unfolding path of West African integration, the events shaping the process, and therefore the possibility of achieving collective self-reliance.

Closely related to the above is the tendency to assume an identity between collective self-reliance and regional economic integration among UDCs - that is, integration automatically implies a position of opposition to the structures of underdevelopment. The correct relationship between the two is an issue which this study explores.

Finally, in as much as underdevelopment theory has increasingly assumed a paradigmatic status in the social sciences, its unique, political economy approach to the analysis of political and socio-economic phenomena has hardly been deployed to the concrete analysis of the problems and crisis of integration among UDCs.[11] In attempting to relate the conditioning impact of the structural context of underdevelopment on West African economic integration, this study equally addresses itself to a theoretical void in the analysis of integration among UDCs.

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2.2.1: The Theory of economic integration

The theory of economic integration is dominated by customs union theory. The purpose of a customs union, according to this theory is to increase the welfare of its members through the elimination of trade restrictions between them. It also posits that, a spur to economic growth will come in the form of competition arising from the removal of obstacles to trade and the elimination of inefficient producers within the union.

Jacob Viner, a pioneer customs union theorist defined the primary purpose of a customs union as that of shifting sources of supply, a shift which may either be to lower cost sources, or to higher cost sources. The former, trade creation and the latter, trade diversion become the tools for analysing welfare gains from integration. Thus, in trade creation, the expected overall result will be a net benefit for all the members, and the world in general, while in trade diversion, the end product is a net injury for all members and the world in general.[12] For Lipsey, welfare gains from integration will only be forthcoming if there is a higher level of trade with partners than with third parties, and the lower the level of foreign trade as a proportion of domestic product.[13]

This framework, as Balassa has pointed out is essentially static, depicting a state of affairs characterised by the absence of various forms of discrimination between national

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economies. It neglects the process dimension, which embraces measures aimed at abolishing discrimination between the economies of member states.[14] Moreover, customs union theory is rather too restrictive since it tends to limit itself to the analysis of integration as a mere tariff issue. An expansion of the scope of integration that permits liberal factor movement and cooperation in economic and monetary policy issues create room for more sophisticated arrangements which go beyond the tariff-based free trade areas and customs unions. In fact Bela Balassa's typology of economic integration systems is essentially a function of the scope of policy issues embraced within each category. These are free trade areas, customs unions, common markets, economic unions and complete economic unions. A theory of integration, according to Balassa, should not only analyse the economic effects of integration, but must be informed by a process dimension which gives adequate attention to the measures required for accomplishing the objectives of each type.[15]

Attempts to apply customs union theory to economic integration among UDCs have always come up with a weak case for such integration schemes. Based on Lipsey's framework, Bhambari contends that economic integration among UDCs is not justified on economic grounds, but "based ultimately on political considerations".[16] Allen sees little prospects for welfare gains in integration since little prospects exist for trade

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creation although trade diversion will be common place.[17] Furthermore, Allen sees the effectiveness of integration as being very much dependent on the advantages of the heightened competition within the union, on the basis of which inefficient producers are eliminated. The 'gain vitiating compromises' which prevent the expression of this vital process simply means that integration of underdeveloped economies does not pursue, nor does it promote trade ideals.[18]

Thus customs union theory positively discourages the integration of underdeveloped economies. In fact, Hazzlewood asserts that the theory would appear irrelevant, if not positively harmful to integration schemes in UDCs.[19] Trade creation and trade diversion as tools for evaluating integration among UDCs are not only restrictive, but misleading. For one thing, they are held to skirt the development contribution of the integration process to the economies of UDCs.[20] Moreover, the neo-classical economic doctrines on which they are based take no account of political variables. As Balassa has pointed out, this does not only reduce their utility in the essentially political setting of economic integration in general, but more specifically, are less applicable to centrally planned economies and UDCs,[21] where integration must clearly transcend trade liberalization, the take-off and end-point of customs union theory.

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2.2.2: The theoretical rationale for economic integration in underdeveloped regions.

The disatisfaction with the traditional theory of customs union in relation to UDCs has resulted in various attempts to furnish theoretical foundations for integration in underdeveloped areas.

Among UDCs, economic integration becomes an approach to economic development rather than a simple case of successive tariff reduction.[22] Cooper and Massel suggest that economic integration in UDCs must accept industrialization as a legitimate policy goal, so that the basic issue becomes how participation in an integration scheme may enable a member country to achieve more economically, the ends served by protectionism.[23]

Trade diversion, which generally characterised integration in UDCs, and is seen as harmful to the process under the traditional customs union theory, becomes a regional level equivalence of import substitution. The choice then is between trade diversion in favour of the domestic producer at any cost and trade diversion in favour of the most efficient producers in the region.[24] As Hiroshi Kitamura puts it, "a pattern of production based on greater specialization within the region will be more economical than one directed toward maximum self-sufficiency on the basis of narrow national markets".[25] At the national level, import substitution as an industrial strategy is limited by what Nicholas Plessz refers to as "minimum economic size of industrial plants".[26] Integration

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becomes a way of increasing market size in order to meet the requirements of the minimum economic size.

Having observed that the traditional theory of economic integration is concerned with the gains that may be derived from changes in existing pattern of trade, Peter Robson opines that the rationale for integration among UDCs rests essentially on the effects of the formation of regional markets on the fundamental problems of underdeveloped economies. These revolve round the provision of a more rational framework for domestic and foreign investments and the mobilization of unemployed resources.[27] Furthermore, economic integration in UDCs produces special problems which include the equitable distribution of benefits, the creation and strenghtening of production structures and ascertaining the scope of profitable specialization. While these are important in any integration scheme, "the structural features of typical developing countries often render them of overriding importance, and in combination they produce a situation that points to a different approach from that which may be appropriate to groupings of advanced countries."[28]

This contextual difference has been the basis of the distinction between the ends served by integration in UDCs and industrialized countries. Thus, the goal of economic integration in Africa is to free the continent from external dependence. If political independence must be transformed into economic inde-

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independence, the unviable economies of African states must be rationalised through a merging process.[29] This merging process differs from that in the industrialized countries since, according to Ewing, high and comparable levels of per capita income in the latter makes it possible to liberalize trade on a rapid note, with a beneficial effect on industrial output, productivity and volume of trade. On the other hand, a similar pattern of merging in UDCs with their low living standards and pronounced disparities in economic productivity may not make any appreciable impact on volume of trade, while at the same time, it might lead to further polarization between the stronger and weaker partners. However, with the industrial map still relatively empty, the task is not so much trade liberalization, but building up new industry on a joint basis.[30] It is for this reason - that is, the creation of new industry based on a larger market that plessz contends that economic integration among UDCs is more justified than between industrialized countries.[31] He in fact, argues that the immediate problem for integration in the highly balkanized West Africa is how to avoid the perpetuation of a situation that threatens to translate the political fragmentation of the sub-region into myriad of watertight economic compartments.[32] The foregoing could be seen as a good case for third world economic integration. But beyond indicating the critical importance of mutual co-operation, there is hardly any suggestion as to the actual determinants of the motion of integration schemes in UDCs. This is usually addressed in political theories of integration.

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2.2.3: Political theories of integration

The integration process has been a subject of much attention in political science literature. In most cases, the analytical products of such attention have tended to be extrapolations of the Euro-American experience, or abstract designs postulated for general application. Notable in this regard are the functional, Neo-functional, communication, federal, and the systems approach.

Functionalism.

The functional approach is essentially an abstract design for a 'working peace system'.[33] It's basic assumptions are:[34]

First, states can co-operate for specific welfare oriented benefits even when political cooperation is impossible. This assumes that the technical nature of these welfare programmes render them immune from the political differences or the ideological incompatibility of participants.

Second, successful co-operation on technical, non-political basis through functional international organizations will breed habits of co-operation which will lead to the multiplication and expansion of functional organizations.

Thirdly, with welfare becoming more depoliticised through these technical international organizations, a transfer of individual loyalties from national units to international organizations will occur.

Finally, this process will culminate in a strenghtened

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international organization or something similar to a world government of general acceptance, technical but non-political.

For David Mitrany, the technicised international organization is recommended by three novel historical phenomena which have a major impact on international peace and development. One is the rapid pace of scientific and technological developments which have raised political, social and economic issues which can only be adequately dealt with at the global level. Two, there is the prospect of the improverished UDCs being tempted into revolutionary isolationism, and three, the increasing trend of neo-mercantilist planning. The key issue under these conditions, therefore, is how social and economic action can be harmonized to attain the goal of human welfare. This can be done by

> making use of the present social and scientific opportunities to link together particular activities and interests, one at a time, according to need and acceptability, giving each a joint authority and policy limited to that activity alone.[35]

Inspite of the global ambitions of Mitrany's proposals, some attempts have been made to regionalise its scope, especially in application to UDCs. For example, Lanfranco suggests a 'common project' approach for integration systems in UDCs.[36] On his part Ian Little considers full integration among UDCs as inadvisable because of the problem inherent in the distribution of benefits. However, where one or more industries can be established only on a regional basis, then a limited industrial community, could with external aid, still be clearly

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beneficial to all parties.[37]

A major criticism of this approach is that far from being depoliticised, 'functional' organizations are in fact, settings for major political and ideological battles.[38] Moreover, the definition of welfare tend to have ideological connotations and the version selected for application must be arrived at through a political process. Since an agreement on a depoliticised, technical meaning for welfare is not easy to arrive at, the notion of transnational habit forming and transfer of loyalty to the international level, which imbue integration with self-propulsion by providing the 'elements for international government' are inadequate for comprehending the motion of the integration process. It incorrectly assumes uniform interests, and complete, unpoliticised agreement on the selection of instruments and methods of integration. It therefore does not capture the reality of the integration process. Moreover, the guise of non-controversiality and the globalist perspective of this approach conveniently attempts to hide the fundamental contradictions between the UDCs and the industrialized countries, and in this way, perpetuate and reinforce the asymmetrical relations between the two sides.

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Neo-functionalism

A teleological conception of integration is evident in two related approaches. According to these, the motion of integration is explicable in terms of an ideal type end-point which is depicted as a 'political community' in the neo-functional thesis of Ernst Haas while it assumes the form of the

'security community' in the communication framework of Karl Deutsch.[39]

According to Haas, political community is a condition under which pluralist interests, as manifested in political groups and individuals increasingly show more loyalty to central institutions than to any other political authority.[40] So conceived, regional integration becomes in the words of Schmitter, "How national units come to share part of, or all of their decisional authority with an emerging international organization"[41] Leon Lindberg agrees with this conception of integration, but unlike Haas, denies it of an end-point. To him, the process of integration requires, the development of central institutions and policies; institutional task allocation important and specific enough to activate socio-economic processes to which conventional international organizations have no access; a mechanism of self-expansion for the various tasks; and, a continuous commitment of the member states through identifying their interests with those of the community.[42]

The neo-functional approach stresses the identification of those groups which make input into the integration process, their aims, beliefs, ideologies and the pattern of conflict existing between them. It is the opposition, identity or convergence of these pluralist interests that determine the success or failure of a "transnational ideology".[43] For Lindberg, the pattern of evolution of the European Economic

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Community, EEC is captured in essence, in a two way process. This process links the needs and activities of domestically organized interests to the conduct of groups, political parties and governments at the community level. In return, the community elicit a constant feedback from the various interests as it tries to grapple with their demands.[44]

Schmitter systematized the neofunctional approach under three major hypotheses.[45] The spillover hypothesis refers to the expansion in the scope of mutual commitments as a result of the dissatisfaction of some members or interest. This dissatisfaction is held to arise from the unequal satisfaction of some collective goal. Why this should lead to an all round increasing commitment and not otherwise is left vague. The externalization hypothesis describes a situation whereby member states are compelled, to adopt common policies vis-a-vis third countries. This means an increasing reliance on central institutions. The politicization hypothesis conceptualizes the increasing controversiality of joint decision making as the sectoral scope of integration is widened. This might lead to a redefinition of integration objectives, a process schmitter calls transcedence. He uses the term automaticity for a theoretically high probability that the situations conceptualized by the three hypotheses will occur.

The erstwhile popularity of the neo-functional approach is traceable to its acceptance of the political character of economic integration and the delineation of explicit categories

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for analysing it. This represents a vast improvement on the apolitical posture of functionalism. However, various short comings in the neo-functional framework have been spot-lighted. In the first place, it shows no sensitivity to the possibility of different outcomes. The teleological conception neglects the possible changes in interests and the power basis of various competing groups which may result in different outcomes any of which may be an advance, a reversal, or a preference for the status quo in the integration process.[46]

Secondly, the applicability of the framework to UDCs is highly questionable. Developed "under the stimulus of events in western Europe in the 1950s," the approach, according to Nye is more suitable for the analysis of cases in which pluralist interests are well articulated.[47] Haas admits that it is essentially a 'European Model', but argues that it can be adopted to the analysis of integration in underdeveloped areas by locating the "functional equivalents present in the socio-economic structure of developing nations".[48] Mytelka disputes this, on the grounds that politics in UDCs is essentially with-held from the kind of pluralist forces with interest in trans-national organization. Thus, integration in this setting becomes the business of a narrow elite.[49] In addition, it is difficult to attribute the character of non-controversiality to any issue under the integration processes of UDCs. Owing to the high degree of poverty in UDCs, the distributive problem is so acute that issues regarded as technocratic and non-controversial in Europe become

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highly politicised and subject to negotiations at very high levels.[50] As Nye points out in reference to the East African case, officials at the community secretariat were told by their respective home countries to "justify action from a territorial viewpoint".[51] This of course, blunts the spill-over hypothesis and the loyalty transfer it is supposed to induce in favour of community institutions.

The influence of the neo-functional approach on the analysis of integration among UDCs is most pronounced in the analysis of Latin American integration . Parkinson identifies two groups representing opposing entrepreneural interest within the Andean pact. While trade liberalization is resisted by interests represented by uncompetitive national industries, a nascent class of sub-regional industrialists actively support it. In relation to the objectives of the Andean pact, the more transnationally oriented group become progressive while the nationally minded interests are seen as reactionary. The opposing pull of these interests at any point in time impose a fluctuating character to the Andean integration process.[52] Parkinson also identifies certain extra-regional forces as making input into the Andean group's integration process. Thus, while the MNCs attempt to obtain dominant positions within the member states so as to take advantage of the common market, the United States government employs political pressure to ensure that the group does not embark on measures that might discriminate against her

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economic interests.[53]

On his part, Wionczek sees the major conflicts within the Latin American Free Trade Area (LAFTA) as traceable to sub-groups within it. Classified according to their level of economic development, these sub-groups are the industrial 'giants', made up of Argentina, Brazil and Mexico; the middle group made up of Chile, Columbia and Venezuela, while the most backward group consist of Bolivia, Ecuador and Paraguay.[54] The goals represented by these categories are not based on sub-national interest within member states, or organized at community level with well articulated transnational ideologies, as Parkinson would have it, but are held to be predominantly national in character so that an alighment of member states along resource-level defined interests become the dominant expression of integration politics. Thus defined, these national alignments tend to become so rigid that they threaten to impart a permanent crisis character to LAFTA.

<u>Communication analysis</u>.

In emphasizing relations of 'community' among peoples as definitive of political integration, Karl Deutsch focuses attention on the 'Security Community'. This refers to "one in which there is real assurance that members of that community will not fight each other physically but will settle their disputes in some other ways".[55] For Deutsch, the degree this state of affairs has been attained can be ascertained through

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the measurement of the densities of transactions flows and covariance, that is, the mutual rewards and penalties that result from joint action or its failure.[56]

Integration is therefore conceived as a condition, so that an analyst studying that condition has to measure the rate of transaction flows, defined in terms of exchange relations in trade, tourism, mails, etc. The rate of transaction flows is expected to affect elite responsiveness while the concept of memory in the communication system facilitates the social learning of integration habits. These are expected to lead to the condition referredto as the security community. However, there is no explicit statement as to the kind of forces that will unleash the pattern of transaction flows that will eventually result in the security community, except for the vague notion of the activities of a core area which provides the necessary leadership for integration.[57] The role of other members is not specified. In fact, they assume the passive role ofonlookers, while the core area, made up of one or a few major actors among the member states has a government and political elites who act as unifiers and active leaders, and therefore the determinants of integration outcome. Thus, as a result of the activities of the core area, political divisions within the security community become weaker, shifting away from the boundaries of the participating units. Life becomes dominated by cross cutting divisions which pay no attention to the original political units and regions.[58]

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In attempting to widen the scope of 'active' participants in the process of integration, Jean Barrea advances the view that middle powers, or member states second in terms of power status usually try to satisfy dictates of their own prestige by choosing to act as 'counter-core states' to the leadership pretensions of the core area. The counter core is essentially a pole of relative strength operating as the locus of resistance in the process of integration.[59]

Deutsch's concept of the core-area as well as Barrea's counter core-area are clearly useful for delineating the patterns of conflict in integration systems, especially in the North Atlantic Treaty Organization (NATO) where the repective roles of the United States and France are captured by these concepts. However, to assume that integration unfolds as a result of conflicting role demands of two contending poles of opposition may discount the important contribution of other members not easily identified with any of these two poles.

Another shortcoming of this approach centres on its attempt to 'mechanise' the process of integration. Laws borrowed largely from Cybernetic theory are transposed to relations between human groups and it is expected that the causal pattern of the former will be replicated in the latter.[60] This is why the communications approach has been unable to provide a suitable framework for dealing with the processes of integration, except to measure its condition.

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Finally, by attempting to mechanise relations between human groups, such relations are abstracted from their socio-historical context and transposed into a universalist, timeless dimension to which they do not belong.

The federal approach

The federal approach depicts integration as something that comes into existence when independent political units transfer certain powers to transnational bodies by treaty. Integration therefore becomes a treaty-based linkage of severeign states for specific purposes which may be economic or defence. Thus, a pattern of international co-operation induced through supranational agencies, creates a framework which may eventually evolve into a political union.[61] Federalism therefore becomes a political technique, "a manner of linking sovereignties capable of converging them to a single focus in keeping with a given situation .... At the same time as federalism integrates sovereignties, it integrates policies, and with these, problems".

Federalism, according to Carl Friedrich could be conceived in a dynamic sense rather than as a static design characterised by a particular and precisely fixed division of powers between governmental levels. On a dynamic note, federalism denotes a process by which a number of separate political communities enter into arrangements for working out solutions, adopting joint policies and making joint decisions on common problems. As a

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condition, federalism exists if a set of political communities co-exist and interact as autonomous entities united in a common order, with an autonomy of its own. In general, the federating process will be characterised by the shifting balance of common values and disparate values, interest and beliefs which are "effectively reflected in more differentiated or more integrated relations."[63]

Friedrich goes on to qualify a federal order as international if it is

> sufficiently loose for its members to have separate and autonomous relations with other states and at the same time to develop or maintain joint relations.[64]

The EEC conducts certain relations with the outside world as a single entity, At the same time, its members can, in separate and individual capacity, conduct their relations with the outside world. This, to Friedrich is what qualifies the EEC as an instance of international federalism.[65]

A strong and responsible bureaucracy is held to be indispensable to the federalizing process. More important to this process however, is the need for a strong executive. This, in fact, is the main determinant of its success or failure.[66]

The legalistic tone of the federal approach obviously requires an anchor in a strong bureaucracy and an even stronger executive. How the latter, a derivative of the American experience, is expected to come about or operate in an assemblage of sovereign states that may not see political union as a

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necessity, or an urgent issue is left vague and unexplained. Moreover, inspite of the dynamic quality which Friedrich tries to build into the framework, one is still left with the notion of a static condition instantaneously created by the simple exercise of treaty-making.

Systems approach

In the system perspective, integration is conceived as an input-output matrix on a transnational scale.[67] According to Onwuka, it takes on the form of a political development system in which the nature of the environment as well as the capacity of the system to cope with the stress emanating from that environment are largely emphasized for purposes of analysis.[68] As a political development system, integration would be taking place as the capacity of the system to process input into output in response to the needs of the environment is enhanced. This in turn would mirror the pace of role differentiation and the institutionalization of community organization and procedures, and therefore their level of viability and persistence.

For the West African sub-region, Abangwu sees the most critical element for the integration process as that of input, in its financial, administrative, technical, cultural and political dimensions. The sum of these inputs "might be too negligible to produce a meaninful net benefit within a closed system", with the result that inputs may be greater than benefits. But since integration will encourage foreign inflow of resources, total output from this open system will be far superior

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to the individual inputs from the integrating countries.[69] The assumption is that of the two basic sources of inputs - internal and external - it is the latter that is crucial to the issue of benefits or gains, and hence the success of integration. The probable effect of this on the goal of self-reliance is ignored. Moreover while the internal inputs involve some costs to the integrating countries, external inputs are assumed to involve no such cost. In addition, even if external inputs are predominantly beneficial in terms of overall gains, there still exist the possibility of increased disparities in resource allocation among participating countries. This is in view of the tendency for foreign resource inflow to be spatially invested according to market forces.

Finally, Abangwu rightly emphasizes the central role of commitment to the success of integration. However, he fails to put in analytical perspective, the structural problems associated with member states' economies that might tend to compromise such commitment. And in giving the dynamic element in the input process to external resource inflow, regional integration might deviate from its objective of achieving collective self-reliance.

The marxist approach

While the European integration process has received much attention in Marxist literature, this has hardly taken the form of systematic attempt at theory building. However, certain

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common strands, rooted in the methodological underpinnings of marxism, have emerged from various analysis by leftist scholars. These point to what might be regarded as the marxist approach to integration.[70]

The underlying basis of European integration is the inherently expansionist character of capitalism. This has produced a situation in which the confines on national capital have increasingly become fetters on the further development of the productive forces. Thus, current European integration is a response to a particular phase of the development of capitalism, a phase marked by the concentration and centralization of capital on international scal

The situation that arises is what Robin Murray has called 'territorial non-coincidence', in which capital progressively outgrows national boundaries, creating new tension between the political organization of the world (nation-states) and the emerging form of economic organization of the world marked by the internationalization of capital.[71] As this gathers momentum, it becomes increasingly difficult to defend the almagamated capital within the framework of a single nation-state. Hence the strong inducement for common economic and financial policies to coordinate, and further facilitate the emergence of 'European Capital'. Andthis requires the transfer of certain economic functions of the state to a supranational body, which in essence implies the 'renationalization' of capital at the regional level.[72]

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The Marxist concept of the state and its economic role in capitalist society is crucial here. Inter-territorial capital requires defence at the supranational level for various reasons, but two stand out. One, in the face of capitalist recession affecting the various European states, counter-cyclical measures in monetary and fiscal policies will have to be taken at a collective level. Two, the extent to which the state of rival capital (the United States) can be deterred from intervening on behalf of its global business interest to the detriment of European capital will depend on the extent the latter is able to deploy state power in a concerted form. And this concerted form can also ensure a better bargain for its capital through an imperialistic defence of its various markets and sources of supply, especially in the third world.[73] This does not mean that the EEC is only a manifestation of imperialist rivalry on a global scale, although this is one of the two major interpretations of European integration.[74] In fact, the first one sees it as an expression of United States global dominance, and its need to organize and strenthen European capital against the encroachment of hostile anti-capitalist forces. In this sense, European integration becomes a regional component in the post world War 11 efforts of the United States to reconstruct and consolidate global capitalism. The second viewpoint holds that it is basically a product of capitalist rivalry on a global scale. If the European States are

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to be able to meet the challenge of foreign competition within and outside Europe, then it becomes necessary to organize this capital on a transnational scale so as to retain and defend existing markets and sources of supply as well as capture new ones.[75] The dialectical relationship between these two position is reflected on the one hand, in the requirements of global capitalism in the face of its major challengers, and on the other, in the competition and rivalry inherent in the distribution of capital in space. Thus, as the creation of a large area in which the free circulation of commodity, capital and labour releases industry from the limits imposed by territorial confinement, economic integration does not only strengthen Europe as the first line of defence against the major challenge to global capitalism, but also offer a defence against the onslaught of rival American capital.

What is obvious in the above analysis is the unity of the process of economic, political and social integration. Economic integration, the motive engine, essentially refers to the almagamation of capital and markets across geographical areas demarcated by territorial states, while political integration refers to authority spread in the form of transfer of certain powers to supranational institutions for the regulation and defence of the almagamated capital. This process is reinforced by a social form arising from the ideological legitimation elicited from the relevant social strata.[76] Herein lies

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the strength of the Marxist framework. Regional integration becomes a dialectical unity of economic, political and social integration. While an analytical dissection of this process is possible, each and every form can only acqure its character from the unity of the whole process. This unity has tended to be lost in the traditional western approaches to integration which fragment, isolate and compartmentalise its dynamics according to the disciplinary persuasion of the analysts. Much of the confusion on the nature of the integration process in the liberal approaches has centred precisely on this point, i.e. the relationship between the different facets of the integration process as well as its totality.

Inspite of this obvious strength, the marxist framework is specific to the European integration process, or to those countries whose productive forces have attained at least the stage of matured capitalism. On integration in the third world, it is silent.

2.2.4: The dynamics of economic integration in the third World

Most political theories of integraion suffer from some common defects. There is the pervasive Euro-American colouration which is a pointer to their contextual specificity. But this seems to be lost on the analysts when they apply them to the integration process in UDCs. For example, integration is assumed to be a linear process which inevitably advances the objective of co-operation. When this is applied to the third world, the obvious falsification of this hypothesis

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is excused on the grounds that it is a matter of differences in degree and not of kind, between the situations in UDCs and that of the industrialized countries. This is a failure to recognise the need for a theoritical statement of the tendency towards stagnation of integration schemes among UDCs. In the absence of such an apparatus, this stagnaion is simply attributed to certain missing prerequisites, normally found in, and which ensure the viability of integration among industrialized countries. This position obscures more than it illuminates.

Moreover, there is the tendency to explain the process of integration in predominantly endogenous terms, irrespective of the conditioning impact of exogenous factors. Where the latter are given some attention, they are treated in an abstract and isolated manner, far removed from their structural context. Finally, there is a general tendency to ignore the relationship between the context of economic integration and the objectives of collective self-reliance.

It is in the attempt to rectify some of these short comings that the works of people like Vaistos, Robson, and especially, Axline, among others acquire much significance.[77] Robson has observed that while integration is vital to the socio-economic development of UDCs, progress in such ventures will be dependent on a "complex of international negotiations".[78] This process, according to him, is complicated by the necessity

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to evaluate national economic interests in terms of political considerations. This produces a situation where long term integration benefits tend to be discounted in favour of the immediate benefits of isolated national development. In addressing the progress of integration, Robson maintains that national considerations based on the premise of prospective economic benefits are doubtlessly of importance. However, these are not likely to prevail except where most of the decision-makers in the respective integrating countries identify their personal and group interest with the interests which integration would promote. The prospective benefits should be large anough to overcome the obstacles presented by the inevitable uncertainties which major changes in economic policies entail. Since these conditions are hardly met, it becomes unrealistic to expect smooth and rapid progress in integrative ventures among UDCs.[79]

Constantine Vaitsos has attempted to locate integration among UDCs within "the conditions imposed by the economic and political environment within which they are supposed to operate".[8]
For him, any analysis of integration in UDCs which focuses solely on interactions on the form of network of exchanges in evaluating the degree of integration will not convey much. An adequate comprehension of the process must consider along with the network of exchanges, interaction, based on power networks and interactions based on networks of knowledge and information. The element of power and information, according

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to Vaitsos, cannot be assumed equal for all participants, neither is it realistic to assume that they "tend towards equilibrating conditions". On the contrary, the dynamics of the network of power and information tend to accentuate rather than reduce disparities overtime. The application of optimising conditions on the basis of network of exchanges in disregard of the other two elements will tend to "reinforce disintegrating differences instead of leading towards some degree of similarity of performance, equity and increasing linkages".[81]

For an adequate and comprehensive analysis of the integration process in UDCs, Vaistsos maintains that the instrument or policies used must be analysed along with the questions: who integrates, and for whose benefits? The assumption of national interests or some other such umbrella term might actually hide the dynamics of personal and class interests in answering these questions. The inequality in the distribution of power and knowledge places integrating forces in a situation where they can "transform underlying structures according to their own advantages." On the basis of this, Vaitsos weaved his approach to integration around four key issue-areas. These are the local socio-economic and political interest served by integration, the influence of foreign governments and private interests; the relationship between structural characteristics and choice of integration schemes, and; key issues relating to process and duration of integration stages, the peculiar nature of trade, and the

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requirements of inter-country distributional considerations.[82]

For Andrew Axline, the reduction of the degree of dependence and the distribution of gains and loses from integration are two consequences of the process which can help the comprehension of the political dynamics of economic regionalism in UDCs.[83] According to him, there is a tendency for integration to become more difficult i.e. for member states to resist more advanced forms of integration as they progressively take measures to reduce disparities and dependence. He predicated this on the behaviour of member states with reference to integration measures categorised as expansive and distributive, given an outlay of opportunity costs. Such opportunity costs will essentially be a function of economic size. Thus, the more developed ones will tend to pursue an expansive strategy while the less developed will pursue a distributive strategy. In effect, disparities in bargaining strength and level of economic development become the basic determinants of members' strategies.[84] Although Axline recognises that the dependent nature of these economies will mean that "external factors which have been largely ignored in the study of European integration will constitute extremely important influences in the integration process",[85] this line of thought is not systematically pursued further.

The strength in Axline's framework lies in the delineation of categories which specifically attempted to address the subject matter in terms of the peculiar circumstances of underdevelopment.

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But even this attempt is prematurely lost in inconclusiveness when he failed to situate member states' asymmetries and the attendant opportunity costs in the conditioning structures of dependence. Also, while the central concept of opportunity cost offers suggestions as to why a member state adopts a particular negotiating position, it would appear that Axline's predication of such opportunity costs on economic size is overly deterministic, his attempt to play down this not withstanding. If opportunity costs are a function of economic size per se, it becomes difficult to explain cases of alignment of member states that are clearly non-symmetrical. More fruitful will be the adoption of a position in which opportunity costs are seen as products of the particular impact of economic extraversion on member states' internal structures and processes, and the existing relations between member states. These in turn must be seen as a function of history, resource base, geography, ecology, and in general the economic form in which underdevelopment is manifested.

Secondly, in his preoccupation with the types of measures or packages of measures that are likely to command general agreement among member states, Axline does not evaluate such measures in terms of their implications for the structures of underdevelopment. This is crucial to integration in UDCs, and any anlysis of this process should address the issue of the possible impact of measures adopted on the goal of collective

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self-reliance.

Thirdly, Axline pays no attention to the problem of implementation of measures. There are obvious difficulties in arriving at acceptable measures of integration, but even where common grounds have been found, measures adopted have tended to be resisted by member states at the level of imple-memtation. His failure to address this issue is traceable to his confinement of the politics of integration to the policy making level, with the implication that implementation becomes a mere administrative issue.

Finally, Axline attempted to capture the dynamics of regional integration among UDCs without first addressing himself to their genesis. By neglecting the genetic forces, those dynamic elements on which he focused are denied a take off base, so that an analysis that ought to assume the form of a process path or paths turns out to be a static affair, far removed from its historical context.

These limitations are essentially the outcome of incomplete rendition of the structural imperatives of underdevelopment and their conditioning impact on integration. Thus, where external constraints are identified, they are treated as isolated phenomena instead of being systematically integrated into the general structural context within which regional integration is elaborated. Among others, the foregoing analy-tical inadequacies have been largely mirrored in the lite-rature on ECOWAS.

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2.2.5: ECOWAS: The literature

Much significance is attached to the issue of gains from West African integration. Nii Dodoo approaches the issue from the point of view of an acceptable formula for sharing the gains of integration. On the basis of this, he developed a game theoretic framework under which rational decision-makers would co-operate to ensure maximum benefits for each participating member state.[86] This suffers from two basic defects. The framework does not deal with how integration unfolds but simply confines itself to a static criteria under which gains already made are apportioned among members. Secondly, the abstract conception of the rational decision-maker effectively isolates integration from its context.

Utilising the twin tools of trade creation and trade diversion, Markham assumes that gains from integration must necessarily be derived from the reallocation of resources which trade liberalization induces in favour of the lowest cost producers. Thus, inspite of the limitations imposed by the primary character of export production and the limited range of overlap in industrial production in the sub-region, the larger market created by ECOWAS represents a potential for trade expansion.[87] This assumes a uniformity of interests under which the overall benefits to the community are seen as identical to the welfare gains accruing to the individual member state or its dominant socio-economic expression. It is difficult to see how a member state will count as gain from

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integration, a competition-induced atrophy of the national industrial base. Even if such competition from fellow member states will thereby increase welfare, it will be in the short term, and at the level of consumption. It discounts the possibility of negative employment and budgetary effects.

For Ezenwe, the central problematic is the distribution of the gains from integration . This is expecially crucial owing to the assymetry in the level of resource endownment and economic development of member states. Under this condition, a corrective framework tailored to the needs of the poorer members becomes a necessity for an all round commitment to the integration process.[88] While this correctly points to the problem of assymmetry, it is nevertheless isolated from the concrete context of the structures of underdevelopment, and in so doing, obscures the dynamics of the West African integration process. Closely related to this is the fact that it neglects other features, not necessarily based on size, but arising from the peculiar nature of a member state's external ties, as well as the character of its economic form, that may influence benefits accruing to such a member state.

According to Onwuka, ECOWAS is a regional channel for implementing development objectives.[89] The joint efforts implied here entail a political development system, which he attempts to analyse in terms of the scope of decision making on developmental issues of the community in relation to member states.

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Thus, he advances a scaling method which attempts to measure the degree of community involvement in various issues of integration such as trade liberalization, movement of labour, industrial development, capital movement, etc.[90] His award of scores is a useful pointer to the extent member states share decision making powers with the community. However the scores awarded are mostly based on treaty provisions and a few subsequent decisions adopted by the community. In effect, the scaling method is static, and does not really address the problems associated with the adoption and elaboration of the issues, nor their implementation. In addition, while Onwuka stresses the need to analyse the institutional behaviour of ECOWAS, his analysis does not take cognizance of the fact that the economies that constitute ECOWAS are dependent ones, and therefore that their pattern of incorporation into the world economy must be part of any community framework of action. Although he devoted a chapter to international economic factors, the only indication on the relationship of these to ECOWAS took the form of a cursory note that such factors may positively or negatively affect integration.[91] They are not systematically analysed in terms of the transmission of their effects into the integration process

Depending on whether there is an explicit recognition of the structural framework within which the integration process unfolds, three major tendencies are discernible in the literature on West African intgration. In the first case, ECOWAS is seen as an augmented market that will help reduce overhead

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production costs, introduce lower prices, which in turn would stimulate demand and accelerate economic activity in the sub-region. Capping this will be the encouragement it will give to the rise of 'sophisticated industries'.[92] Conceived as such, the structural framework within which ECOWAS exists and operates is treated as given. The issue simply becomes the adoption of those optimising measures under which an integrated market of the European model will be created. Thus, problems of integration and their solutions will now hinge on what Udokang sees as "the reasonableness of the demands and expectations of the respective units, the capacity of the member states to compromise and the quality of the community's leadership".[93] Scant attention is paid to the structural context of under-development within which the integration process is elaborated. This tendency is manifested in the highly personalized perspective of diplomatic history which informs Gowon's work on ECOWAS.[94]

Gowon was mostly concerned with events in West Africa and the actual negotiations that led to the formation of ECOWAS. In essence, his contribution dwells on the diplomatic history of the organization. The factual analysis of this was done with the insight and resources of an insider. Although Gowon attempts to give an account of the various ECOWAS institutions and their operations up to 1982, this was peripheral to the main theme of the study, and was dominated more by a description of the legal basis of the treaty and some protocols, than a

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systematic attempt at analysing or evaluating the process and progress of integration in ECOWAS. In fact, Gowon explicitly acknowledges that his is not an attempt to "provide a balance sheet for the community" or "to evaluate its work and progress".[95] In this way, the structural problem is avoided.

The second major tendency groups those who take cognizance of the structures of underdevelopment, but assume that ECOWAS itself is the ideal vehicle for extricating individual members from the constraints it imposes on national development. Uma Eleazu's analysis emphasizes the role of the multinational corporation in the entrenchment of neocolonialism in West Africa.[96] However, he posits that a community policy of externalization, i.e., "joint policies towards non-members, preventing members by threat of sanctions from dealing directly with specified non-members," should be seen as the way to deal with the MNC as an agent of peripherilization.[97] For Skib Asante, the major problem for ECOWAS is to initiate measures effective enough to combat attempts by extra-regional interests to take advantage of expanded regional opportunities, and thus derive more benefits from integration than intraregional participants. This problem also borders on the extrication of member states of ECOWAS from existing dependency relationships, and using the community as a basis for bringing about local control over resources.[98] A similar reasoning informs the analysis of those who have attempted to locate the integration process in ECOWAS within the overall objectives of the clamour for a New International

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Economic Order (NIEO).[99] Thus, an identity is assumed between collective self-reliance and sub-regional economic integration. This fails to give adequate consideration to the way member states participation in the international economy might condition ECOWAS, rather than the organization conditioning their participation in the international economy.

A third group points out that the capacity of African States to embark on integration Schemes is particularly affected by their structural connection to the international economy. For Jalloh, the crisis of African integration is traceable to the fact that they are designed to act within the existing international economic framework rather than transform it.[100] Nnoli profers a similar argument. He points to the conditioning impact of the external orientation of African economies on their integration schemes.[101] He notes in particular that external factors such as the distribution of foreign investments may tend to create and sustain imbalance among members of integration schemes.[102] For Renninger, the international economic system can be considered threatening to ECOWAS, since as dependent economies, member states are subject to external factors over which they have no control.[103] In addition, MNCs may be the major benefinaries of the benefits of integration in ECOWAS especially as the institutional structures of society "remained unchanged after the attainment of independence"[104] Thus, ECOWAS as a tool of promoting collective self-reliance

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may be difficult, especially as its framework is inspired by that of the EEC, and therefore, falls within the traditional approach to economic integration.[105] However, while pointing out that collective self-reliance should be primarily a function of internal resources, he concludes that this would be very difficult to achieve in ECOWAS without outside aid. It is from this perspective that he analyses the role that the United Nations system could play in West African integration.[106]

The impact of the external orientation of the West African economies on their integration has also received attention in a more narrow context. This is the case of Daniel Bach's analysis of the relations between France and her former West African colonies, and the impact of this on ECOWAS.[107] He specifically points out that CEAO was formed as a tool of France's foreign policy in West Africa. Its primary role is to co-ordinate the industrial strength of Cote d'Ivoire and Senegal as a counter core to Nigeria's dominance of the sub-region.[108] Asante examined the relationship between the 'fledgling' ECOWAS and the 'maturing' EEC and points out that the EEC's objectives as shown in the Lome Convention will tend to be incompatible with self-reliance in ECOWAS.[109] Similarly, Olofin has observed that the relationship between the EEC and ECOWAS might be such that the rate of progress towards integration in the latter would at best be directly dependent on what happened in the former. Thus, for integration to reflect the autonomy of the sub-region, it must be a choice between special external ties

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and ECOWAS.[110]

Inspite of the incisive trend which these works blaze for the analysis of the integration process in West Africa, they are rather sketchy in nature and in general, hardly address themselves to any specific integration measure, a prerequisite for analysing the conditioning impact of incorporation into the world economy on integration outcome and its character. This shortcoming is complemented by the absence of any attempt to deploy any systematic conceptual apparatus to the analysis of the observed possibility of conditioning impact of incorporation into the global economy. Consequently, these works have largely remained at the level of casual observation. A major outcome of this is that the crisis character of underdevelopment and the pattern of its transmission into the integration process in West Africa is completely ignored.

In the final analysis, apart from the third group, most of the existing literature on West African integration do not effectively locate the process within the conditioning impact of the structures of underdevelopment. Consequently, the perceived stagnation of the integration process is reduced to an abstraction usually dubbed 'lack of political will'. In addition, community measures are not appreciated in terms of the direction they chart for the integration process. In essence, an adequate analysis of the character of the integration

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process in West Africa must recognize the historical and concrete manifestation of the accumulation process in the sub-region, and the specific economic forms assumed by member states of ECOWAS as a result of their participation in the world economy and which condition the integration process in the subregion. This is the basis of the analytical perspective of this thesis.

2.3: The framework of analysis

The process of economic integration in West Africa operates within a specific structural context. Elaborated historically, this context is exemplified in the underdevelopment of the sub-region. The economic extraversion that informs underdevelopment further perpetuates it through a conception of develoment that puts foreign exchange and its availability at the centre of the accumulation process. This crucial issue, usually reproduced in the balance of payments position, has major consequences for a country's fiscal and monetary processes investment levels and employment prospects. These underlie the general structure of opportunity costs which is a derivative of the singular process of incorporation into the world economy.

However, the orientation of the various West African States to this singular process of incorporation differ from state to state. In otherwords, while they succumb to the same logic, the response to this logic differ. And it is in this difference that the specific structure of opportunity costs

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is located. This specific structure is essentially a product of two main factors - differential resource endowment, and the existence of special ties between member states of the sub-region and certain centre states, usually the ex-colonisers. These ties are reflected in the rigid arrangement of the franc zone, the loose pattern of the sterling area and their subsequent, but incomplete metamorphosis in the form of association with the EEC.

Differential resource endowment gives rise to specific patterns of interaction between member states and the world economy, and consequently, some degree of difference in impact and expectations from the world economy. This is manifested in the resultant economic forms in West Africa, of which three major types are indicated. These are the mendicant, the transit, and the dependent capitalist. Differential resource endowment is not limited to the level of resources available to a country. It also includes the advantages and disadvantages of geographical location, and the pattern of ecological problems - usually drought and famine - to which a member state may be subjected.

As categories whose basic features are defined by peculiar responses to resource-mediated participation in the international economy, the economic forms differ in their degree of articulation with that economy.

The mendicant form is exhibited in low resource countries. These are also the subject of extreme geographical disadvantages

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(archipelago or landlocked), and susceptible to ecological shocks of extreme dimensions, notable in the form of drought. These cummulative adversities produce an economic form that is virtually stagnant, and which largely depends for the essential form of its reproduction on external largese, usually from the ex-coloniser and international institutions. In general, this form does not indicate much in terms of externally directed growth. This category is strongly indicated in Burkina Faso, Cape Verde, Gambia, Guinea-Bissau and Mali. The basic form of this category is also exhibited in Mauritania and Niger. However these two are distinguished from the general category by the existence of mineral ore extractive industries (iron and uranium respectively) in relatively large quantities, which have induced in them, a late rally to some measure of export directed growth and its associated pattern of crisis.

The transit form shares the low resource feature with the medicant form, and to that extent, its reproduction is also an expression of external subsidies. However, this basic feature is modified through a geographical proximity to a dependent capitalist form which allow some advantages to be derived from the manipulation of certain external ties. This basic form is exemplified by Benin and Togo whose sandwich position between Nigeria and Ghana permits the ready and advantageous use of their French backed currency to induce a resource inflow and foreign exchange earning capacity that would not

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normally be permitted by their natural resource endowment.

The remaining countries - Ghana, Guinea, Cote d'Ivoire, Liberia, Nigeria, Senegal and Sierra Leone may be classified as dependent capitalist. The character of this form derives essentially from the fact that its consitutents are comparatively high resource countries, with large scale primary export production bases. Cote d'Ivoire and Nigeria represent this category in its most developed form. The former is the product of a well diversified agricultural exports base while the latter hinges on a crude oil export industry. Ghana and Senegal, with longer histories of incorporation, and more importantly, without ready replacement for exhausted export bases, represent not only the climax, but also the declining phase of this category.

This classification has its limitations, the major one being that the categories overlap and each contains an element found in the others. For example, Niger and Mauritania also exhibit the form of the dependent capitalist; Benin, Togo, and even Senegal share some of the features of the mendicant type while Guinea, Liberia and Sierra Leone can only lay minor claims to dependent capitalist status. Inspite of this defect, its analytic value lies in pointing to the dominant charac-

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teristics of different process paths to accumulation and self reproduction, the factors that help to chart them and most significantly, the different expectations which these basic types imply for the integration process in West Africa. Along with the conditioning impact of special external ties, the conditions of accumulation present a view of a specific structure of opportunity costs which mirrors not only the varying capabilities of member states to bargain whith centre states or institutions on terms of dependency, but also their sources of dependence. This further suggests differing levels of participation in the world economy and hence the capacity to wield influence among other states. And in these, a clear picture of the dominant forces that shape the integration process in West Africa begin to emerge.

Thus, the singular process of incorporation as well as the specific form in which it manifests itself in each state provides the opportunity costs of integration since the need to integrate, the choice of integration measures, their elaboration and implementation will depend on their expected impact on the national accumulation process and self-reproduction. In otherwords, depending on the objective situation of a member state , an integration measure will be expected to have certain effects on foreign trade, aid, investments, monetary relations, etc. Where a measure is indicative of advantageous effects, it is likely to elicit the necessary support from member states. On the other hand, an anticipated negative impact will tend to produce resistance

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to such a measure.

The structure of opportunity costs operate around two basic sets of integration policies: expansive and distributive policies. These are analysed in terms of opportunity costs, based on the conditions of accumulation and reproduction so that a member state will be expected to support an expansive policy in order to consolidate certain resource advantages while a distributive policy will elicit support to compensate certain resource disadvantages.

Furthermore, as the anticipated opportunity costs elicit responses to particular measures of integration, various types of alliances, formal and informal, reflecting the needs of particular economic forms, and special external ties, will tend to spring up or be reinforced along more or less rigid lines. Thus, a high degree of convergence in the structure of opportunity costs becomes necessary to bring about acceptable and implementable measures of integration.

In all these, the analytical problem is clear: to examine the structures of opportunity costs and how they shape the integration process. This, therefore is an attempt to link integration measures, their elaboration and implementation to the structures of underdevelopment, and in this way, explain not only why integration in West Africa has become a very hesitant phenomenon, but also evaluate the character and direction of its very hesitant steps.

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One major advantage of this framework is that it is dynamic. It indicates that the outlay of opportunity costs are not static but must necessarily be subject to the exigencies of the international economy and its conditioning impact on internal structures. In addition, it does not only unite the economic and political dimensions of integration into a dynamic whole but also allow for a certain degree of anticipation of reaction of member states to issues of integration. Finally, it does not only point out how integration takes place or fails to take place, but also, it goes beyond this to indicate its direction. In otherwords, it subsumes within itself a powerful tool for evaluating the contribution, actual and potential, of integration measures to the charting of an autonomous path of development.

2.3.1: Scope

This study does not attempt to cover all aspects of the operations of ECOWAS. Rather, a few key issue areas are analysed in order to determine the major structural factors that condition the integration process in general. Thus, free movement of persons, trade liberalization, including money and payments represent the expansive spectrum while compensatory measures and joint or planned community industries and projects are chosen to represent the distributive spectrum. These issues are analysed within the time frame of the first ten years of the 'operational' existence of ECOWAS, ie, 1977-1986.

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2.3.2 Sources of data

This work is primarily qualitative and its data base reflects this. The main sources of data are: (a) Official documents and publications of ECOWAS (b) Annual reports of the Executive Secretary (c) Reports of various studies commisioned by ECOWAS (d) Limited access to some proceedings of meetings of some departments of the organizaion (e) Press reports and archival materials and, (f) Oral interviews with selected, key personnel of the Technical Departments of ECOWAS in Lagos.

Statistical data were extracted from various sources, notably from the publication of the United Nations or its agencies. In addition, books, journals and others of similar character were valuable sources of supplementary data.

2.3.3: Definition of terms

1. Economic integration: This is a process that expresses the common measures, arrangements and developments which aim at reducing and eventually eliminating the barriers which national boundaries and special external ties impose on joint economic action and processes among different national units. This process is inseparable from the political framework which not only engenders it, but also unfolds as a direct consequence of economic integration.

2. Expansive Policy: This refers to the measures adopted in an integration scheme to create the highest possible joint gain.

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It pays attention only to the maximum output, irrespective of how it is distributed. Trade liberalization and unhindered factor mobility are typical examples.

3. Distributive Policy: This concentrates on settling the shares of the member states of an integration scheme. It attempts to ameliorate the adverse impact that may arise if expansive policies are left unregulated. Compensatory and corrective measures, and planned regional industries and projects are the typical examples.

4. Opportunity Costs: These can be seen as the values which resources used in a course of action would be expected to generate in their best alternative employment. In effect, opportunity costs are the member-states' anticipation of forgone values in their adoption of a particular measure of integration. They present an idea of the impact, actual or anticipated of integration measures on crucial aspects of accumulation and reproduction. In other words, they capture the effects, realised or anticipated of the adoption of integration measures on existing patterns of trade, aid, investments, employment and fiscal and monetray affairs.

2.4: Organization of the work.

This thesis is divided into eight chapters. The first chapter is a theoretical exposition of the concepts of underdevelopment and collective self-reliance, while chapter two specifies the subject of the thesis as well as explores the theoretical and empirical literature on economic

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integration. Chapter three is a historical overview of the development of the structures of underdevelopment in West Africa. In chapter four, an attempt is made to locate the formation of ECOWAS in the changing relations among the dominant external metropolis of the West African countries as well as the rapid pace of accumulation in some of the latter countries by the second decade of independence.

The analysis of two closely related dimensions of expansive policies - trade liberalization and monetary relations is the subject of chapter five, while the sixth chapter deals with another dimension of the expansive spectrum - labour migration. In chapter seven, distributive policies are examined. Chapter eight contains the summary and conclusion.

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CHAPTER THREE

THE STRUCTURE OF UNDERDEVELOPMENT IN WEST AFRICA

3.1: Geography

There is no consensus on the geographical limits of West Africa. The Economic Commission for Africa (ECA) defines these limits to encompass the territories of former French West Africa, former French Equatorial Africa, Nigeria, Ghana Sierra Leone, Gambia, Spanish and Portuguese territories of Equatorial Guinea, Guinea Bissau and the Cape Verde Islands.[1] By this definition the ECA locates Zaire, Gabon and the Central African Republic squarely within West Africa. This, as Plessz has pointed out, is borne out more by an attempt to accomodate all former French West Africa and Equatorial territories within a single developmental subregion than what strict geographical factors would warrant.[2]

On the other hand, in applying the concept of international economic region, Plessz opines that locational patterns of economic activities and population densities indicate that West Africa is made up of a major economic region stretching from Douala in the Cameroons to Abidjan in Cote d'Ivoire. This is partially linked with a smaller region of high population density and substantial economic activity consisting of parts of Northern Nigeria and Southern Niger. Barely linked to these two are four smaller centres of activity

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situated at the mouth of the Congo in Burkina Faso, and along the higher stretches of River Niger around Sierra Leone and around Dakar in Senegal.[3]

These two definitions are respectively exaggerated and restrictive. In an attempt to relate colonial history to sub-regional development and planning efforts, the ECA ends up by overstretching the limits of the sub-region. On the other hand, in an attempt to define the sub-region in terms of a close knit market area, Plessz adopts a more restrictive view that eliminates the far Western Stretches of the sub-region.

To Harrison - Church, West Africa consists of:

> the mainland area lying South of the sahara and West of the boundary between Nigeria and Cameroon .... Thus the study of West Africa comprises the nine Francophone countries, the four Anglophone ones, Liberia and Portuguese Guinea.[4]

This definition closely approximates the present composition of ECOWAS, except for the omission of the Cape Verde Islands.

The ECOWAS sub-region occupies an area of about 6.2 million square kilometres, with a population (1984) estimated to be between 160-170 million people. With 16 countries in the sub-region, Nigeria alone accounts for more than half of the population, while the French speaking states, combined, occupy about three-fourth of the total land area.

West Africa has two main seasons - the wet and the dry, with the length and intensity of each varying from place to

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place. This variation, among other things affect the type of vegetation and the location of economic activity. It also forms the basis of the demarcation of the two broad homogeneous geographical areas that constitute the sub-region. These are the dense tropical rain forest of the Costal belt, extending inland for about 160 kilometres, and the dry Savanna grassland that forms a wide connective expanse of land between the forest zone and the Sahara desert.[5] This North-South divide constitutes the fundamental division that forms the basis of agricultural specialization, which historically has been the foundation of exchange relations between the people of the Southern forest zone and the Northward savanna region. Over time, the fact that inter-zonal crop diffusion was difficult was another booster to the development of agricultural exchange relations between the two zones. These commercial relations were further stimulated by a transportation system that utilized the valleys of many rivers by canoes, and the well established land routes by camels horses and donkeys.[6]

The widespread trade ties between different parts of tropical Africa led to settlements along the long distance trade routes. This trade, in both its internal and external dimensions played a major part in the large scale territorial organization that marked the process of state formation in pre-colonial West Africa. It contributed to the growing power

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of . monarchs, who in association with foreign merchants, imposed near monopolistic control on the trade on strategic materials like iron and horses, and a tariff on other goods. External trade was no doubt very important to the central government, but agriculture, fishing and cattle breeding remained the predominant preoccupation of the mass of the people. This pattern of agricultural specialization gave rise to a diversity of primary products, the effect of which was to stimulate local trade and diversify the economic structure of the empire. Moreover, the large scale territorial organization necessitated the production of a surplus for exchange on an expanded scale, thus inducing an internal long distance trade in agricultural products. While a considerable volume of this trade was by barter, salt, iron, textile, copper and brass also doubled as media of exchange, as well as being commodities in their own right. However, the widespread use of the cowrie (which was imported from the Coastal regions into the hinterland as early as the eleventh century) as a common currency ensured the presence of a non-consumable medium of exchange. This acted as a stimulus for the generation of a surplus well beyond the dictates of subsistence needs.[7]

3.2 The contact with Europe.

The initial contact between Europe and the coast of West

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Africa around the mid 15th century with the arrival of Portuguese explorers in the Gambian Coast was apparently a response to the demands of European mercantile capitalism. The gold of the sub-region had already got to Europe through the trans-saharan trade. European Coastal penetration was an attempt to find an alternative route to the source of this precious metal.

The contact with Europe led to the re-orientation of trade and commerce towards the coast and correspondingly, a diminished role for the trans-saharan traffic. The European presence, which aimed at direct access and control of the gold resources of West Africa, soon stimulated new forms of multilateral trade relations with Europe and the Americas.[8] The agricultural export potentials of the sub-region were tapped, with notable attempts to develop the production of crops such as sugar, cotton and tobacco. But the more successful ventures in the West Indies and North America had the dual effect of atrophying the West African efforts, and turning the sub-region into a labour reserve for the New World, as manifested in the rise of slavery and the slave trade.

The slave trade got its stimulus from the discovery of the Americas, and the attempt by the various European powers to exploit its vast mineral and agricultural potential. As Eric Williams has pointed out, the reasons for slavery and the

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slave trade are to be located in the economics of production.[9] With abundant land in the New World, labour Scarcity became the major obstacle to the large scale crops production for the European market. Europe progressively enslaved the aborigines, then fellow Europeans, and finally Africans, the latter leading to the slave trade. African Slave labour became dominant in the production of crops like coffee, cotton, indigo, tobacco, and most important, sugar which became the dominant exports of the West Indies to Europe. The ascendance of free trade over company charter, coupled with the increasing demand for sugar in Europe led to an appreciable rise in the flow of slaves to the new land. As the slave trade increasingly became the pivot of the primary form of accumulation it also became more profitable to those associated with it - European merchants and monarchs on the one hand, and African monarchs and powerful chieftains on the other. As the need to advance beyond the coast into the interior in order to meet the increasing demand for slaves became necessary to Europe, powerful West African rulers, with a pallate for European luxuries and internal rivalries went to war against one another in order to acquire prisoners for exchange with Europe. The new states which sprang up in West Africa during this period defined their external exchange relations in terms of the slave trade, growing powerful on the exchange of fellow Africans for European

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guns and merchandise. A pattern which was subsequently to assume an increasingly familiar form was established. Prosperity in the sub-region became a derivative of unequal external commercial relations. The pre-occupation for exports 'production' tended to produce a decline for production to meet internal needs.[10]

Apart from the human angle, the African leg of the slave trade involved a depletion of her labour resources,"cheap" manufactured imports led to a decline in African craft and industry, while agriculture was neglected. On the other hand, the European leg involved various positive multipliers which Eric Williams called the "triple stimulus to British Industry" - the boost to infrastructures, ship building and manufacturing, and ultimately, the industrial revolution.[11] By the time the slave trade came to an end, the effective incorporation of Africa into the European centred world economy had considerably advanced.

The transition to "legitimate' trade substituted for West Africa's export of human merchandise, the export of two oleaginous products - groundnuts and palm produce, the one cultivated in the interior savanna belt and the other, derived from wild growing palm trees in the forest zone. The trade in these products expanded rapidly.[12] This resulted in the establishment of European trading posts along the West Coast.

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Through these and with the help of African middlemen, the European merchants were able to extend their commercial influence deep into the interior.

As competition among European merchants for African exports intensified, profit margins rapidly declined. One solution was to eliminate African middlemen, and to do this European merchants called on their home governments for 'protection'.[13] However, the rapid industrialization of Europe from the 1870s, and the emergence of the United States and more especially, Germany as industrial powers transformed the international economic system from its erstwhile, near single-centredness into a multi-centred one.[14] The intensive competition this engendered gave rise to a huge wave of protectionism in Europe, with markets made exclusive and shut off.[15] These market exclusiveness, strategically entrenched in the sub-region through coastal footholds, and exclusive control over riverian routes to the hinterland, set the stage for the partition of West Africa, which the Berlin Conference of 1884/5 formalised arbitrarily.[16]

The basic outlines of the incorporation of West Africa into the world economy had become pronounced by the end of the slave trade. The triangular nature of the latter gave the sub-region the dual character of a periphery to the American periphery, as well as a periphery to the European centred world economy. The transition to 'legitimate' trade intensified the

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process of incorporation while removing the periphery - periphery dimension and transforming the sub-region into a direct periphery of Europe. Colonialism, operating within institutionalized political structures, did not only advance this process along the old planes, but created or facilitated the creation of new structures and processes for the economic exploitation of the sub-region.

3.3: The colonial economy

By 1900, West Africa was effectively, under the control of four European colonial powers - Britain, France, Germany and Portugal. Following defeat in the first World War, Germany was dispossessed of her colony, Togo. This was partitioned between Britain and France, an action that ensured their virtual colonial monopoly of the West African heartland.

The colonies were adapted to the same economic role. This consisted of the production of agricultural commodities and raw materials for export, and the import of manufactured goods, with the colonisers progressively constituting the major export markets as well as the dominant suppliers of manufactured products to the colonies. This primary form of economic activity which formed the basis of the characterization of West Africa as "Africa of the colonial trade economy",[17] was later to be complemented by a "new and decisive element: the export

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of capital to the colonies".[18] Most of this capital was either invested directly in the dominant sector of the colonial economy - the commercial sector-or went into providing necessary infrastructures for the promotion of external trade.

Colonialism intensified the process of economic extraversion The introduction and cultivation of an increasing number of cash crops such as cocoa, bananas, cotton, coffee, and rubber as well as widespread mining operations both raised export levels and deepened the absorptive capacity for manufactured imports. This rapid increase in the volume of foreign trade is shown in Table 3.1.

TABLE 3.1

Foreign trade of British West Africa, 1850, 1900 and 1914 (in British £)

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	4,456,968	4,942,657
Nigeria					6,901,072	6,610,046
Sierra Leone	97,890	115,139	558,271	362,471	1,405,049	1,250,478

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

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The colonies tended to specialize in the production of one or a few primary export products. The relative share of each export product in the total volume of export of a colony usually changed over the time, a change that reflected the response of these products to the changing conditions of demand in the industrial metropolis. The extravert character of the colonial economy was further underlined by the pronounced tendency of export price fluctuations in reaction to demand conditions in the industrialized countries and the speculative activities of the dominant commercial houses. This instability is shown for some West African exports in Table 3.2

TABLE 3.2

Instability in the prices of some West African Export Crops: Selected Years. (Prices in Gold Francs per Quintal).

Commodity	Market	Year	Price	Year	Price	Year	Price
Cocoa	London	1928	152	1933	48	1940	32
Coffee	New York	1928/29	365	1932	100	1938/39	53
Groundnut	London	1928	49.75	1934	14.71	1938	15.97
Palm Oil	Liverpool	1929	85.29	1934	20.35	1938	18.54
Cotton	New Orleans	1925-29	177	1935	79	1940	122

Source: Statistical Yearbook of the League of Nations, 1937/38, 1942/44 editions. Geneva, 1938 and 1945.

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These fluctuations resulted in financial crises which were invariably reflected in the fiscal policies of the colonial governments.

The dominance of commerce in colonial West Africa gave capital an essentially mercantile character. Before the Second World War, agricultural investments in French West Africa and Togo accounted for 18.3% of total investments. Mining took 3% while what passed as industry in all of French tropical Africa accounted for 9.6%. The rest, about 70%, was invested in commerce.[19] This sectoral distribution of investment mirrors the relative profitability of the various sectors, with the ratio of profit to capital weighing disprotionately in favour of commerce.[20]

In addition to the preponderance of mercantile capital in the colonial economy, this form of capital was itself controlled by a few European firms whose speculative activities mounted on cartel platforms gave rise to astronomical profits.[21] In this set up, three firms predominated. These were the Societe Commerciale de l'Ouest Africain (SCOA), the Compagnie Francaise de l'Afrique Occidentale (CFAO) and the United African Company, (UAC). Through a myraid of affiliates and subsidiaries, these giant firms were able to operate throughout West Africa, Sometimes cutting across the colonial divide. This apparent terri-

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torial interpenetration did not challenge the vertical character of colonial trade since horizontal intra-West African Commerce was of little consequence, except in cases where it became inevitable in a purely transit form. The firms, whether essentially British or French, operated to link each territory individually with the European market.

Horizontal exchange relations were officially discouraged.[22] The French never made any pretences about this. From 1897, they adopted various tariff and non-tariff measures to protect commerce in their colonies against competition from Britain and Germany.[23] On the part of the British the free trade ideology, a product of the British centred world economy, was still accorded enough weight at the turn of the century to deter her from adopting large scale application of preferential regimes. However, stiffer competition, a relatively declining share of world industrial output and increasing protectionist pressures on traditional markets all made the free trade ideology increasingly difficult for Britain to sustain. The first world war gave a sense of urgency to the attainment of self sufficiency in the British empire through a systematic programme for the management of 'imperial resources'.[24] Over burdened by huge war debts and increasing international competition, Britain, in 1919 extended its war time controls into a peace time system of imperial preferences.[25]

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The global economic crises of the 1930s took protectionism to new heights. In 1932, the Ottawa agreements placed all parts of the British empire under a single preferential system. Most of French West Africa was already under such exclusivist arrangements, but these were further consolidated in 1936. The preferences included favoured treatment for metropolitan manufactures in the colonial markets and exclusive rights to nationals to handle freight between locations within the territorial coverage of the two preference zones. The British further guaranteed the best deal for themselves by ensuring that agricultural products which were also raw materials had no preferential access to the United Kingdom, leaving them to buy from the cheapest possible source in the world. Like the French however, British manufactures were guaranteed protected markets in their colonies.[26]

Thus, as commerce serve metropolitan interest, the exclusive zones under which it was carried out compartmentalised West Africa into distinct territories, converging in their external trade in two distinct centres - London and Paris. While this vertical articulation ensured that the colonies reproduced themselves in order to transform the metropolitan economies, it induced an internal sectoral disarticulation which also imposed definite limits to horizontal interactions in the West African colonies.

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3.3.1: Public finance and capital investments under colonialism.

A policy of self-sufficiency underlined colonial financial administration. While structured to uphold metropolitan economic interest, the colonial administration was nevertheless, paid for, not from metropolitan sources but from revenues generated internally. Indirect taxes, especially in the form of customs duties formed the major source of government revenue. A colony's financial base was therefore tied to its volume of foreign trade. The importance of foreign trade as source of government finance was further underscored by the fact that the ability of the African peasants to meet various forms of direct taxes imposed on them by the colonial regime was largely influenced by their capacity for export production. Thus, crisis in foreign trade resulting from reduced exports or a decline in world market prices for primary exports was translated into crisis in colonial public finance.[27]

Infrastructures typified the colonial concept of development. These necessitated foreign capital raised through loans on current commercial terms. Such loans were raised or graranteed by the colonial administration, and serviced through its budget. Transportation, a vital stimulus for export production and import activities, was the major area of amphasis in colonial public investment. Railways were developed to link the hinterland to the coastal seaports or to link the coast with the

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navigable parts of the major inland waterways. The roads were essentially designed as extension networks or feeders to the rail system.[28] Furthermore, the rail and road networks were designed to connect primary export producing regions to the coast. Thus, the transport system played a fundamental role in the process of colonial extraversion. For example, the railway system of French West Africa was made up of four separate lines, running from the major seaports to the interior. These lines, which were not interconnected, split up the french colonies "into separate trading economies based on individual ports, each with a hinterland supplying exportable products and absorbing imported goods."[29] The railway was the major colonial transport undertaking that served to underpin the relationship between colony and metropolis. It lowered the freight rates between the interior and the coast, facilitated rapid evacuation of bulky cargoes, and in the process made production for the world market attractive.[30] In addition, it enhanced the control measures of the colonial political and administrative apparatus. And in promoting external articulation simultaneously with internal disarticulation, the allocation of railway routes and feeder roads became a powerful tool in shaping the structure of the colonial economy.

The import of capital was vital for colonial public investments, and therefore the structuring of the colonial economy.

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Finance capital directly penetrated the colonies through Loans granted for funding public investments. In British West Africa, the groundwork for this was laid through the adoption of a public works finance programme under the colonial Loan Act of 1899 and the colonial stock act of 1900. Similarly, the large infrastructural outlays in French West Africa led to the first metropolitan loan to the Federation in 1903.[31] Some of these loans came in as special complements of the preferential packages of the colonial system. In this case, overseas credits were specifically channelled to the development of colonial raw materials for self-sufficiency in the respective metropolis and their colonies. In 1929, the British created the colonial development fund (CDF) for this purpose. The great French colonial loan of 1931 was equally made to the West African federation to strengthen its raw material base.[32]

The dominance of the loan element in public investment in West African was well pronounced. By 1936, loans were responsible for 86.2% of all public investments in West Africa. The figure for French West Africa as at 1937 was 83.5%.[33] These loans were raised or guaranteed by the colonial state, and serviced from its budget. The tough commercial terms on which they were obtained along with the rapid upward trend in interest rates at the end of the first world war created huge debt servicing problems for the colonies. Debts incured by the

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colonial state had prior claim on the colonial budget, whether the projects for which they were raised were self-liquidating or not. By 1926, the French West African federation was spending about 33% of its annual budgetary revenue on debt service. In a similar vein, Nigeria and Ghana, in 1934, respectively spent 32.8% and 27.5% of budgetary revenues.[34]

The spatial deployment of capital among the colonies closely reflected the pattern of resource endownment of each colony and the needs of the colonising country. In British West Africa, Nigeria and Ghana, better endowed in resources attracted more capital - public and private.[35] Furthermore, British colonies attracted more foreign capital than the French colonies before the second world war. These positions were reversed after the war.

The need to integrate the French West African (FWA) colonies more firmly into the metropolitan economy necessitated massive capital import from France. This capital was systematically deployed through a credit regime implemented under the Fonds d'Investissement pour le Development Economique et Social (F.I.D.E.S.) and the Caisse Centrale de la France d'outre-mer (CCOM). The rehabilitation of French industries after the second world war, and ensuring cheap sources of raw materials and markets for France in the face of an anticipated keen competition in a recovered Europe largely dictated this policy.

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Its goals were approached in two familiar ways - investments in infrastractures in which FWA had lagged behind, and specific policies designed to attract private investors. The latter was accomplished through a package of incentives unfolded under the Loi cadre of 1956, in which the federation was virtually turned into an exclusive investment haven for French capital. In the final analysis, as the FIDES credit regime improved outward directed infrastructures, it equally deepened the outflow of resources from the federation. Thus, as debt service problems increased, the federations market for imported French manufactures grew. Between 1949 and 1953, 80 billion francs was injected into FWA through FIDES. During the same period, French exports to the federation amounted to about 150 billion francs.[36]

In contrast to FWA, British West Africa (BWA) was not dependent to any remarkable degree on external credits for post second world war capital formation. Rather, capital investments were based on 'domestic savings' a product of primary production for the export market. In Nigeria, total investments (public and private) between 1950 and 1952 was 133.7 million pounds. Domestic savings accounted for 105.3 million or 79%. Foreign sources accounted for 24.4 million pounds or about 18%. During the same period, Ghana's Gross Capital formation of 58.9 million pounds was wholly based on domestic savings.[37] While domestic savings formed the basis of capital formation in most of post

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second world war BWA, not all resources available from this source were actually capitalised in the colonies. In Nigeria and Ghana respectively, only 58% and 52% of resources available from such savings were invested domestically between 1950 and 1952. The rest (96.7 million pounds and 53.9 million pounds respectively) represented sterling balances in London.[38] The creation of marketing boards in BWA after the second world war did not only facilitate the process of colonial accumulation, but also ensured a healthy system of funding the British economy. Between 1949 and 1955, the sterling balances held by BWA in London rose from 200 million pounds to 507 million pounds, an increase of about 150%.[39]

The partial capitaliztion of export earnings represented a major instrument of British control of the post world war two colonial economy. The policy was designed with two basic objectives. The retention of sterling balances in London was a buffer device supposedly meant to stabilize producers' income, as well as secure the guarantee of the West African pound by the British pound sterling. However, these twin objectives actually masked a highly exploitative process. The sterling reserves, partly derived from the conversion of the dollar earnings of the colonies into sterling, constituted a major boost to the war ravaged British economy. For a post war economy faced with the problem of dollar scarcity, the partial

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capitalization of colonial export earnings in the colonial economy meant a huge reserve of funds for direct injection in into the British economy. The process obliquely allowed exports to the dollar zone in order to accumulate a hard currency for Britain's reconstruction efforts. However, while the imperial preferential regime was somehow relaxed to suit Britain's dollar needs, the imports of the colonies were derived exclusively from the British market, a situation that precluded access to possible cheaper sources in the wider world market.

On the basis of the foregoing, it is clear that the British and French changed places with reference to the magnitude of capital exports in the period after the second world war. Between 1954 and 1958 capital inflow from Britain into her West African colonies was 62 million dollars. In contrast, French West African and Cameroon got 346.5 million dollars from France during the same period.[40] The specific needs of these two colonial powers accounted for these changes. A world economy largely centred in Britain in the 19th century and early 20th century required well developed and highly co-ordinated sourcing. The early and decisive step of the British in the exploitation of the vast potentials of their colonies with large capital outlays was a response to the objective position of Britain in the world economy. Comparatively, French capital was not as far flung as that of the British in the world economy. Consequently, it did not at the early

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stages, necessitate the kind of large scale sourcing which the British economy required. However, conditions created or nurtured by the second world war, especially the proposed European community, already in gestation by the treaty of the European Coal and Steel Community of 1951, deepened French raw material absorptive capacity. A cheap and efficient resouce base was expected to make France highly competitive in the proposed community. Hence, France's massive investments in West Africa after the second world war.[41]

Invariably, colonial capital investments, in what ever form, subordinated the colonies to the needs of the metropolis.

3.3.2: The colonial superstructure

The colonial import - export regime as well as investments in the colonies were largely responses to the economic interests of the metropolis. The exploitative objectives of the colonial pact necessitated a conducive political order. Such a political order was to create and sustain conditions to facilitate production for an external market. The political and administrative appartuses utilised certain basic tools for the attainment of this goal. Taxation, forced savings, mandatory crop quota for delivery to the colonial authorities, introduction of new currencies and the general monetization of the economy represented coercive methods of inducement for

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export production. Forced labour and a pattern of judicial administration that further peripheralized the colonial subjects in the exchange economy emphasized the coercive character of the incorporation of the colonies into the metropolitan economy. Coercion however, went side by side with the voluntary element in the African response to the new conditions and opportunities,[42] and in fact, replaced the former with the advance of colonilism. However, given the fact that "European decision-making powers were exercised in selecting what Africa should export - in accordance with European needs",[43] African producers had to operate within the constraints imposed by the colonial arrangement.

The colonial superstructure was largely a product of the underlying objectives of colonialism, although the two dominant colonial powers in West Africa structured their territories on different principles. While the economic and geographical conditions of the French territories induce a largely aggregative pattern of politics and administration, the British institutionalized territorial individuality, although with close approximation in political and administrative patterns. That British colonial administration maintained the distinctive status of each territory was a matter of convenience as the territories were not contiguous.[45] Each of the four territories

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was headed by a Governor who was answerable to London. The Governor was assisted in policy formulation and implementation by an Executive Council and legislative council. The former was virtually an official committee of European colonial administrators and representatives of European commerce, finance and mining interest, with a few colonial subjects either nominated by the Governor or elected on property franchise.

The French, in contrast to the British brought their territories together under a federal structure. This, again was a response to an objective situation. In accordance with the colonial fiscal policy of self-sufficiency, some sort of resource pooling arrangement under which the wealthier colonies would subsidize the poorer ones was required. While this was to quarantee the absence of colonial pressures on the metropolitan treasury, the need for unhindered access through the coastal territories to the hinterland and the stimulation of commerce through the abolition of tariffs among the various French possessions strongly indicated a federal structure.[46]

The rudiments of a fedral structure first appeared in 1895 but the powers of the Governor-general and the superior council which typified its authority were so vague and ill-defined that the different territories were left intact in their autonomy and distinctiveness. This changed in 1902 when a

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real government-general was set up. With a seat in Dakar and an independent budget, the Governor-general was transformed from his nominal role, with only direct administrative powers over Senegal into a "federal functionary over all and distinct from all".[47] Further consolidation of this trend led to the government-general's control over indirect taxes, the main sources of colonial revenues, and responsibility for public works and infrastructural development. These left the territories overwhelmingly dependent on the federal purse. In fact, the powers exercised by the territorial administration became largely a delegation of the government-general's authority.

Each territory in the federation was administered by a Lieutenant governor or governor, who, with the exception of Senegal, was assisted by an administrative council. Just like the legislative Council in British West Africa, this was a body of colonial civil servants, representatives of French commerce, finance and mining interests, and a few African members. At the apex of the government-general was a Governor-general, who was assisted by a Grand Council that replicated the tripartite character of colonial representation. The Governor-general was answerable to the Minister for the colonies in Paris, who was assisted by an advisory body dominated by powerful commercial interests. The influence of the

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latter on colonial policy was further enhanced by the unstable nature of the colonial minister.[48]

The subordinate status of the territories to the Government-general was further emphasized with the establishment of the French Union under the fourth Republic. Made up of France and her colonies worldwide, the Union had as its major objective, the common utilization and coordination of the resources of the members and the disemination of French civilization, both under the direction and tutelage of France.[49] This post world war two emphasis on the more systematic and intensive exploitation of colonial resources found expression in the large scale French investment in the development of infrastructures in the federation. Thus, the centripetal trend which some African delegates had criticised at the Brazaville conference of 1944 was further strengthened under the F.I.D.E.S. and C.C.O.M. administered investment schemes, whose allocative authority was the government-general. This momentum was halted and reversed through the Loi cadre decrees of 1956.

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3.3.3: Resource differentials and balkanization

The approach of the colonial terminus gave a primary character to differential resource endowment in the determination of the post colonial forms of the structures of intra-West African co-operation established in the course of colonialism. In British West Africa, such structures were few and essentia-

lly functional so that the issue did not generate much controversy. However, in French West Africa where economy, politics and administration were interwoven within a federal framework, an acceptable form of post colonial territorial arrangement assumed highly controversial dimensions. The retention of the federation as an entity, or its dismantlement in favour of separate and independent identities for the different units were the opposing positions. On the one hand, Senegal, with a cluster of other colonies, and Cote d'Ivoire on the other, respectively became the protagonists of these two stand points. The attainment of an overall fiscal equilibrium in the French West African colonies through a flow of subsidies from higher resource colonies to the lower resource ones was a cardinal factor in the formation of the federation. The commercial interests in Senegal and Guinea, the two coastal territories called upon to shoulder the fiscal burden of the Soudan at the formative stage of the federal system opposed this.[50] But as these commercial interests increasingly cut across territorial boundaries, the advantage of this arrangement to colonial commerce became obvious, and this facilitated the rapid consolidation of federal authority.

The standpoints of Senegal and Cote d'Ivoire on the future of the federation becomes more comprehensible when the unequal rate of incorporation of the territorial economies into the

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metropolitan economy, and the condition of accumulation in the colonies are taken into consideration. The centripetal tendencies of the federal system were marked in the post second world war period in its growing fiscal powers and the position of the Government-general as the administering agency of French public capital which was systematically injected into the federation. Senegal, the oldest French colony in West Africa as well as the location of the administrative capital of the federation had a headstart in commerce and industry. As the nerve centre of the federation, it attracted the bulk of imports, budgetary allocation and foreign investments.

The richness and diversity of the primary export resource base of Cote d'Ivoire and the commencement of the intensive exploitation of this in the 1930s steadily turned this colony into the leading economy in the federation. However, federal policy and entrenched private capital were not adequately responsive to this in terms of resource allocation and investment policies. The promise of rapid economic growth within a structural framework that related the Cote d'Ivoire directly to France without a mediating federal authority led to a brand of particularism that had as its primary objective, the dismantling of the federation.

The ascendance of particularism was reflected in colonial policy through the Loi cadre of 1956.[51] The central principle

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of the Loi-cadre reforms was the decentralization of the federation. The enhancement of the powers of the territories was proportionately reflected in the diminished role of the Government-general. Relegated to the role of coordination and arbitration, even the Government-general's exercise of its powers in this capacity became largely a function of the willingness of the territories to delegate authority. Each territory was not only entitled to the retention of an increased share of its resources, but was also empowered to adopt measures to attract private capital to itself. Thus, the Loi cadre advanced the individual colony as the principal economic and political unit entitled to a higher share of its resources in the pursuit of its economic objectives. This was the Ivorian goal.[52]

The anti-federalist cause was brought to its logical conclusion when the federation legally ceased to exist in April 1959. This was followed by an attempt on the part of Senegal and the Soudan, the major federal protagonists to form the Mali Federation but this disintegrated into its component parts a few years later. Perceiving the Mali Federation as an attempt to challenge its vision of Franco-African cooperation, Cote d'Ivoire sponsored a loose association of Upper Volta, Niger and Dahomey to form the Ententé Council which Togo joined in 1966. Guinea, the only country that voted 'No' to autonomy

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within the French Community in 1958, and opted for independence, found itself isolated not only by France, but also by former co-members of the federation. With the exception of Guinea, France formed all territories of the former French West African into customs union in 1959.[53]

3.4: The post-colonial economy

The post-colonial economy in West Africa is essentially a neo-colonial economy. The economic framework inherited from colonialism imparted a basic inflexibility to the pattern and character of capital accumulation. Rapid industrialization was the accepted orthodoxy as well as the central component of economic growth. This pattern of economic growth necessitated an exploitable primary export resource base, and therefore production for export. This puts the external market and the prevailing conditions in that market as the most crucial factors in the process of accumulation.[54] Apart from its crucial position of foreign exchange earner, export capacity largely determines the actual level of external resource inflow, either in the form of direct foreign investments or the availability of foreign credits and by implication the degree of articulation with the international economy. In essence, trade, aid, investments and monetary relations were interwoven in intricate networks, varying in rigidity, that related the ex-colonies to the ex-colonisers, so that the presence and

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influence of the latter in the post-colonial economies of West Africa remained prominent and pervasive.

This is the singular and general process that informs the character of the neo-colonial economy in West Africa. However, the mediating role of certain factors ensures a diverse orientation to 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. In this way, it becomes possible to generalise on the structural form assumed by the accumulation process and to the pattern of crisis usually exhibited by each economy.

3.4.1: The system of preferences

In the first decade of independence, foreign trade, aid, investments and monetary relations were carried out under two preferential systems which differed in the degree of rigidity in their arrangements. These arrangements modified by independent statehood, but representing continuities from the colonial period, pointed the former British territories to London under the sterling area while the former French colonies (except Guinea) operated under the franc zone anchored in Paris. Following the formation of the EEC, African members of the franc zone were in 1959, granted associate status. This subsequently

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evolved through the two Yauounde conventions into the Lome conventions, which marked the incomplete attempt at merger of the two different systems.

The preferential systems represented platforms in which trade, aid, investments and monetary arrangements of the countries of the sub-region were closely co-ordinated with, or administered by the metropolitan countries. This was even more so under the franc zone where the tight knit monetary system did not allow for the kind of loose and flexible pattern exhibited by the sterling area.

The franc zone monetary system came into existence when France established a special currency for her African colonies in 1945. This currency, the Colonies Francaise d'Afrique (CFA) franc metamorphosed into the Communaute Financiere Africaines (CFA) franc in 1962. This followed the creation of the West African Monetary Union (Union Monetaire Quest Africiane - UMOA) by Benin, Burkina Faso, Cote d'Ivoire, Mali, Mauritania, Niger and Senegal, with Mali withdrawing before the organization became operational. On the other hand, Togo which had maintained observer status during the negotiations acceded to the treaty a year later. A common central Bank, the Banque Centrale des Etats de L'Afrique de L'Quest (BCEAO) replaced the old one and assumed the responsibility of issuing the new CFA franc, which circulates among all the West African signatories to the UMOA

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treaty as the common currency. However, it is the monetary co-operation agreement which these countries simultaneously concluded with France that gives this monetary system its distinctive character.[55]

Under the franc zone arrangements, the BCEAO channels its payments and receipts in foreign currency through an operation account that the bank keeps with the French treasury in Paris. Foreign reserves of all member states of UMOA are pooled and held exclusively in French francs. A tight control on fiscal policy ensures that government borrowing in any one year does not exceed 15% of the previous year's budgetary revenue. Moreover, France acts as a guarantor of the unlimited convertibility of the CFA franc into French franc at a fixed rate of one CFA franc to one-fiftieth of the French franc. The BCEAO is managed by a Board of Directors made up of representatives of the French treasury, and the member states of the bank. The policies of the bank are implemented at the national level by monetary committees located in each member state.

The franc zone arrangement facilitates the free transfer of capital between France and the member states of UMOA, as well as among the UMOA countries themselves. There are no exchange controls within the franc zone, although such controls are rigidly maintained against non-members. The level of reserves is maintained through French aid programmes and preferential

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markets in France and the EEC. As a result of the guaranteed convertibility of the CFA franc into French franc and the fixed rate of exchange, France's monetary, trade and exchange control policies are in large part, automatically transmitted into official policies in the UMOA member states.

In British West Africa, the colonial sterling and exchange standard evolved under the West African Currency Board (WACB) formed in 1912. The WACB simply issued a West African legal tender against sterling deposits in London. It was not a central Bank and did not control monetary policy. Foreign currency earned outside the sterling area was converted into sterling reserves in London. The local currency was wholly backed through sterling holdings in London, so that changes in cash and credit in the colonial economy were primarily a function of the balance of payments position.

At independence, the former British territories moved away from the colonial arrangement to create their own central banks. The Bank of Ghana came into existence in 1957 while the Central Bank of Nigeria was formed in 1958. In 1963, the Bank of Sierra-Leone was created while the Gambia replaced the Gambian currency Board (which had performed some central bank functions since 1964) with a Central Bank in 1971.

Initially, the issues of these central banks were fractionally backed by deposits in sterling but these fiduciary

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issues were gradually disengaged from the pound sterling.[56] Although exchange controls were relaxed with the sterling area, the West African Commonwealth countries still imposed some universally discriminatory policies in favour of the local economy. In fact, Nigeria and Ghana embarked on deliberate policies to diversify their foreign trade outside the restrictive zone of the commonwealth. Moreover, and in contrast to Gambia and Sierra Leone, Nigeria and Ghana did not always reciprocate commonwealth preferences. However, capital movement within the sterling area was facilitated through a banking system with roots in London, and based on the networks of three major commercial banks - Standard Bank, Barclays Bank and the United Bank for Africa - sometimes operating in a national guise according to location.

Liberia, a product of the American colonization society, became independent in 1847. The vacuum created by America's lack of interest in the new state was filled through the entrenchment of European interests in that country. From 1871 when a British loan helped to avert an imminent financial breakdown, foreign trade and commerce were increasingly concentrated on Britain, Germany and Holland, with the British Bank in Monrovia acting as the bank of issue. The arrival of the Firestone Plantation Company in 1926 marked the 're-entry' of the United States, and the end of European dominance of that

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country. In 1930, the British Bank was replaced by a Firestone subsidiary as the bank of issue, and in 1943, the British currency was replaced by the American dollar. Although the introduction of the American dollar formalised United States' supervision of the financial system of Liberia, events had already begun to move in this direction when Firestone became the major creditor to Liberia in 1927.[57]

The adoption of the 'open door' policy in 1944 was the concrete expression of Liberia's objective situation as an American periphery. Anchored around the physical presence of the United States' dollar, the policy entrenched American business interests in that country and guaranteed the free flow of financial resources both ways.

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3.4.2: Foreign trade, foreign aid and capital formation.

In general, West African countries recorded rapid growth, in foreign trade in the first decade of independence, 1960-1970. As Table 3.3 shows, exports rose fairly rapidly in Togo, Cote d'Ivoire, Mauritania, Burkina Faso, Guinea and Liberia. The exceptional growth rate of Mauritania reflects its very low export base on independence (the lowest in the sub-region) and the big difference which the commencement of the mining and export of iron ore had on the country's volume of exports.

The second decade of independence (1970-1980) presents a less favourable trend for export growth. While a few countries

TABLE 3.3

Foreign Trade of ECOWAS Countries, selected years, 1960-83 (Million US Dollars)

	1960		1965		1970		1975		1980		1981		1982		1983		Average Annual Growth Rate (percent)			
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports		Imports	
																	60-70	70-80	60-70	70-80
Benin	18	31	14	34	33	[illegible]	50	170	54	360	36	886	34	889	85	523	5.0	-7.6	7.4	4.8
Burkina	4	11	14	37	18	47	30	114	45	330	75	338	56	346	99	288	15.9	2.0	7.7	7.9
C'Verde	11	12	11	8	11	16	13	41												
Gambia	8	9	14	16	17	18	55	56												
Ghana	294	363	291	445	433	411	850	800	960	900	878	1,184	873	705	895	719	0.2	-8.6	-1.5	-3.3
Guinea	52	50	54	53	56	70	130	80	421	375	428	351	411	296	390	279	NA	NA	NA	NA
G-Bissau	4	11	4	15	3	27	3	55												
Cote d'Ivoire	151	120	277	236	469	388	1,100	1,130	2,700	2,650	2,586	2,434	2,235	2,090	2,068	1,814	8.8	4.6	9.7	8.1
Liberia	83	69	135	105	213	150	400	330	601	640	531	448	531	477	841	415	18.4	1.0	2.9	1.2
Mali	13	33	16	43	33	47	47	160	200	290	154	370	146	332	106	344	3.0	9.4	-0.4	3.4
Mauritania	2	24	58	25	89	56	190	220	194	255	259	265	232	273	246	227	50.7	-1.1	4.5	5.6
Niger	13	13	25	38	32	58	75	100	290	630	397	449	333	442	301	443	6.0	12.8	11.9	15.8
Nigeria	475	604	751	770	1,170	1,059	7,420	5,000	26,000	15,000	18,727	18,776	19,484	20,821	17,509	17,600	6.6	2.6	1.6	20.0
Senegal	100	122	129	160	152	193	380	530	520	1,200	416	1,035	477	974	585	984	1.2	1.2	2.3	4.1
S/Leone	83	74	89	108	101	116	130	200	240	420	277	238	111	298	202	171	0.3	4.8	1.9	-3.0
Togo	15	26	27	45	55	65	200	127	640	630	344	597	213	526	242	284	10.5	1.6	8.6	12.4

Sources: UNCTAD, Handbook of International Trade and Development Statistics, (United Nations, New York, 1976), World Bank World Development Report 1982, 83, 84 and 85 editions.

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TABLE 3.4

Current Account Balance, (Millions of U.S. dollars

Country	1959-61	1970	1980	1981	1982	1983	1984
Benin	5.3	-1	na	-	-	-	-30
Burkina Faso	-11	.9	na	-	-	-	-67
Cape Verde	0	1	1	-	-	-	-
Gambia	-2	-	-	-	-	-	-
Ghana	-67	-	-91	-209	83	-218	-61
Guinea	-14	na	na	-	-	-	-19
Guinea-Bissau	-3	-	-	-	-	-	-
Cote d'Ivore	25	-37	-1,742	-1693	15	-743	190
Liberia	3	-	-	-65	-79	-135	-75
Mali	-20	-2	-99	140	-113	-103	-125
Mauritania	-24	-5	-116	-148	-252	-196	-196
Niger	0	0	na	na	-	-	-47
Nigeria	-102	-368	2,915	-5395	-7324	-4752	346
Senegal	-16	-16	na	-	-	-	-274
Sierra Leone	-4	-16	-168	-143	-158	-33	-33
Togo	-5	3	na	-	-152	-32	16

Sources: UNCTAD, Handbook of International trade and Statistics, 1976. The World Bank, World Development Report, 1982, 1983, 1984, 1985 and 1986 editions.

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like Nigeria and Cote d'Ivoire actually recorded spectacular increases in export earnings, the not too dynamic performance of most of the other countries is indicated in their rather low or negative growth rates.

The pattern of imports closely approximates that of exports. Infact, as evidenced in Nigeria, Cote d'Ivoire and to a lesser extent, Ghana, high export earnings tend to trigger an increase in imports which would later appear to develop a momentum of its own greater than its initial stimulus. On the average, imports have tended to grow faster than exports - an indication that these countries have been running trade deficits which have to be financed in one way or the other. This trend is especially noticeable in all countries of the sub-region from the second decade, and into the 1980s. Countries like Benin, Burkina Faso, Mali, Niger, Senegal, Togo, and to a remarkable, extent, Mauritania have since the sixties, been subject to perpetual trade deficits. This generalised tendency towards deficit in the current account is clearly indicated in Table 3.4.

Another dimension to the foreign trade of West African countries is the fact of concentration on a few export products. These products are equally concentrated on a few export markets, usually the ex-colonial powers and the EEC in general. This trend reflects in Table 3.5.

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TABLE 3.5

Commodity Concentration and Direction of Exports (Percentage Concentration of major Commodities in total Merchandise Exports)

Country	1960	1970	1980	Main Customers
Benin	65.6	48.6	76.3	France/EEC
Burkina Faso	na	59.8	69.4	France/EEC
Cape Verde	14.5	20.3	23.9	Portugal/EEC
Gambia	99.6	88.7	68.7	U.K./EEC
Ghana	84.5	84.0	58.0	U.K./EEC
Guinea	na	na	64.0	EEC/USA
Guinea-Bissau	na	92.1	na	Portugal/EEC
Cote d'Ivoire	81.2	75.1	55.5	France/EEC
Liberia	85.5	91.1	88.9	USA/EEC
Mali	89.6	92.2	93.8	France/EEC
Mauritania	na	98.7	81.1	France/EEC
Niger	na	83.6	na	France/EEC/Nigeria
Nigeria	49.5	77.5	91.6	EEC/USA
Senegal	82.9	50.2	20.8	France/EEC
Sierra Leone	26.3	25.9	18.4	U.K./EEC
Togo	60.6	83.4	51.5	France/EEC

na = not available.

source: The World Bank, *World Tables*, 3rd edition, Vol. 1, 1983 p. 542.

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The dominance of a few commodities in exports as well as the primary character of such commodities are two major sources of externally induced economic crisis in the sub-region. Table 3.5 shows that exports are subject to demands from the major centres of the world market. When export earnings are adversely affected by low demands in the world market, or the recessive character of global capitalism, the result is usually a multi-faceted crises that reverberates in virtually all aspects of the affected West African economies. Indeed, along with the adverse effects of natural disasters like drought as in the West African Sahel from the 1970s, such economic crises have threatened to assume a permanent aspect of national life. This again, simply reflects the fact that economic crises in these countries tend to outlive their initial stimuli.

The permanent character of the foreign trade induced crisis is further underscored in the relationship between primary products, the main exports of West African countries, and industrial goods, their predominant imports, which in exchange terms have tended to work to the disadvantage of the former. From 1970 - 1984, (as shown in Table 3.6) average annual growth rate in terms of trade was only favourable to Nigeria and Cote d'Ivoire, the latter on a marginal note. All other countries experienced basically negative rates of growth. This structural weakness in foreign trade constitutes a major source of

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disequilibrium, manifested in relatively downward and upward trends in the prices of exports and those of imports respectively. In a sub-region where a substantial proportion of current revenue is derived from taxes on foreign trade, such adverse trends are reflected in public finance.

A critical element in the public finances of the countries of the sub-region is that taxes on international trade and transactions form a high proportion of total current revenue. Thus, an increase or reduction in export earnings, and consequently the import capacity of these countries is directly translated to public finances. The crisis of foreign trade becomes the crisis of public finance.

The balanced budget was the hallmark of the colonial regime. In the post-colonial economy, however, the need for various forms of investments and rapid expansion of the public service tend to put pressures on public finances. Along with problems associated with export instability, the result has been budgetary deficits as prominent and perennial features of West African States. In most cases, a vastly slower rate of growth of the economy, compared to the growth rate in public expenditures have further tended to underscore the crisis character of fiscal policy. In most of the French-speaking states of West Africa, current revenue is always well below requirements

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TABLE 3.6

Terms of trade (1980 = 100)

Country	1970	1981	1982	1983	1984	Average Annual growth rate (1970-84) Percent
Benin	177	97	77	88	116	-5.3
Burkina Faso	134	109	100	110	117	-1.8
Cape Verde	-	-	-	-	-	-
Gambia	143	130	111	113	158	-1.5
Ghana	104	69	62	62	70	-1.1
Guinea	-	-	-	-	-	-
Guinea-Bissau	-	-	-	-	-	-
Cote d'Ivoire	97	92	91	98	101	1.3
Liberia	189	93	93	104	102	-5.3
Mali	120	110	105	115	116	-1.0
Mauritania	178	95	101	101	95	-4.5
Niger	170	84	88	92	81	-5.4
Nigeria	19	112	104	93	94	12.3
Senegal	101	104	94	87	98	-1.3
Sierra Leone	145	84	85	89	95	-3.3
Togo	69	91	84	80	88	negligible

Source: The World Bank, Financing Adjustment with Growth in Sub-Saharan Africa, 1986-90. Washington Dc, 1986.

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for current expenditure. French budgetary subsidies are used to make up the deficits. In Benin Republic, for example public finances during the first decade of independence were perpetually in deficit. Between 1960 and 1966, this deficit ran at an annual average of 20% of expenditure. In Mali the capital expansion of the bureaucracy led to a rise in administrative costs at an average of 11-12% a year between 1959 and 1968. At the same time, the economy grew at less than 1% per year. With little or no budgetary assistance from France, Mali attempted to fill the budgetary gap through domestic money creation. But the attendant inflation and worsening balance of payments situation forced Mali to re-join the franc zone in 1968.[58]

In a sub-region where a high level of poverty is generally prevalent, the state must necessarily assume the role of major investor and employer of labour. Public finance management must look beyond the mere provision of a framework for unleashing extra-governmental macro-economic forces to chart the development process. It takes on the added significance of direct employment generator and investor, not only in public utilities and infrastructures but also in agriculture and virtually all facets of industry. Between 1960 and 1970, vigorous efforts were made to boost capital expenditures in

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West Africa. This was mostly the case in Nigeria, Cote d'Ivoire, Sierra Leone and Niger (See Table 3.7). However, certain countries such as Mali, Gambia, Benin and Senegal were either stagnant or showed indications of a declining trend. Furthermore, while Nigeria, Ghana and Cote d'Ivoire show a relatively large outlay of public capital investments, the fact that most of the other countries did not spend significantly on such investments is a clear reflection of the relative dearth of taxable resources. Indded, budgetary resources are mostly spent on current expenditures. Table 3.8 shows the share of capital expenditure in total govenment expenditures between 1960 and 1970. The highest percentage expenditure on investments (ranging from 40% - 55%) were recorded by Nigeria, Ghana, Cote d'Ivoire and Benin, with Cote d'Ivoire being indicative of a rising trend and Benin, a declining one. Burkina Faso, Gambia, Sierra Leone and Liberia generally devoted between 20% and 30% of their total budgetary expenditure to investments. Senegal, Mauritania Mali, Niger and Togo tended to allocate less than 20% of the budget for investment purposes.

These differentials are reproduced in investment patterns in general. Between 1960 and 1970, gross domestic investments grew at a fairly rapid rate. With the exception of Ghana and Mauritania which recorded - 1.2% and -0.6% average annual growth rates respectively, the rest generally enjoyed positive growth

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TABLE 3.7

Government capital expenditures, 1960, 1965 and 1970. (in million US. dollars)

Country,	1960	1965	1970
Benin	21.9	1.6	0.4
Burkina Faso	2.7	2.5	5.7
Cape Verde	-	-	-
Gambia	1.1	313	1.2
Ghana	84.3	168.5	137.8
Guinea	-	-	-
Guinea Bissau	-	-	-
Cote d'Ivoire	31.2	39.5	158.8
Liberia	16.0	26.8	28.4
Mali	4.9	-	2.9
Mauritania	2.0	1.2	3.0
Niger	2.0	3.2	6.1
Nigeria	101.1	163.3	245.0
Senegal	16.2	34.4	4.3
Sierra Leone	4.8	11.1	18.4
Togo	2.0	2.4	8.5

Source: U.N, E/CN.14/SE1B/8 Statistical and Economic Information Bulletin for Africa. Addis Ababa, 1975. p. 198.

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TABLE 3.8

Capital expenditure as percentage of total government expenditure selected years, 1960 - 1970.

Country	1960	1962	1964	1966	1968	1970
Benin	48.6	49.2	48.2	13.3	3.7	1.0
Burkina Faso	11.1	9.5	6.8	9.0	13.7	15.6
Cape Verde	-	-	-	-	-	-
Gambia	22.1	23.0	19.2	36.6	25.3	14.9
Ghana	46.3	46.3	46.0	43.0	29.5	28.8
Guinea	-	-	-	-	-	-
Guinea Bissau	-	-	-	-	-	-
Cote d'Ivoire	25.5	33.0	39.6	27.8	30.0	43.6
Liberia	27.1	-	27.1	37.6	26.6	34.0
Mali	16.0	13.4	-	-	9.7	8.9
Mauritania	13.1	11.8	9.4	14.9	8.5	11.0
Niger	7.9	6.6	25.3	12.3	11.6	12.2
Nigeria	49.9	46.3	54.5	20.6	36.7	20.9
Senegal	12.1	-	20.7	12.6	25.7	3.1
Sierra Leone	14.4	6.4	23.6	26.8	20.9	27.4
Togo	15.6	5.4	4.0	12.5	9.8	21.8

Source: U.N, E/CN. 14/SEIB//8 Statistical and Economic Information Bulletin for Africa. Addis Ababa, 1975, p. 200.

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rates. Cote d'Ivoire, Nigeria, Sierra Leone and Togo experienced the highest average annual growth rates in capital formation. Among these countries, growth rates were above 11%, which was well above the West African average of 8.4% (Table 3.9). These were followed by Liberia, Burkina Faso and Gambia. The rest recorded below 7%.

The differentials are more clearly marked when the absolute magnitude of investment volumes are considered. Nigeria, with a gross domestic capital formation of $361.8 million in 1960, attained a level of $1,098.4 million in 1970. This was followed by Cote d'Ivoire whose capital formation rose from $82.8 million in 1960 to $270.0 million in 1970. Ghana, suffered a decline from her 1960 level of $210 million to $184.9 million in 1970. In fourth place was Senegal which increased her 1960 level of $61 million to $94.4 million in 1970. Sierra Leone, Liberia and Mali followed in that order. Nigeria increased her share of the total gross domestic capital formation in West Africa from about 39.7% in 1960 to 58.8% in 1970. The share of Cote d'Ivoire also rose from 9.08% in 1960 to 13.2% in 1970. On the other hand, the share of Ghana declined from 23% to 9.1%, while that of Senegal also declined from 6.7% to 4.6%.

The trend in the growth of investments during the second decade of independence (1960 - 70) showed a basic reinforcement

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TABLE 3.9

Gross domestic capital formation, 1960 - 1970 (millions U.S. Ddollars at 1960 prices)

	1960	1965	1970	Real average annual compound rate of growth, 1960 - 70
Benin	25.9	23.3	42.6	5.1
Burkina Faso	14.6	27.0	33.1	8.5
Cape Verde	3.7	2.4	5.1	3.1
Gambia	3.6	5.1	7.8	7.9
Ghana	210.0	234.4	184.9	-1.2
Guinea	12.2	18.1	18.2	4.1
Guinea Bissau	4.3	3.4	7.4	5.6
Cote d'Ivoire	82.8	164.5	27.0	12.6
Liberia	30.0	42.o	68.5	8.6
Mali	29.2	39.0	52.5	6.1
Mauritania	30.8	16.3	38.9	-0.6
Niger	18.6	31.4	33.4	6.0
Nigeria	3618	838.0	1,098.4	11.8
Senegal	61.0	81.7	94.4	4.5
Sierra Leone	17.5	56.1	69.3	14.7
Togo	13.5	38.1	40.6	11.8

Source: U.N, E/CN.14/SEIB/4, Statistical and Economic Information Bulletin for Africa, No. 4, Addis Ababa, (September, 1973.)p. 73.

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of this pattern. During this period, Nigeria recorded an average annual growth rate of 15.8%; Cote d'Ivoire 13.2%; Togo, 10.5%; Benin and Niger 7.2% and 7.6% respectively. The rest each recorded below 6%, with Senegal only making the low rate of 2.4%. Ghana and Sierra Leone achieved the negative growth rates of - 6.2% and -0.2% respectively.[59]

While some of these investments were financed through domestic savings (especially in Nigeria, Cote d'Ivoire and Ghana), more important in most cases is the pronounced dependence on official assistance from foreign investments. In 1967, capital resources in Benin were wholly provided from external sources. For Burkina Faso, it was 58.7% in 1967 and 24.6% in 1973. In the latter year, it was 137.8% for Mali, 82.1% for Mauritania, and for Niger it was 100% in 1967 and 43.5% in 1973.[60] In fact, capital investments in UMOA member countries in the period 1960 - 1970 were almost totally from external sources. While the total of invested capital over that period amounted to 1,110 billion CFA Franc, only 85 billion CFA franc or 1% of UMOA member states G.N.P came from domestic savings.[61] As a matter of fact, investment policies and plans are formulated with the explicit objective of attracting 'aid' from foreign sources. Thus, a high proportion of finance for the execution of development plans are as a matter of policy, expected from external sources. This is shown in Table 3.10. Such financial

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aid is mostly official, coming either in grant form or long term investment credits. While investment codes are formulated with the explicit aim of attracting foreign direct private investments, such investments have generally tended to gravitate to the high resource countries, mostly Nigeria and Cote d'Ivoire. In other cases, they are usually tied directly to exploitable resources, especially of mineral ore. It is on the basis of this that countries such as Liberia, Mauritania, Niger and Sierra Leone are able to attract foreign investments.

The available data (Table 3.11) suggest that countries with high export earnings - Nigeria and Cote d'Ivoire are also predominant in attracting foreign private investments. In a context where a substantial component in the development process is predicated on the ability to attract and sustain foreign investments, the situation that develops is one that clearly emphasises the differentials existing among the countries of the sub-region.

The countries with high export earnings do not only attract more foreign private investments but are also more attractive for purely commercial credits from the international financial market. On the other hand, the relatively poorer countries of the sub-region continue to exhibit an overwhelming dependence on foreign official sources for the little capital formation that takes place. In general, however, the richer countries tended to attract larger foreign grants, although

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this formed a smaller percentage of their overall investments outlay compared to the relatively less endowed countries.

Tables 3.12 and 3.13 clearly point to the preponderance of Cote d'Ivoire, Senegal, Ghana and Nigeria in terms of attracting aid in the first and the early part of the second decades of independence.

There were other sources of aid, like the United States government and the United Nations and its agencies. In general however, assistance tend to flow from the former colonial powers to the ex-colonies, or from the EEC to the associated states. The United States government was the major donor to Liberia. In 1960, she granted Liberia $9.42 million, $46.4 million in 1966 and $13.50 million in 1971. Britain and the EEC have also been major donors to Liberia.[62]

The degree of dependence on external aid for capital formation varies among countries of the sub-region. In contrast to Nigeria and to a remarkable extent, the Ivory Coast, most of the other countries in West Africa are largely dependent on official assistance for their capital formation. This is shown in Table 3.14. Thus, in 1984, official aid accounted for 125.2% of gross domestic investments (GDI) in Benin, 144.5% in Burkina Faso, 134.4% in Guinea Bissau, 103.8% in Mali, 91.6% in Senegal 68.6% in Sierra Leone and 45.8% in Ghana. In contrast, such external aid accounted for only 14.8% and 0.4%

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TABLE 3.10

Financing development programmes in West Africa (in U.S. dollars

Country	Plan Period	Total Resources	Domestic Share (%)	Foreign Share (%)
Benin	1983-1987	$1.8 billion	16.7	83.3
Burkina Faso	1982-1986	1.4 billion	14.6	85.4
Cape Verde	1982-19	406 million	6.1	93.9
Guinea Bissau	1983-1986	58 million	17.2	82.8
Mali	1981-1985	2.3 billion	N A	N A
Niger	1979-1983			
Sierra Leone	1983/84-1985/86	245 million	16.8	83.2
Togo	1971-1975	273.3 million	30.2	60.8

Sources: UNCTAD, The Least Developed Countries, 1985 Report, New York, 1986; U.N., Statistical and Economic Information Bulletin for Africa No. 1 Addis Ababa, 1973.

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TABLE 3.11

Net direct private investments (million U.S. dollars)

Country	1970	1980	1981	1982	1983	1984
Benin	7	Na	Na	Na	Na	Na
Burkina Faso	1	Na	Na	Na	Na	Na
Cape Verde	Na	Na	Na	Na	Na	Na
Gambia	Na	Na	Na	Na	Na	Na
Ghana	68	10	13	21	-6	2
Guinea	Na	Na	Na	Na	Na	Na
Guinea Bissau	Na	Na	Na	Na	Na	Na
Cote d'Ivoire	31	109	48	Na	Na	Na
Liberia	Na	Na	Na	Na	3	39
Mali	Na	4	4	2	2	4
Mauritania	1	84	22	15	1	1
Niger	1	Na	Na	Na	Na	Na
Nigeria	205	595	47	358	354	189
Senegal	5	Na	Na	Na	Na	Na
Senegal	5	Na	Na	Na	Na	Na
Sierra Leone	8	12	8	6	2	2
Togo	1	Na	Na	Na	Na	0

* Na = Not available.

Sources: The World Bank, World Development Report, 1982, 1983, 1984.

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of GDI in Cote d'Ivoire and Nigeria respectively.

From the decade, 1970 - 1980, the structure of external financing was generally modified. Although the relatively poorer countries of the sub-region, especially the French speaking ones continued to rely on the ex-colonial powers, the EEC and others for budgetary and investment assistance, commercial credits from the international financial market increasingly assumed a higher proportion of external financing. While external loans have always been of utmost importance in financing the colonial regimes and their post-colonial successors, foreign credits were usually of the official variety, i.e. government to government and from related multilateral institutions. However, the period from 1970 ushered in the era of credit from the international capital market, contractor finance and supplier credits. Most countries resorted to these sources, although credit availability here is directly related to the current performance of the export base of the intending borrower and the acceptance of 'Conditionalities'. For these reasons, Nigeria and the Cote d'Ivoire became the sub-region's most important customers of international lenders.

The periodic boom in exports has directly translated into rapid growth in GDP. Access to foreign private credits were generally intensified in order to sustain this process especially when the export base was in crisis. Thus, the resort to private

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TABLE 3.12

France's and EEC grants to former French West African countries, 1968 (billions CFA Francs)

Country	Year	France	E E C	Total
Benin	1968	-	-	3.700
Burkina Faso	1968	3.211	1.198	4.309
Cote d'Ivoire	1968	3.900	2.160	4.110
Mauritania	1968	1.401	1.278	2.679
Niger	1967/68	2.579	1.046	3.625
Senegal	1967	6.640	2.140	8.780
Togo	1968	.971	.353	1.324

Source: I.M.F. Surveys of African Economies Vol. 3, (Washington D.C, 1970) Figures were extracted from chapters relating to individual countries.

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TABLE 3.13

Aid from Commonwealth sources to former British West African countries, 1973/74. (millions US dollars)

Country	Grants	Technical Assistance	Total
Gambia	2.66	2.26	4.92
Ghana	21.43	9.74	31.17
Nigeria	33.20	28.36	61.56
Sierra Leone	3.36	2.82	6.18

Source: Aid and the Commonwealth, 1974 Report by the Commonwealth Secretariat, (London, Malborough House, 1976) Statistical Annex, Tables 14 and 15.

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TABLE 3.14

Official development assistance, 1978 - 1984: net disbursements (millions US dollars)

Country	1978	1980	1982	1984	Per Cap. 1984	As Percentage of GNP (1984)	As Percentage of GDI 1984
Benin	62.2	91.1	80.3	77.4	19.8	8.0	125.5
Burkina Faso	159.4	212.3	212.8	188.4	28.5	19.7	144.5
Cape Verde	Na	Na	Na	Na	Na	Na	Na
Gambia	35.5	54.4	47.6	55.9	79.9	35.1	Na
Ghana	113.9	192.5	141.6	215.9	Na	Na	45.8
Guinea	60.3	89.5	90.1	123.1	20.9	6.8	Na
Guinea Bissau	50.1	59.5	68.2	55.1	61.2	41.2	134.4
Cote d'Ivoire	131.4	210.3	136.8	128.0	12.9	212	14.8
Liberia	48.0	97.9	108.9	133.2	63.4	13.6	Na
Mali	162.8	267.3	210.3	320.2	43.9	32.0	Na
Mauritania	238.1	175.9	193.2	168.4	99.1	24.6	103.8
Niger	156.5	170.1	259.3	162.0	25.7	14.8	Na
Nigeria	42.7	35.7	36.8	32.8	0.3	Negligible	0.4
Senegal	222.6	262.1	284.8	332.7	Na	Na	91.6
Sierra Leone	40.2	92.9	82.2	60.6	16.4	6.2	68.6
Togo	102.5	91.0	77.2	109.8	37.9	16.7	Na

a * GDI = Gross Domestic Investment. Na = Not available.

Source: The World Bank, Financing Adjustment with Growth in Sub-Sahara Africa, 198B - 90 (Washington D.C, 1986) Tables 18&19

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sources of international capital can be attributed to inadequacy in domestic savings, decrease in official sources of foreign financing, and for the export boom countries, the desire to sustain high and ambitious growth rates as well as consumption patterns acquired during boom periods.

The convergence of the various forces in the adopted strategies of development has created a debt problem for the countries of the sub-region. First, reduced demand for, and depressed prices for export products (which in recent times has been vigorously extended to crude oil) tend to render target growth rates meaningless. Foreign reserves are rapidly depleted as trade deficit assume a quasi-permanent character. Thus, reduced export earnings coupled with a faster rate of imports necessitate foreign credits for balance of payments support purposes. Secondly, debt service - amortization and interest payments on accumulated debts tend to increase rapidly because of the short maturity periods of a sizeable proportion of external debts, rising interest rates in the currency of debt denomination, and in the bunching of repayments. This has resulted in a massive transfer of resources abroad. As this compounds the balance of payments problem, it also tends to bring internal investments to a standstill.[63]

The huge and increasing indebtedness of West African countries (Table 3.15) is a pointer to the externally induced

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crisis character of the development process in the sub-region. As export earnings stagnate, a large proportion of such earnings are transfered from productive ventures to debt service.[64] Along with the weak non-convertible currencies of most of the countries of the sub-region and a heightened proclivity towards speculative activities, the problem of external resource leakage is further emphasized. Thus, with an increasing dearth of foreign exchange, the tendency has been for capital accumulation and industrial growth to stall as it becomes more difficult to acquire the necessary industrial inputs. In the face of under utilised industrial capacity and the general stall in capital formation, mass lay offs and increasing unemployment have been the outcome. This problem is further compounded as governments attempt to streamline public expenditures through reduction of public sector personnel. The result has been economic crisis, which, although, patterned and graduated according to the resources and circumstances of the individual country, has by the early 1980s, engulfed the sub-region as a whole.

3.4.3 The state and accumulation in West Africa

In analysing the conditions of accumulation and social reproduction in West Africa, the central role of the state in setting those conditions must be stressed.[65] Generally, the primary role in this regard is manifested in the organization

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TABLE 3.15

Foreign debt of West African States, 1974 and 1983 (million U.S. Ddollars).

Country	1974			1983		
	Debt	Debt service	Debt service ratio (%)	Debt	Debt service	Debt service ratio (%)
Benin	80.9	6.2	5.2	614.8	26.2	na
Burkina Faso	47.4	3.6	4.3	398.4	14.0	na
Cape Verde	11.7[b]	0.1[b]	na	67.2	2.9	na
Gambia	12.2	0.4	0.8	163.8	6.1	na
Ghana	702.7	27.0	3.6	1109.1	71.9	14.2
Guinea	723.2	22.4	na	1,215.5	69.8	na
Guinea Bissau	18.7[b]	0.0[b]	na	138.2	1.8	na
Cote d'Ivoire	693.1	115.0	8.0	4,769.1	806.5	30.6
Liberia	158.8	19.5	na	699.1	30.8	6.6
Mali	326.1	2.6	3.2	880.8	12.6	6.1
Mauritania	168.5	14.2	6.8	1,171.1	36.7	10.0
Niger	91.8	3.1	2.9	629.2	72.6	na
Nigeria	1,219.7	169.2	1.7	11,757.2	2,040.5	18.6
Senegal	263.3	33.5	5.5	1,504.9	47.5	na
Sierra Leone	135.7	14.5	8.5	359.4	9.7	na
Togo	89.3	8.5	3.6	805.3	44.6	16.8

a = Debt service as a ratio of export earnings. b.
b = Figures are for 1976.
Source: The World Bank, World Debt Tables, 1984-85 edition, (Washington DC. 1985).

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of West African countries for the production and export of primary products. It was this that largely defined the objective character of the colonial state. The post-colonial state has not only inherited this but has had to strengthen it in order to consolidate, or create a social base for, as well as reproduce itself. Thus, virtually all West African states have taken keen interest not only in organizing the internal production of primary exports but also directly negotiating for special preferential arrangements based on a complex framework of trade, aid and investments. This directly relates the West African states to the economic interests of the metro-polititan countries. The Yaounde Conventions, Commonwealth preferences and the more unifying Lome conventions express these relations in varying degrees of rigidity.

The weak material base of the African bourgeoisie as well as the need for the bureaucratic elements that inherited state structures to strengthen their own positions have produced a situation in which the state has been transformed into one of the most dynamic factors in the accumulation process in West Africa.[66] From those countries that profess 'radical ideologies in one collective form or the other (Benin, Cape Verde, Guinea, Guinea Bissau and Mali) to those with less restraints on 'market forces' such as Cote d'Ivoire, Liberia, Nigeria or Senegal, the state has increasingly assumed a direct

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interventionist role in the accumulation process not only through equity holding in foreign firms or state owned companies, but in setting conditions for attracting foreign investments.[66]

While this is common to West African states, the form in which it is expressed in developmental strategies brings out the specificity of the incorporation process. Among the mendicant economic form (marked by low resource endowment, peculiar geographical and climatic handicaps) such as Burkina Faso, Mali, Mauritania and Niger, the absence of a significant strata of an indigeneous bourgeoisie on the attainment of independence saw political power devolving on the petty bourgeoise elements associated with the colonial state. As colonial states, these territories were designed to serve as labour reserves for export production in the coastal territories. The state in most of the mendicant forms has underlined its basis of self-reproduction by consolidating its labour reserve status as a foreign exchange generation mechanism.[67]

Also, while the developmental strategies implemented by Burkina Faso, Mauritania and Niger have been in close alliance with France, Mali had attempted to distance itself from this neo-colonial model by embarking on a bureaucratic collectivist strategy anchored on a radical ideology. However, the absence of a resource base for such a model of development had led Mali to a partial return to the franc zone in 1968, and a full return in 1984. The Mauritania state had also attempted to

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distance itself from the neo-colonial model by leaving the franc zone in 1973, and nationalizing its mineral production in the mid 1970s. However, prolonged drought, general poverty and a costly war with the Polisario made continued reliance on foreign budgetary support unavoidable.

In general therefore, low resource endowment and adverse national conditions have made foreign aid from France and the EEC pivotal to the states' fiscal policies and general accumulation.

Benin and Togo have been classified as basically of the transit economic form. Although the former has claimed some kind of leftist leaning since 1972, and implemented a nationalization policy to back this up, its general poverty level and the structure of production and export has ensured continued dependence on France and the EEC.[68] Along with Togo, the dependence on the metropolis, especially through membership of the franc zone implies a degree of economic openess which the state must objectively maintain in order to attract foreign capital (French). Thus, although Benin carried out some nationalization in the 1970s, the big French trading compaines that dominate commerce in that country were not affected.[69] This is of special significance. In view of Benin's French backed currency and the country's sandwich placement, along with Togo,

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between Nigeria and Ghana, the commercial activities of the French firms facilitate the large scale importation of goods from France which go far beyond the country's consumption capability. This large scale importation does not only yield substantial revenue to the state but also, as re-exports to Nigeria and Ghana, constitutes a significant source of foreign exchange. These same dynamics tend to induce a reverse flow of goods, primary and processed, from Nigeria and Ghana which eventually tend to end up as Beninois and Togolese exports. This, again, is a significant source of foreign exchange as well as fiscal revenue to these states. At the same time, the local elements as well as the foreign firm that organize this commerce would tend to profit substantially from it. Thus, apart from the direct reliance on France and the EEC, the transit category also derives substantial indirect benefits for its social reproduction on the particular pattern of its dependence on France.

In the dependent capitalist form, that is those states where the level of resource endowment has created opportunities for rapid and significant growth rates, the elements of a local bourgeoisie acting in close alliance with foreign capital are quite pronounced. Significant variations in patterns of accumulation and developmental strategies are equally pronounced. These variations are not only the specific outcomes of

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differential resource endowment within the group, but also, can be seen in the nature of the ruling groups and the relationship forged between them and international capital in their attemptto consolidate or autonomise their material base.

In Cote d'Ivoire, the planter class that came to power on independence deliberately opposed the development of a national industrial bourgeoisie, including its own transformation into that position. Instead it preferred to rely on foreign capital, a reliance which was sustained by some of the most generous incentives to foreign capital in the third world.[70] The relatively sound resource base of this country as well as these generous incentives enticed the colonial trading houses to move into import substitution industrialization. Shielded through state protectionist policies and costs kept low through labour legislation, these foreign firms, have been able to maintain their dominance of the Ivorian economy. The state apparatus has been deployed to maintain these interests, since it allows for rapid growth rates on which the planter class so much depend for continued hold on state power. In addition, the relative market depth of Cote d'Ivoire has been put at the disposal of France since independence, in the form of mandatory purchases of certain manufactured products from that country, an arrangement which even relationship with the EEC could not seriously undermine.[71] France returns this

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favour for the agricultural exports of Cote d'Ivoire. These are basic aspects of the franc zone.

The Senegalese state has also been closely associated with a neo-colonial model of development. Like Cote d'Ivoire relations with France and the EEC form the central component of this model. Senegal's domestic contribution to the financing of its development plans have tended to be low-little more than 20% in the 1970s.[72] Thus, dependence on France and the EEC for capital formation was overwhelming. Senegal's import-substitution industrialization was designed for the French West African market rather than the narrow confines of the internal market. This advantageous position of the country was founded on French capital. At a time when the state's main export base - goundnut - has had to contend with the twin crises of declining internal productivity and world market fluctuations, the state needed all the support of foreign capital even when the economic base required by the latter had become less attractive. Thus, as conflict developed between local traders and foreign interests over the dominance of the latter and the demand by the former for a larger share in commerce, the Senegalese state firmly took sides with the foreign interests.[73]

In Ghana, the state, dominated by a bureaucratic elite

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and "influential businessmen" has found itself "both dependent upon and logically antagonistic to international business."[74] This is reflected in the policy of indigenization of foreign enterprises on which had hinged the state's attempt to provide some depth to local capitalism without undermining its alliance with foreign capital. But the capital base to make this meaningful has been weak.[75] This is due to the quasi-permanent crisis which the Ghanaian economy has been subject since the mid - 1960s. This prolonged crisis of accumulation has largely eroded the state's "ability to provide the material base for the reproduction of the class which controlled the state".[76] This has not only undermined the stability of the state, but also led to a process of migration of Ghanaians (discretely encouraged by the state) to economically stronger neighbours, as a way of sustaining the reproduction of the state.[77]

The dominant interests that control the Nigerian state have also displayed the contradictory tendency of relying on international capital and at the same time, seeking to limit its operation in order to expand their own economic base. This is epitomised in policies of nationalization and indegenization which the state has been able to implement with huge resources made possible by oil boom. However, the attempt to promote the interests of local capitalists is based on "a framework of continued dependence on foreign enterprise in many sectors"[78]

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Terisa Turner stresses that the dependency structure of the comprador elements in the Nigerian state allows a privileged few in the state bureaucracy and commercial sectors to derive private wealth from close ties with foreign interests by exploiting the pattern of state control of economic interaction with foreign capital.[79]

This conprador approach is also exhibited by the states in Sierra Leone and Liberia. While Sierra Leone has shown itself willing to reduce the dominance of foreign capital (for example by acquiring 51% shares of Diamond mining in the country),[80] the need to sustain a political party base founded on patronage requires an increasing diversion of funds to private hands as well as the deployment of local capital in areas such as real estate, trade, transport and sub-contracting. This demands that close alliance be maintained with foreign capital in as far as opportunities for kickbacks, etc, exist on this sphere.[81] But as much as this is similar to the Nigerian case, the sheer size of the surplus accruing to the latter puts her on a different level in terms of capacity to multi-lateralize dependence, indigenize its economic base or autonomise the state from international capital.

The Liberian state, on the other hand, closely approximates Cote d'Ivoire in as much as it has tended to allow free rein to foreign capital. Like other countries in West Africa,

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the impetus for state formation in Liberia has been external.[82] The dominance of capital from the United States from the 1930s was complemented in the 1960s by European capital. The ruling internal group, the Americo-Liberian, has tended to receive various forms of support from foreign investors in order to prop up its internal political dominance. Members of this group serve as advisers and lawyers to foreign interests and sometimes hold minor shares in foreign companies.[83] Thus, the open door policy which the use of the United States' dollar in Liberia facilitate not only upholds the dominance of this group in Liberia, but also, is a source of personal advancement.

The circumstances in which Guinea achieved political independence have signigicantly differentiated her from other countries in the sub-region. Although the state presides over the classic import-export pattern that is the hallmark of the sub-region, the regime's 'No' vote to autonomy within the French Union in 1958 compelled its isolation from France. Based on the strong anti-imperialist platform of the ruling party, the Guinean state attempted to institute a collectivist model of development in order to reduce the consequences of its dramatic isolation and to maintain some control over its

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internal economic processes. But this was not really easy since its inconvertible currency in the midst of the convertible CFA franc of neighbouring states led to large scale smuggling activities that became a permanent threat to the stability of the Guinean state. Although the party base of the ruling group made for a strong and consistent anti-imperialist stance, the relative poverty of the country in the face of vast unexploited mineral wealth made requests for foreign aid and investment inevitable. Thus, the best the Guinean attempt at economic autonomy achieved was the multilateralization of dependence on the Eastern and the Western world.[84]

In conclusion, the singular process of incorporation imparts a similar character to the accumulation process of West African states while the differentiation among these states in their accumulation is captured in the specific orientation to incorporation. This deals with the peculiar form in which incorporation is manifested and managed in individual states, the various factors that condition it and therefore, the basis of state action. While the specific process has tended to indicate the relative capability of the state in its dealings with international capital, the current crisis in the economies of the West African states has dramatically mirrored the weakness of these states in their fundamental

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inability to sustain their development objectives. This weakness has been displayed not only in various dimensions of political instability, but also in an inability to "resist the negative pressures coming from the world system and their internal ramifications."[85] Under this situation, the development strategies of these countries are being charted or subordinated to the international financial bureaucracy (the I.M.F. and the World Bank) working on behalf of international capital. Even the autonomy which has been displayed by some states in favour of local classes is being effectively reversed through denationalization, deindigenization and debt equity conversion. These are conditionalities, acceptance of which is compelled if the economic crisis of West African States is to be resolved through the objective alternative - redeployment of international capital to the sub-region.

It is in the context of this common as well as specific orientation to the process of incorporation that the concrete analysis of West African integration is carried out.

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NOTES

1. ECA, Economic Bulletin for Africa, Vol. 1, No. 1, (January, 1961) p. 17.

2. Nicholas G. Plessz, Problems and Prospects of Economic integration in West Africa, (Montreals, Mcgill University Press, 1968) p. 14.

3. Ibid.

4. R.J. Harrison Church, West Africa: A study of the environment and Man's use of it. 7th ed., (London, Longman, 1974) p. xxiii. A definition that closely approximates this can also be found in E.A. Boateng, A Political geography of Africa (Cambridge, Cambride University Press, 1978). p. 103.

5. Akin L. Mabogunje, "Manufacturing and the Geography of development in Tropical Africa", Economic geography, Vol. 49, No. 1, (January 1973). p. 3.

6. Harrison Church, op.cit, More specifically, See B.M. Harinden, "The history of Crop Cultivation in West Africa: A Bibliographical guide", The Economic History Review, Second Series, Vol. 23, No. 3, December 1970) pp. 533-4.

7. Lars Sundstrom, The exchange economy of pre-colonial tropical Africa, (London C. Hurst and Co., 1974) pp. 46-58; Engenia W. Herbert, "Aspects of the Use of Copper in Pre-colonial West Africa", Journal of African History, Vol. 14, No. 2, (1973) pp. 179-194; Marion Johson, "The cowrie currencies of West Africa, Part 1". Journal of African History, Vol. 11, No. 1, (1970) pp. 17-49. Nehemia Levtzion, Ancient Ghana and Mali, (London Methuen and Co., 1973. pp. 115-121.

8. A.G. Hopkins, An economic history of West Africa, (London, Longman, 1973) p. 87.

9. Eric Williams, Capitalism and slavery (London Andre Deutsch, 1964) p. 29

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10. For example, Dahomey became so preoccupied with slaves acquisition that agriculture was neglected, leading to severe famines in the late 18th Century. Walter Rodney, West Africa and the Atlantic slave trade (Lagos Afrografika, N.D.) p. 9.

11. Eric Williams, op.cit. p. 52.

12. In 1800, Britain imported 223 tons of Palm oil, By 1853, this has risen to 31,457 tons. This represented West Africa's production, with the main centres of this production, located in the Niger Delta, Oudah and Badagry. See Martin Lynn, "Change and continuity in the British palm oil trade with West Africa, 1830-55". Journal of African History, Vol. 22, No. 3, 1981. p. 331. See also, George E. Brooks, "Peanuts and Colonialism: consequences of the commercialization of Peanuts in West Africa, 1830-70". Journal of African History, Vol. 16, No. 1, (1975) pp. 29.- 54.

13. Such protective actions initially took the form of deposition of African rulers considered hostile, and the enthronement of friendly ones. But this created new problems with the Africans, so that protective action increasingly advanced towards formal imposition of direct political control. See John D. Hargreaves, Prelude to the Partition of West Africa. (London Macmillan, London, 1963) pp. 23, 36.

14. J. Forbes Munro, Africa and the international economy. (London J.M. Dent and Sons, 1976) p. 12.

15. Stephen H. Roberts, The history of French colonial policy, 1870-1925, (London Frank Cass, 1963). 18.

16. The relationship between European industrialization and the need for colonization was acknowledged in official and commercial circles. For example, Jules Ferry, the French Prime Minister declared that "the colonial policy of the 3rd republic is the offspring of her industrial policy". Cited in Stephen Roberts, Ibid. p. 17. In 1883, the Hamburg Chambers of Commerce bodly advocated for German trade colonies in order to check British and French commercial ambitions in the West African Coast. See Hargreaves, op.cit. p. 318.

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17. Samir Amin; "Underdevelopment and dependence in Black Africa: Origin and Contemporary Forms". Journal of Modern African Studies, Vol. 10, No. 4, (1972) p. 504.

18. Jean Suret-Canale, French Colonialism in ropical Africa 1900-1945, (New York Pica Press, 1971), p. 3.

19. Ibid. p. 165

20. Between 1939 and 1940, the declared profits of SCOA and CFAO, the two giant commercial firm in French West Africa, ranged between 25% and 30%. This contrasts sharply with the agricultural firm, plantation de L'Ouest Africain, which made a profit of 7% in 1939 and just managed to break even in 1940. This uneven sectoral profitability supplied the impetus for an accelerated growth in mercantile capital. In 1916, commerce in French West Africa occupied the prime position, absorbing 36% of total investments, but it was closely followed by agriculture and forestry with 34%. By 1940, the proportions were 50. and 18% respectively. Ibid. p. 166

21. For example, in 1937, 13 European firms, controlling Ghana's Cocoa export formed a 'cocoa pool', whose basic objective was to force down the price at which cocoa was purchased from the African producers. In the same year, 10 firms in Nigeria, controlling 90% of the cocoa trade concluded a similar arrangement. See Rhoda Howard, "Differential class participation in an African Protest Movement: The Ghana Cocoa boycott of 1937-38". Canadan Journal of African Studies, Vol. 10, No. 3, (1976), pp. 470-1; Michael Crowder, West Africa Under Colonial Rule, (London, Benin City, Hutchinson/Ethiope, 1968). p. 298; Robert Shenton, The Development of Capitalism in Northern Nigeria (Toronto, University of Toronto Press, 1986). p. 108ff.

22. This was so even among countries under the same colonial power. See the following files in the National Archives, Ibadan.

    (i) "Import control: Goods from French Territory" Ref. DCI 1/1. File No. 4036/S. 23, 1943.

    (ii) "Imports of Foodstuffs from French West Africa", Ref. DCI1/1. File No. 4036/S. 23, 1943.

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(iii) "Livestock: Imports from French West Africa". Ref. DCI. 1/1 File No. 4036/S. 23/C.1

(iv) Groundnuts: Imports from French Niger Colony. Ref. DCI. File No. 4036/S. 23/C.1.

(v) "Imports of Foodstuffs from other British West African Colonies". Ref. DCI. 1/1 File No. 4036/27.

23. Suret-Canale, op.cit. p. 10

24. See D.C.M. Platt, "The National economy and British imperial expansion before 1914". The Journal of Imperial and Commonwealth History, Vo. 11, No. 1, (October 1973) p. 4. Suzann Buckley, "Colonial office and the establishmen of an Imperial Development Board: The impact of World War I" Journal of Imperial and Commonwealth History, Vol. 11, No. 3, (May 1974) p. 308.

25. This preferential system was essentially applieable to British Colonies in Southern Africa.

26. Williams. J. Foltz, From French West Africa to the Mali Federation, (New Haven, Yale University Press, 1965) p. 37. Munro, Op.cit. pp. 324.

27. In the 1930s; prices of West African main exports dropped between 60 and 70 percent. The response in British West Africa was retrenchment, increase in tariffs, cuts in public expenditures and cuts in Social Services. See Crowder, op.cit. pp. 322-4.

28. Virginia Thompson and Richard Adloff, French West Africa, (New York Greenwood Press, 1969) p. 301.

29. Foltz, op.cit. p. 42.

30. Munro, op.cit. p. 94.

31. See C.W. New bury, British policy towards West Africa: Select Documents, 1875-1914 (Glasgow Oxford University Press, 1971). pp. 394-398; and Herbert I. Priestly, France Overseas: A study of modern imperialism (London Frank Cass, 1966) p. 321.

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32. Munro, op.cit. pp. 153-4; priestly, op.cit., p. 278.

33. The figure for British West Africa is based on figures provided by S. Herbert Frankel, Capital investment in Africa (London Oxford Press 1938). Table 33 p. 171. For French West Africa, See Thompson and Adloff, op.cit. p. 269.

34. Priestly, op.cit. p. 278; Frankel, op.cit p. 188

35. In contrast to the Gambia and Sierra Leone, Nigeria and Ghana also had smaller percentage of public capital (Less than 50%) and higher levels of private capital. Like the Gambia and Sierra Leone, there was more public capital in French West Africa than private capital. See Franke, op.cit. Tables 28 and 29.

36. Thompson and Adloff, op.cit p. 264.

37. David E. Carney, Government and economy in British West Africa (New York Bookman Associates, New York, 1961) pp 52-53.

38. Ibid. p. 56.

39. Ibid. pp. 56-8. Ghana and Nigeria accounted for 386 million pounds or 89% of the total figure.

40. Munro, op.cit. p. 181.

41. It could also be argued , and plausibly too, that the rather slow inflow of French capital into the federation before the Second World War reflected the relatively poor resource endowment of the colonies. The richer areas like Senegal absorbed the bulk of the early capital investments, while the richest territory, the Ivory Coast, which could have induced large scale investments to effectively exploit its enomous natural resources was only 'opened up' on the eve of the second world war.

42. See Polly Hill, The migrant cocoa farmer of Southern Ghana, (Cambridge, Cambridge University Press, 1963).

43. Walter Rodney, How Europe underdeveloped Africa (London Bogle-L'Overture publications, 1972) p. 87.

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44. Jacob Songsore, Structural crisis, dependent capitalist development and regional inequality in Ghana. ISS Occasional papers, No. 71, (Institute of Social Studies, The Hague, July 1979) p. 16.

45. Like the French, the British were not reluctant to merge their territories where economics and geography favoured such merger. Thus Lagos Colony became part of the protectorate of Southern Nigeria in 1905 while the product was almagamated with the Northern protectorate in 1914. This was justified in terms of facilitating commercial links between the North and South, and rationalising their administration through the elimination of tariffs, harmonising rail links and streamlining the fiscal requirements of both areas.

46. The need to harmonize tariff rates among its territories was especially important to France. The disconected commercial policies of its various colonies in in West Africa in the late 19th century had in the face of stiff British competition, relegated the French to a subordinate commercial position in their own colonies. See C.W. Newbury, "The formation of the Government-General of French West Africa", Journal of African History, Vol. No. 1, (1960) pp. 119-121. See also, Stephen Roberts, op.cit., p. 307; Suret- Canale op.cit p. 17.

47. Stephen Roberts, op.cit., p. 309.

48. J. Foltz, op.cit p. 19.

49. Hubert Deschamps, The French Union, (Paris, Editions Berger - Levrault, 1956). See pp. 9 - 92. French West Africa and Togo were appended to the Union as Overseas Territories and Associated Territory respectively. Though technically not part of the federation, Togo was administered like the overseas territories. Its status as a United Nation Trust territory was the only basis for the largely legal distinction.

50. C.W. Newbury, "The formation of the Government-General ..." op.cit. p. 119.

51. The Loi cadre was a series of major policy reform documents on French colonialism. The Ivorian member of the French Cabinet and leader of the anti-federalist front, Felix Houghouet-Boigny played a major role in their formulation.

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52. Welcomed by the Ivory Coast, These changes did not go down well with Senegal. Leopold Senghor "regretted this 'bulkanization' of black Africa" while Houghouet - Boigny, delighted at the turn of events, declared that the fight against French colonialism was not undertaken to make Cote d'Ivoire subservient to Senegal. See Thompson and Adloff op.cit p. 80; Immanuel Wallerstein, "How seven states were born in former French West Africa". Africa Report, (March 1961). pp. 3 - 15.

53. These events and processes are discussed in details by Wallerstein, Ibid; and Elliot J. Berg, "The Economic basis of political choice in French West Africa", The American Political Science Review, Vol. 54, No. 2, June 1960.

54. Samir Amin, Neocolonialism in West Africa, (Hamondsworth, Penguin, 1973). See Introduction.

55. Guinea left the franc zone in 1960 to establish her own Central Bank and national monetary unit. In 1962, Mali took a similar step but returned to the fold in 1968. In 1973, Mauritania also left to establish her own central bank and independent national currency.

56. For example, Nigeria and Ghana did not automatically devalue their currencies when the pound sterling was devalued in 1971. However, Sierra Leone and Gambia, still substantially tied to sterling, did.

57. See Willi Schulze's article on 'Liberia', in Africa South of the Sahara, 1977 - 78, (London, Europa publications Ltd., 1978).

58. See Samir Amin's articles on Benin and Mali, in Africa South of the Sahara, 1971, 1972, 1973, and 1975 editions. See also Edith Hodgkinson contribution on Mali, in the 1977 - 78 edition, p. 555.

59. The World Bank, World Development Report 1982, (New York, Oxford University Press, 1982) p. 116.

60. World Bank, World Tables, 1973.

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61. Aguibou Y. Yansane, "Some problems of monetary dependency in French speaking West African States", Journal of African Studies, Vol. 5, No. 4, (Winter 1978/79). p. 451.

62. ECA, Statistical Yearbook, West Africa, 1973.

63. Under this situation, widespread recourse to the I.M.F. lending facilities and the concommittent monitoring and policing' outfit have become the next option. Between 1974 and 1983, only four countries in West Africa did not resort to such facilities. These are Benin, Burkina Faso, Cape Verde and Nigeria. Since 1983 however, all countries in the sub-region have been drawn into the lending facilities of the I.M.F/World Bank group, and therefore their monitoring facilities as well.

64. This process, increasingly generalised in the sub-region from the 1980s, had already attained maturity in Ghana in the late sixties. See Andrzej Krassowski, Development and the Debt trap: Economic Planning and External Borrowing in Ghana, London Croom Helm, 1974.

65. The increasing analytical convergence on the state when the focus is on the conditions of accumulation in the third world has been noted. See V. Randal and R. Theobald, Political change and Underdevelopment. (London: Macmillan, 1985) p. 171; H. Marcussen and J. Torp, Internationalization of Capital, (London: Zed Press, 1982). p. 132.

66. See Marcussen and Torp. p. 69., Claude Ake, Revolutionary Pressures in Africa. (London: Zed Press, 1978) pp. 74-5.

67. Claude Meillassoux, "A class analysis of the bureaucratic process in Mali," Journal of Development Studies, Vol. 6, No. 2, (1970).; Claude Ake, A political economy of Africa (Harlow, Essex: Longman, 1981) p. 96; T. Thombiano, "State Policies and food production in Burkina Faso, 1960-83," in N. Bourenane and T. Mkandawire (eds), The state and agriculture in Africa (Dakar, Senegal: CODESIRA 1987) pp. 243-271.

68. This is why it is asserted that socialism in Benin, is at best a caricature. See Richard Sanbrook, The politics of basic needs. (London: Heinemann, 1982) p. 104.

69. Leslie Rood, "Nationalization and Indigenisation in Africa." Journal of Modern African Studies, Vol. 14, No. 3, 1970. pp. 427-447.

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70. Marcussen and Torp, op.cit. p. 72.

71. Bonnie campbell, "Ivory Coast," in John Dunn (ed), West Africa States, (Cambridge; Cambridge University Press 1978) pp. 82-5.

72. The World Bank, Senegal: Tradition, diversification and economic development. (Washington D.C, 1974) p. 128. See also Africa Research Bulletin (Economic and Technical Series) Vol. 14, No. 4, May 31, 1977. p. 454.

73. I.L. Markovitz, Power and class in Africa. (New Jessey: prentice Hall, 1977). pp. 248-9.

74. See Richard Ralthbone"Ghana", in Dunn, op.cit. p. 33.

75. See Leslie Rood, op.cit.

76. Emmanuel Hansen, "The State and Popular Struggles in Ghana, 1982,-86," in P.A. Nyongo', (ed) Popular struggles for democracy in Africa. (London, Zed Press, 1987) p. 172.

77. Frederick Cooper, "Africa and the world economy". The African Studies Review, Vol. 24, Nos 2/3, June/September, 1981. p. 49.

78. Paul Collins, "Public Policy and the development of indigenous capitalism: The Nigerian experience," The Journal of Commonwealth and Comparative Politics, Vol. 15, No. 2, July, 1977. p. 127.

79. See T. Turner, "Nigeria: Imperialism, Oil technology and the comprador state" in P. Nore and T. Turner, oil and class struggle. (London: Zed press, 1980) p. 204) see also/Turner, "commercial capitalism in Nigeria: the pattern of competition," in D. Cohen and J. Daniels, (eds), Political economy of Africa selected readings. Hallow, Essex: Longman, 1981. pp. 155-163.

80. Rood, op.cit. p. 433.

81. C. Allen, "Sierra Leone", in Dunn, op.cit. pp. 203-4.

82. C. Clapham, "Liberia", in Dunn, op.cit. p. 118.

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83. P.A. Nyong'o, "Popular alliances and the state in Liberia, 1980-85," in Nyong'o, <u>op.cit</u>. p. 218

84. R.W. Johnson, "Guinea", in Dunn, <u>op.cit</u>. pp. 36-65.

85. Samir Amin, "Preface: The State and the question of 'development'", in Nyong'o, <u>op.cit</u>. p. 1.

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CHAPTER FOUR

THE FORMATION OF ECOWAS: FORCES AND DYNAMICS

At the end of its colonial experience, West Africa had become economically partitioned into two preference areas. Although the degree of rigidity in these preferential arrangements differed, the economic relations of most West African members of these two zones were closely channelled to, and concentrated in London and Paris. This division entrenched a regional economic regime that actively discouraged horizontal economic interactions across zones.

The objective economic and geographical situation in West Africa has always induced some form of integration or the other, no matter how limited in scope, or elicited a high degree of consciousness for the need of integration in the sub-region.[1] This consciousness has been most highly marked among the French speaking states which had replaced the French West African federation with successive customs unions and a common monetary body.[2] Even the British colonies were united under cetain co-operation schemes, although these were terminated on independence.[3]

A large number of inter-governmental organizations exist in West Africa, but most of them are technical organizations centred on specific geographical and agricultural resources of

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the sub-region. Essentially conceived in functional terms, they tend to cut across the inherited colonial divide.[4] The attempts at comprehensive integration schemes across preferential frontiers, had always met strong resistance. Such comprehensive groupings that existed before the formation of ECOWAS were confined to the franc zone countries in West Africa. A fundamental attempt to provide a bridge across the colonial divide was the Ghana - Guinea Union of 1958 which was founded on a Pan-African, anti-colonial platform. Its extended version, the Ghana - Guinea - Mali Union was formed in 1960. Both experiments did not operate beyond the level of rhetorics.

The United Nations Economic Commision for Africa, ECA, initiated the decisive moves to bring about an all-embracing economic integration scheme in West Africa during the first decade of independence. A series of conferences on industria-lization in the sub-region were held under the auspices of the ECA. These were in Niamey (Niger), 1962; Lagos (Nigeria), 1963; Bamako, (Mali), 1964; Moronvia (Liberia), 1965; Abidjan (Cote d'Ivoire), 1965; Freetown (Sierra Leone), 1966; Niamey (Niger), 1966.[5]

The Niamey meeting of 1966 was followed by further meetings in Accra, Ghana in April 1967 and Dakar, Senegal in November of the same year. Delegates from 14 countries in the sub-region attending the Accra conference signed "The Articles of Association

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of a West African Community." At the subsequent meeting in Dakar, an interim council of Ministers considered a draft treaty for the proposed community. By this time, a clear outline of a West African Economic Community (WAEC) had taken shape. A summit meeting schedule for Moronvia in 1968 was to mark the formal inauguration of the community. But the Monronvia summit ended in failure as only nine of the original 14 states were present. Although the treaty signing summit was rescheduled for Ouagadougou at a later date, this did not materialize.[6]

The failure of the Monrovia summit was precipitated by two main factors. There was the element of political instability, which in the form of a coup d'etat in Sierra Leone and civil war in Nigeria, kept these two countries away from the summit. But the more fundamental problem was structural. There was a high degree of sensitivity to the unequal distribution of economic power among the proposed membership. Even the emphasis of the Dakar meeting on the need for "balanced and equitable development" of all member states "with due consideration for any disparity in the stages of such development as exists among the members",[7] did not allay these misgivings. Another structural problem related to the fear that the organization would disrupt the existing economic structures of member states. Although the draft treaty confirmed the economic status quo by stressing the "importance of avoiding serious dislocation

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in the present structure of the member states, and of present patterns of trade and of sources of revenue,"[8] it was clear that the treaty in general might constitute a threat to the basic framework on which franc zone arrangements were founded. Trade liberalization was to be promoted through progressive abolition of fiscal obstacles, and removal of restrictions on capital movements between member states was perceived to be capable of interferring with the basic locus that found expression in Franco-African relations. Capital movement might have gravitated to the dominant members, notably Nigeria and Ghana, which to the French mind meant a leakage into the Commonwealth group, with the inevitable benefits for Britain and her ex-colonies. This was why France's opposition was manifested in the view, shared by Cote d'Ivoire, that the proposed scheme was 'Anglo-Saxon' dominated.[9] From an obvious assessment of the proposed organization in terms of its adverse impact on existing economic structures and its potential dislocative effect, the members of the Entente Council (Benin, Cote d'Ivore, Niger and Togo) balked, and did not attend the Monrovia summit, the excuse being that the pace of the project was being rushed.[10] This was the situation at the end of the first decade of independence, 1960-1970.

From the Second decade of independence, the rapid pace

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and favourable conditions of accumulation in some countries of the sub-region was seen as requiring further efforts to provide a more rational setting for sustained industrial growth through a widening of the frontiers of import substitution. The entrenched presence of the France/EEC zone and less critically, sterling area arrangements in West Africa had always proved difficult to transcend for the emergence of a single, all - embracing WAEC.

The entry of Britain into the European Economic Community, EEC in January 1973 provided the necessary 'imperial unity' under which the two existing preference blocs became sub-merged.

4.1: Export 'boom' and accumulation

From the early sixties, the logic of industrialization had formed the central point of rationalizing economic integration in West Africa.[11] However this argument became more forceful as a widespread boom in exports and the attendant rapid growth rates in investments appeared to be pushing import-substitution industrialization to its frontiers at the national level.

In 1970/71, the Nigerian economy grew at the rate of 9.6% as against the 4.7% projected for the period. In 1971/72, the growth rate rose to 12%, 3% above the projected rate. These rapid growth rates were essentially a function of the budding but fast expanding crude oil export industry which made large scale

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investments possible. The volume of investments exceeded plan projections for 1970 and 1971/72. While ₦760 million was invested in 1970/71, in 1971/72, the volume of investments was ₦930.8 million as against the projected figure of ₦798 million.[12] Under the third national development plan (1976-1980), ₦6,000 million was allocated to industry as against ₦200 million in the previous plan period.[13]

Based on a relatively well diversified agricultural export base the economy of Cote d'Ivoire was equally growing on a fast note. From an estimated fixed capital formation of $86.6 million in 1960, the Ivorian economy attained a height of $302.1 million in 1970, an increase of about 250% in 10 years. Similar figures for Nigeria, show that capital formation increased by 93.8% (representing $550.7 million in 1960 and $1, 0675 million in 1970), while for Senegal, it was 54.6% ($72.7 million in 1960 and $112.4 in 1970). In Ghana, capital formation declined from $328.8 million in 1960 to $288.1 million in 1970 or 11%.[14]

In all these countries, further industrial expansion was largely predicated on production for the export market, and these were reflected in state policies.[15] Under a general policy for producing industrial goods for export, Nigeria adopted an industrial strategy which was closely linked to the drive for a WAEC.[16] In fact, as early as 1971, the Nigerian state machinery had become geared to the articulation of a

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strategy for the formation of an all embracing WAEC. This community oriented industrial strategy was seen as a foreign exchange conservation formula for all countries of the sub-region.[17] In fact, the idea of a WAEC had become widely acceptable, and seriously canvassed. Liberia's industrial policy which was to be spearheaded by textiles and timber envisaged a community market. Niger sought such a market for an agro-base industry and a budding mining industry which were to make a shift from infrastructures and import substitution (the industrial priorities of the first decade of independence, with their obviously limited capacity for economic transformation) to a more dynamic, industrial export oriented growth, the development emphasis for the second decade, 1972 - 1982.[18]

The need for an urgent consideration of a West African common market was further emphasized by the fact that the ambitions growth rates envisaged in the manufacturing sectors of the sub-region could not be optimised on the basis of export markets located in the industrialized countries of the world.[19]

It was on this note that bilateral co-operation agreement became much pronounced among West African countries. (see Table 4.1.). These took three basic forms. West African countries concluded agreements among themselves for essential raw materials in their industrial drives. In 1973, Nigeria and Sierra-Leone signed an agreement under which the latter was to supply high

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TABLE 4.1

Bilateral Agreements Concluded among West African States, 1971 - 1974

Countries	Subject	Level	Institutional Framework for Implementation	Year
Nigeria - Senegal	Closer Cooperation	Summit	Joint Commission	1971
Nigeria - Benin	Interest Free Loan	-		1972
Niger - Nigeria	Rail and Port	Experts	Joint Committee	1972
Togo - Ghana	Economic Cooperation	Summit	-	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 Econ. Co-op.	Ministerial	-	1973
Sierra Leone - Gambia	Trade	Summit	-	1973

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Burkina - Senegal	Trade and Industry	Ministerial	-	1973
Guinea - Nigeria	Econ and Technical Co-op	Minesterial	Joint Commission	1973
Nigeria - Mali	Mutual Assistance	Summit	Joint Commission	1973
Gambia - Liberia	Trade	-	-	1973
Cote d'Ivoire - Senegal	Trade	Summit	Joint Commission	1973
Nigeria - Liberia	Economic Coopera-tion	Summit	-	1973
Guinea - Liberia	Joint Projects	Ministerial		1973
Senegal - Mauritania	Monetary issues	-	-	1973
Ghana - Liberia	Technical Coopera-tion	Summit		1973
Liberia - Sierra Leone	Economic Community		M.R.U	1973
Ghana - Togo	Joint			1973
Nigeria - Guinea	Joint Project			1973
Cote d'Ivoire - Ghana	Elect-ricity		Joint Commission	1974
Mauritania - Senegal	Trade		-	1974

Sources: Various issues of West Africa, 1971-73; Africa Research Bulletin, 1972-74.

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grade iron ore for Nigeria's proposed iron and steel industry. In return, Sierra-Leone was to get Nigerian Crude oil, cement, and edible oils.[20] Secondly joint projects were initiated between two or more countries. Finally, several bilateral agreements covering issues ranging from simple cooperation matters to more intricate monetary and economic issues were initiated. As indicated in Table 4.1., issues covered were mostly economic. And there was the general emphasis on utilising to the optimum, the economic advantages of proximity. The major significance of this bilateral stage lies in the fact that many agreements signed specified as the ultimate objective an early realisation of an all-embracing WAEC.

Although these bilateral menoeuvres were essentially induced by the objective requirements of the rapid pace of accumulation that was manifested in the second decade of independence, underlying the obvious anticipation of all-embracing WAEC was the fundamental impact which the integration of Britain into the European integration process would wrought on economic relations among West African States.

4.2: The enlarged European Community and West African economic integration.

The pattern of convergence of underdeveloped countries (UDCS) among centre states tend to influence the possibility of horizontal economic integration among them. Where UDCs are distributed among various centre states in vertical relationships involving

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different preferential regimes, generating horizontal integration schemes cutting across these preferential regimes tend to be difficult. Attempts at such horizontal integration involving a convergence at two distinct centres is also fraught with basic obstacles.[21] This second pattern also holds where there is a rigid and selective application of preferences with some countries to the exclusion of others which may be loosely attached to some other bloc, or wholly without such an attachment. Johan Galtung characterised this as fragmentation, a deliberate policy pursued by the EEC to keep the third world divided through minimum horizontal economic links, while the EEC itself is united with economic links spread in all directions.[22] Galtung points out that the Yaounde convention (or Association with the EEC) tended to "freeze the status quo" in discouraging the emergence of regional groupings among UDCs.[23] However, it may be pointed out that while discouraging cross-cutting ties between associated and non-associated states, association with the EEC, simultaneously produced conditions which permit economic integration among associating states.

It is here that a third pattern emerges. A unified centre to which UDCs jointly relate within a single framework will tend to provide the kind of background that facilitates the creation of horizontal integration systems. This convergence on a single centre depicts most closely the situation that obtained

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following British entry into the EEC in 1973.[24] In 1961, President Leopold Sedar Senghor of Senegal made it clear that a pre-condition for harmonising "technical and economic co-operation between Africans, both French-speaking and English speaking", was for Britain to join the EEC, and bring along with her, commonwealth countries as associate members.[25]

The expected entry of Britain into the European Community had a marked and perceptible impact on the integration process in West Africa. This impact can be analysed at two levels. These are the intra-preferential zone effects and the inter-preferential zone effects.

The intra-preferential zone effects were mostly marked in the subtle changes in the relationship between France and her ex-colonies. From the late 1960s, French sights were increasingly raised beyond their traditional economic confines in Africa. The entry of Britain into the EEC was seen as the necessary opportunity for more relations with English speaking countries, particularly Nigeria and Ghana.[26] This was in full appreciation of the fact that an enlarged EEC would, even if nominally, reduce French-speaking West Africa as the near exclusive preserve of French capital in order to accomodate the highly mobile British capital within its space. This was a good bargain for France, since it meant more access for French capital in the relatively larger markets of the English speaking territories. France, looking beyond its traditional markets might mean less attention to its ex-

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clusive preserves in West Africa. To the latter, this was a worrisome prospect. But more worrisome was the fact that the franc zone, the institutional expression of French dominance of its ex-colonies did not equally allow the West African member states to take advantage of economic opportunities which third countries may offer. It was in this context that some franc zone members in West Africa called for a reform of its policies. The reform drive was mostly focused on the monetary relations, which did not allow for much diversification of commercial relations outside the zone. In 1972, President Gnassingbe Eyadema of Togo pointedly called on France to allow a relaxation of those strict regulations that created artificial barriers against trade with third countries.[27] The call for these reforms had the enthusiastic support of Benin and Niger.[28] These countries which had one thing in common - proximity to the fast expanding Nigerian economy saw such reforms as necessary if the trickle down effects of the Nigerian economy on their own was to be put to maximum advantage. To a much lesser extent, Ghana was seen in the same light, especially by Togo, although the dwindling economic weight of the former made Nigeria the logical alternative. In 1972, the West African sub-region accounted for 17.5% of Benin's total exports and 9.7% of her imports. Within the sub-region, Nigeria was her chief customer. Similarly, Ghana was Togo's major trading partner in the sub-region. As for Niger, 34% of her total exports and 13% of imports were from the West African market. However, only 11% was with French speaking West Africa, her most important

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customer within the sub-region being Nigeria.[29] Thus, in their quest for reforms, proximity to the Nigerian economy was of the utmost significance.

Although France did not take kindly to the request for reforms, it was forced to acknowledge that a relaxation of franc zone regulations should aim at encouraging trade between French-speaking and English-speaking African states.[30] France's token acquiescence to this request was warranted by two factors. The first was the need to prevent the kind of defection which was to pull Mauritania out of the franc zone in 1973. Mauritania had responded to the lure of the oil rich Arab states whose backing allowed her to exhibit this critical stance in its extreme form; going as far as denouncing co-operation agreements with France as neo-colonialist, and requiring a "re-examination of our work methods, and our relations with the external world in order to rely essentially on ourselves".[31] Secondly, such reforms could even be put to the advantage of France. Since its capital mostly controlled the economies of its ex-colonies, such reforms could be channelled, adapted and deployed as part of the policy of widening and deepening France's economic beachhead in other parts of West Africa, considered to be areas of immense economic opportunities.

The inter-preferential zone effects were the most fundamental to the formation of ECOWAS. They spanned the processes that unified the European centre, to the intricate negotiations

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in the attempt to formulate a common ACP position in seeking accomodation within the EEC.

On January 1, 1973, Britain became a member of the European Community. With this development, Britain was expected to discontinue its special preferential arrangements with commonwealth countries, in favour of the EEC by 1975. In effect, Britain in the EEC meant the end of commonwealth preferences, with far reaching implications for former British colonies in West Africa and elsewhere. Britain was now bound to apply the EEC's common external tariff (CET) against imports from her ex-colonies. Thus, Britain would apply the EEC's CET against cocoa, groundnuts, coffee etc, from Nigeria, Ghana, Gambia and Sierra-Leone, but not against Cote d'lvoire, Senegal or other States associated with the EEC under the Yaounde Convention.[32] This struck at the whole economic fabric of these commonwealth countries not only in terms of lowering their direct foreign exchange earnings, but also threatning the whole network on which their trade, aid and investments was based.[33] However, association with the EEC would ensure a continuation of the usual structure of trade, aid and investments. In ensuring a continuity in this pattern of dependence, association drew virtually all countries of the sub-region to the same centre, and therefore subject to the same primary metropolis.

In negotiating her entry into the EEC, Britain was under considerable pressure to find a niche within the community for

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the primary exports of many third world commonwealth countries. Association for this category of commonwealth countries was therefore to form a crucial part of the terms of British entry. Based on this, the EEC presented such commonwealth states (associables) three basic options on which to define their relationship with the EEC. These were a Yaounde type convention, an Arusha type agreement, and a simple trade agreement.

The reaction of commonwealth West African countries to these options was mixed. Gambia decided on a Yaounde type convention, while Ghana and Sierra Leone, along with most other commonwealth were ambivalent, although they were keen on association. Only Nigeria rejected any form of association with the EEC, arguing that it will only settle for a simple trade agreement, and even then, this was not considered urgent.[34]

Rejecting association is not new. In 1962, commonwealth Africa had turned down association with the EEC, negotiated for them by Britain as part of a package deal on her first entry bid. Ghana, under Kwame Nkrumah had denounced it as the "new system of collective colonialism", while Nigeria saw it as something that will inhibit her industrialization, inter-African trade, and a general alienation from Africa, and an alignment with Europe that might conceivably spill into the politico-military arena.[35] A few years later, Nigeria negotiated such an agreement with the EEC. This did not come into force as a result of a French veto. By the 1970s, Nigeria once again

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rejected association for reasons similar to those advanced earlier. But the position was articulated more forcefully.

Nigeria's primary diplomatic objective in the West African sub-region was to bring about an all-embracing West African Economic Community. Reverse preferences under the EEC was a fundamental obstacle to this goal, in as far as it established a free trade area between the EEC and associated states of the sub-region, a situation that might conceivably conflict with horizontal integration schemes involving countries of the sub-region. It was also felt that the common agricultural policy (CAP) of the EEC was an institutionalized policy against African primary exports which the EEC purports to favour. In addition, cascading tariffs of the EEC imposed a definite ceiling on the development of manufacturing and semi-processing of goods in associated states. In this regard, association was not conducive to Nigeria's ambitions since the country had "plans to process most of our primary products and sell them either as semi-processed or completely processed goods."[36] Consequently, Nigeria adopted the position that West African states should form an integration scheme as an alternative to association with the EEC.[37]

This conception of an all-embracing West African Economic Community as an alternative to association with the EEC was not shared by any other state in West Africa. In fact, the 'associates' (the 18 third world, mainly French speaking signatories to the Yaounde convention) clearly indicated that the

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two were firmly interwoven. On a similar note, the EEC held the view that a bi-product of European integration would be a break-down of colonially derived political, psychological and economic barriers to integration among African countries.[38] The associates, notably Senegal, strongly advocated association for ex-British and French colonies on the grounds that it would be a basic necessity for horizontal economic integration across the colonial divide. But President Senghor of Senegal who had, at the initial stage assumed the role of spokesman of the group made it clear that only those associables who accepted the fundamental principles of the Yaounde convention should be allowed to negotiate for association.[40] By implication, only those who agreed to associate under the existing framework of association with its emphasis on reverse preferences, should be part of a West African integration. At this point in time, Senegal was not averse to an association of both English and French speaking countries with the EEC under the same framework or their coming together in a cross-cutting WAEC as a reflection of the former, so long as Nigeria was not included in either. And by the criteria of eligibility set by Senegal, Nigeria had invariably excluded itself from both. Senegal's argument was that Nigeria alone was economically Stronger than all the associates put together. Her presence as an associate would therefore have an adverse impact on the sources of capital of the other associated states. Aid from the European Development Fund (EDF) which in most associated states, formed a sizeable

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proportion of budgetary outlay, would be seriously diluted, while trade preferences in favour of the primary exports of associated states would decline in real value in view of their extension to the associables of the commonwealth, notably Nigeria. These fears had already been conveyed by the associates to the EEC by 1971 when British entry into that body had become a certainty[41]. The Ivorians made it clear that any changes resulting from the admission of British ex-colonies "should not be made to our cost, through the devaluation of the basic elements in the association structure"[42]

These efforts were primarily meant to ensure that Nigeria did not associate, but they were also linked to the basic way a cross-cutting WAEC was to be realised and the problem of Nigeria's role within it. The connection between a cross-cutting WAEC and association with the EEC was strongly indicated in three related issues. First, with foreign exchange at the centre of the domestic capital formation process, the capacity to earn it was to be enhanced by the guaranteed export markets which the EEC would provide. This in effect meant that the competitiveness of the individual member of a West African economic community within the community would depend on its ability to take advantage of the provisions of association. Thus, Nigeria's attempt to form a broad rejectionist front against association, was doomed to failure, Having discounted the basis of accumulation, its impact was to isolate Nigeria from the mainstream views in West Africa. Apart from Nigeria, no other country in West Africa had the kind of resources, volumes of exports, the strategic

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basis of those exports, and a multilateralized dependent base which permitted a higher degree of autonomy from the immediate benefits which the EEC offered. This factor pointed to the significance which association with the EEC was to assume in the internal competitivess of the individual members states of the anticipated community.

Secondly, an all-embracing West African economic community required a huge outlay of infrastructural development. To most countries of the sub-region the logic of development implied external aid facilities of which the EEC was the most logical source.[43]

Thirdly, there was the feeling that since a common monetary unit was essential for integrating countries, association with the EEC would provide the external guarantee which would be essential for the viability of a common monetary framework. In fact, Senghor had stressed this point to buttress his view that a West African Economic Community could only take place after the EEC might have established its own common currency by 1980.[44] The 18 associates were therefore emphatic on their view that the EEC was crucial for West African integration. In fact, there was the belief that an enlarged Europe should help "Africa organize itself".[45]

Thus isolated, Nigeria shifted grounds, calling on West African states to come together to negotiate with the EEC as a body.[46] Nigeria subsumed such negotiations on an identity of

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sub-regional interest, with an all-embracing West African Community formed to define, defend and institutionalize these interest before negotiating on a common platform with the EEC. It was on such a common platform that Nigeria assumed the leadership of ACP negotiations with the EEC through an elaboration of a commonwealth stand, an African position, and finally, an ACP position.[47] While Nigeria realised that the proposals she had earlier put forward were economically unacceptable to other West African States, she maintained the position that the long term needs of Africa and the way to achieve them must be given priority attention.[48] Outright opposition to association gave way to leadership of the African group in particular and the ACP in general, in an attempt to ensure a substantial input into the process of negotiating association with Europe. Nigeria was conscious that she could go it alone outside a common ACP posture, but there was also the crucial realization that "she would have lost the battle on regional grouping --- that influenced Nigeria's policy on the subject".[49]

In negotiations of the Lome convention that followed, Nigeria was not only able to shape some fundamental features of the convention, but also displayed a remarkable attunement to the special problems and importance of the EEC to most of the other countries, especially in West Africa. First, she decided not to accept aid under the EDF, thereby allaying fears of its

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possible dilution. Secondly, in contrast to Senegal, she strongly advocated the untyping of aid and trade which could place the richer ACP states at a disadvantage in relation to the poorer ones. Finally, in 1974, she placed a ban on the exports of groundnuts ostensibly on the gounds that domestic production was no longer enough to meet local needs.[50] However, this measure had the impact of reducing the areas of export competition between Nigeria and some of her West African neighbours - notably Senegal. In third world integration systems were distributive measures are highly crucial, Nigeria's actions demonstrated a potential and a willingness to assume some responsibility for such distributive measures within the anticipated West African community. This increasingly led to cracks in the facade of the French-speaking associates as the members began to appreciate interests that cut across the colonial divide. These interest and patterns of alignment were re-enacted in the negotiations that led to the formation of ECOWAS.

Meanwhile, efforts were being made by the private commercial interests in West Africa to organize at sub-regional level on the grounds that British entry into the EEC was a signal for West Africa to plan a common economic front.[51] The Chambers of Commerce which represented these interests saw the imperial unity which the enlargement of the EEC implied as a pointer to the imminent breakdown of barriers to the rapid expansion

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of intra-West African trade. At a two-day conference held in Lagos in August 1972, a Federation of West African Chambers of Commerce was formed by representatives of the national chambers of Ghana, Liberia, Nigeria and Sierra Leone, with representatives from eight French speaking countries - Equatorial Guinea, Central Africa Republic, Niger, Benin, Senegal, Togo, Guinea and Burkina Faso - attending as observers. The body commended to itself, the objective of a "speedy establishment of supranational commercial institutions", and "a West African economic community".[52] Although only two French speaking states were part of the inaugural team in November 1972, its fast pace and the alliance which it soon formed with various governments in the sub-region ensured that the remaining French-speaking states all soon became members. In fact, the second general assembly was held in Abidjan, Cote d'Ivoire in 1974. Its constitution specifically cited the realisation of a West African economic community as a primary objective. In pursuit of this, the second general assembly accorded high priority to intra-regional free movement of persons as well as speedy infrastructural development. It was later to play a more prominent role in the negotiations leading to the formation of ECOWAS.[53]

4.3: The integration trail: the old division versus the new reality.

Two parallel efforts marked the attempt to integrate West Africa once British entry became certain. The first one

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which emphasized the old dichotomy was among the French-speaking West African States, whose sustained integration efforts were in this instance, channelled for the purpose of forming a bloc within the anticipated all-embracing WAEC. On the other hand, in assuming the initial form of a Nigeria - Togo economic community, the second major effort transcended the colonial divide, insisted on the destruction of the old dichotomy, and was primarily conceived by its initiators as the nucleus of an all-embracing WAEC.

The need for an exclusive integration scheme for French-speaking West Africa in the face of an enlarged EEC was articulated by France and the efforts were to be centred on Cote d'Ivore and Senegal. The French acknowledged that British entry into the EEC would compel closer economic co-operation between French and English speaking states. However, the overwhelming economic resources of Nigeria in relation to the French-speaking states equally compelled a mechanism which would equilibrate the distribution of developmental gains acruing from integration.[54] Such an equilibrating mechanism, as President Pompidou of France pointed out was to harmonize the efforts of the French-speaking states "so as to counterbalance the heavyweight of Nigeria".[55] The envisaged mechanism was expected to be able to create a market large enough to bring the main industrial countries of French speaking West Africa (Cote d'Ivore and Senegal) to an

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optimal level of production where they could adequately perform the role of a countercore.[56] Existing Francophone organizations in West Africa which could have assumed this role were too weak to do so. The Organization Commune Africain et Malagache (OCAM) was in disarray following the rapid spate of withdrawal of members.[57] UDEAO was moribund for what its terminal Secretary-General described as the inability of the member states to respect its basic principles.[58] A fundamental weakness in size and resources as well as its highly circumscribed ambitions precluded the Entente Council from being seriously considered as the necessary counterweight mechanism. A new organization with as wide a membership as UDEAO and tailored to its objectives on a pragmatic note was required to play this counter-core role. The result was the <u>Communaute Economique de L'Afrique de I'Ouest</u> (CEAO). This role was to be further consolidated through the existence of a common currency artificially situated on a French guarantee.

The solidarity required for the organizational coherence of CEAO was not easy to achieve as the objective economic and geographical situations of the proposed membership created certain basic contradictions whose resolution also paved the way for an all-embracing WAEC. The anticipated enlargement of the EEC and its expected repercussions on inter-state relations

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in West Africa had forced a rapprochement between Senegal and Cote d'Ivoire in 1971.[59] Their newly found friendship was based on a counter-core conception of CEAO. This in turn centred on the rapid industrialization of the two states - Cote d'Ivoire and Senegal. This made for rapid progress in the formation of CEAO.[60] But it also indicated a fundamental contradiction in the CEAO set up. The core role of Cote d'Ivoire and Senegal and the method of implementing it pointed to an assymetrical pattern of integration benefits which the other states - Burkina Faso, Mali, Niger, and Mauritania, which were also virtually land locked (Mauritania is the exception), saw as a new form of economic domination much similar to that of the ex-colonial powers. Specifically, these hinterland states called for distributive measures of a concessionary character which should include relief for them through the removal of transit tariff for their imports through the two coastal states. This demand struck directly at the revenue base of Cote d'Ivoire and Senegal. Accordingly they rejected it, and in reaction, Niger refused to sign the treaty. So, instead of the definitive inauguration of the organization which was planned for Bamako in 1972, France had to save the negotiations from total collapse by forging an agreement in principle among the member states.[61]

Among the landlocked states, Niger was well placed to adopt such a position. Her rising uranium production had positively

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modified the mendicant character of the economy. The access to the sea through the use of Nigeria's coastal facilites and transport routes was cheaper than utilising those of any of the francophone states. Only a more favourable treatment within CEAO in this regard could possibly induce her to drop the Nigerian option. She also enjoyed a proximity to Nigeria, which, when translated into economic quantities, relegated links with either Senegal or Cote d'Ivoire to the background. And it is precisely in this point of proximity and economic weight of Nigeria in the sub-region that another major contradiction manifested itself in the attempt to form CEAO. Niger, Benin and Togo emphasized that the growing economic power of Nigeria as well as their own links with the country would preclude them from any meaningful participation in any integration scheme from which Nigeria was excluded. In fact, Togo and Benin took the stand that no regional group in West Africa can lay claim to the title of 'West African Economic Community' without Nigeria's participation.[62]

These mounting tensions from within forced Senegal and Cote d'Ivoire to modify their position. The stage formula for expanding CEAO was put across by Senegal. CEAO was to be an exclusive francophone preserve at the initial stage, but it would gradually develop to encompass the other West African States.[63] The only notable dissenter that agreed to this stage

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formula was Niger, which went on to suggest that the degree of compatibility achieved in the progressive harmonization of the position of associates and associables in separate agreements with the EEC should determine the degree of horizontal co-operation between the two main groups in West Africa.[64] Senegal had in fact, predicated the stage approach on the degree of monetary integration prevailing in the EEC. Senghor specifically pointed out that the critical import of a common monetary system to the integration process required that the EEC gets a common currency by 1980. Such a common currency was to provide the external guarantee for a similar West African Currency. It is only at this stage (from 1980) that an all-embracing West African Economic Community would become feasible.[65] Benin which had actively participated in the planning phases of the formation of the organization declined to sign its treaty along with Togo which had maintained observer status all along while simultaneously engaged with Nigeria in an evolving all-embracing West Africa Economic Community, turned its attention to this joint effort.

4.4: The Nigeria - Togo initiative

This formed the core of the diplomatic offensive that culminated in the formation of ECOWAS. In April 1972, Nigeria and Togo decided to integrate their economies in an embryonic West African Economic Community in which all West African States were welcome to join, although as the Nigerian Head of State.,

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General Yakubu Gowon made clear, it would not be necessary to wait for all to board before take-off.[66]

A basic condition of this arrangement was that it must transcend colonially derived barriers. And in this the two members were well suited to constitute its core. The two countries had always enjoyed warm relations. Togo's traditional 'Open door' policy based on a colonial past that gave an air of relative distance from France and the franc zone and yet firmly located in the franc zone, made it the logical choice for an embryonic community that must be distinguishable from the exclusivist efforts of the francophone states.[67] Two other factors made Togo an ideal partner. Geographically, it was not contiguous to Nigeria, while its economic size in relation to Nigeria obviously pointed to a kind of community that must be tailored to meet the requirements of the strong as well as that of the weak within the community. Along with this was the basic attribute it shared with Niger and Benin - an increasing reliance on the Nigerian economy, which was strong enough to precipitate a split within francophone West Africa in their drive for CEAO.[68]

In June 1972, a commission of experts met and made recommendations on the proposed grouping to Nigeria and Togo. Following this, Nigeria was mandated to call a summit conference of West African States, to be preceded by a ministerial meeting,

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to discuss the proposals. While further work was being carried out on broad areas of co-operation, transit tax was abolished between the two countries.[69] This move was a symbolic gesture to indicate the take-off of the community, but it caused some awkwardness with Benin, whose territory was sandwiched by Togo and Nigeria. However, following a ministerial meeting of the three countries in Lome, in March 1973, Benin, already committed to the idea of a new all-embracing WAEC, agreed to abolish the transit tax it levied on goods passing through her territory from Togo to Nigeria. And when in March 1973, the Ghanaian Head of State, General Ignatius Acheampong readily agreed with his guest, President Eyadema that further talks on the Nigeria - Togo Economic Community should be broadened to facilitate the early realisation of a genuine West African Community, the 'Benin States' (Benin, Ghana, Nigeria and Togo) became the first to identify their mutual interests and commitment to a WAEC transcending colonial divisions.[70] Subsequently, the support of Gambia, Liberia and Sierra Leone were readily given following consultations with Nigeria and Togo in early 1973.[71]

Among the French-speaking states, Niger's participation was assured by her proximity to Nigeria.[72] Guinea, as should be expected denounced CEAO in clear terms, affirming support for the wider grouping, which would also mark an end to her isolation.[73] Senegal more than Cote d'Ivoire proved more resis-

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tant to the idea of an all-embracing WAEC. The Cote d'Ivoire antipathy to large groupings date back to the colonial period, and with Senegal, shared a mutual suspicion of Nigeria's size and intentions in the sub-region. But these suspicions were largely assuaged in 1972 when Nigeria's foreign Minister Okoi Arikpo visited that country. However, Cote d'Ivoire became more firmly committed to the larger grouping when Nigeria pointed out to them that with their resources, as well as their economic and industrial policies, the country would be a major beneficiary of an open market stretching from Nigeria to Mauritania. Of special attraction to them was the large and flourishing Nigerian market which would become open to them.[74]

The Ivorians, however, made it clear that Nigeria should be ready to assume the burden of distributive policies. The increase in Nigeria's oil production during this period was helpful in convincing them that Nigeria was capable of providing much of the necessary financial back-up of the community. In fact, Gowon gave explicit assurances of Nigeria's capacity and willingess to assume this role.[75] Nigeria, had on several occasions, already demonstrated an appreciation of the requirements of a distributive strategy in integration systems. This was vividly portrayed during the negotiations of the Lome convention. It also assumed a more direct bilateral form. The "Spraying diplomacy",[76] that informed this bilateralism was exhibited on several countries in

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the sub-region. Thus, in 1971, Nigeria contributed ₦1.8 million to the construction of a highway in Benin. In the same year, she offered that country an interest free loan of ₦2.0 million repayable over a period of 25 years. In 1972, Guinea got a grant of ₦50,000 and a military co-operation agreement in the face of mercenary attacks. With Niger Republic, joint projects were to be embarked upon.[77] From 1972, aid was also offered to various countries in respect of drought and other natural disasters. West African beneficiaries included Mali, Senegal, Burkina Faso, Mauritania, Niger and Sierra Leone, while Guinea Bissau and Cape Verde received grants from the country on their attainment of independence.[78]

All these did not assuage Senegal's antipathy to the idea of a community transcending colonial divisions. Senghor clung to the stage formula, and when this no longer drew much attention, shifted to the 'Kinshasa to Nouakchott' proposal, under which Zaire was to be brought in as a country with the necessary potentials along with CEAO to form a counterweight to Nigeria. This was rejected, because, as Gowon maintained, "the Union will no longer be sub-regional ... we insisted on this on the basis of a manageable number of states."[79]

Senegal was not always averse to an all-embracing West-Africa Economic Community. In fact, she was, in contrast to Cote d' Ivoire, a champion of West African integration. The remarkable

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transformation in Senegal that led to a hostility to a general West African integration scheme is traceable to her relative level of resource endowment and the optimum level of industrial capacity implied in this.

The Senegalese industrial sector was developed in the terminal stages of colonialism with the French West African market in mind. The breakup of the federation however created difficulties for Senegalese industry, as Dakar lost its privileged position as capital of French West Africa, and as other countries embarked on developing their own industrial base.[80] UDEAO, formed in 1959, would have ensured for Senegal, a market of substantial size, but this organization did not function well. This largely contributed to the shrinking of Senegal's industrial sector in the first half of the decade, 1960-70.[81] It was to reactivate this shrinking industrial capacity that Senegal became a champion of West African integration from the 1960s, including a scheme that would cut across the colonial divide. However, from 1970, the potentials of Nigeria, earlier held down by a prolonged internal political crisis, and Cote d' Ivoire, were beginning to bloom. At the same time, Senegal was the subject of a relative decline, as its resource base proved inadequate and external aid for sustaining its industrial base became increasingly necessary. It is in this context that Senegal's aversion to an

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all-embracing WAEC with Nigeria's participation, along with the latter's association with the EEC become explicable. As Senegal became increasingly dependent on external aid, Nigeria's association with the main source of that aid (the EEC) was seen as threatening to dilute it, especially as one of Nigeria's main agricultural export crops, groundnuts, was Senegals main foreign exchange earner. In addition, access for Nigeria's manufactures to the EEC on the favourable terms extended to associated states would not only mean a dominance of the external market for the manufactures of associates, but would further entrench her position within the envisaged West African Community, a dominance which her level of resource endowment already guaranteed.

Thus, Senegal, as a leading industrial country in West Africa was initially in support of the idea of an all-embracing WAEC, but once her industrial capacity became suspect in relation to the major industrial countries in the sub-region, her position shifted to support for a restricted forum in which her industrial capacity would retain a competitive position, not a wider grouping, in which she would confront the 'formidable industrial might' of Nigeria. Hence the reversal of roles with Cote d'Ivoire whose fast expanding resource base engendered a confidence that saw Nigeria as a market to be explored.

In general, a major factor in the resistance of francophone states to the idea of a West African Union was the fear of

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Nigeria's potential for dominance which France had also done her best to instil. A precondition for the general acceptance of integration therefore, was the improvement of relations between Nigeria and France.

4.5: Nigeria - France relations

From the early sixties, relations between Nigeria and France had not been cordial. Nigeria vigorously protested a 1962 French nuclear test in the sahara with a break in diplomatic relations. These were restored in 1965. However, with Charles de Gaulle calling for a political settlement of the Nigerian Civil War that would give primary consideration to the "personality of the Biafran People", these relations took another downward turn.[82]

At the end of the Nigerian Civil War, the two countries embarked on a course to normalise relations. There were mutual grounds for this. Nigeria's fast expanding export base was increasingly compelling large scale diversification of the sources of dependence. And with the anticipated enlargement of the EEC, French sights were raised beyond their traditional focus in Africa, with the result that economic relations with Nigeria and Ghana were accorded priority attention in French Africa Policy. In 1971, France offered to assist in executing Nigeria's second National Development Plan, a proposal to which Nigeria was quite receptive. In 1972, a year in which Peugeot of France

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established the first automobile assembly plant in Nigeria, France also became Nigeria's fourth largest customer in foreign trade, with exports to France rising from 4.8% of total exports in 1964 to 10.5% in 1972. Even at the highest level of tensions during the civil war, French business interests in Nigeria worked keenly to prevent any sharp disruption in relations.[83]

However, mutual suspicions surrounded the issue of economic integration, with Nigeria hardly disguising her antipathy to France on the issue. For example during the talks between Nigeria and Togolese experts held in Lagos in July 1972, Nigeria's chief delegate, Adebayo Adedeji spoke of the "enemies of economic copoperation in West Africa", adding in an obvious reference to France, that the task of unity has been made "doubly difficult" by "some non-African countries which thought West African co-operation was a threat to them".[84] The French on their part had already made it clear that while the economic integration of West African States appear inevitable, concrete steps should be taken to contain Nigeria's possible dominance. This policy was already being implemented in the attempt to form CEAO. France firmly believed that it had a crucial role to play on the issue of economic co-operation involving English and French speaking African States. Although Nigeria was initially convinced that no outside power should mediate in

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the attempt to fashion horizontal economic relations among West African States, coming up against obstacles that seem to echo earlier French observations on Nigeria's potential for dominance brought the latter to the realization that improved relations with France would help in her relations with the French Speaking West African States.

It was in this context that a rare meeting at foreign ministers' level took place between France and Nigeria in January, 1973. The talks focused on the question of Nigeria's relations with her French speaking neighbours. Commenting on the talks, Nigeria's External Affairs Commissioner, Dr. Okoi Arikpo observed that strong trade ties existed between the two countries, adding that:

> it would be unwise to ignore each other. Apart from trade links there is also the fact that we are literally surrounded by French-Speaking African countries in which French influence is still strong, and in which French commercial, economic and technical activities are still going strong .... We realise it will certainly help our relations with the countries if we bring our relations with France to an even keel.[85]

While France, on her own part acknowledged that "Africa cannot develop without a more direct co-operation between Anglophone and Francophone countries",[86] she equally made it clear that Nigeria's acceptance of association with the EEC under a Yaounde type convention would facilitate the process.[87] This was at a time when Nigeria was actively campaigning against

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association.

However, this initial meeting did not achieve the desired results. For one thing, Nigeria remained set against association, although the position was increasingly weakening. Secondly, while Nigeria would want to increase trade with France, she would not accept aid from that country on account of the manner of its administration and the fact that Nigeria had "an entirely different constitutional concept about relations between governments"[88]

By November 1974 when Dr. Okoi Arikpo visited France to further the fence mending exercise, CEAO was firmly in place. In France, a regime (Giscard d'Estaing's), more willing in principle to acknowledge that Africa is for Africans, was in place. Nigeria had become the fourth largest oil supplier to France, while the latter was already exploring ways of making her presence increasingly felt in the budding dynamic sectors of the Nigerian economy-iron and steel and agro-chemical industries.[89]

Meanwhile, other members of the EEC were also making their presence incresingly felt in the Nigerian Economy. The agreement with Peugeot of France to locate a Car assembly plant in Kaduna was followed by an agreement with Volkswagen of West Germany to locate a similar plant in Lagos. A third plant which did

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not materialise, was to have been executed by the Italian Motor Company, Fiat,[90] These events and others of similar import represented a growing awareness of Nigeria's resource base and as signalled by France's intention to pay more attention to Nigeria and other English speaking countries of Africa, a growing French and EEC desire to participate in it.

The rapprochment with France, coupled with Nigeria's leadership role in the the negotiation of the Lome convention had created a situation where any open opposition to the immediate realisation of an all-embracing West African Community was to risk virtual isolation. Matters had been helped in no small measure by Nigeria's acceptance of association although under modified arrangemtns meant to exert influence in the direction of Africa's relations with the EEC. When France realised that objective conditions compelled horizontal integration in West Africa, she placed herself in a position where she could make substantial input, into its realisation, and therefore influenced its course. While Nigeria's position had been to resist this, again objective conditions demanded a mutual recognition of the influence of one another, and therefore, the need for mutual accomodation.

4.6: Negotiating for ECOWAS: the formal process.

When Nigeria and Togo decided to jointly sponsor a West African Economic group in 1972, the two countries agreed that it

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must be open to any willing country in the West African sub-region. Along with transcending the colonial divide, it was to acquire a distinct personality which was to ensure its viability through the establishment of an institutional framework under which the objectives of the community would be given practical content.[91] Based on these basic principles, delegates from the two countries met in Lagos in July 1972 and outlined some basic proposals. Equipped with these, a joint delegation from Nigeria and Togo embarked on a tour of all independent countries in the sub-region. By August 1973, all the twelve countries visited had agreed in principle to attend a ministerial meeting in Lome before the end of 1973. This was held in December 1973, with representatives from 15 countries (including the yet to be independent Guinea-Bissau) in attendance.

Two main issues confronted this conference. The first hinged on the relationship to exist between the more inclusive group under consideration and the older exclusive bodies with similar objectives. Largely based on their compatibility or otherwise, the debate ended on an inconclusive note. The other issue related to sharp differences in levels of development of member states of the proposed community, and remedial measures to curtail the adverse effects that might emanate from these in the course of integration. Several delegates were concerned about this with the conference ending on the note that adequate

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provisions would be made to ensure that no country is unduly disadvantaged. General principles were agreed upon with Nigeria and Togo mandated to draw up more detailed proposals for the institutional framework of the community. This was to be submitted for consideration by a committee of legal experts to meet in Accra in January 1974. The Ministerial conference itself was to reconvene in Niamey in March 1974 to consider the draft treaty.[92]

In February 1974, a committee of jurists from ten countries in the sub-region met in Accra to deliberate on the draft treaty.[93] However, the follow-up ministerial meeting schedule for March and April 1974 in Niamey, Niger to further consider the draft could not hold owing to a coup d'etat in the proposed host country. Difficulties associated with finding a conducive alternaive venue led to a delay of nearly a year in furthering proceedings. Liberia eventually came forward to host the meeting in January, 1975.

Pervading the process of negotiations was a pronounced consciousness on the part of most countries of the sub-region on the need to give concrete assurances on distributive measures. Liberia, Togo and Niger were emphatic on this issue. Liberia and Togo called for such measures as special concessions to the poorer states. President Hamani Diori of Niger's concept

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of integration was the most straight forward on this: equally sharing the advatages of economic growth and helping the weaker nations in the group.[94] Colonel Seyni Kountche, the man who succeeded him also emphasized the subject that most bothered his predecessor - "That care should be taken to see that various stages and levels of development of various countries participating in the community should be taken into account."[95]

On the other hand, Nigeria specifically stressed three issues - trade liberalization and free movement of factors, establishment of large scale joint ventures, and the adoption of common policies to improve terms of trade with third countries.[96] Nigeria's emphasis on expansive measures and policies that seemingly threatened traditional markets in Europe appeared to have further underscored the differences in orientations, and Nigeria's clear potential for dominance. Senghor's misgivings about the possibility of this dominance were openly expressed. He declared on every possible opportunity that his country would prefer a community evolving in stages through the enlargement of CEAO, or in the alternative an 'Atlantic Union' stretching from Nonakchott to kinshasa.[97]

The Senegales position had enough vacillating support among some CEAO member states to constitute an obstacle to full attendance at the treaty signing summit scheduled for Lagos in May 1975. A ministerial meeting had earlier been held

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to finalise arrangements for the summit. But a month earlier, a CEAO meeting had been held in which Senegal urged on them the need to regard that group as an alternative to the large grouping. But Benin and Togo which had attended this meeting as observers were able to persuade the few reluctant CEAO states to attend the Lagos summit. Hence the full attendance of the latter. But CEAO came well prepared, and with Senegal as spokesman came with certain basic conditions for signing the treaty. The first was that protocols should be written into the agreement to cover the community's budget, the fund for co-operation, compensation for loses arising from trade liberalization, and re-export from third countries. Without these, Senegal contended that ECOWAS would only be a vague formula for co-operation. Secondly, Senegal insisted on an explicit provision in the treaty to recognise "the existence of inter-governmental organizations and other economic groupings", within the sub-region. The third condition was that provision be made for the admission of other countries at a later date. The second and third conditions were accepted and duly reflected in the final draft, but Senegal insisted on the first condition being met before signature. This would have meant a prolonged postponement of the treaty signing summit. However, President Houghouet-Boigny persuaded his colleagues in CEAO, especially

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Senegal, to sign the treaty pending the preparation of the protocols. With this, the treaty was finally signed, and in the case of Senegal, reluctantly and out of fear of isolation.[98]

The coup d'etat that toppled Gowon's government in July 1975, delayed the consideration and adoption of the protocols to be annexed to the treaty. In fact, the coup led to fears among members states that the level of commitment to the new organization on the part of Nigeria might have dwindled.[99] Nevertheless, a ministerial conference was finally convened in Accra in August, 1976 to consider the draft protocols. Disagreement on two of them, the one relating to definition of the concept of originating products, and the one on the assessment of loss of revenues led to the adjournment of the conference. At the final signing ceremony held at summit level in Lome, November 1976, Nigeria found fault with one of the remaining three protocols approved earlier at the ministerial level. This was the one that dealt with the community budget. General Olusegun Obasanjo, Nigeria Head of State, protested that Nigeria's contribution to the budget amounted to a disproportionate burden, which was not matched by the voting rights. He therefore called for an alternative formula under which less emphasis would be placed on GDP and more on per capita income. At the same time, voting rights should be weighted in proportion to contribution to the budget. However, she had to drop this when

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others argued that voting was a function of sovereign equality, not the power of the purse. But when Nigeria threatened to review her stand on this issue unless a more equitable formula for contributions was found, the summit decided to modify the formula in order to accomodate the country's objections.[100]

4.7: Concluding comments.

Many factors present in West Africa made the formation of ECOWAS possible. However, the convergence of the imperial centres into one centre, and the elaboration of a common framework for trade, aid and investments relating the countries of the sub-region to this centre meant a bridge across the colonial divide. The existence of two parallel preferential arrangements had hitherto created a fundamental problem of granting far reaching concessions across their dividing line.[101] Such concessions, the normal condition for economic integration became possible, in principle, without offending major external ties, which are largely the basis of accumulation.[102] Apart from also establishing a contact situation for the two groups, as well as unearthing problems later to be re-enacted in the negotiations leading to the formation of ECOWAS, the Lome Convention also adopted the cost effective device of setting aside, 10% of EDF resources for regional infrastructural development.[103] These were inducements to integrate, and they paved the way

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for West African States to integrate.

4.8: A Note on the Organizational Setting of ECOWAS.

Articles 4 - 11 of the treaty of ECOWAS provide for the Institutions of the Community. The Authority of Heads of State and Government - the Authority-is the principal governing body of the community and has final responsibility for the determination of community policy. The Authority meets annually, with each country represented by its Head of State or Government, or an accredited representative. Decisions are made by consensus.

The Council of Ministers (C.O.M) reviews and co-ordinate the activities of the community, and deliberate on policy matters for eventual recommendation to the Authority. It also has supervisory authority over subordinate institutions of the Community. Decisions are arrived by consensus, with reservations on issues referred to the Authority.

The Executive Secretariat is the administrative organ of the Community. It is headed by an Executive Secretary who is appointed by the Authority for a term of four years in the first instance, and eligible for another four-year term. His removal from office can be effected by the Authority on the recommendation of the C.O.M. The Executive Secretary is assisted by two Deputy Executive Secretaries and a Financial Controller, all appointed by the C.O.M. Although appointments to positionsin the Secretariat

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are based on quota, appointees are enjoined to discharge their duties with loyalty entirely to the community. The Executive Secretary is responsible for the day to day administration of the community and its institutions.

The treaty originally provided for four Technical and specialized commissions. These are: The Trade, Customs, Immigrations, Monetary and Payments Commission (TCIMPC); The Industry, Agriculture and Natural Resources Commission (IANRC); The Transport, Telecommunication and Energy Commission (TTEC), and The Social and Cultural Affairs Commission (SCAC). However, following the adoption of a Defence agreement in 1981, a Defence Council was also created as one of the specialized commissions of the community. Unlike others however, this is yet to be constituted. In addition, Article 38 provides for a committee of West African Central Banks. Made up of the Central Bank Governors of Member States, it oversees the operation of the payments system of ECOWAS, and makes recommendation to the C.O.M. on its operation.

Each member state is represented by one member in each commission. The commissions represent, in most cases, the primary sources of initiative on technical issues. They also prepare reports and recommendations on specialised matters if this is requested by the C.O.N. or the Executive Secretariat. These commissions meet as often as necessary.

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There is the Fund for Co-operation, Compensation and Development, (The Fund). Although the treaty did not classify it as a community institution (this error has since been rectified), its activities so far, and in fact the pivotal role given to it in the treaty and one of the annexed protocols makes it a crucial institution in the activities of the community. The Fund finances projects in member states, and is to provide compensation to members who might suffer loses arising from the trade liberalization programme, or from the location of community enterprises. It is also to act as guarantor of external loans, foreign investments of member states, as well as pay special attention to the development needs of the less developed member states of the community.

The resources of the Fund are derived from contributions of member states, loans from foreign sources and income from community enterprises - when these are operational. Another major source of income is the interest accruing from the placement of its resources.

The Fund is governed by a Board of Directors which is more or less like a standing committee of the C.O.M., with all member states represented by one member. While the Board is the governing body of the Fund, its day to day management is in the hands of a Managing Director (MD) who is appointed by the Council (the first one was appointed by the Authority). The M.D. is the legal

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representative of the Fund.

Finally, there is the Tribunal of the Community (yet to be constituted) which is to "ensure the observance of the provisions of the Treaty". It is to settle disputes among member states arising from the interpretation or application of the provisions of the treaty.

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Notes

1. For an analysis of the development of this consciousness, see O. Adewoye, "Economic co-operation in West Africa: the development of an idea", NISER Seminar Series, Wednesday 17 August, 1983; A.I. Asiwaju, "Socio-economic integration of the West African sub-region in historical context: focus on the European period". Bulletin de I'L.F.A.N., T. 40. Ser. B., (1978) pp. 161 - 178. Even in the early sixties when integration was one of the issue areas in which Nigeria and Ghana played out their rivalry, the differences were emphasized in approach rather than whether or not, to integrate. See Olatunde B. Ojo, "Nigeria and the formation of ECOWAS", 'International Organization', vol.34, No. 4 (Autumn, 1980). pp. 571-604.

2. UDEAO was formed in 1959, UMOA in 1962, and CEAO, 1972. UDEAO was restructured without much performance improvement in 1965 and was replaced with CEAO in 1972.

3. These include the West African Currency Board (WACB), West Africa Institute of Social and Economic Research (WAISER), West African Airways, etc.

4. For a comprehensive list of these see ECA, Strengthening economic integration in West Africa.)United Nations, 1982) pp 18 - 21.

5. Daily Sketch, 2, December, 1974 p. 3.

6. West Africa, 7 July, 1972 p. 850.

7. ECA, "First Meeting of the Interim Council of Minister for the Establishment of an Economic Community of West Africa. Dakar, 21-24 November, 1967, in "preliminary Draft of a Treaty for the Economic Community of West Africa and Explanatory otes" pp. 7-8.

8. Ibid.

9. West Africa, 7 July, 1972. p. 850.

10. Ibid.

11. The various conferences on West African integration held under the auspices of ECA in the sixties addressed the subject in these terms. Also, in its first Development plan,

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Nigeria had already mooted a plan to make Nigeria "the industrial heart of an African common market". See Olatunde J.B. Ojo, op.cit., p. 573.

12. Africa Research Bulletin, Economic, Financial and Technical Series, Vol. 9, No 5, June 30, 1972. p. 2392 (All references to Africa Research Bulletin are to this series).

13. New Nigeria, 15 February, 1974. pp. 8-9. Africa Research Bulletin, Vol. 11, No. 9, October 31, 1974. p. 3269.

14. U.N., Statistical and economic information bulletin for Africa, Addis-Ababa, No. 4 September, 1973. Appendix Table 4.

15. Africa Research Bulletin, Vol. 9, No. 4, May 31, 1972, p. 2349; Vol. 11, No. 7, August 31, 1974, p. 3196.

16. The Permanent Secretary, Federal Ministry of Trade and Industry, Address to the Nigerian Institute of International Affairs on "The West African Community - Problems and Prospects", Daily Times, 17 December, 1971. p. 25.

17. Ibid.

18. For Liberia, See Africa Research Bulletin, Vol. 11, No.1, February 28, 1974. p. 3007; For Niger (Hamoni Diori), See Africa Research Bulletin, Vol. 9, No. 11, December 31, 1972. p. 25559.

19. In 1972, Nigeria appealed to the industrialized countries to phase out their processing industries in order to allow African States develop their potentials in this area. France vehemently opposed this. Thus, in rejecting association with the EEC under the Yaounde type agreement, Nigeria aruged that it imposed a low ceiling on the manufacturing and processing of goods within the associated states. See West Africa, 12 February, 1973 p. 194.

20. Africa Research Bulletin, Vol. 10, No. 1, February 28, 1973, p. 2612.

21. These two patterns have characterised the West African subregion. The first will find expression if along with the dominant ex-British and ex-French colonies, Portugal is considered a centre for Guinea Bissau and Cape Verde, while Liberia is seen as related to the United States under preferential terms. However, Portugal and the United States cannot

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be considered as centres with preferential linkages in West Africa. The poverty of the Portuguese territories as well as the peripheral status of Portugal itself precluded any meaningful development and application of imperial preferences between colony and coloniser. In any case the protracted pattern of portuguese colonialism did not allow these countries to make much input into the various attempts to integrate the sub-region. On the other hand, the monetary arrangements between the United States and Liberia can, superficially, be said to indicate the existence of preferences between them. But viewed from the vantage point of America's global dominance i.e., as the centre of the world economy, the presence of the American dollar in Liberia has helped to facilitate the 'open door' policy of the latter, and this, in its own way, is an indication of a distance from any preferential bloc.

22. Johan Galtung, The European Community; a superpower in the Making (London, George Allen and Unwin, 1972). pp. 76-9.

23. Ibid.

24. When any preferential system is viewed in isolation, it could be construed to portray the condition captured by the convergence on a single centre.

25. Leopold Senghor, "Some thoughts on Africa: a continent in Development", International Affairs (London) Vol. 38, No.2, April 1962. p. 195. See also H.W. Ord., "West Africa eeds a Common Market", New Commonwealth, May 1962. pp. 281-285.

26. Nigerian Observer, 23 December, 1972. p. 9.

27. Africa Research Bulletin, Vol. 9, No. 11, December 31, 1972. p. 25552; West Africa, 7 July, 1972. p. 867; 2 April 1973, p. 431.

28. West Africa, 26 March, 1973, p. 295; 2 April, 1973, p. 431; Even Cote d' Ivoire made a call for such reforms in July 1973. See West Africa, 30 July, 1973. p. 1056.

29. Africa Research Bulletin, Vol. 9, No. 6, July 31, 1972. p. 2410.

30. Africa Research Bulletin, Vol. 9, No. 11, December 31, 1972. pp. 2551-2.

31. West Africa, 12 February, 1973. p. 213. See also Africa

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Research Bulletin, Vol. 10, No. 4, May 31, 1973. p. 2718; October 31, 1973. p. 2879. Mauritania's New Currency was established with backing from Saudi Arabia, Kuwait and the Arabian Gulf States.

32. For example, commonwealth countries, accustomed to paying 2% and 0% tariff on their coffee and Cocoa respectively, entering Britain were now expected to contend with an EEC common external tariff of 7%. West Africa, 2 July, 1973. p. 883.

33. For Nigeria, a growing oil based economy was thought to have rendered such an issue largely irrelevant to economic growth. However, her wider aspirations in the sub-region were to dictate the nature of policy.

34. Wenike Briggs, "Negotiations between the enlarged European Economic Community and the African, Caribbean and Pacific (ACP) countries', Nigerian Journal of International Affairs, Vol. 1, No, 1, (July, 1975). p. 15; West Africa, 11 August, 1972. p. 1041; 20 October, 1972, pp. 1313-4. 9, April, 1973. p. 463;

35. I. William Zartman, The politics of trade negotiations, between Africa and the European Economic Community: The weak confront the Strong. (Princeton, Princeton University Press, 1971). p. 77-8. Kwame Nkrumah, Africa must unite (London, Panaf 1963) p. 160.

36. West Africa, 12 February, 1973. p. 194.

37. Opinion Consensus in Nigeria strongly backed this postion especially as it became clear that the EEC was trying to lobby Nigeria to associate. See the editorials in Nigerian, 25 September 1972; Daily Times, 26 September, 1972; Daily Sketch, 19 February, 1973. See also Daily Times, 17 February, 1973. p. 32.

38. As Jacques Ferrandi, then in charge of the EDF put it, an enlarged EEC would have far reaching consequences in Africa - multiplying old and new associates and helping to "breakdown political psychological and economic barriers that colonial history has erected between them. The fact that dialogue with Britain is allowing African countries to overcome divisions which often originated in precisely European

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intervention will not be one of the lesser paradoxes of this association". West Africa, 2 July, 1973. p. 883.

39. West Africa, 2 April, 1973. pp. 425-6.

40. West Africa, 9 April, 1973. pp. 463.

41. This was made known by Roger Broad, then EEC representative in London. See Daily Times, 12 August 1977. p. 7.

42. The Ivorian Foreign Minister, in February, 1972. See West Africa, 3 March, 1972. p. 243.

43. In fact, the EEC was to allocate 10% of its total development aid to integration groups among ACP states.

44. West Africa, May 14, 1973. p. 625. Hamani Diori of Niger also stressed the importance of an EEC backed common currency for a West African Community. See West Africa 25 December, 1972. p. 1733. When Senghor advocated this position in the early years of independence, Nkrumah had referred to it as "Collective Colonialism of a New Order', arguing that integration in West Africa must not be a reflection of vertical links with Europe. See Nkurmah, Africa Must Unite, (London, Panaf, 1963). p. 160.

45. See Africa Research Bulletin, Vol. 10, No. 3, April 30, 1973. p. 2675.

46. West Africa, 2 April 1973. p. 246.

47. This process was a highly intricate one, involving many issues, including the volatile one of reverse preferences, a new framework for association transcending the three options originally put forward, the relationship between aid and trade, and the participation of African countries without colonial links to members of the EEC.

48. Africa Research Bulletin Vol. 10, No. 5, July 31, 1973. pp. 2797-8.

49. Wenike Briggs, op.cit., pp. 31-2.

50. Africa Research Bulletin, Vol. 11, No. 1, Fegruary 28, 1974. p. 3015.

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51. This statement was made by Chief Henry Fajemirokun, President of the Nigerian Chambers of Commerce in the wake of a two-day meeting in Lagos, September, 1972, in an attempt to form a West African Chambers of Commerce. Africa Reserach Bulletin, Vol. 9, No. 8, September 30, 1972, p. 2462. The then OAU Secretary General Mr. Nzo Ekangaki saw British entry into the EEC as an opportunity to "build a solid foundation for a new Africa economically united which shall bury for ever the archaic, divisive and colonialist notion of French-speaking and English-speaking Africa. See West Africa, 23 July, 1973. p. 982.

52. West Africa, 1 September, 1972. p. 7.

53. Africa Research Bulletin, Vol. 11, No. 11, December 31, 1974. p. 3318. See also Henry Fajemirokun, "The Role of West Africa Chambers of Commerce in the formation of ECOWAS", in A.B. Akinyemi et.al (eds.) Readings and documents on ECOWAS (Lagos, Macmillan, 1984) pp. 76-90.

54. The President of France, Georges Pompidou declared that "Nigeria is of such weight by reason of its population and economic importance that care must be taken that development is on balance footing". See West Africa, 11 February, 1972. p. 143. He further acknowledged that following the enlargement of the EEC, "it is only logical that Francophones and Anglophones should co-operate more fully". He however warned that relations across this linguistic divide should not be a "one way relationship; there must be a just equilibrium". See Tamar Golan, "Nigeria's Shadow at Bamako", West Africa, 7 July, 1972- p. 867.

55. Ibid. Monsieur David, the French expert on customs unions who acted as consultant for the formation of the Central African Customs Union, UDEAC, its West African Counterpart, UDEAO, and later CEAO also pointed to 'giant' Nigeria as a reason for the small francophone countries in West Africa to unite. See small Tamar Golan, The Abidjan six," West Africa, 1, May, 1973. p. 594.

56. Daniel Bach has also made this point. See Daniel C. Bach, "The Politics of West African Economic co-operation: CEAO and ECOWAS". Journal of Modern African Studies, Vol. 21, No. 4 (1983). p. 606.

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57. By September 1972, Mauritania, Zaire and Congo had withdrawn. In July and August 1973, Cameroun and Madagascar effected their withdrawal. At the Bangui summit in 1974, Senghor, had in a last ditch effort to pre-empt an all-embracing West African Community, attempted to have OCAM turned into an Economic pgrouping, quite different from its erstwhile predominantly political colouration. See Africa Research Bulletin, Vol. 10, No. 7, August 31, 1974. pp. 3187-8.

58. These three principles were trade liberalization and factor movements; common external Tariff; and the sharing of customs receipts among all members. UDEAO ceased to exist on June 1, 1972. Africa Research Bulletin, Vol. 9, No. 4, May 31, 1972. p. 2347.

59. The final breakup of the French West African Federation in 1959 had chilled relations between the two. In 1971, Senghor paid a state visit to Cote d'Ivoire, where he stressed the necessity of 'dialogue' in West Africa, and noted at the same time that the priority for such dialogue was between Senegal and Cote d'Ivoire. See West Africa, 7 January, 1972. p. 21.

60. The Treaty of CEAO was signed in Bamako, in June 1972, with Benin, Burkina Faso, Cote d'Ivoire, Mali, Mauritania and Niger, represented by their Heads of State. However, Benin did not sign the treaty, while Togo sent an observer.

61. West Africa, 7 July 1972. p. 867; 14 May, 1973, p. 594.

62. Major Alladaye, the Beninois Foreign Minister declared that his country's approach to the issue of West African integration is a pragmantic one. "We shall not be bound by sentimental ties, left-overs from colonial days". He went further: "I may speak French and the Nigerian may speak English, this is merely a technical problem. What matters is that I feel that Cotonou is nearer to Lagos than to Dakar. We ought to leave our option open to all-aziimuth co-operation". West Africa, 14 May, 1973. pp. 625 and 629. Along with Togo, Benin and Niger, Mali and Mauritania also advocated the extension of CEAO to cover all West Africa as a matter of urgency. See Africa Research Bulletin, Vol. 9, No. 5, June 1972. p. 2376; West Africa 7 July,, 1972. p. 867. Mali's position was a reflection of a radical Pan Africanist tradition that had in the past, produced some degree of distance from France and mainstream Francophone

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West Africa. Mauritania's position also reflected an attempt to chart a course away from French neo-colonialism, a course that in 1973 led to her withdrawal from the Franc zone.

63. Ghana had applied for observer status at the Bamako summit where the treaty of CEAO was signed. This was declined. At the inauguration of the organization in 1973, all members of the EEC were invited to send observers. No such invitation was extended to neighbouring West African States.

64. West Africa, 1 October, 1973. p. 1367.

65. West Africa, 14 May, 1973. p. 625.

66. West Africa, 12 May, 1972. p. 605.

67. Olatunde J. B. Ojo, op.cit. p. 590.

68. These dissenssions were manifested during the Bamako and Abidjan summits of CEAO in April 1972 and April 1973 respectively. In all these Nigeria was seen as attempting to undermine the existence of CEAO. See West Africa, 20 October, -1972. p. 1315; 12 February, 1973. p. 194 Africa Research Bulletin, Vol. 10, No. 5, June 30, 1973 p. 3187.

69. West Africa, 12 May 1972, p. 605; 21 July, 1972; p. 961.

70. Ghana's impatience for a West African Community had earlier been displayed in two major ways. First, the country applied for observer status in CEAO. When this was declined, the Ghanaian Head of State, Ignatius Acheampong took another step. He wrote to all West African Heads of State on the subject, suggesting that a ministerial level meeting be held to find ways of setting up a free trade area. And in affirming Ghana's support for the Nigeria - Togo initiative, Nathan Aferi, Ghana's External Affairs Commissioner declared, "It doesn't matter who starts the grouping. Our main interest is to get things going". See West Africa, 2 April, 1973. p. 445; see also, West Africa, 7 July, 1972, pp. 850-3; 26 February, 1973. p. 289.

71. Africa Research Bulletin, Vol. 10, No. 1, February 28, 1973. pp. 2612-3. West Africa, 27 August, 1973 p. 1206. In fact, Liberia a major protagonist of an all-embracing

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WAEC since 1964 was one of the first to agree with Nigeria on this issue. Immediately following the end of Nigeria's Civil War, Nigeria had broached the subject of integration to bridge the rift between the English and French speaking countries of West Africa. President William Tubman of Liberia had helped Gowon to sound out Houghouet-Boigny on the issue. The latter had expressed no interest. See Daniel Bach, op.cit. p. 607.

72. Hamani Diori undertook a tour of the four "Benin State" to assure then that CEAO was open to all West African States. See Africa Research Bulletin, Vol. 10, No. 5, June 30, 1973. p. 3187. This was contrary to CEAO's policy, but it represented Niger's attempt to come to terms with its more economically significant neighbour, and a signal that if CEAO was not going to include them, then of course, Niger would; or join the larger grouping and still retain membership of CEAO.

73. West Africa, 23 July 1973. p. 991.

74. See "The Long Road to Treaty of Lagos - Interview with Gowon," West Africa, 24 May, 1982. p. 1364.

75. Ibid. p. 1367.

76. Olatunde J.B. Ojo, op.cit. p. 593.

77. Ibid.

78. Alaba Ogunsanwo, "Nigeria's Foreign Relations, 1970-1975". Nigerian Journal of International Affairs, Vol. 4, Nos 1 and 2, 1978. p. 40.

79. West Africa, 24 May, 1982. p. 1367.

80. Senegal: Tradition, Diversification, and Economic Development. A World Bank Country Economic Report, (Washington D.C., 1974) p. 152.

81. Ibid. p. 154

82. Morning Post, 15 August, 1968; p. 16; 12 November, 1968. p. 6.

83. See Daily Times, 27 October, 1971, p. 3; Daily Sketch, 10 November, 1971. p. 8; Nigerian Observer 23 December, 1972. p. 9.

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84. West Africa, 7 January, 1972. p. 1; 21 July, 1972. p. 961.

85. West Africa, 12 February, 1973. p. 194.

86. This comment was made by the French Minister delegate in the Foreign Ministry, M. Andre Bettencourt during his visit to Nigeria. See Ibid.

87. Ibid. The French realised that Nigeria's association with the EEC would be a good mechanism to further their penetration of the Nigerian economy.

88. This comment was made by Dr. Okoi Arikpo, Nigeria's External Affairs Commissioner. See Ibid.

89. West Africa, 18 November, 1974. pp. 1394-5.

90. Africa Research Bulletin, Vol. 9, No. 7, August 31, 1972 p. 2416.

91. "The long road to the Treaty of Lagos - Interview with Gowon". West Africa, 24 May, 1982. p. 1367.

92. Ibid; Africa Research Bulletin, Vol. 10, No. 1, February, 28, 1973. p. 2646; Vol. 10, No. 5, June 30, 1975. p. 2741; Vol. 9, No. 6, July 31, 1972. p. 2405; Vol. 10 No. 12, January 31, 1974. p. 2965; West Africa, 2431 December, 1973. p. 1811.

93. The Committe was made up of Benin, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Nigeria, Sierra Leone and Togo.

94. West Africa, 1 October, 1973. p. 1367.

95. Africa Research Bulletin, Vol. 11, No. 10, November 30, 1974. p. 3284. See also, Times International, 10 February, 1975. p. 2.

96. Times International, Ibid.

97. Africa Research Bulletin, Vol. 10, No. 12, Jan. 31, 1974, p. 2963. President Mobutu Zaire was thereby induced to seek membership for Zaire in the Proposed Grouping on the belief that "Zaire and Nigeria hold the key to Africa's

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future", and if they co-operated they could "exert a powerful influence for good in Africa and World Affairs". Thus, Zaire sent an observer to the Lome Ministerial Meeting of December 1973, and also contemplated same for the Ministerial Meeting Scheduled for Niamey, March 1974. Nigerian Observer, 26 January, 1974. p. 9. But Nigeria pre-empted further moves in this direction by making it clear that the organization would no longer be sub-regional in the event of Zaire's admission.

98. Africa Research Bulletin, Vol. 12, No. 5, June 30, 1975. p. 3511; Business Times, 78, October, 1975. p. 10.

99. In his address to the CEAO summit in Dakar (April 8, 1976) Senghor tried to capitalise on this delay to raise doubts on the viability of ECOWAS. See Africa Research Bulletin, Vol. 13, No. 3, April 30, 1976. p. 3830.

100. Africa Diary, August 26 - September 1, 1976. p. 8101; December 23-29, 1976 p. 8272; Times International, 11 November, 1976. p. 4; Daily Star, 6 November, 1976, p. 6; Nigeria Observer, 6 November, 1976. p. 16

101. Nigeria's new quid pro quo posture also found expression in her making a strong bid for, and getting the Executive Secretariat of the Community, contrary to what was regarded as a 'gentleman's agreement' between Gowon and Eyadema on the issue. See New Nigerian, 4 September, 1978. p. 24.

102. Pius Okigbo acknowledge the existence of this problem, but saw it as surmountable even within the existing preference systems. See Okigbo, Africa and the Common Market, (London, Longman, 1967) pp. 153 - 7.

103. It was increasingly felt in the EEC, that for aid to be more cost effective, it would have to give more attentiontto regional programmes. From 1968, the United States aid philosophy also started to reflect a regional bias, with bilaterial aid gradually de-emphasized in favour of the use of existing regional groupings for co-ordinating "planned development, rapid investments and political co-operation with the United States". See West Africa, 23 October, 1972. p. 1424.

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CHAPTER 5

DEPENDENCE, RESOURCE DIFFERENTIALS AND EXPANSIVE MEASURES: TRADE LIBERALIZATION AND MONETARY INTEGRATION.

5.1: The Trade Liberalization Scheme

The level of intra-West African trade is an indication of the degree of economic interaction among the countries of the sub-region. The volume of intra-West African trade has tended to be low. For example, the percentage of intra-West African exports to the sub-regions total world exports was 3.7 in 1977, 2.93 in 1980 and 3.8 in 1983. (See Table 5.4).

The need to increase intra-community trade is reflected in the emphasis placed on trade liberalization in the treaty of ECOWAS as well as subsequent activities of the organization.[1] In fact, the treaty, the protocols annexed, and subsequent development through the initiative of the Executive Secretariat and the relevant technical commissions point to a bias for commercial integration through customs and trade co-operation.

The foundation of trade liberalization is laid in the treaty and the annexed protocols. However, the concrete moves towards formulating and implementing the scheme dated from 1978. In this regard, the determination of the stand

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still period for existing tariff levels serves as the starting point. Although it is specifically provided that this should commence from the treaty's date of definitive entry into force, and run for a period of two years, the delay in formulating and approving the enabling protocols as well as constituting the administrative machinery of the community led to a situation in which the consideration of the issue commenced only in 1978,that is, nearly three years after the treaty was legally in force. Even then, the activation of the standstill period was not automatic as envisaged in the treaty. The polarization manifested on the standstill issue was indicative of the trend which subsequent issues relating to trade liberalization were to assume.[2]

The polarization was manifested in two basic positions. The first one was based on the view that since the treaty had already frozen import duties for the first two years of its becoming operational, the issue should be treated as a technical one which merely required a date to be fixed for giving effect to an explicit provision of the treaty. On the basis of this, the Executive Secretariat had proposed January 1, 1978, while Nigeria proposed 28th May, 1978 for the commencement of the standstill period for customs and tariffs of member states in intra-ECOWAS trade. Benin, Ghana, Guinea and Liberia supported this position.

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However, with various preferential tariff structures and policies in member states which a duty freeze was bound to infringe upon, the point was made that the standstill period was an issue that went beyond technicalities, and must be considered in terms of its political and administrative bearing on member states. This was why Cape Verde, Cote d'Ivoire, Mali and Senegal felt that the issue should go beyond the TCIMPC to higher levels to be treated within this context. Mali was most explicit on this, pointing out that while not against a duty freeze, the fact that the country was involved in a customs arrangement within the framework of CEAO constituted an obstacle to the adoption of an ECOWAS scheme on her part.[3] When the TCIMPC finally resolved to submit the two dates for the C.O.N. to decide on the commencement of the duty freeze, Senegal was the only country that reserved her position.[4] It was at the Dakar summit in May 1979 that the Authority took a decision on the issue. A firm date for the commencement of duty freeze was set for May 28, 1979. However, in recognition of the issues raised earlier, the Authority called on members states to forward information on the structure of their tariff and non-tariff barriers (NTBs) to the Executive Secretariat so that issues raised could be dealt with within the framework of an evolving trade liberalization programme.[5] This proviso and the fact that the Authority came to this decision at the

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Dakar summit must have persuaded Senegal to withdraw her earlier reservation.

Under the Standstill period, member states were required, in intra-community trade not to impose new duties and taxes, or create new NTBs, or increase any of those already in existence. However, this did not mean a reduction nor elimination of import duties or NTBs that were already in existence.[6] With the adoption of the duty freeze, it became possible to commence action on the general liberalization scheme.

By May 1981, the general trade liberalization programme of ECOWAS had assumed a defined shape. The initial elaboration of the basic elements in its three-fold product classificatory scheme spanned May 1979 to May 1981. These product groups were divided into unprocessed, handicraft, and industrial products.

The liberalization programme for unprocessed agricultural and primary products is based on three principles.[7] These are the total elimination of tariffs on the exchange of these products, the inhindered circulation of these product without quantitative restrictions, and the absence of compensation for loss of income due to the importation of these products. The major objectives of the liberalization of trade in this group of products lie in the need to ensure self-sufficiency in food and raw materials for the sub-region. Secondly, it

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is assumed that since the bulk of unprocessed primary products are produced in the rural areas, liberalizing trade in these products would bring the process of integration to bear directly on the rural population of the sub-region. Finally, it was expected that the free circulation of unprocessed goods, a substantial proportion of which will be raw material, would enhance industrial production.[8] Since the existing level of tariffs in unprocessed items was already very low, its total elimination was not expected to generate much controversy, given its non-compensable character.[9] However, it did generate some controversy, albeit a mild one.

Being mostly agricultural and mineral producing countries, there was the assumption that member states would also be able to take advantage of these provisions with substantial net gains. The absence of discrimination among member states nor a phasing formula for its application emphasized this. However, this undifferentiated treatment masks an attempt to discriminate in favour of some countries, notably the landlocked, sahelian countries. Countries like Niger, Mali and Burkina Faso are the main sources of the major unprocessed exports that circulate within the community. These are essentially livestocks and derivatives, which go directly to the West African market rather than the industrialized countries. These countries would not only expand their exports of these

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these items, but also enjoy the added advan-
tage of not paying compensation to importing member states for any loss of income the latter may incur.

Not all the less developed member states could hope to benefit in this way. Some of them not noted for any substantial surplus in agricultural production, at least the kind that could immediately utilise the advantages of these provisions, opposed the measures. This was on the grounds that they did not provide any compensatory mechanism for those who might turn out to be net importers, and whose limited agricultural base might be further circumscribed. Benin and Cape Verde actually registered their opposition to trade liberalization on unprocessed goods on these gounds.[10]

Certain weaknesses are discernible in the conception of this scheme. First, its framework was essentially laissez-faire. It simply assumed that the unhindered circulation of unprocessed products will automatically trigger increased productivity in the rural areas. It paid no attention to the condition under which production is organized and carried out in those rural areas. It was the realisation of the need to address the issue of production that the Authority, in May 1982, designated certain areas within the sub-region as experimental zones for seed multiplication, animal feed production, cattle breeding stations etc. These were under-

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taken within a general regional agricultural developement strategy.[11]

Secondly, it avoided the issue of adopting a criteria of originating product for the circulation of unprocessed goods. Although it may not readily be appreciated when viewed in terms of unprocessed products of agricultural kind,[12] the implications of this are clearly brought out when related to the predominance of foreign owned firms in mineral production in West Africa. Table 5.1 shows the minerals that are produced in West Africa. Virtually all the exploration and production of these, as Table 5.2 indicates are carried out mainly by foreign concerns. Although a market hardly exists for them in the sub-region in their pure state, benefits from an expanded market within the sub-region will largely accrue to the foreign interests which, basically, control the resources for mineral production in the sub-region. In not addressing itself to the criteria of origin of these products, the scheme simply confirmed the status quo in West African mineral production.

Finally, most items under the schedule of unprocessed products are the primary export goods which are normally destined for the markets of the industrialized countries of the world. These include cocoa, coffee, natural rubber,

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wood products, mineral ores etc. These products are not consumed to any considerable extent within the sub-region. While the industrialization of member states would dictate an increase in home consumption, the bulk of these products will still tend to find their way to the traditional market, at the expense of the West African market, even if the latter grows at a rapid pace. Of special significance in this regard is the relationship between West African countries and the EEC under Lome convention.

5.1.1: The Lome conventions and ECOWAS trade liberalization in unprocessed products.

The ECOWAS trade liberalization scheme in unprocessed products envisages no compensation for community importers of such products. Many of these primary products are also the major foreign exchange earners of the member states. And these countries are all associated with the EEC under the various Lome Conventions.

Under the Lome Conventions, most of the primary export products of the associated states are exchanged with the EEC under the 'Stabilization of exports' (Stabex) and 'Systeme mineais' (Sysmin) programmes.[13] Both are activated when export earnings are adversely affected by production difficulties and fluctuating world market prices. While Stabex is essentially a system of financial compensation, Syamin aims at

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TABLE 5.1

Minerals Produced in West Africa.

Commodity	Producing Countries
Aluminium	Ghana
Bauxite	Ghana, Guinea and Sierra Leone
Cement	Ghana, Liberia, Nigeria, Senegal.
Coal	Nigeria
Copper	Mauritania
Diamonds M	Mauritania, Ghana, Guinea, Cote d'Ivoire, Liberia, Sierra Leone.
Gold	Ghana, Liberia, Nigeria, Burkina Faso.
Gypsum	Liberia, Niger.
Iron Ore	Guinea, Liberia, Mauritania, Sierra Leone.
Kaolin	Nigeria
Lead Ore	Nigeria
Manganes Ore	Ghana, Cote d'Ivoire
Natural Gas	Nigeria
Crude Petroleum	Nigeria
Phosphates	Senegal, Togo
Rutile	Sierra Leone
Tin Ore	Niger, Nigeria
Tungstem	Nigeria
Uranium	Niger.

Source: Samuel A. Ochola, Minerals in African Underdevelopment. (London, Bogle-L'Ouverture, 1975). Table 3.2

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TABLE 5.2

West Africa: Countries, Companies and Agencies responsible for mineral exploration and production. (Circa 1975).

Country	Country/Company/Agency
Benin	United Nations Development Programme (UNDP) Bureau de Recherches, Geologiques et Minere (BRGM)-France
Ghana	Canada, aerial mapping for known diamonds and Gold. USSR, mapping for iron ore in Sheni Uran-Erzbergban, a Japanes Company, Oxaco-philadephia, Irani Brothers.
Guinea	UNDP, Investigation at Mount Nimbe; World Bank, United States Agency for International Development (USAID), Yugoslavia; ALCOA, exploring for Copper; Hungary and USSR. Shell.
Cote d'Ivoire	Societe diamantifere de Cote-d'Ivoire (SODIAMCI); UNDP; BRGM; Canada.
Liberia	W.H. Muller and Co; UNDP; USA;
Mali	SNAREM; USSR; U.N.; BRGM; KRUPP; TEXACO; ELPASO/SONATRACH.
Mauritania	U.N; D.M.F, F.A.C; BRGM; ESSO; AMOCO; TENNACO; AGIP; SHELL MAURITANIA; SOMIREMA; MIFERMA.
Niger	UNDP; BRGM; U.S. Stell; Canada; West Germany, Essex Iron Company; Australia, Japan; Texaco, Continental, Birshop and Global.
Nigeria	UNDP; French Atomic Energy Commission/Nigeria N National Oil Corporation, (NNOC), USSR, Japan; West Germany, Demimex/Niger Petrol Company; Mansanto; H. Stephens and NNOC.
Senegal	USSR, U.N.; BRGM; Canada, ESSO, COPETAO Shell, B.P.; Texas Gulf and Total; UNDP;

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TABLE 5.2 CONTD.

Country	Country/Company/Agency
Sierra Leone	COMINCOR and government; DOMINCO and government; U.N; United Kingsom; DELCO.
Togo	UNDP; Uranerzberg Ban (West Germany) Italy; Ciments de L'Afrique de l'Ouest (CIMAC); Bureau national de recherches minere (BNRM)
Burkina Faso	Direction des Mainieve la C'eologies (DGM); Canada; U.N.; BRGM; France.

Source: Samuel A. Ochola, Minerals in African Underdevelopment. (London, Bogle - L'Overtune, 1975) pp. 10 - 22.

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preserving mining capacity.[14]

With all member states of ECOWAS associated with the EEC in the framework of Lome, a relation of competition exist between West Africa as an export market for ECOWAS primary products and the EEC as an export market for such products. Although the level of trade in primary export products which does not indicate a strong intra-ECOWAS flow blurs the possible outlines of this competitive relation, such a pattern is likely to emerge as the demands of industrialization in the sub-region increasingly necessitate access to West Africa's sources of raw materials. With Stabex and Sysmin, the outlines of these competitive relations will tend to favour the EEC. This finds further expression in the favourable provisions made for the least developed ACP States, when compared to the remaining associated states, classified as more developed. In general, the compensatory mechanism which Stabex and Sysmin typify will tend to present the EEC as a more attractive market for West Africa's primary products than the ECOWAS market, under whose trade regime, no compensatory mechanism exists to cushion the unstable nature of primary exports.

Total Stabex funds transfered to 46 ACP States between 1975-1980 was 530,254,700 European units of Account, (EUA). As Table 5.3 shows, 13 member states of ECOWAS accounted for 288,715,000 EUA - or 53% of all transfers to the ACP. Thus,

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TABLE 5:3

Stabex transfers to West African States, 1975-1980 (Eua '000)

Recipient	1975 - 1980	o/o of All Transfers to ACP
Benin	20,366.7	4
Cape Verde	1,421.6	-
Gambia	15,632.2	3
Ghana	5,176.4	1
Guinea Bissau	12,822.0	2
Ivory Coast	34,195.4	6
Liberia	7,586.9	1
Mali	12,332.5	2
Mauritania	37,000.5	7
Niger	22,654.0	4
Senegal	103,713.4	20
Sierra Leone	4,925.1	1
Togo	3,626.6	1
Burkina Faso	7,261.9	1
Total	188,715.0	53%

Source: Christopher Stephens, (ed) EEC and the Third World. A Survey 2, (Hodder and Stoughton, London, 1982.) Statistical Appendix, Table 9.

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West African States are the major beneficiaries of this scheme. Commodities, like groundnut, coffee, iron ore, cotton and rough timber, which are major West African exports also attracted the largest share of Stabex transfers for the period. These five products accounted for 83% of the transfers.[15]

In West Africa, many countries depend to a considerable extent on external aid to meet crucial import requirements, budgetary needs, and if not for accumulation purposes, then at least for the simple reproduction of the basic economic form. Seen in this light, Stabex transfers assume a high level of significance. The discriminatory basis of Stabex and Sysmin transfers reinforces the possibility that supplies will be guaranteed for the European market rather than the West African Sub-region. Some ACP states are categorised as least developed, lanlocked and Island countries (LDLIC) and therefore the subject of concessionary treatment under the Lome Convention.[16] Among ECOWAS member states, only five - Nigeria, Ghana, Cote d'Ivoire, Senegal and Liberia - are outside the ambit of this concessionary treatment.

Thus, the Stabex and Sysmin regimes established different dependence and trigger thresholds for the two categories of associated states.[17] Under the dependence threshold a product qualifies for Stabex transfers if it contributes at least 6.5% of the total merchandise exports earning of the ACP State

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applying for such transfers. For the LDLICs however, it is 2.0%. Sysmin, introduced under Lome 11 has a dependence threshold of 15% while for the LDLICs, it is 10%. For Stabex transfers, the trigger threshold is calculated on the basis of a 6.5% fall in exports earnings below a certain reference level. For the LDLICs it is 2%.

These discriminatory thresholds allow the LDLICs to process even small claims that are not acceptable as legitimate claims for other associates. Moreover, they widen the range of LDLICs' products to which Stabex and Sysmin transfers are applicable, as against other ACP States. Also, Stabex and Symin transfers are interest free loans. However, for the LDLICs, they are grants, and therefore not repayable. The amount of Stabex or Sysmin transfers which can be made during the life span of any convention (5 years) is fixed at the begining of that convention. Application for transfers are treated by the EEC not simply on the basis of legitimate claims put forward, but in the light of available resources. In the event that enough funds are not available to satisfy the legitimate applications made, the LDLICs are given priority attention.[17]

The implications of these for the ECOWAS trade Liberalization scheme are clear. Within the West Africa sub-region, the states that the Stabex/Sysmin programme discriminate

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against are also the most industrialized - Nigeria, Cote d'Ivoire Ghana and Senegal. Most of these countries also occupy positions that might conceivably see their economies transformed into levels where their demands for community raw materials will increase. In a situation where exports outside the EEC might not qualify for Stabex/Sysmin transfers, and where ECOWAS itself has no equivalent compensatory mechanism, (where indeed, there have been demands to compensate importers rather than exporters) the tendency might be to exploit the higher advantages of the EEC market in the event of supply scarcities. What is available will be sent to where some special compensation is relatively guaranteed. In the face of acute economic crises, where external aid constitutes a substantial proportion of the finances of the LDLICs in particular and all ECOWAS member states in general, such an option will be hard to resist.[18]

Inspite of the advantages which Stabex/Sysmin confer on ACP exports, their underlying motive is to guarantee raw material sources for the EEC. The Stabex/Sysmin regime is a strong inducement for West African primary producers to focus on the European market. In a situation where the commercial arrangements under the Lome convention can constitute a veto on ECOWAS trade arrangements, the ECOWAS scheme on unprocessed products will not appear equipped to shift emphasis to the community market. This could mean a misalignment of results in the attempt to promote forward and backward linkages in industrial production.

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5.1.2: Trade liberalization in industrial products.

The second group of products is that of traditional handicraft. Trade liberalization here is to be carried out under the same conditions as those of unprocessed products.[19] Its objective, as in the first group is to act as a vehicle for rural transformation. In addition, it is supposed to provide a platform for the development of manufacturaing skills.[20] Its non-compensable character drew prominent opposition from Cape Verde and Liberia. But these were overcome at the Conakry summit of 1983.[21]

The third group of products are industrial products. The first plan for liberalizing their exchange was approved by the Authority in 1980.[22] It envisaged that approved industrial products would enjoy total exemption from all tariffs by 28 May, 1989 in all member states. However the rate of tariff reduction was based on a differentiation formula that took into account thelevel of development of member states as well as the priority classification of products. The higher the prority rating of a product, and the more industrialized the member state, the faster the rate of tariff reduction on that product. While the products were classified into three according to their significance for industrial development,

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the countries were categorised into two. Ghana, Cote d'Ivoire Nigeria and Senegal constituted the community's more developed countries, while the remaining countries were made up of the less developed member states.

In terms of priority rating of goods, products of community enterprises were to circulate freely in all member states, with duty free access to the community market. This provision, which conferred 'zero rating' on products of community enterprises, was relatively non-controversial. Community enterprises were hardly in existence, and in any case, the sources where resistance might have been expected - the less developed member states were also likely to benefit most from joint industrial endeavours However, Cote d'Ivoire, Ghana, Nigeria and Senegal were expected to eliminate all tariffs in priority industrial products over a 4 - year period, begining from 28 May, 1981. For the non-priority products, the phased freeing of trade was graduated from 1981 to 1986. For the remaining member states, accelerated liberalization for priority industrial products was spread over a 6-year period, begining from May, 1981. For the non-priority products, the tariff elimination period spanned 8 years, and was expected to come to an end in May 1988.[23]

Three countries - Burkina Faso, Mauritania and Senegal

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reserved their positions on the list of industrial products to be affected by the scheme.[24] However, these reservations were actually manifestation of opposition to the whole concept of free trade in industrial products. The opposition of Burkina Faso and Mauritania stemmed from the essentially mendicant character of their economies. They argued on the basis of the need for special provisions for the landlocked countries and the Sahelian States. The two countries held that the high level of inclusiveness of the countries grouped under the schedule for the less developed member states tended to blur their own peculiar developmental problems. They therefore asked for modifications under which the general classification as well as the accompanying distributive package must necessarily differentiate and give special attention to the developmental problems of the mendicant states.[25]

For Senegal however, the main problem centred around her level of industrial development vis-a-vis other members grouped under the schedule for the more developed member states. From its onset under colonialism, manufacturing in Senegal was designed to serve a market that encompassed all French West Africa (FWA). This rather unique development depended on two main factors. As a pioneer French colony in West Africa whose rich oleaginous export resource base cleared the

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way for an early integration with the French metropolitan economy, Senegal had a headstart over the other colonies which were either less endowed in resources, or whose late 'pacification' delayed the commencement of intensive colonial exploitation. Furthermore, the fact that Dakar was the administrative capital of colonial FWA added its weight in promoting that city as the industrial nerve centre of FWA. This bias in the location of industrial establishments, along with other disproportionate resource distribution in favour of Senegal, threatnened to assume a permanence in disregard of the relatively declining resource base of Senegal in comparison to the up and fast expanding primary export base of the Cote d'Ivoire. The consequent dissolution of the FWA federation that this anomalous situation fuelled meant the loss of Senegal's priviledge export market for manufactures, as others, notably Cote d'Ivoire embarked on the development of their own domestic industries. Based on generous incentives for French investors, manufacturing in Senegal was crucial to the Senegales State. Between 1960 and 1970, the weakness of the agricultural base and a shrinking export market for industrial goods had weakened the Senegales economy in general. However, manufacturing during the period was the only sector that showed the appreciable annual average growth rate of 4.7%. This was about 4 times the growth rate of the rest of the economy

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which was virtually stagnant.[26] Thus, as a means of shoring up a flagging economy through boosting the sector with some dynamism (i.e manufacturing), Senegal was, in the sixties, a strong advocate of integration, including a West African Market "transcending dollar, sterling and franc zone boundaries".[27] But once Nigeria's true potentials became clear after the latter's civil war, Senegal back pedalled from this position, indicating a strong preference for the more restricted CEAO.

Senegal has a relatively high level of trade in industrial products within CEAO. In the event of competition with Nigeria, as would obviously be the case on implementation of the ECOWAS scheme, Senegal's share of the CEAO market would likely be reduced substantially, without an assurance of major offsetting inroads into the wider ECOWAS market. This was what prompted Senegal's reservation on the liberalization scheme on industrial products. Cote d'Ivoire might have been expected to adopt a similar position, but her sustained rapid economic growth in the first decades of independence engendered the confidence to look forward to the ECOWAS scheme in industrial products with optimism. In fact, the country's planners saw Nigeria not just as a potential competitor but also as a market for their own industrial products.[28]

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Like Senegal, the response of Ghana bore the traits of a dependent capitalist form whose most dynamic primary export phase had rapidly exhausted itself. The country wanted to be downgraded from the category of the more developed to that of the less developed.[29] The argument advanced to support this was that with the sustained crisis of the country's economy since the mid-sixties, industrial growth and the addition of new investments had virtually come to a stand still, if not actually on the decline.[30] As shown in Table 5.4, Cote d'Ivoire controlled about 20% of intra-West African exports in 1980, while Senegal's share was about 13%. On the other hand, Nigeria had a share of 45% while Ghana, with 0.8%, trailed Niger, Togo, Burkina Faso, Mali, Liberia and Gambia. Ghana argued that her volume of intra-West African trade was an indicator of her generally weak and declining economic performance, which required community assistance through distributive measures. This argument was not accepted as the economic base and level of economic activity of the country were held up to put her squarely in the economic upper bracket of the sub-region.[31]

The pattern of exports and investments within CEAO is a pointer to the motive behind Senegal's apprehension on an ECOWAS free trade area. Although Senegal and Cote d'Ivoire constitute the industrial centres of CEAO, Senegal occupies

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a distant second place to Cote d'Ivoire in this role. In 1980, Senegal controlled 32.94% of intra-CEAO exports, while the share of Cote d'Ivoire was 50.28%. Figures for 1977 and 1983 indicate a similar distribution. (See Table 5.5). Also the response of investments in manufacturing to trade liberalization in CEAO indicates more dynamism in Cote d'Ivoire than Senegal. Between 1975 and 1980, manufacturing establishments in CEAO increased from 91 to 222. Cote d'Ivoire increased its share from 46 to 119, while Senegal experienced an increased of 30 to 66. Others are Burkina Faso 4 to 18; Mali 8 to 13; Niger, 3 to 5; and Mauritania, 0 to 1.[32] Essentially, Senegal is geared towards production for the more restricted CEAO market. Although it comes second to Cote d'Ivoire in terms of trade and volume of production in that organization, its market is relatively well assured within that organization. On the other hand, Nigeria's size and resources, coupled with trends within CEAO where Cote d'Ivoire has established itself as the clear front runner, paint a scnenario where Senegal might not only face a declining share of the CEAO market in the event of an ECOWAS free trade scheme, but also by her classification as one of the more developed member states, seriously undermine the possibility of deriving community distributive remedies.

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However, inspite of the individual nature of the responses to the scheme, the hard core resistance of Burkina Faso, Mauritania and Senegal suggests the gradual evolution of a unified CEAO position. This crystallised when in 1980, CEAO officially expressed concern on the likely impact of the ECOWAS scheme on its own framework. The C.O.M. responded by directing the Executive Secretariat to study the likely effects of the wider ECOWAS scheme on member states of CEAO.[33] More potentious however, was the joint request made by CEAO and the MRU on the eve of the commencement of the trade liberalization scheme on industrial products, May 1981, for derogation from Article 20 of the treaty of ECOWAS. This, in essence signalled the shelf for the scheme in the meantime.

Article 20 of the treaty enjoins member states to accord to one another the most favoured nation (MFN) treatment in their trade relations. It goes further to specify that "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". For CEAO and MRU, the application of these provisions would mean the cesation of their own trade liberalization schemes. On a second note, the protection which these organizations afford their industrially less developed members would be withdrawn.[34]

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TABLE 5.4

Intra-West African exports, 1977, 1980 and 1983

(Million US dollars)

Country	1977		1980		1983	
		% of intra-regional Exports		% of intra-regional Exports		% of intra-region-al Exports
Benin	6.30	0.98	9.12	0.90	9.22	1.18
Burkina Faso	20.29	3.15	35.44	3.51	28.29	3.37
Cape Verde	0.20	0.03	0.10	0.01	0.40	0.05
Gambia	3.80	0.43	8.94	0.89	7.35	0.94
Ghana	14.16	2.20	8.10	0.80	8.40	1.08
Guinea Bissau	1.23	0.19	1.26	0.12	0.12	0.02
Cote d'Ivoire	159.50	24.74	201.90	20.00	207.40	26.61
Liberia	3.60	0.56	10.70	1.06	9.40	1.21
Mali	23.42	3.63	13.06	1.29	5.16	0.66
Mauritania	-	-	-	-	-	-
Niger	29.94	4.64	70.14	6.95	58.44	7.50
Nigeria	263.00	40.79	456.00	45.15	200.00	35.92
Senegal	111.96	17.36	130.77	12.95	135.14	17.33
Sierra Leone	1.39	0.22	-	-	1.64	0.21
Togo	6.15	0.95	63.78	6.32	30.12	3.86
	644.81	100.00	1009.77	100.00	779.49	100.00

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TABLE 5.4 CONTD.

CEOA's share in Intra-West Africa Exports	345.11	53.5	451.31	44.7	434.43	55.6
Total World Export of West Africa	17,247.847		34,517.959		20,754.410	
% of intra-West Africa Exports to Total World Exports		3.7		2.93		3.8

Source: Computations based on Data from I.M.F. Direction of Trade Statistics Yearbook, 1984, Washington D.C.

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TABLE 5.5

Intra-CEAO Trade: Exports 1977, 1980 and 1983 (Million US dollars). % shares in bracket.

	1977	1980	1983
Burkina Faso	18.84 (6.96)	34.87 (11.9)	25.58 (8.63
Cote d'Ivoire	142.50 (52.61)	147.50. (50.28	160.50 (54.18)
Mali	21.22 (7.83)	10.92 (3.72)	4.60 (1.55)
Mauritania	N.A -	N.A -	N.A -
Niger	22.59 (0.96)	3.44 (1.17)	0.70 (0.24)
Senegal	85.69 (31.64)	96.63 (32.94)	104.87 (35.40)

Source: Computations based on Data from I.M.F., Direction of Trade Statistics Yearbook, 1984. Washington D.C.

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The C.O.M first considered the request for derogation in May 1981. A special ministerial committee meeting in Lagos again deliberated on the issue in August, 1981. After further deliberations by the C.O.M. in November 1981, the Council acknowledged that the basic incompatibility of the three different trade leberalization schemes of ECOWAS, CEAO and MRU would pose difficulties for the immediate invocation of Article 20.[35] To harmonize them, the C.O.M. decided that further technical studies should be carried out, this time, jointly by the secretariats of the three organizations.[36]

The involvement of the three secretariats meant a closer examination of the economic organization of member states, far beyond the immediate requirements of a laissez fair free trade area. It became increasingly clear that trade liberalization impinged on many aspects of national life, especially fiscal, monetary and industrial policies, which demanded harmonization action at the community level, if areas of conflict between member states were to be minimized in applying the scheme. Free trade could not be embarked upon without a community adjustment foray into the internal economic structures of member states. In essence, the need to modify the initial trade liberalization framework meant the outline of a regionally defined economic development policy which encompassed

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issues that went beyond the laissex faire scheme originally formulated.[37]

Under the modified scheme on industrial products which was adopted by the Authority in Conakry, 1983,[38] member states were classified into three groups, while industrial goods were categorized into priority and non-priority products. (See Table 5.6). This classification was based on level of industrialization, relative importance of customs revenue in the budgets of member countries, and finally, problems relating to geographical location associated with island and landlocked member s ates.

The first group of countries - the least developed was made up of Burkina Faso, Cape Verde, the Gambia, Guinea-Bissau, Mali Mauritania and Niger. The elimination of tariff for this group was to be completed over a 10 year period, at 10% per year. In non-priority industrial products,[39] tariff elimination was to span an 8 - year period at the rate of 12.5% reduction per year.

For the second group of countries (the more developed-made up of Benin, Guinea, Liberia, Sierra Leone and Togo), tariff elimination in non-priority industrial products was scheduled to span an 8year period at the reduction rate

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Table 5.6

Time-Table for the elimination of tariffs in ECOWAS

Country (G)	Priority Industrial Products. (P1)	Non-priority Industrial Products (P2)
G1: Burkina Faso, Cape Verde, The Gambia, Guinea-Bissau, Mali, Mauritania, Niger.	8 years on the basis of 12.5% reduction each year.	10 years on the basis of 10% reduction each year.
G2: Benin, Guinea, L Liberia, Sierra-Leone, Togo.	6 years on the basis of 16.66% reduction each year	8 years on the basis of 12.5% reduction each year.
G3: Cote d'Ivoire, Ghana, Nigeria, Senegal.	4 years on the basis of 25% reduction each year.	6 years on the basis of 16.66% reduction each year.

Source: A/Dec 1/5/83. Decision Relating to the Adoption and the Implementation of a single Trade Liberalization Scheme for Industrial Products Originating from member states, in ECOWAS, Official Journal, Vol. 5, June, 1983.

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of 12.5% per year. On the other hand, the reduction in priority industrial products was to be on the basis of 16.66% per year over a 6 year period.

The third group was made up of the most highly developed countries - Cote d'Ivoire, Ghana, Nigeria and Senegal. In this group total elimination of tariffs was to span 6 years for non-priority products at the pace of 16.66% reduction per year. For priority industrial products, the time spread was to be 4 years on the basis of 25% annual reduction rate.

Apart from a careful attempt to reflect differential levels of resource endowment and development of member states, this scheme was accompanied by an elaborate apparatus of supportive measures. Most notable of these was the adoption of a regional industrial development approach which aimed at achieving the industrial specialization of member states by moderating the tendency for industry to gravitate to the better resource endowed countries.[40] This was what the mendicant states wanted. However, the development co-operation programme adopted along-side the regional development approach was less far reaching. It took the form of harmonization in various stages, of industrial incentives, development plans, exchange of information, etc. The formulation of policies on heavy industries was placed under the long-term agenda,

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which meant that the more endowed states, particularly Nigeria had a free hand here.[41]

These two programmes reflected two major forces on the question of trade. While the laissez faire group felt that the scheme should be designed to act as a spur for national industrial efforts, the other wanted a regional industrial regime that would actively involve the less developed states in the circulation of industrial products within the sub-region. The first group, represented by powerful business interests located especially in Nigeria and Cote d'Ivoire, advocated for a distributive mechanism that would take the simple form of compensation for losses arising from actual exchange, rather than the demand of the second group represented mostly by the mendicant states, with the support of the technocrats at the Executive Secretariat, which wanted regional industrial planning as an additional distributive package.[42] The result was a compromise which raised some hopes for a politically determined regional industrial specialization in the long term while at the same time, sticking to the vague and general notions on industrialization provided in the treaty. In general, the elaborate supportive distributive apparatus was expected to elicit the necessary support from those member states that had

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hitherto been reluctant to implement the scheme.

Inspite of this attempt at compromise, the modified scheme also became the subject of protracted resistance at the level of implementation. The fact that this modified scheme could not come into effect is underpinned by the commonality of the singular process of incorporation as well as the diverse forms in which the specific process of incorporation are manifested. The first, which was indicated in the growth of protectionism among member states, mirrored the impact on the member states, of the highly synchronized crisis character of the world capitalist economy. There was therefore, a basic similarity in the pattern of reaction of member states to the resulting crisis of accumulation and self-reproduction. The second major manifestation of resistance was indicated in two ways - the one bound up with the presence of certain inter-governmental organizations in the sub-region, and the other, the product of the relative size and specific basis of accumulation of member states.

5.1.3: The Climate of Protectionism

The period during which the ECOWAS trade liberalization programme was put together also coincided with acute economic crisis in most member states. Between 1979 and 1981 when

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the standstill period was officially in place, many West African States were also enmeshed in the throes of economic crisis. Balance of payments crisis, growing budgetary deficits, stagnant investments and rising unemployment rates elicited standard responses. The need to conserve foreign exchange, create a surplus on current account to finance investment, meant the curtailment of imports. In Ghana, Sierra Leone, Gambia, Senegal, Liberia, Mauritania etc., increase in tariffs, highly restrictive prioritization of imports, replacement of open Licence with specific licence were all policy measures embarked upon. Other methods utilised included the periodic foreign exchange budget, and the accumulation of payments arrears.[43] In the Sahelian States, including Senegal, the unfavourable world market situation combined with drought, had from 1977, drastically reduced cash crop output, notably groundnuts and cotton. The reaction of these states to this situation point to the precarious position of integration arrangements in the face of crisis in the national economy. In 1979 Senegal registered a large trade deficit. France had to bail her out of a severe fiscal crisis in the 1979-80 period.[44] Between June 1979 and June 1980, the groundnut output fell by 46%. This was accompanied by a 32% drop in cotton production.[45] In the face of this crisis, Senegal,

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the major protagonist of the CEAO cause, resorted to unilateral commercial policies that clearly undermined that organization's collective arrangements. Thus the country increased her customs tariff from 5% (the uniform CEAO rate) to 15%, thereby vetoing CEAO's plans for a common external tariff by 1986.[46]

Low resource endowment and the peculiar problems associated with climate and geography have made the landlocked states and Mauritania, the subject of large scale dependence on foreign assistance as well as implanted a permanent character of fiscal stringency. Drought and severe food shortages forced Niger to remove all impediments to cereal imports in 1984. At the same time, she prohibited the importation of consumer industrial product such as soap, cement, cotton fabric, etc. irrespective of their origin. The import of other items of industrial origin required prior authorization in addition to a specific licence, with the only concession here to CEAO and franc zone imports.[47] Imports were also carefully controlled in Burkina Faso, Mali and Mauritania through specific licencing. However, these countries also imposed various forms of restrictions to curtail the volume of their traditional exports to their West African neighbours. The impact of this on trade liberalization within CEAO is quite illuminating. Drought in the

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late seventies resulted in a serious depletion of the livestock of these Sahelian countries. This led to a ban on their exports to the traditional markets in Cote d'-Ivoire and Senegal, and simultaneously, attempts were made by the producers to find more favourable outlets for the available stock outside the CEAO market. Under CEAO's arrangements, Burkina Faso and Niger exported their livestock to Cote d'Ivoire while Mali and Mauritania supplied the Senegalese market. In September, 1982, Mauritania and Mali did not only renege on their obligation to supply the Senegalese market the expected quota of rams and cattle for the Islamic festival of Eid-el-kabir, but signed preferential trade agreements to supply Algeria and Libya with these livestock. These were without reference to CEAO's commercial arrangements.[48] This situation is understandable. On the basis of the CEAO market, income to the influential pastoral and associated merchant groups, and the state's taxable base, could not be maximised at a period of declining productivity. Hence the switch to more lucrative markets became a necessity.

In 1980, Liberia had to adopt an austerity policy that hinged on increased tariffs in an attempt to combat a balance of payments crisis.[49] Although Liberia does not

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normally operate any system of import control, the importation of certain basic consumer items are subject to licensing and quantitative restrictions. These are meant to protect domestic industry. But in 1984, the importaiton of items such as rice, rubber, foot, wear, household items safety matches, powdered detergents were suspended.[50] Similarly,

Cote d'Ivoire had in 1982, placed a ban on the import of certain consumer items, and placed many other (paints, detergents, man made fabrics, articles of leather, footwear, carpet etc.) under specific licence. In 1984, it also introduced surcharges on basic imports.[51]

Following a fall in oil revenues due chiefly to a weak United States dollar and a glut in the world oil market, the rapid deterioration in the payments position ostensibly forced the Nigerian government to the Eurodollar currency market. At the same time, the need to stem further deterioration in the payment position was given prominence in the 1978/79 budget. Fiscal measures included a general rise in import duties and excise duties as a way of raising revenues, protecting local industries and restricting the inflow of foreign manufactures. These measures were reinforced in the 1979/80 fiscal year. Thus, the military government under Olusegun Obasanjo imposed strict import

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and exchange control restrictions which were meant to be in place and not be relaxed for 8 years.[52]

The Nigerian financial situation improved tremendously in 1980, following sharp increases in oil prices. In response, the Shagari administration liberalized imports. This policy produced a sharp rise in import bill, far above export earnings. External borrowing rose steeply. The burden of repayment was to be felt increasingly as the decade advanced. Agricultural output which had been falling in Nigeria since 1960 experienced rapid deterioration. From an annual rate of decline of about 0.4% in the 1960s, it attained a negative rate of -1.5% in the seventies. Under the circumstances, food imports rose sharply.[53] Further deterioration in the general import bill led to an imposition of restrictions in 1982. For example, in March that year, Nigeria suspended the issuance of letters of credit for 28 days. Many items were prohibited, and others were shifted from open, general licence to specific licence list. In addition, an advanced import deposit scheme ranging from 25% to 250% was imposed on all imports irrespective of their origin.[54]

This line of action was even more vigorously pursued by the Buhari adminstration in 1984, as the advanced import deposit scheme was extended to all imports other than rice

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and petroleum, and all permissible import placed under specific licence. The threshold value of imports subject to preshipment inspection was lowered to ₦1,000.[55]

Nigeria's neighbours vigorously protested these actions. In 1979 when Nigeria had embarked on such restrictionist measures, the impact on the economy of Benin republic was immediate and crippling. Much of Benin's fiscal revenues is derived from trade with Nigeria, which, under an agreement signed in December 1971, allowed for large scale trade in textiles, perfumes, alcoholic and non-alcoholic drinks, shoes etc, between the two countries.[56] Benin protested that Nigeria's actions constituted a hindrance to the smooth operation of the bilateral agreement between the two countries, which in effect meant a serious damage to the economy of Benin. Nigeria however made it clear that the measures were necessary in order to arrest the further deterioration of the Nigerian economy.[57] On a similar note, Niger had in 1984, decried Nigeria's ban on food exports, but the latter made it clear that the economic crisis in Nigeria precluded food outflow, even to neighbours.[58]

This general climate of protectionism may be the logical reaction to the crisis of external economic dependence, but it went on without reference to the collective position of ECOWAS as enunciated through the standstill period and the

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trade liberalization scheme. As at 1981, only Mali and Sierra Leone gave some consideration to the interests of the West African Community.[59] In the case of Sierra Leone, this took the form of lower licence fees for imports from the community as against imports from third countries. This did not preclude the imposition of duties on imports originating from ECOWAS as required under the standstill period. Rather, it implied that in the case of such imposition, there should be some discrimination in favour of products from member states. In the case of Mali, a licence was not required for imports originating from ECOWAS but this did not mean that they were not to be subjected to higher tariffs if the need arose. In 1984, the surcharges levied on certain imports by Cote d'Ivoire were also inapplicable to goods originating from member states of ECOWAS and CEAO. But even under this situation, the goods placed under import prohibition list or subject to stringent licencing and authorization regulations were the kind of consumer items which should normally have been expected to circulate freely within the community under the trade liberalization scheme.

The general case therefore was the universal application of restrictive measures, irrespective of origin of imports. Thus, as Frimpong Ansah aptly observed,

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> in situations in which the balance of payments have necessitated the withdrawal of trade liberalization or the imposition of tighter restrictions, trade within ECOWAS has largely received equal treatment as non-regional trade.[60]

Reacting to this general growth in restrictiveness, Benin, lamented that the sub-region had experienced more restrictiveness to trade and other transactions since ECOWAS came into existence than before the organization was formed.[61]

Although the Executive Secretariat and some member state (Benin and Togo, especially,) have always drawn attention to this growing climate of protectionism in direct contradiction to treaty provisions and programmes of ECOWAS, most member states have been unimpressed. In a situation where a liberal trade regime was held to be harmful to the process of economic recovery, which is itself usually built around the conservation of foreign exchange, the political will to collectivise under a sub-regional commercial framework became difficult to muster. Article 26, the safeguard clause in the treaty clearly anticipated structural crisis in the economies of member states. By allowing member states under balance of payments and fiscal crisis to adopt policies of self-suspension from the community's trade regime, a permissiveness is engendered which can, in the light of the

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quasi-permanent crisis of its economies, engulf the sub-region as a whole. Although no member state observed the nicety of formally invoking the provisions of article 26, the kind of generalized crisis in which the sub-region has largely been enmeshed since the late 1970s, has shown itself as an inbuilt hair-trigger mechanism of self suspension from the ECOWAS trade regime. In fact, such crisis need not be exhibited in all countries of the sub-region in order to constitute a problem for integration. A few member states, under conditions of structural economic crises, especially if they belong to the most advanced group will tend to produce such an end. As primary export producers, whose incomes are necessarily subject to the vagaries of the international capitalist economy, the persistent crisis of accumulation in member states had largely tended to constrict attempts at trade liberalization.

5.1.4: CEAO, M.R.U. and ECOWAS: the problem of derogation

The request by CEAO and MRU for derogation from the provisions of Articles 20 of the treaty meant that nine member states of ECOWAS were attempting to distance themselves from the latter's trade liberalization scheme.[62] The request was opposed by other member states who felt that if it were granted, it "would amount to concurrently running three

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incompatible schemes", and institutionalizing the kind of divided loyalty that would undermine the fabric of the wider grouping.[63] The need to resolve the issue led to a series of meetings with the active involvement of technical experts of the secretariats of ECOWAS, CEAO and MRU. The outcome was a modified trade liberalization scheme which was adopted by the Authority in Conakry in 1983. Inspite of these efforts at harmonization, "the CEAO pronounced itself unable to recommend the objectives of a customs union to its members"[64] On the other hand, the MRU had largely decided to accept the ECOWAS programme, although some differences still lingered.

Repeated entreaties to CEAO made by the C.O.M. and the Authority, for the adoption of a single trade liberalization scheme with ECOWAS have only elicited unfavourable responses from the Francophone grouping. At its summit meeting in Niamey in 1983, the CEAO decided to preserve its distinctive francophone identity.[65] The adoption of the ECOWAS scheme was seen as a threat to this identity. ECOWAS assured CEAO that an all-embracing West African Customs Union would not threaten its existence, or that of the MRU. To give credence to this pledge, the Authority decided that the implementation of the ECOWAS scheme should be jointly monitored by a working group of experts under the supervision of the

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respective councils of Ministers of ECOWAS, CEAO and MRU.[66] This did not elicit the desired response either, as CEAO remained committed to the preservation of its Francophone identity.

This rigid CEAO position would be understood through an analysis of two basic issues. The first relates to the implications of an ECOWAS free trade area and its logical advance, the common external tariff (CET), for the fundamental basis and objectives of CEAO's own scheme. The second must put in perspective, the rules under which originating products would circulate in ECOWAS.

As in ECOWAS, three categories of products are tradable within CEAO. In the first place, these are unprocessed products which circulate freely subject to zero tariff, unless there is a local tax by a member state which is also uniformly applied to similar goods produced locally. However, within this category, products like livestock and meat circulate subject to special agreements between member states.[67] The second category is made up of traditional handicraft which are equally exempted from tariff bariers. The third category is made up of industrial products. Here a dual classification operates. Items under the special preferential product classification are traded under a uniform tariff system. On the other hand, the second class of industrial products are taxed

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as if they originate from a third country which has special tariff agreements with the member states of CEAO.[68] This tariff pattern has an external reference point - France - whose special status with individual CEAO member states is well established. In practice, this implies a differential tariff structure under which the member states of CEAO relate to each other individually under special commercial arrangements maintained with a third party. Since such third party arrangements are actually maintained with France, the latter serves not only as the reference point for intra-CEAO commercial relations but also, trade relations among the member states may not be more favourable than trade relations between each one of them and France. In essence, France is part of the free trade area created by CEAO.

CEAO acts like a preferential zone of exchange, with each member state having its own preferential tariff for every other member state. Reduction in tariffs are therefore essentially bilateral affairs which are largely determined by reference to existing arrangements with France. In this way, each country is assured that community arrangements would not adversely affect individual relations with France. In fact, CEAO's commercial relations simply confirm and guarantee the historical position of France in the economies of the member states.

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Herein lies the significance of maintaining the Francophone identity of CEAO. The free trade scheme of ECOWAS makes this organization the primary zone of preferences, and in fact the exclusive zone of preferences for West African states. Its adoption by CEAO member states will mean the termination of France's special commercial relations with its members, and therefore discrimination against French products in favour of products originating from ECOWAS, or what appears closely related, Nigeria's products. The privileges France enjoys are part of the general reciprocal franc zone arrangements on which historically, accumulation in the member states of CEAO had largely been dependent. Undermining this is something which the ruling groups, dependent largely on such a base for their own reproduction would find difficult to do. Moreover, CEAO was designed by its founders as a market for boosting accumulation among Francophone West African States with the objective of providing a counter to Nigeria's potential dominance in an all-embracing West African Community. The intra-CEAO preferences as well as the special relations with France were part of the economic reinforcement measures for the attainment of this goal.

The general application of the ECOWAS scheme would therefore not only threaten the basis of accumulation of member

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states of CEAO, but would also undermine the raison d'etre of the organization. The possibility of this occurence is most strongly indicated in the event of an ECOWAS CET. As progress towards this is made (which will be the next logical stage after the completion of the programme for free trade area), the member states of CEAO would have to apply a common ECOWAS external tariff to goods emanating from third countries, France inclusive. And by this the reciprocal rules on which the franc zone is founded would have been further undermined. It is to forestall such an occurence that CEAO has unambiguously indicated its inability to recommend to its members, the objectives of a customs union within ECOWAS.

Unlike the CEAO, the MRU found it relatively easy to accept in principle, the more embracing scheme of ECOWAS. The MRU shared with CEAO, the view that the implementation of the wider scheme would represent a regress from the advance already made in the implementation of their respective schemes. In fact, the two organizations already had operational free trade areas at a time the ECOWAS equivalent was still in gestation.[69] Inspite of this and other areas of convergence between the CEAO and the MRU, the latter had in 1983, accepted the main thrust of the modified trade liberalization scheme of ECOWAS, thus avoiding the kind of protracted conflict which CEAO's

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adversary stance had become. However, two issues remained outstanding. One was in the area of compensation for losses arising from trade liberalization, which the MRU, grouping the relatively equally developed Liberia, Sierra Leone and Guinea, does not pay. The other concerned the question of how the three member states can possibly reimpose tariffs already dismantled between them in order to conform to the time-table for tariff elimination in ECOWAS.[70] These issues highlight the problem of regress on which the MRU had always based some of her reservations. However, these issues would not seem to constitute any serious obstacle to the wholesale acceptance of the wider scheme. For one thing, inspite of the liberalization of trade within MRU, trade remained at a very low level. For example, in 1977, trade between Liberia and Sierra Leone was 0.63% of their total trade. This figure only increased marginally to 0.66% in 1983.[71] This situation was not helped by the fact that various non-tariff barriers have largely remained undismantled. Furthermore, the perennially low-ebb political relations between the two original members of the MRU, Liberia and Sierra Leone, have resulted not only in heavily policed frontiers but also in intermittent border closures between them.[72] Thus, trade liberalization in this three-member organization has hardly made any kind of meaningful impact on

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the volume of transactions among its members that can be disrupted through the application of the all-embracing scheme of ECOWAS. This and the fact that there is no obvious, special external commitment with a direct stake in the MRU trade liberalization scheme has made it easier for that body to adopt a relatively conciliatory stance towards ECOWAS on this issue.

The other major, and intractable problem between ECOWAS and the other organizations arose from their conflicting rules of origin. In CEAO, most industrial products are traded under the regional co-operation tax (RCT) scheme on the condition that such products satisfy the requirements of its rules of origin. Thus, such products must either have at least 60% of local raw materials, or in the alternative, have at least 40% local value added.[73] This standard of originating products takes no account of ownership of industrial establishments producing goods going into intra-CEAO trade. Added to this is the fact that the two aspects of the rules of origin are treated as alternatives so that the fulfilment of one constitutes a guarantee for the admission of such a product into intra-CEAO trade.

The MRU operates a single-item criterion of originating products. Under its trade liberalization scheme, a product that satisfies this sole criterion of 40% local value added

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attains zero rating. With this rating, it can enter into intra-MRU trade duty free, and no compensation is paid for losses that may be incured in the process.

The rules of origin of ECOWAS, more far reaching than either of the above, is perceived by these two organizations as likely to be too restrictive on goods from their member states entering into West African trade under the ECOWAS scheme.

5.1.5: The evolution of ECOWAS' rules of origin

The rules of origin of ECOWAS evolved on a slow and cautious note. The treaty itself did not give much attention to the issue, leaving it to become the subject of a protocol.[74]

This protocol set the tone of the rules of origin regime by establishing a tripple - factor criteria for admitting manufactures and industrial goods into community trade. The raw material content derived from community sources in such products must be at least, 40% while a local value added of at least 35% of the finished product must be met. The third element was deliberately left vague as no agreement could be reached on it. Thus, the protocol recognised that a level of 'indigenous ownership and participation' in enterprises producing such goods was necessary to qualify for ECOWAS origin status. However, it was left for the C.O.N. to eventually determine levels of indigenous ownership and equity

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participation desirable for the conferment of originating status, as the need arose.[75]

In November 1978, the TCIMPC submitted proposals for the gradual acceleration of ownership and participation levels for firms producing industrial goods for the ECOWAS market.[76] The three stage formula proposed for this was expected to become operational on May 29, 1979. The first stage of 4 years duration did not give any indication of a specified level of ownership, merely requiring the C.O.M. to draw up an agreed list of enterprises that meet the levels of local raw material sourcing and value added. The second stage, beginning after the 4th year of the commencement of the programme was scheduled to last for 6 years. It envisaged at least 35% indigenous ownership of the equity capital of an enterprise for its product to be eligible for consideration on community basis. From the 10th year, beginning on May 29, 1989, this ownership level was to be upgraded to 51%. In May 1979, these proposals were considered by the Authority during its summit in Dakar. The need to indicate a definitive level of ownership and participation at all stages led to a decision that the TCIMPC should further study the issue and modify its proposals.[77] Meanwhile, the provisions of the original protocol dealing with the rules of origin were to be in force.[78]

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In 1980, the TCIMPC came up with another proposal. This time levels of indigenous ownership and participation must attain 20% by May 28, 1981, 35% from May 28, 1983 and 51% from May 28, 1989. Thus was adopted by the Authority in Lome, May, 1980. In 1983, minor adjustments in time-table and level of equity participation were made. The first stage was now to commence in May 1983 with 20% ownership level, 40% by May 1986 and 51% by May, 1989.[79] With this, the ECOWAS rules of origin assumed a definite shape. And along with it, CEAO's resistance to the all-embracing trade liberalization scheme further crystallized.

The rules of origin of ECOWAS are cumulative in nature. This means that the community is treated as a single unit for purposes of determining origin of products. In addition, the triple-factor criteria of raw material sourcing, value added and the graduated formula that phases levels of equity participation and ownership must all be fulfilled before a product can be admitted as of community origin and therefore eligible for preferential treatment. On the other hand, CEAO's criteria of value added and raw material level operate as alternatives, and no ownership criterion is stipulated. The same thing applies in the case of the MRU. With the rules of origin of ECOWAS, member states of these organizations became apprehensive of a situation in which they may be virtually excluded from the regional market as most of their manu-

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facturing firms are virtually foreign owned. This fear is shared by many of the other member states of ECOWAS.[80]

With the adoption of the rules of origin, the ability of each member state to put its products into community trade, will among other things, be determined essentially by the level of indigenization prevailing in it. As shown in Table 5.7., Nigeria is expected to be the main beneficiary of the trade liberalization scheme, based on this criterion. Of the 102 subsidiaries of MNCs listed for Nigeria, 56 already meet the envisaged level of participation scheduled to commence in 1989. At least, 80 satisfy the requirements of the second stage. On the other hand, most of the other countries hardly meet even the standards set under the first stage. Cote d'Ivoire has three that satisfy the first stage, with only one probably meeting the requirements of stage two. This is out of a total of 20, of which 16 are wholly owned by foreign concerns. Out of 8 subsidiaries listed for Senegal, only one qualifies for the first stage, another one for the second stage, while there is no indication as to level of foreign participation for the remaining two. 38 of Liberia's 43 listed subsidiaries are wholly owned by parent MNCs. Only one qualifies for community product treatment under the first stage, and from the second stage, none.

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Of Ghana's 21, one third are wholly owned by parent MNCs, 11 qualify under the first stage while about 5 qualify for admission under the second stage.

Table 5.8 throws more light on the dilemma of the CEAO states with reference to the rules of origin of ECOWAS. From this table, there are clear indications that the level of national participation will not easily recommend many of the products for community treatment under ECOWAS. In this regard, Senegal, one of the two CEAO industrial giants is the most affected, with virtually none of the listed industries likely to qualify for community treatment. This possibility is also strongly indicated in Cote d'Ivoire.

The rules of origin of ECOWAS, seemingly too tight to member states of CEAO and the MRU, were deliberately designed to ensure that goods of a high degree of foreign imput and finishing are not admitted into intra-community trade. More importantly, without the specific criterion of ownership which is definitive of the indigenizing theme of ECOWAS, the community would not only be failing to encourage local manufacturing through local ownership, but might end up, as in CEAO, subsidizing community-based foreign capital through the payment of compensation to importing member countries.[81]

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TABLE 5.7

Foreign equity participation in subsidiaries of multinational corporations in West Africa, 1982 - 1983.

Country	Level of Foreign Participation									
	99% to 100%	80% to 99%	70% to 79.9%	60% to 69.9%	50% to 59.9%	40% to 49.9%	20% to 49.9%	Below 20%	No Indication	Total
Benin	1									1
Burkina Faso	2			1						3
Cape Verde										
Gambia	1									1
Ghana	7	1	1	5	4		1		2	21
Guinea	1						1			2
Guinea Bissau										
Cote d'Ivoire	16		1	1	1				1	20
Liberia	38	1		1	1				2	43
Mali	3									3
Mauritania	1									1
Niger	4	1								5
Nigeria	22	1	1	22	10	28	6	4	8	102
Senegal	4		1			1			2	8
Sierra Leone	1	2					2			5
Togo					1					1

Note: The source dealt with the top 500 MNCs in the world and their subsidiaries. What is shown here is not necessarily the actual number of foreign establishments in the sub-region.

Source: Preparation based on data from John M. Stopford, The World Directory of Multinational Enterprises, Vols 1 and 2, (London, Macmillan, 1982).

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TABLE 5.8

Average percentage of foreign ownership in selected industries of some French speaking states in West Africa, 1979.

Industry	Country				
	Cote d'Ivoire	Burkina Faso	Togo	Senegal	Niger
Extractive	100		1	50	68
Vegetable Oil and Animal fats	49.5		0	54	55
Food (Agro)	58.7	26	29	77	0
Beverage and related Products	75.2	80	61	100	
Textile	61.8	21	63	77	73
Footwear	99.3	65	98	100	
Chemical	74.5	49.5	38	98	64
Construction	67.4	0	68	25	
Engineering	na	49.5	13	89	0
Paper	na	0		98	
Tobacco		85.0		100	
Petroleum refinnng and bi-products	70.9				
Rubber	49.0				
Transport equipments	88.0				
Other Engineering and Chemicals	74.2				

Source: ECA, Proposals for strengthening economic integration in West Africa, (United Nations, 1982). Tables 5.2 5.3, 5.4, 5.5, and 5.6 pp. 47-49.

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However, the specific direction in which investment policies have been shaped by ruling groups in the countries of the sub-region would appear to underlie the resistance to the acceptance of the criteria of originating products. In Cote d'Ivoire, the ruling class has been consistently committed to the policy of economic liberalism. This has meant the creation of very favourable conditions to attract foreign investments. With the ruling group content to leave investments in industry to foreign capital, the scope left for local capital for self-expansion in industry became increasingly constricted as the more dynamic foreign capital spread out. This has resulted in industry being essentially a European (French) preserve. However, the resulting 'Ivorian miracle' has benefitted most social groups, which in turn has ensured the political stability of the Ivorian regime.[82] Thus, for the Ivorian ruling alliance, the acceptance of the ECOWAS policy of indigenization is not just something that goes against doctrinal beliefs, but also, it represents what might conceivably undermine the basis of its political power.

In Senegal, the guaranteed convertibility of the CFA franc into French franc, the virtual monopoly position occupied by French banks, and generous government incentives for foreign capital have consolidated the latter to such an extent that indigenous capital has been effectively blocked out of large

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scale investments in industry.[83] Thus, lowly endowed in terms of natural resources, Senegal's dependent capitalist system has hardly made any attempt to review the pattern of its historical relations with international capital.[84] A similar situation is equally, if not more forcefully expressed in Liberia. Here the open door policy anchored on the circulation of the United States dollar in Liberia has meant a reign of foreign capital that had hardly been interfered with. With this standard approach to foreign capital, it is not surprising that CEAO and the MRU do not include the ownership factor in their criteria of originating products.

In a situation where the capacity to attract foreign investments is largely a function of available resources, the capacity to bargain on terms of ownership by the host country with foreign capital will also be largely dependent on its attractiveness, that is, on the resources available to it. With the latter rather low in most cases, the competition for the attraction and retention of foreign investments in West Africa has meant packages of incentives which among other things, contain explicit guarantees against nationalization and indigenization.[85] Even then, the low resource countries of West Africa are hardly capable of attracting them. Yet a high resource country like Nigeria is

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not only relatively better placed to attract foreign capital, but also to bargain with investors with a reasonable assurance of obtaining substantial concessions on indigenous equity participation. In Nigeria, this line of action has been vigorously pursued, with indigenization largely the product of attempts by the ruling groups with roots in private business and the bureaucracy to create an economic base for political power.[86] A similar process has also manifested itself in Ghana where the State had purchased 51% controlling shares in major foreign owned industrial enterprises in the country.[87] Under the circumstances, the ownership criterion of originating products of ECOWAS is in accord with the dominant socio-economic interests in Nigeria and perhaps, Ghana, more than most other member states of ECOWAS. Thus, trade liberalization carried out under the ECOWAS rules of origin, will tend to help to consolidate the socio-economic base of some ruling groups within the sub-region while undermining that of others.

In the final analysis, the rules of origin of ECOWAS represent some improvement over what obtains in CEAO or M.R.U. It is however doubtful if implemented as they are, whether they will substantially redress the problem of external leakage associated with the dominance of foreign investments in West

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African industry. In the first place, indigenization as a policy does not aim to transform a dependent economy into an autonomous system from international capital, but to form a partnership with it.[88] Even at the highest point of such indigenization, 49% of foreign ownership is assured to community based industries. This will not effectively check the level of repatriable income accruing to foreign capital. As Table 5.9 shows, Nigeria, with supposedly a high degree of indigenization, attracted 614 million Special Drawing Rights (SDRs) worth of foreign investment between 1980 and 1983. Within the same period, 2990 million SDRs was repatriated as income to foreign direct investment. This pattern is duplicated, on a less extreme note in most other countries of the sub-region, as the Table indicates. This level of repatriable income points to the magnitude of the leakage effect which the operation of foreign capital implies in West Africa. Along with the liberal policies on capital outflows prevalent in Liberia and the member states of the West African Monetary Union (UMOA), the policy of partnership with foreign capital which indigenization typifies might turn ECOWAS into an avenue for depleting the resources of the sub-region. This possibility is further accentuated by the fact that the community confined its attempt at indigenization to capital. It is not extended to labour.

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TABLE 5.9

Capital inflows through foreign direct investments and repatriated income of foreign direct investments. (in Million SDRs)

Country	Period	Foreign direct Investment (inflow)	Income to Foreign Direct Investment (outflows)
Benin	1975-1978	7	6.4
Burkina Faso	1979-1982	4.8	17.8
Ghana	1980-1983	42.8	45.6
Cote d'Ivoire	1978-1981	224.9	378.1
Liberia	1983-1984	83.9	8.0
Mali	1980-1984	13.2	na
Mauritania	1980-1983	53.8	119.3
Niger	1977-1980	4.2	63.2
Nigeria	1980-1983	614	2990
Senegal	1977-1980	31.3	90
Sierra Leone	1979-1982	8.7	33.4
Togo	1978-1981	155.1	40.3

Source: Computed from, I.M.F., Balance of Payments Statistics Yearbook, Vols 35 and 36, part 1, 1984, 1985. Washington D.C.

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In most West African countries, foreign personnel tend to go hand in hand with foreign capital. Thus, apart from the excessively high, externally derived level of finishing permissible (60%) for originating products, part of what is calculated to make up the criterion of 40% local value added will actually be income accruing to foreign personnel and therefore largely subject to repatriation.

These are weaknesses which emphasize the fact that the leakage effect of foreign dominance has not been adquately addressed through the rules of orgin. In fact, these rules would rather seem to indicate that the community has simply tried to act in junior partnership with foreign capital, not subject it to critical control.

5.1.6: Resource differentials, group politics and trade liberalization

The reaction of member states to the trade liberalization programme is determined by its anticipated impact on national economies and the closely related consideration of external ties. The various interests in contention have been clearly indicated not only in the reluctance to implement the programme but also in the pattern of alliances that seem to be evolving within the community.

The anticipated impact and likely effects which may be

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considered of adverse implications for most member states are to be located in two major issues. One is the criteria of originating productss which may discourage foreign investments since the latter are attracted by certain member states with very generous terms that require a waiver of local ownership and participation. Closely related to the above is that if the trade liberalization scheme is strictly adhered to, most member states would have virtually no industrial products entering community trade. There are two dimension to this. In the first place, with the bulk of manufacturing enterprises foreign owned, even where the capacity exists, a minimum level of indigenization is crucial for admissibility of products into community trade. As pointed out earlier, this factor would tend to reduce considerably, the number of products from member states admissible as originating products. The second dimension relates to differential industrial capacity in member states. This may be buttressed by the experience of CEAO. Inspite of the absence of an ownership criterion in its rules of origin, the mendicant members of that organization have been virtually unable to take advantage of the CEAO market. Between 1976 and 1979, trade in industrial goods within CEAO increased from $14 million to $48 million, an increase of about 242%. Within the same period, the number of products tradable under the organization's trade liberalization scheme rose from 129 to

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472 while the number of firms producing goods with originating status increased from 91 to 188. These increases emphasize the preponderant positions of Cote d'Ivoire and Senegal in CEAO. Of the 188 firms, IOI were located in Cote d'Ivoire, 58 in Senegal, and 12 in Mali. Burkina Faso had 11, Niger had 5 while Mauritania had only one. In addition to this, Cote d'Ivoire and Senegal controlled 93.8% of industrial products entering community trade. Cote d'Ivoire alone was responsible for 66.4% of the total.[89] This pattern presents a dismal view of the opportunities for industrial improvement of the mendicant states in CEAO. This is further underscored by the perennial foreign exchange crunch in these countries. In a situation where industrial capacity is essentially a function of the capacity to acquire necessary foreign inputs, itself a function of primary export capacity, the rather endemic crisis nature of this and its lowly level have meant that industrial capacity in these countries have hardly been dynamic enough to project into the community. Thus, in 1979, Niger was unable to export any of her 20 products approved for the community market while Burkina Faso could only put 5 out of 50 admissible products into intra-CEAO trade.[90]

Most member states of ECOWAS are apprehensive of a similar pattern being replicated in ECOWAS. In the event of this, Nigeria is expected to be the major beneficiary, with the

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TABLE 5.10

Distribution of manufacturing establishments in West Africa (selected countries).

	Gambia 1981	Ghana 1983	Cote d'Ivoire 1983	Niger 1982	Nigeria 1980	Senegal 1983
Food Products	15	49	290	8	289	38
Beaverages and Tobacco	5	25	9	2	26	29
Textiles and Allied Prod-	2	38	37	2	145	29
Leather and Products, footwear	1	17	36	1	22	4
Wood Products, Furniture, fixtures.	2	92	104	1	232	13
Printing, Publishing.		19		3	90	16
Paper and Products	2	7	100	1	22	8
Industrial Chemicals, fertilisers, etc.		34	55	6	62	33
Drugs and Medicine		11			13	
Petroleum Products		1	4			
Rubber Products		5	5		16	
Glass, Pottery, China Plastic and Non-metals	2	20	20	2	194	5
Iron and Steel, Non-ferrous metals		2	1			
Metal products, machinery	1	25	40	7	149	40
Electrical Machinery		11		1	17	
Transport Equipment		11	18		21	

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TABLE 5.10 TABLE 5.10 CONTD

Motor Vehicles					12	
Other industries	4	7	11		13	
Total	34	374	730	34	1323	186

Source: United Nations, Industrial Statistics Yearbook, Vol. 1, 1982 and 1984 editions, New York, 1985, 1986.

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TABLE 5.11

Value added in manufacturing in West Africa, 1978 and 1982.

Country	1978		1982	
	Value added '(million $US)	% share in West Africa	Value added '(million$US'	% share in West Africa
Benin	53	1.01	59	0.99
Burkina Faso	79	1.50	137	2.29
Ghana	815	15.47	233	3.90
Guinea	55	1.04	26	0.43
Cote d'Ivoire	707	13.42	705	11.78
Liberia	45	0.85	39	0.65
Mali	66	1.25	57	0.95
Mauritania	38	0.72	26	0.43
Niger	146	2.77	158	2.64
Nigeria	2,835	53.81	4,049	67.68
Senegal	338	6.42	443	7.40
Sierra Leone	35	0.66	38	0.64
Togo	57	1.08	13	0.22

Source: Extracted and Computed from, The World Bank, World development Report, 1981 and 1985 editions, (New York, Oxford University Press).

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distinct possibility that ECOWAS might become commercially, 'larger Nigeria'. The number of manufacturing establishments and the level of manufacturing production in the member states buttress this. These are shown in Tables 5.10 and 5.11 respectively.

The number of establishments engaged in manufacturing in some of the member states (Table 5.10) indicates the clear edge which Nigeria has in virtually all the industries. With a total of 1,323 industrial establishments in 1980, she was quite ahead of Cote d'Ivoire with about 730 as at 1983, and Ghana and Senegal with 374 and 186 respectively. These differentials are more clearly emphasized by the member countries' share of value added in manufacturing, (Table 5.11). Of the 13 countries for which figures are available, Nigeria, Cote d'Ivoire, Ghana and Senegal accounted for 89.12% of value added in 1978 and 90.76 in 1982. In 1978, Nigeria alone accounted for 53.81%. This increased to 67.68% in 1982. Ghana experienced a drastic decline from 15.47% to 3.90%, while the decrease in that of Cote d'Ivoire was marginal - from 13.42% to 11.78%. Senegal's slightly increased from 6.42% to 7.40%. The remaining countries registered insignificant shares in the regional industrial product. The combined CEAO share of West African value added declined from 25.78% in 1978 to 25.49% in 1982. The M.R.U. also registered a marginal decline from 2.55% to

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1.72%.

Apart fom the preponderance of the four most developed states in West African manufacturing as portrayed above, Nigeria's pre-eminent position is clearly indicated. Although this dominance of manufacturing in the sub-region does not actually mean a high export capacity in manufactures, it does point to such a potential.[91] These differentials have set the pattern of conflict and co-operation in regard to trade liberalization in ECOWAS. Further exacerbated by a rapidly declining economy, the differentials had emphasized Ghana's unfavourable placement among the most developed states in the sub-region for purposes of implementing the trade liberalization scheme. It meant for the country, not being able to compete with others in the same category and with far stronger economies, and at the same time, being excluded from the special benefits meant to accrue to those disadvantaged under the scheme. Although the request for down-grading on account of this was rejected, the position pointed to the country's apprehension about the potential effects of the scheme on the national economy.

While Cote d'Ivoire has been a major protagonist of trade liberalization, the terms on which this is to be carried out would seem to strike at the very base of a cardinal policy of its accumulation process - foreign investment and foreign ownership of industrial ventures. In fact, Nigeria's approach

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to foreign ownership and her willingness to nationalize foreign owned establishments in the country has tended to alarm the Ivorians.[92] Thus, Cote d'Ivoire's misgivings about the whole programme, has like the usually more vocal Senegalese been conveniently subsumed and projected under the collective adversary stance of CEAO in this organization's relations to ECOWAS. In CEAO, despite the basic conflict arising from differentials within the organization, member states are on common grounds in their membership of the franc zone under which foreign investments hardly meet with threats of mandatory degree of local ownership or participation.[93] This identity of interests between the member states of the organization is expressed in the absence of an ownership criterion in its origin rules. Such an absence is also conspicuous in the M.R.U where the Liberian open door policy exerts strong influence. On the other hand, the well pronounced presence of the local ownership criterion in the ECOWAS scheme would appear to further tend to entrench Nigeria's potential dominance of a West African market.

In the light of this member states of ECOWAS have adopted two major strategies as counter measures. The first takes the form of various attempts to solidify group identity within and vis-a-vis ECOWAS. Thus, CEAO and the M.R.U have tended to make great play of speeding up the pace of their activities in an obvious effort to always keep a step ahead of ECOWAS. This

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has provided a convenient tool for comparing and eulogising the achievements of these groups in relation to those of ECOWAS. Siaka Stephen of Sierra Leone pointed to 'huge strides' made by the M.R.U in eliminating tariffs and non-tariff barriers, harmonization of statistical nomenclature etc., as justification to keep the M.R.U going. Although Liberia had always expressed a willingness to submerge the country's interest in the M.R.U in favour of ECOWAS, William Tubman delightfully pointed to the bridge across the Mano river as a reason to keep the M.R.U. alive. And Sekou Toure of Guinea, a strong advocate of an all-embracing group without the encumbering and contradictory tendencies of smaller ones, found these achievements laudable enough to take Guinea into the M.R.U in 1980.[94] Inspite of their internal inconherence, the shared misgiving about possible dominance led CEAO and the M.R.U to argue that the adoption of the ECOWAS programme would mean reversing the progress already made in their own programmes.

Although the M.R.U has accepted the basic outlines of the programme of the wider body, the possibility of domination of its members within ECOWAS had led that body to lay a strong claim to continued existence, and on an increasing note, to veer towards what may amount to primacy over ECOWAS, a position already implicitly assumed by CEAO. At the Conakry summit in 1983, Samuel Doe of Liberia pointed out that in view of the basic

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conflicts between the M.R.U and ECOWAS, the smaller groups must try to safeguard their continued existence, since a "small group of countries can promote economic co-operation more rapidly than a larger group".[95] He argued further that when countries of relatively little disparities in level of development are grouped together, they find it easier to reach agreement on "specific projects which would be impossible if there were wide differences between these countries"[96] For the M.R.U therefore, the ineffectiveness of ECOWAS and the economic size of Nigeria are strongly entwined. The existence of smaller inter-governmental groups within ECOWAS becomes a strategy of pooling bargaining power within the organization in the belief that any attempt at individuality will result in a submergence, which in effect will pitch each individually against Nigeria. In fact, the M.R.U has made it clear that as long as member states of ECOWAS feel that they require the organizational cover of competing sub-groups to negotiate with Nigeria, ECOWAS would find take-off difficult.[97]

As a solution to the conflict between the sub-groups and ECOWAS, the Economic Commission for Africa had advocated a steamlining of the various sub-groups in West Africa, so as to enable them function effectively as agencies for monitoring and implementing the policies and programmes of ECOWAS.[98] This meant strengthening ECOWAS by bringing the sub-groups in the

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sub-region directly under its control. This position certainly meant a downgrading of such bodies in such a way as to make them subservient to ECOWAS. Although the submergence of these sub-groups within ECOWAS was not meant to deny them their individual identies, any restructuring that would turn them into developmental organs for the implementation of the policies of the larger body would certainly have atrophied the barganing power of those member states whose competitive relations with ECOWAS are largely anchored on these organizations. This is why CEAO expressed reservation about the proposals of the Economic Commission for Africa.[99] A more active position along these lines was assumed by the M.R.U. In the view of this organization, the solution to the competitive relations between ECOWAS and sub-groups is not to eliminate or render the smaller groups ineffective, but for Nigeria to join with Ghana, Benin and Togo to form a new sub-group that will co-exist and negotiate with CEAO and the M.R.U on equal footing.[100] This proposal, on the assumption that the main problem facing ECOWAS is the economic size of Nigeria, would among other things, allow the smaller groups to determine and maintain their rules of orgin and attract foreign firms on their own terms with the least possible obstruction from ECOWAS. With these effective instruments of integration in the hands of the sub-groups, the main focus of integration activity would have shifted to them, with the wider

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body left with the task of co-ordinating their activities. ECOWAS would have become a confederation of economic blocs.

This 'primacy of sub-groups approach' to integration in West Africa has been quite evident in the behaviour of member states of CEAO. Burkina Faso and Mali have argued that membership of CEAO preclude them from implementing the programmes of ECOWAS. The two countries maintained that ECOWAS and CEAO would have to resolve the conflicts between them before they can implement the programmes of the larger body.[101] In the meantime, CEAO would command their attention.. A substantive framework that would focus primarily on the sub-groups, require as the M.R.U has suggested, that Nigeria, Ghana and the two transit states of Benin and Togo come together to form a developmental group (the Benin Union) which would then relate to ECOWAS under similar conditions as CEAO and the M.R.U.[102] The geographical and economic affinity of these four countries would appear to make this a sound proposition. Thus, inspite of their small size, Benin and Togo have been consitently in favour of the trade liberalization scheme of ECOWAS.[103] This may be put down to three major factors. Although benefits may not accrue directly to them from the trade liberalization programme in terms of the number of products they could muster for the community market under the scheme, the general relaxation of commercial relations which would be expected as a bi-product of the free trade regime

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would enable them to further consolidate the advantages of their proximity to the larger markets of Nigeria and Ghana to boost their trade in re-exports.[104] Moderate coastal facilities, a convertible currency and a liberal trade programme that allow for relatively unhindered imports from France under the franc zone, have made these two countries well adapted to their proximity to Nigeria and Ghana, especially the former, for revenue purposes. For example, about 40% of imports handled in the Cotonou port are estimated to be destined for the Nigerian market.[105] Secondly, economic boom in Nigeria has tended to spill over into these two countries with beneficial effects. In 1975, a massive import programme that saw Nigerian ports choked up led to the diversion of Nigeria bound ships to the port of Cotonou to discharge their cargo for transportation by road to Nigeria. Finally, most member states of ECOWAS, especially the less developed ones strongly advocate a trade liberalization scheme based on, and used to promote products of joint ventures between member states. This is to ensure a fair distribution of gains from the scheme by siting industries in member states (especially the less endowed) primarily on considerations of the political necessity of distributive measures rather than the strict demands of economic rationality. This readily attracted Benin and Togo, since Nigeria, the anticipated backbone of such joint ventures was already pioneering

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efforts in this direction with Benin, while Ghana also had similar arrangements with Togo.[106]

This apparent community of interests would perhaps, make a union of the four states possible and desirable. The series of quadripartite meetings between Benin, Ghana, Nigeria and Togo in 1984 gave vent to this community of interests and might have given the definite impression that a Union of the Benin States was in the offing.[107] The realization of this would have put the evolution of ECOWAS in the direction of a confederation of West African inter-governmental organizations, on firm grounds.

It is precisely this outcome that these countries, especially Nigeria did not want. Hence the careful stress on the non-institutional character of their meetings. Being critical of the antagonistic stance which CEAO and the M.R.U have tended to assume to the more embracing programme of ECOWAS, these states adopted this position in order to avoid a situation that would strengthen the smaller organizations, while weakening the larger body. Moreover, it was meant to avoid the development of an evolutionary path that would have resulted in a veto on the higher aspirations of a single West African market.

To maintain group identities, CEAO and the M.R.U also adopted a strategy of coalition. In August 1980, an agreement between the two organizations provided for the harmonization of

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their programmes; exchange of information and technical studies, collaboration between experts and technical personnel, and joint financing of projects of mutual interests.[108] This suggests a co-operative framework for strengthening their internal arrangements through mutual support and therefore ensuring their persistence vis-a-vis ECOWAS. In reinforcing their position vis-a-vis ECOWAS, the latter organization was being pointed in the way of a confederation of economic blocs. The joint request for derogation from Article 20 in 1981 was the major result of this kind of co-operative effort and a concrete expression of the policy of mutual support within ECOWAS.

Maintaining the different identities of the various groups in ECOWAS has other pay offs which are worth safeguarding from the stand point of the organizations. For example, assimilating CEAO into ECOWAS would seriously threaten that body's direct share of the European Development Fund's, (EDF) regional allocation for West Africa. CEAO is the major beneficiary of this among the groups within the sub-region. If this is allocated to, and distributed under the supervision of ECOWAS (as the latter has actually requested) a dilution of funds for CEAO's projects will likely result, apart from the pre-eminence which such an action would further confer on ECOWAS.

In the final analysis, article 59 of the treaty upholds the right of sub-groups to exist as long as they do not derogate

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from the objectives of ECOWAS. Implicit in this provision is the assumption that the wider body would engender the kind of relations of community that would inevitably commend it to all member states, and therefore transfer loyalty from sub-groups to ECOWAS. However, with the expected cost of adopting the latter's programmes calculated to be so high by member states, the convenient cover of subgroups has proved this assumption to be rather oversimplified.

The adverse impact of differentials on trade liberalization is also to be seen in the various attempts to forge a common payments system for West Africa. But following the recent structural economic crisis, a promise of resolving the payments issue would seem to be tentatively indicated at the level of the singular process of incorporation through the "smoothening" effect of the involvement of the IMF/World Bank group in member states of ECOWAS. This is the subject of the next section.

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5.2: MONEY, PAYMENTS AND TRADE LIBERALIZATION

An efficient and effective payments system is crucial to the success of the ECOWAS trade liberalization scheme in particular and for the economic integration of the sub-region in general.[109] Three major reasons have rendered harmonization of payments and a common monetary zone a priority issue in the community. First, such harmonization will facilitate the free-flow of goods and services, as well as general factor mobility. Apart from member states of the UMOA, payments within the sub-region involve a South-North-South process in which local currencies are first exchanged for convertible ones, and converted back to the desired local currency. Under the circumstances, the volume of sub-regional trade becomes a reflection of the individual member state's level of trade with the external world, as this is the basic method for acquiring the foreign exchange necessary to finance sub-regional trade transactions.

This highlights three major problems that a West African monetary zone has to resolve under the auspices of ECOWAS. One is to reduce overall transaction costs through the elimination of commissions on foreign exchange transactions in intra-regional trade. Two, the pattern of foreign exchange transactions does not only keep the volume of intra-regional trade down, but also, it expresses the dependent relationship between the sub-region and the world economy. An autonomous sub-regional monetary

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system should aim at breaking this dependency linkage. Three, since external capacity is more pronounced in some member states than others, the existing disparities in intra-West African transaction capabilities will continue to widen unless there is a community, autonomous monetary zone that specifically addresses the issue.

Added to the foregoing is the fact that the promotion of industrialization in ECOWAS might be checked by the absence of internal convertibility. Community enterprises, on the basis of which ECOWAS hopes to promote the industrialization of the less developed member states will be of little impact without reference to products of such enterprises. These in turn require the backing of a common currency, or an easy means of convertibility as the channel for their mobility within the community. Thus, the 'Community Product' will only realise its character as a community product if there is a

> common currency or if all curencies in the sub-region circulate on the same basis as the products of community enterprises.[110]

Reduction in tariffs and non-tariff barriers notwithstanding, as long as payments difficulties remain unresolved, the trade liberalization scheme and community enterprises, on which industrialization in the sub-region are predicated, will be difficult to promote.

Secondly, if the gains of integration are to be retained within the sub-region, monetary and fiscal policies of the

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different member states will require a high degree of harmonization. Liberia and the members of the franc zone allow for relatively free capital movements, the former on a world wide basis, and the latter, within its zonal preferential arrangements. Intra-community factor mobility might actually become meaningless if there is no way of stemming the possibility of capital flight or some other leakage processes implied in the arrangment of the countries with externally backed, convertible currencies.

The third problem relates to unrecorded trade (smuggling) within the sub-region, and the impact of this on countries with autonomous and inconvertible currencies.

Ten different currencies exist in West Africa, only two of which are convertible. The convertible currencies are the CFA franc, issued by the BCEAO, (the umbrella central bank of the UMOA member states, that is Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger, Senegal and Togo); and the dollar, used in Liberia. The latter is actually the United States dollar circulating in Liberia. The convertibility of the CFA franc is guaranteed by the French treasury, which makes it a reflection of the convertibility of the parent currency, the French franc. The remaining currencies in the sub-region are inconvertible. They include the escudo (Cape Verde), dalasi (The Gambia), cedi (Ghana), syli

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(Guinea), the peso (Guinea-Bissau), ouguiya (Mauritania), naira (Nigeria), and the Leone, (Sierra Leone).

The tendency towards overvaluation of the non-convertible currencies of the sub-region has resulted in a thriving flow of unrecorded trade mostly in favour of the memeber states of UMOA. Following Guinea's 'NO' vote in 1958 and the subsequent adoption of various policies of economic nationalism, the Guinean franc (renamed syli in October, 1972) became the subject of weakening confidence and speculative activities. Rapid monetary expansion and a declining capacity for authorized tradables created a large gap between supply and demand. This itself could not be bridged due to the dearth of foreign exchange. With the increasing weakening of the currency, a fertile foundation for smuggling was laid.[111] The situation deteriorated further when Guinea refused to devalue following the devaluation of the CFA franc in 1969 along side the French franc. This resulted in the official exchange and black market rates being extermely unfavourable to Guinea.[112] As the syli grew weaker in relation to the currencies of Guinea's neighbours, a general clandestine movement of Guinea's export crop to her neighbours ensued. For example, it is estimated that in the 1977/78 crop season, one-third of the coffee crop of Guinea left that country illegally.[113]

Similarly, weak currencies in Sierra Leone and Mauritania

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in relation to the currencies of their neighbours, the dollar in Liberia and the CFA franc in Senegal have resulted in the illegal movement of export crops, and currency speculation that favour Senegal and Liberia.[114] However, most affected by the incidence of smuggling and currency speculations in the sub-region have been Nigeria and Ghana.

The twin influences of producer price disparities and exchange rate disharmonies have dictated the direction of movement of groundnuts across the Niger - Nigerian boarders.[115] Although the direction of this movement was predominantly from Niger to Nigeria during the colonial period, the direction was reversed in the post-colonia period. Along with its externally backed convertible CFA franc, Niger has pursued a deliberate policy of using high producer prices to attract groundnut from Nigeria, a policy that depended for success, on the guaranteed French market at prices usually above prevailing world market rates.[116]

A similar phenomenon exists between Nigeria and Benin. In 1970, Benin exported about 8,000 tons of cocoa, although it produces little. Most of this was smuggled in from Nigeria.[117] By 1986, it was estimated that about one-third of Nigeria's cocoa product valued at ₦50 million would be lost to Benin through smuggling.[118] Moreover, about 40% of cargo made up of imported consumer items handled in the ports of Cotonou and Lome

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eventually end up illegally in Nigeria.[119] With the increasing overvaluation of the naira in the 1980s and the desperate need for foreign exchange in the country, the Nigerian currency was clandestinely discounted by rates of up to 50% for the CFA franc. When such highly discounted naira is used to purchase Nigerian manufactures for exports to neighbouring countries, these are sold at rates less than prevailing in Nigeria, even below production costs. Thus, it became clear that Nigeria was paying the foreign exchange costs of a large number of goods consumed by her neighbours, and this without getting any foreign exchange back . In otherwords, while the demand existed, Nigeria's officially channelled exports to neighbouring countries could not hope to compete with the same Nigerian goods smuggled into these countries.[120]

Perhaps, the consequences of an overvalued currency have been most keenly felt in Ghana, whose major export crops, cocoa and coffee as well as manufactured goods are drained out of the country through the black market mechanism. In 1960/61, about 10,000 metric tons of cocoa, out of a total output of 430,000 tons were smuggled out of the country. By 1978/79, this had increased to 50,000 tons out of a total out put of 265,000 tons.[121] Cote d'Ivoire and Togo are the main beneficiaries of this activity. In 1960, about 1,813,280 cedis were traded in the black market. By 1982, this had risen to 855,233,150 cedis. In general, the black market which was estimated to be

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worth 45.2 million cedis or 0.86% of official GDP in 1975 rose to 27821.27 million cedis or 32.41% of official GDP in 1982.[122]

This proximity of externally backed currencies and the largely autonomous ones in West Africa has tended to put the countries with the latter at a disadvantage in relation to those with the former. In the first place, export produce of countries with inconvertible currencies tend to gravitate to the pull of the externally backed currency of the member states of UMOA and the Liberian dollar. This implies a foreign exchange gain for the countries with convertible currencies, and an equivalent loss for the other countries where the products orginated. Closely related to this is the fact that manufactured exports of countries with inconvertible currencies have tended to find their way into the convertible currency areas at vastly discounted rates. In the event that similar products from the same sources are officially consigned for exports, it becomes difficult for these to compete with those that found their way into the same sub-regional market through the parallel market mechanism. Secondly, as the sources of cheap, imported manufactures that are clandestinely brought into the countries whose currencies are non-convertible, the UMOA countries and Liberia have tended to undercut the local manufactures of countries like Nigeria, Ghana, Guinea and Sierra Leone. Finally, as the black market flourishes, the proportion of exports officially channelled is reduced. This means a

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proportionate reduction in the amount of foreign exchange earnings and therefore, a cut in the volume of imports officially channelled. With the relatively high degree of dependence on import duties as a source of revenue, the growth of the black market phenomenon represents a sizeable loss of income to the governments of affected countries.[123]

Thus, with the advantages decidedly one-sided, the presence of the CFA franc and the Liberian dollar in West Africa have been a major source of tension among the countries of the subregion. The various approaches adopted by the disadvantaged countries to counter the adverse impact of the proximity of these two convertible currencies underscore this tension. Through a close alignment of the dalasi with British pound sterling, coupled with lower tariffs than her neighbour, Senegal, the Gambia largely succeeded in stemming the rapid growth of the clandestine flow over the years, and sometimes, had even succeeded in deverting it to her favour. Similarly, Sierra Leone has used higher producer prices to counter the close presence of the dollar in Liberia, and in fact, sometimes diverted cocoa from Liberia, to itself. This has tended to generate tensions between Monrovia and Freetown.[124]

The political and security implications of the forceful presence of the CFA franc in West Africa have been much in evidence. In 1975, President Sekou Toure of Guinea had made the point that the parallel market activities in Guinea were not just the

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isolated pursuit of traders and smugglers for personal gain, but a systematic, subversive campaign externally master-minded to run down the Guinean economy and undermine his regime, so as to replace it with a 'neocolonial' one.[125] Ghana's long standing dispute with Togo over the use of the latter's territory for the illicit exchange of the cedi for the CFA franc is another example. Following protests in 1973, the Togolese government placed a ban on such deals.[126] In October 1977, Togo was again accused of official sponsorship of a clandestine market in the cedi, aimed at sabotaging the Ghanaian economy. According to Major-General E.K. Utuka, then Ghana's Border Guard Commander,

> it is a known fact that the Togo's government organizes the the currency market, provides funds for its running and dictates the black market rate of exchange.[127]

In March 1979, Ghana had attempted to come to grip with the situation through a sudden change over to a new currency, with the country's land borders, being sealed off from the outside world for two weeks. In March 1984, Nigeria took a similar action for similar reasons. The resulting land border closure was in effect for more than 20 months.[128]

These issues highlight the necessity for a common approach to currency and monetary matters in the sub-region. The drive for harmonization has been spearheaded mainly by countries with non-convertible currencies. This drive has taken three major forms which are more or less simultaneously pursued. These are:

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reforms of the existing sub-regional clearing arrangement, an internal convertibility scheme, and the possibility of creating a single monetary zone.

5.2.1: ECOWAS and a common payments system: The West African Clearing House (WACH).

With the exception of the member states of UMOA with their common CFA franc, trade among West African States is subject to a cumbersome procedure of payments involving the exchange of foreign convertible currencies at various points in the transaction process. In a few cases where bilateral commercial flows were strongly indicated, attempts were made to circumvent this cumbersome procedure and its retarding effects on commerce through the institution of bilateral clearing arrangements. Hence the creation of the clearing arrangement between Ghana and Burkina Faso in 1971, and the related example that linked Senegal and Mauritania following the latter's withdrawal from UMOA in 1973.[129] These bilateral examples acted as pace setters for the multilateral clearing arrangement which was agreed upon by the central banks of West African States in March 1975. Although the West African Clearing House (WACH) antedated ECOWAS, it clearly anticipated the latter whose treaty was signed two months later.[130]

The WACH was set up to promote the use of the currencies

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of members for sub-regional trade, and to encourage trade liberalization among the countries of West Africa. In this process, the conservation of the foreign exchange of members is a cardinal objective of the organization. Since inception however, the weaknesses of the WACH as a multilateral payments institution have been much in evidence.

In the first place, as an independent arrangement between central banks in West Africa whose operational portfolio is strictly committed and limited to payments for transactions between governments and public agencies of member states, commercial and economic co-operation through private individuals and non-public agencies of member states of ECOWAS are outside its operational schedule. These are retained under the cumbersome bilateral procedure involving the use of foreign exchange on every transaction.[151] In essence, its schedule of operations is too restricted for the more comprehensive commercial framework of ECOWAS.

However, even within this restricted operational portfolio, the body has not proved itself to be an effective payments mechanism. For example total transactions channelled through the Clearing House increased from 45.20 million WAUA (West African Unit of Account) in 1977 to 162.69 million WAUA in 1980. However, transactions cleared as a percentage of total transactions channelled have tended to decrease overtime. In 1977, only

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28.96% of total transactions channelled through the body were cleared. In 1978, this was 27.21% and in 1979, it was 24.77% By 1980, it had declined to 14.57%.[132] Huge payment arrears have tended to accumulate for those countries whose currencies are not convertible. This has highlighted the debtor position of the central banks of Nigeria, Ghana, Guinea, Guinea-Bissau, Gambia and Mauritania. On the other hand, the BCEAO and the Central Bank of Liberia have tended to run favourable balances.[133] The existence of huge trade arreas underscores another major weakness of the organization - the absence of credit facilities for financing the mounting intra-regional debts of member states.

The efforts to make the WACH more effective as a payments institution were spear-headed by ECOWAS and the debtor member of WACH. These initiatives hinged mainly on the need to introduce credit facilities into the body. Thus, in 1982, the Executive Secretariat of ECOWAS advocated for the creation of credit facilities at the level of the central banks of the sub-region. This was expected to ease settlement by providing mutual credit facilities to finance imbalances arising from transactions within the community.[134] Related policy initiatives also originated from the debtor countries in WACH. In 1983, these countries called for a 'reserve fund' within the organization to provide credit facilities on a regular basis. The intention was to make WACH a credit institution, with legal powers to mobilize regional

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and extra-regional resources and to give short term credits.[135] This proposal also called for the extension of the one month settlement period to three months. There, it was envisaged that the WACH would automatically settle debts outstanding between member banks on the expiration of the settlement period.[136] In effect, all debit balances would be converted from bilateral inter-bank debts to debts between a particular member bank and the clearing house.

However, the creditor banks, made up of the BCEAO and the central bank of Liberia raised three major objection to these proposals: One, that the WACH was a clearing arrangement, not a credit institution. To introduce credit facilities into its operation would be rather overstretching the clearing house concept.[137] Two, instead of the three - month settlement period put forward by the debtor banks, the creditor banks insisted that the existing one month settlement period was too long, and should be reduced to two weeks. The third problem arose when the credit policy became generally acceptable in principle. This was in connection with interest payments on credit facilities. The creditor members favour the introduction of interest rates on outstanding balances and payable on a daily basis. On the other hand, the debtor members support the continuation of the existing system in which no interest is paid on accumulated

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arrears during the settlement period.[138] Apart from an anticipated positive income effect on the creditor countries, the introduction of interest rates on arrears should force the debtor banks to accept a reduction in their proposed settlement period. On the other hand, with an extended settlement period seen by the debtor banks as crucial in any attempt at enhancing the effectiveness of the WACH, it is clear that the acceptance of interest payments on arrears which have tended to grow over time would only compound the financial problems of the debtor members. Thus, the issue of interest rates has remained the major obstacle to an agreement. With both sides insisting on a package deal rather than a piecemeal approach to the problems confronting the WACH,[139] the division between creditors and debtor member banks has tended to stall progress in the attempt at reforms.

5.2.2: Internal convertibility and creating a single monetary zone

The recognition of the fact that the inconvertibility of most currencies in West Africa was a major obstacle to trade expansion in the sub-region was given early attention in the agenda of ECOWAS.[140] The initial objective was to achieve limited convertibility, that is, convertibility of sub-regional currencies which would be confined to transactions within the community. In 1979, the I.M.F was called in to carry out a

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technical study on the feasibility of internal convertibility of currencies within ECOWAS, and the conditions necessary for its realization. Such convertibility, it was pointed out should be compatible with the long term objective of monetary integration in West Africa.

The report of the I.M.F. team that studied the issue was submitted in 1980.[141] In the context of ECOWAS, limited convertibility according to this report, would mean the unrestricted exchange and use of currencies of member states under a situation in which all exchange controls and restrictions to intra-community transactions are eliminated.[142] Although the currencies will be fully exchangeable for intra-community transactions, such transactions are to be within a specified range. This in effect means an internal convertibility defined in terms of a limited range of transactions.

However, the I.M.F team argued that limited convertibility in a sub-region where highly overvalued inconvertible currencies exist side by side with externally backed convertible ones, would suffer from a major drawback. A dismantling of exchange restrictions which will be expected in countries with inconvertible currencies would result in resource outflow from these to countries with externally backed, convertible currencies. This would not only worsen the already precarious balance of payment situations of the former, but would also turn the UMOA

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member states and Liberia into the major beneficiaries of the exercise.[143]

In order to counter this and achieve internal convertibility, the I.M.F team argued that there must be external convertibility, under which member states would adopt a uniform degree of convertibility in relation to third countries. In other words, there should be full convertibility in place of limited convertibility. Under this, countries with inconvertible currencies were expected to attain external convertibility with third countries, that is, freely exchange their currencies for transactions with non-ECOWAS countries. This would in turn require of them, wide ranging economic reforms that would encompass massive currency devaluation, dismantling restrictive exchange control practices, trade liberalization on a global scale, and strict adherence to a policy of rigid domestic fiscal discipline.[144]

The rejection of the limited convertibility option was ostensibly informed by the need to avoid the kind of intra-community disequilibrating effects with resources diverted in favour of the countries with externally convertible currencies, to the detriment of those without this facility. However, the I.M.F did not derive the further implication that with the relaxed rules on capital flows and exchange controls of UMOA vis-a-vis the franc zone, and Liberia in relation to virtually all third countries, the flow of resources which a limited convertibility

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arrangement would be expected to generate in favour of these countries may not necessarily mean the internalization of such benefits in them, but rather, may constitute these zones of external convertibility in the sub-region into conduit pipes for the externailization of community resources. This immediately suggests an added, related implication of the I.M.F recommended alternative option of external convertibility. In trying to equalise intra-community resource flows by predicating internal convertibility in ECOWAS on the external convertibility of each currency in West Africa, the option advocated may end up generalizing the conduit pipe phenomenon and its leakage effects to all countries of the sub-region.

The convertible currencies in West Africa - the CFA franc and dollar owe their character and strenght to their external guarantee. This appears to provide the premise for the recommendation of the I.M.F that external convertibility of each currency should be a pre-condition for the achievement of internal convertibility in ECOWAS. In essence, this pre-conditions would imply that countries with inconvertible currencies in West Africa, and by implication, without external guarantors, should render their currencies convertible through external backing. As this paves the way for internal convetibility, it would also advance the long term objective of monetary integration of West Africa.

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But it connotes that trade liberalization in ECOWAS would go hand in hand with trade liberalization with third countries, especially the external guarantors. The open system thus formed by ECOWAS would neatly dovetail with a cardinal objective of the I.M.F - Convertibility of currencies and liberalization of trade on a global scale. As this perpetuates the foreign trade dominance of the West African economies, capital outflows will also tend to face less and less restrictions. Consequently, the furtherance of the integration of the sub-region into the world economy would have been embarked upon under the collective umbrella of ECOWAS.

Based on the report of the I.M.F team, the Executive Secretariat proposed action for member states in two major areas. The first required the adoption of adjustment measures by countries with overvalued, inconvertible currencies. The second was a programme for the liberalization and harmonization of exchange controls and restrictions on intra-community transactions.[145] Two other proposals which were essentially on the initiative of the secretariat accompanied these. It was suggested that a community approach to the balance of payments problems of member states should be considered along with the above measure. This was to ensure that the effects of the prevailing international economic crisis would not constitute a major problem for the attainment of convertibility. In addition, the adoption of a

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common ECOWAS approach to external indebtness was suggested. This was aimed at collectivising efforts to arrest the debt situation in West Africa that was assuming crisis proportion, as well as act as a syndicate of borrowers to mobilize external resources on improved terms.[146]

When these proposals were considered by the Directors of Research of Central Banks in July 1982, they recommended that the issue of adjustment policies and liberalization of exchange controls should be further studied. The proposal on a community balance of payment support facility was to be similarly subjected to further consideration, but on a joint package with the two main proposals. On the other hand, that of a community approach to external indebtness was rejected outright.[147] These decisions reflected the basic contradictions within and between the various countries in their objective socio-economic situations.

In the first place, there was the contradiction between the less developed member states and the more developed ones. The former argued that increasing capital inflow as a result of the relaxation of exchange controls under a convertibility regime would tend to favour the more developed states in the sub-region. They therefore called for measures that would ensure an even distribution of such resource inflow. Specifically, the landlocked countries suggested the creation of a compensation fund to facilitate the even spread of investment flows into and

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within the community.[148] Although this proposal did not generate much controversy, and was subsequently accepted since the principle of compensation was already well entrenched in the treaty of ECOWAS, the problem remained how such a compensatory facility would be financed.[149]

Secondly, the adjustment measures which were mainly directed at countries with inconvertible currencies were to involve massive currency devaluation, budget cuts and other policies of rigid domestic fiscal discipline. Most of these measures were unacceptable to the countries concerned obviously for their expected economic and social cost. For Nigeria whose main export product was denominated in the United States dollar, a devaluation of the naira was not likely to make the kind of appreciable impact that could reinforce her foreign exchange earning capacity. And for all the countries concerned, adversely situated in a world economy in the throes of a major recession, it could not be assumed away that a currency devaluation would trigger enough demand for their primary exports in the world market to justify the measure. And with the rate of unemployment growing rapidly through retrenchment (especially in the private sectors owing to foreign exchange crunch) it was clear that massive budgetary cuts would extend the retrenchment exercise to their public sectors, further exacerbating unemployment situations that had already assumed epidemic proportions.[150] Evidently, these were not the kind of outcomes that could possibly be conducive to the mobili-

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zation of the necessary political will for embarking on the proposed measures.[151]

Thirdly, although the countries with inconvertible currencies acknowledged the necessity of dismantling exchange restriction, they held to the position that it would be difficult to embark on a comprehensive rationalization of exchange controls without community programmes to address their balance of payments problems.[152] Since exchange controls were instituted to protect the balance of payments in the first place, their removal without some form of alternative mitigating devices would only have exposed the balance of payments crisis to further aggravation. In fact, it was to stem this growing crisis among the countries of the sub-region that the Executive Secretariat had put forward the idea of a balance of payments support facility at the community level. However, just as this idea was a product of the crisis in the West African economies, it was also largely rendered irrelevant by the aggravation of economic crisis in Nigeria. With her oil wealth, Nigeria was expected to anchor such a sub-regional balance of payments facility. But the persistent and sharp decline in oil prices that started in 1981, and a mounting debt problem precipitated the economic crisis that saw the end of the 'oil boom' in the country. In the light of this, Nigeria's reluctance and lack of capacity to assume such a responsibility

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was palpable. In the event, the proposal had to be suspended.[153]

Finally, there was the marked unwillingness of the UMOA member states to address the issue of their exchange control policy which discriminates in favour of franc zone countries, to the detriment of ECOWAS member states who are non-members of that preferential group. This exchange control policy forms a fundamental part of the complex structure of reciprocal flow of resources between these countries and France, on the basis of which the French guarantees the convertibility of the CFA franc. Therefore, to adopt the suggested proposal of dismantling exchange restriction in intra-ECOWAS transactions would have struck at the basic fabric of the franc zone preferential system. In fact, when the idea of co-ordinating monetary affairs in ECOWAS began to gain grounds, the ministers responsible for economy and finance in the franc zone had met in Paris, February 1979, and reaffirmed that they would continue to maintain their identity through the special relations which link all the currencies of the zone.[154]

It was in line with this position, that rather than accept the proposals on exchange restrictions, the BCEAO countered by advancing the view that the possibility of a dual currency system should be considered for ECOWAS.[155] Under this, the CFA franc would remain intact while the other countries would create

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a single currency for themselves. Thus insulated from the pressures to realign their exchange control policy with the one recommended for ECOWAS, member states of UMOA could then maintain the distinctive monetary structure on the basis of which they have exerted a strong and distortional influence on the economies of non-franc zone countries in West Africa. The counter proposal would also appear to represent part of the general attempt to preserve the fundamental character of the accumulation process of UMOA member states by minimizing interference from ECOWAS. In this way, it may be said to fit into the larger framework of constituting ECOWAS into a confederation of economic blocs.

As should be expected therefore, the dual currency proposal met with serious opposition from the non-UMOA member states, although, it was agreed as a compromise that it should be further studied.[156] However, it was finally rejected by the Committee of Central Bank Governors in April 1985. This was on the grounds that it would amount to splitting ECOWAS into two communities - based on an 'anglophone currency' and a 'francophone' currency, a situation, it was argued, that would further institutionalize the linguistic and economic divide which ECOWAS seeks to break down in the sub-region.[157]

As these disagreements over convertibility persisted, the direction of monetary integration shifted to the more far reaching grounds of a single monetary zone based on a common

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currency for ECOWAS.[158] In 1983, the Authority, in its summit in Conakry decided that the creation of a single ECOWAS monetary zone would become an immediate objective of the community.[159] This decision was aided in no small part by the host, president Sekou Toure's forceful advocacy. He made the point that, "we cannot have an intra-ECOWAS market economy without a common monetary zone which is not under the guidance of a foreign monetary zone".[160] This position was an indirect attack on the franc zone whose CFA franc had been employed in what Guinea sees as a deliberate economic offensive externally masterminded to undermine its economy. Just as it reflects the objective need of Guinea to end the isolation and distortion of its economy through collective action, it is also very consistent with the Guinean state's anti-imperialist stance since the 'No' Vote of 1958. However while the initiative received strong support from Nigeira and Ghana, events in the West African economies which had increasingly posted a community currency into urgency also posed the major threat to its being realised outside the framework of an external guaratee. Thus, taking advantage of the economic crisis that had overwhelm the sub-region by the early eighties, the main initiative for the common monetary zone based on a common currency came from the Executive Secretariat.

The accelerated depreciation of the 'independent' monetary units occasioned by the crisis put the UMOA-type arrangement

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increasingly in favour as the CFA franc continued, inspite of the crisis, to enjoy a relatively stable value in relation to major international currencies. The Executive Secretary, Aboubakar Ouattara atributed the resilience of the CFA franc to its external links. He further pointed out that UMOA "makes a point: that a group of developing countries can if things are done properly come up with a viable monetary union".[161] The widespread involvement of the I.M.F/World Bank group in West Africa from 1982 signalled the opportunity to chart the UMOA path for an ECOWAS monetary zone.

Between 1982 and 1983, virtually all countries of the sub-region were involved in negotiations with the I.M.F for balance of payments support facilities, a situation under which the I.M.F demanded the implementation of Structural Adjustment Programmes (SAP). Among other things, the standard SAP package especially for those countries, with 'independent' and inconvertible currencies, involved fiscal and monetary adjustment measures such as liberalization of exchange restrictions, reduced government spending and most importantly, a massive devaluation of the national currency. The pressures mounted by the I.M.F on the West African States to adopt the SAP along these lines, and their subsequent widespread adoption was the breakthrough on which the technical personnel at the secretariat hinged the creation of the common currency.[162]

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Once the idea of a common currency became in principle acceptable to member states, the issue turned on what form it should take. Some member states, notably among those with 'independent' currencies such as Guinea, Nigeria and Ghana were of the view that a common currency could, and should be guaranteed by the resources of the community. In other words, it required no external backing for viability. This position implied that those whose currencies are already founded on such external guaratees should be prepared to forego them. In the face of this, UMOA memeber states which do not see the issue of a common ECOWAS currency as their problem restated their position on retaining their own French backed currency while others create another currency.[163] Although this was finally rejected by the Committee of Central Bank Governors in 1985, it is not likely that member states of UMOA would withdraw their currency from its French guarantee for an independent community currency in ECOWAS. But with the strong current for an ECOWAS currency based on external guarantee, UMOA need not even face this choice.

A third group, mostly the technical staff of the ECOWAS Secretariat adopted the position that a common currency must have an external guarantor if it is to be viable. UMOA is held up as a working model. And it is along these lines that the issue of a single monetary zone for ECOWAS has subsequently been elaborated.

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The common currency of the member states of UMOA, the CFA franc is, among other things, based on a guarantee by the French Treasury, a common reserve pool held and maintained with the French Treasury, and close French supervision of the monetary fiscal policies of the member states of that union. One reason for a similar arrangement being urged on ECOWAS is that the linkage of the CFA franc to the French Treasury had inculcated the necessary fiscal and monetary discipline on the UMOA member states to contain persistent balance of payments deficits and the kind of deficit financing that tend to warrant harsh I.M.F terms.[164] Furthermore, unlike the CFA franc which tends to remain relatively stable even in the face of major economic crisis, 'independent' monetary units in Africa tend to depreciate rapidly in the face of sustained imbalance in the external sector. Thus, to create and sustain a viable common currency in West Africa, a pragmatic approach must be based on the indispensability of an external guarantor which must be capable and willing to exert the discipline required to impart the necessary resilience to the currency.[165] Finally, this position has been further reinforced by the growing number of member states of ECOWAS with inconvertible currencies and which, in the midst of the sustained economic crisis. have either joined the UMOA or have made efforts to join.[166]

Among the key issues for the proposed single monetary zone,

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two stand out clearly.[167] These relate to the required adjustment measures and policies at national level, and modalities for external reserves pooling and convertibility guarantee. The expected national adjustment measures would span fiscal and monetary fields. Deficit financing in terms of government borrowing from their central banks would be subject to a community ceiling, and in this, the external guarantor will also have a major say. Moreover, domestic credit policies in regard to proportion of available credit allocated to the public and private sectors will be subject to reforms. On the assumption that government expenditures are hardly on directly productive ventures, available credits would have to be diverted mostly to the private sector. Finally, adjustment measures are also expected to reflect a dismantling of existing exchange controls with reference to third countries.[168] Although the experience with the issue of limited convertibility indicates that these are areas in which member states have displayed extreme sensitivity, the increasing supervisory role of the international financial bureaucracy i.e. the I.M.F/World Bank group in the economic reforms or SAPs of virtually all countries of the sub-region, is held up as a positive sign that progress can be made in this direction.[169]

The problem of finding an external guarantor is more germane to the conception of a common currency for the community. The

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basic option has been that technically, the EEC occupies the ideal position to supply such guarantee since more than 60% of the external trade of West Africa is with the European Community. On the basis of this, it is held that the issue of a common currency is no longer a technical matter, but a political issue that requires a political decision. And this must be based on contacts with the EEC at the highest political level in ECOWAS.[170]

For the Authority to make formal contacts with the EEC, or give the mandate for such contacts is the decisive step which must be seen to express the necessary political commitment to the goal of a common currency for ECOWAS.[171] However, the attempt to create an ECOWAS monetary zone in the 'image' of UMOA would inevitably formalise the ECOWAS collectivity as a subordinate sub-system of the European Community.

5.3: Commercial interests, trade liberalization and payments.

Two major tendencies are obvious in the foregoing analysis of the proposed trade liberalization scheme and the monetary regime on which to hinge it. The first tendency, operating in both instances is expressed by a pronounced resistance by most member states to the adoption or implementation of the proposals relating to these issues. This tendency, is either directly related to the conditioning impact of the international economy on the local economies, or is a direct product of the anticipated impact of the proposed measures on external expectations, and

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special ties. The other tendency, also operating in both instances, but more pronounced in the monetary sphere is marked by an attempt to propel the integraion process on the platform of external structures representative of international capital. An attempt to avoid the former, while riding the wave of the latter to facilitate commerce accross national boundaries is expressed in the activities of the private sector commercial interests represented by the ECOWAS Federation of chambers of commerce, (EFCC).

The logic of these activities is rather simple. It assumes that the fundamental problem for the exchange of goods across national barriers in West Africa is to be located at the level of payments. While this is true for all transactions among West African States (except those between UMOA member states), it is even more critical for private sector commercial transactions on which the real dynamics of trade liberalization must hinge. The WACH, the practical attempt to come to grip with the issue of payments is already bogged down with problems. But even more devastating from the point of view of the private sector is the fact that the clearing arrangement pointedly excludes autonomous private sector transactions from its operational scope. The only available option of correspondence between banks necessarily takes on the form of local currency - to foreign exchange - back to local currency (South - North - South) pattern, with its

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associated bureaucratic bottle necks, quite apart from taking on the direct burden of stringent foreign exchange controls.

Once the problem was formulated in these terms, private commercial interests, through their organisational cover, the EFCC, initiated independent action to resolve the payments problem as it applies to them. In 1980, the federation decided to create a financial institution at the community level. Such an institution had to be private if it were to be wholly devoted to the interests of the commercial class in West Africa and to avoid being entangled in the difficult terrain of the politics of money and payments, into which the community was steadily sliding. At the same time, such a bank had to get around the problem of tight foreign exchange regimes which are quite prominent in West Africa. Thus, while the EFCC needed to keep the bank a private concern, it nevertheless required the co-operation of member states and the community.

In 1984, the EFCC's proposals for the establishment of a financial institution were presented to the Authority of ECOWAS. These were readily approved.[172] Once this political obstacle was overcome the EFCC moved rapidly and the Ecobank Transnational Incorporated was created in 1985 with headquarter in Lome, and initial branches earmarked for Cote d'Ivoire and Nigeria. With City Bank of North America as technical partners, its initial

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share capital of 50 million dollars is to be fully suscribed by member national chambers, except for the 5% stock to be held by the Fund on behalf of ECOWAS.

The concession granted it on incorporation is a clear evidence of the ability of the commercial class to organise across national barriers. The parent body is incorporated under a special ordinance promulgated by the government of Togo, where its headquarters is located.[173] As a regional institution, the conditions of its incorporation may enable the bank to legally operate outside some of the monetary and fiscal regulations of any member state of ECOWAS.[174] The strength which this concession confers on the commercial class is enormous. It can freely make payments outside the strict limitations imposed by the foreign exchange regimes of ECOWAS member states. In fact, it means that intra-ECOWAS payments and transfers are to be freely channelled through the bank. This goes beyond mere clearing house activities. It also could mobilize resources, extend credit and perform other allied banking functions that can aid the expansion of commerce in West Africa.[175] In otherwords it is a full fledged international - commercial bank with the added advantage of not being burdened by national foreign exchange controls. The Authority of ECOWAS was very willing to support the Ecobank project and ensure "its acceptance as a recognised financial institution of international repute."[176]

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That this private initiative was able to gain so much concessions even as parallel official efforts at the community level remained stagnant due to the implacable hostility of member states is not a small achievement. But that it was successfully pulled off by the commercial interests need not be a surprise.

Commercial intersts have always been very well entrenched in West Africa. The dominance of these interests under colonialism led Samir Amin to characterise the sub-region as Africa of the colonial trade economy. This revolved round the virtual monopoly of import-export trade by a few European firms. However the post colonial period has facilitated some incursion into the foreign monopoly structure by introducing some measure of indigenisation into this vital sector. The resulting partnership meant the consolidation of the political base of these commercial interests through co-option of the state apparatuses, and a fledgling indigenous bourgeoisie. These interest are also well organised. They have all along recognised their interest in destroying political barriers that constituted fetters on the realisation of a wider geographical circuit for commercial capital in West Africa. They sought to advance their interests by first organising at the sub-regional level (by forming the Federation of West African Chambers of Commerce,) then working in close alliance with the West African states to create ECOWAS.[177] The institutional role of these interest was accorded formal

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recognition by the ECOWAS Council of Ministers in 1979, when the federation (now the EFCC), sought and got observer status accreditation in ECOWAS.[178] This position does not only entitle the EFCC to attend ECOWAS meetings, statutory and technical, but has made it more or less an established consultant to the community.[179]

Furthermore, the national economic base of the commercial interests that dominate the Ecobank project should be taken into consideration. They are either of the most dynamic economic form, i.e. the dependent capitalist, where the commercial class is most developed e.g Nigeria with about 40% of Ecobank shares, and Cote d'Ivoire, with about 15%, or of the transit form, e.g Togo whose social reproduction owes much to the transit trade. Between them the national chapters of these three states account for about 65% of the total stock of the project. This is in sharp contrast to the national chapters of the mendicant form whose weakness is reflected in their uniform entitlement of about 1% each of the total stock. Thus, the Ecobank will tend to reflect exchange relations between the most developed states in the sub-region leaving out the extremities that tend to lead to over-politicisation. However, the question that arises is why Cote d'Ivoire, whose products may not qualify for community preferential treatment should be playing such a prominent role in Ecobank. The answer lies in the fact that as a private institution, the

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Ecobank is not strictly limited to only those exchanges sanctioned under the trade liberalization scheme of ECOWAS, but to all forms of legitimate commerce in West Africa. The situation represents a vast market for the relatively dynamic Ivorian economy.

Finally, the contemporary crises in the West African economies and the intervention of the I.M.F/World bank group also nudged political authorities in West Africa to accept the proposal of the EFCC on the Ecobank project. Two basic conditionalities in their adjustment packages have been privatization, and the related need to lay more emphasis on the private sector in the development process, as well as liberalize trade and payments on a world scale. The widespread privatization efforts and the adoption of less restrictive exchange controls and monetary reforms in the member states of ECOWAS are clear indications of the acceptance of these proposals. The Authority itself, in approving the Ecobank project clearly indicated its readiness to give political support to dynamic initiatives of the private sector.[180] Clearly, the pressures of the I.M.F/World bank group have been keenly felt.

Obviously therefore, the Ecobank project is a bold innovation which can be seen to provide an answer, even if not a comprehensive one, to the immobility of the trade liberalization and payment schemes of ECOWAS. But an outstanding issue is whether

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the modalities of its operation are those suitable for the drive for self-reliance. The need for acceptance in the international banking community and the resulting partnership with the City Bank of North America implies an externalisation of the technical management of the Ecobank concept. Furthermore, the bank fully accepts the idea of foreign exchange as the core of the development process and therefore, does not necessarily aim at facilitating the use of local currencies. In fact, what the commercial interests have contrived to do, and succeeded in doing is to make foreign exchange freely available by removing its supply from the restrictive mechanisms of member states of ECOWAS. To this extent, it resolves the problem of payments, having put it beyond the political scope of the nation state. To this extent, it is a momentous step in the integration process. But in the final analysis, as it perpetuates the ideology of the foreign exchange regime in African development and promotes the free circulation of goods which might have been wholly or substantiallly produced from foreign inputs, it should be seen as representing a further consolidation of West African capital under international capital.

5.4: Concluding Comments

The pattern of opportunity costs for the adoption and implementation of expansive measures point to the conditioning impact of both the singular and the specific processes of incorporation of member states of ECOWAS into the world economy. The general

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structure of opportunity costs was indicated in two major forms. Structural economic crises induced a general tendency towards protectionism without reference to the trade liberalization programme. The programme was therefore seen by member states as a policy package that would further the adverse trends in balance of payments, the budgetary crises, unemployment, etc. Also, as the crisis rapidly accelerated the depreciation of 'independent'currencies, the proposed ECOWAS currency found enough support to take to the path of an EEC guarantee. This suggests the necessity for the collective consolidation of trade, aid and investments with the external guarantor as the condition for its guarantee. Thus, as the crises, seen at the level of the singular process of incorporation negate integration on the one hand, it may facilitate it on the other. However, the latter would be in a manner that would likely collectivize the economies of West Africa under the formal control of the EEC.

The specific structure of opportunity costs was indicated in the anticipated impact of the adoption of the two expansive measures on the basic economic forms, special external ties, and in general, the inflow of investments and other resources. The mendicant states sought reforms in trade and monetary policies that would give special attention to their peculiar problems while the transit states showed remarkable impatience in getting trade liberalization off the ground. Among the dependent capitalist

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type, the diverse orientation of the four most developed states in ECOWAS suggest the influence of opportunity costs conditioned by the particular phase of development of this economic form in the relevant member states.

The adoption of expansive measures were also seen as threat to external ties, sub-groups based on them, and the continuous inflow of resources. The ensuing resistance to the adoption or implementation of the expansive measures has among other things, assumed a pattern of coalition formation whose objective is to relegate ECOWAS to a secondary role in West African integration, while smaller sub-groups are elevated and accorded primacy.

Finally, as monetary integration is bodly elaborated on the platform of an EEC guarantee, the trade liberalization programme holds the subtle promise of an ECOWAS free trade area as a free zone for the activities of foreign firms. In the absence of originating rules for the circulation of mining products, and the highly permissive form they assume for industrial products, mining and manufacturing production would largely be the preserve of foreign firms. Thus, the backward and forward linkages anticipated under free trade in ECOWAS might turn out as a corporate linkage,[181] in which foreign firms extract raw materials within the sub-region, for foreign firms, equally located in ECOWAS, to turn into finished products.

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Notes

1. Articles 12 - 26, making up chapter III of the Treaty of ECOWAS deal with customs and trade matters. This forms the longest chapter in the treaty. Three out of the first five protocols annexed to the treaty deal with customs and trade matters. Moreover, out of a list of 37 Acts and Decisions of the Authority and the Council of Ministers relating to issues covered by the TCIMP department between 1979 and July 1986,, 29 covered trade and related issues, leaving 7 for immigration and 2 for monetary affairs and payments. See ECOWAS ECW/TCIMP/Department, "List of Acts and Decisions of the A.H.S.G and the D.O.M relating to trade, customs, immigration, monetary and payment Matters", Lagos, August, 1986.

2. See ECOWAS, ECW/TCIMP/11/SR.5. Summary Record of the 5th sitting of the Meeting of the Trade, Customs, Immigration, Monetary and Payments Commission held at the National Theatre, Lagos, on 12th April, 1978.

3. Ibid.

4. Ibid.

5. A/DEC 8/5/79. Decision of the A.H.S.G. of the ECOWAS relating to the consolidation of Import duties and non-tariff barriers.

6. Ibid.

7. See C/DEC.8/11/79. Decision of the C.O.M on the Trade Liberalization of unprocessed Products.

8. ECOWAS, Ten years of ECOWAS, Lagos, 1985. p. 24.

9. Ibid.

10. See C/DEC. 8/11/79. op.cit.

11. See A/DEC.4/5/82. Regional agricultural development strategy; A/DEC.5/5/82. Production of selected seeds; C/DEC.1/5/83. Decision relating to the short and medium term programme for the implementation of the regional agricultural development strategy; C/DEC.8/11/83, Decision on selected seed multiplication centres; and C/DEC.4/11/83,

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Decision on breeding centre for the production of selected cattle species.

12. There are cases in West Africa, where large plantations are foreign owned. Examples are rubber plantations which are significantly owned by foreigners in Liberia.

13. Stabex came into existence under Lome I (1975) and was made up of 44 agricultural export products. The second Lome convention (1980) created Sysmin or Minex and is applicable to six mineral products - copper, phosphates, manganese, bauxite, alumina and iron ore.

14. See Catherine Goybet, The second convention of Lome: EEC aid to the ACP Countries, 1981-1985. (Brussels, Bureau D'Information Europeans, S.P.R.L., 1982). p. 12.

15. Christopher Stephen (ed), EEC and the Third Word: A survey 2, (London, Hodder and Stroughton, 1982) Statistical Appendix, Tables 9 and 10.

16. Under Lome II, eleven West African Countries fell under the category of the Least developed, landlocked and Island States - or the poorest associated states. These are Benin, Burkina Faso, Cape Verde, The Gambia, Guinea, Guinea Bissau, Mali, Mauritania, Niger, Sierra Leone and Togo. See Andrian Hewitt, "EEC policies towards the Least developed", in Christopher Stephens (ed) Ibid. Table 9.1 pp. 126-7.

17. Andrian Hewitt, Ibid pp. 128-132.

18. For example, in September 1982, Mauritania and Mali diverted livestock supplies meant for Senegal for the Islamic festival of Eid-el-Kabir to the more lucrative markets of Algeria and Libya. This was after signing preferential agreements with these two countries, contrary to existing internal arrangements within CEAO. See ECA, Strenghtening economic integration in West Africa, (United Nations, 1982). p. 31. A Second example relates to Nigeria. Following the introduction of the second tier foreign exchange market in September 1986, and the consequent massive devaluation of the Naira, the prices of Cocoa rose from about ₦1,600 per ton to around ₦7,000. At the same time, the fact that the export of the commodity had been privatised meant substantial foreign

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exchange and huge profits for private firms. The result was a rush to sell cocoa abroad, denying it to local users of cocoa base raw materials. The result was short-downs of plants and shortage of cocoa products in Nigeria.

19. See Decision A/DEC.1/5/81 of 29 May 1981, of the ECOWAS A H S G on trade liberalization in respect of Traditional handicrafts.

20. ECOWAS, Ten years of ECOWAS, p. 24.

21. Interview with officials of the ECOWAS Executive Secretariat, Lagos, 16-18 December, 1986.

22. See Authority's Decision A/DEC.18/5/80, relating to trade liberalization of industrial products.

23. The list of priority industrial products was finalised and adopted in May 1982. Products in this list include those derived from food processing, wood processing, telecommunications and electronics, agro-chemical and agricultural machinery, construction materials, petrochemicals, iron and steel, automobile and related industries, and pharmaceutical industries. See Decision C/DEC. 8/11/79 of the COM on Trade Liberalization for Local products; and Decision C/DEC/3/5/82 of the COM listing "priority industrial products" for the implementation of the trade liberalization programme.

24. See ECW/CM/XI/2. Annual Report of the Executive Secretary, 1981-1982. May 1982.

25. Interviews with officials of the Executive Secretariat of ECOWAS, Lagos, 16-18 December, 1986.

26. The World Bank, Senegal: tradition, diversification, and economic development. A World Bank country economic report, (Washington D.C 1974) pp. 79, 161.

27. Africa Contemporary Record, 1968-69. p. 583.

28. This point was made by Dr. Omoniyi Adewoye while responding to comments on his paper "West Africa's multiple intergovernmental organizations as building blocks for an African common market", presented in a joint seminar, staff and Postgraduates, Department of History, University of Ibadan, 16 February, 1984. Dr. Adewoye was Nigeria's Federal Commissioner for Economic Develppment between 1976 and 1979.

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During this period his Ministry was the supervisory Ministry for ECOWAS matters in Nigeria. He was also Chairman of the ECOWAS Council of Ministers between 1977 and 1978. Moreover, he was a member of the ECA team that tourned West African States in 1981 and produced the report - Proposals for strengthening economic integration in West Africa: United Nations, 1982.

29. Interviews with Officials at the Executive Secretariat of ECOWAS, Lagos, 16-18 December, 1986.

30. Ibid.

31. Ibid.

32. ECA, op.cit. Table 7.1, p. 78.

33. See C/DEC. 4/5/80, Decision of the C O M relating to studies emanating from the trade liberalization programme

34. New Times (Lagos) mid/end June, 1981, p. 30.

35. See C/Dec. 3/11/81. Decision relating to Studies to be undertaken in respects of trade liberalization mechanisms in CEAO, MRU and ECOWAS and the implementation of customs and statistical policy measures of ECOWAS.

36. Ibid.

37. Ibid.

38. See A/DEC. 1/5/83. Decision of the AHSG relating to the adoption and implementation of a single trade liberalization scheme for industrial products originating from member States. See also, C/RES.3/5/83. Resolution of the C.O.M relating to the adoption and implementation of a single trade liberalization scheme for industrial products originating from member states of the community.

39. Supra, Footnote 23.

40. A/DEC.4/5/83. Decision of the AHSG relating to development co-operation policy.

41. A/DEC.3/5/83. Decision of the AHSG relating to development Co-operation programmes.

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42. Based on interviews and discussions with officials of the Executive Secretariat of ECOWAS, 16-18 December, 1986; February 1987.

43. For annual country by country analyses of these measures, see, Africa Contemporary Record., 1978/79, 1979/80, 1980/81; I.M.F, Exchange arrangements and exchange restrictions: annual report, 1985 and 1986 editions Washington D.C.

44. Africa Contemporary Record, 1979-1980. p. B 624; 1980-81. p. B 604.

45. Africa Diary, January 22-28, 1981. p. 10379.

46. This was a major set back for CEAO's plans to have a common external tariff in place by 1986. See ECA, op.cit. p. 31.

47. I.M.F., Exhange arrangements and exchange restrictions, annual report, 1985 pp. 369-70.

48. ECA, op.cit. 31. Following drought in 1975, Mali and Niger had suspended livestock exports to Nigeria. Niger explained this by the need to replenish a stock that had b been depleted by about 50%. See Africa Research Bulletin, Vol. 12, No. 8, September 30, 1975. p. 3609; No. 9 October 31, 1975. p. 3640.

49. Africa Contemporary Record, 1980-81. p. B. 533.

50. I.M.F., Exchange arrangements .... annual report, 1985. p. 318.

51. Ibid. pp. 290-292.

52. Africa Research Bulletin, Vol. 15, No. 3, April 30, 1978. p. 4646; Africa Contemporary Record, 1979-80: p. 3605; West Africa, 16 April, 1979. p. 690.

53. Africa Contemporary Record, 1980-81. p. 16585.

54. J.H. Frimpong-Ansah, "A preliminary study on financing mechanisms of Central Banks level in the ECOWAS sub-region in support of a process of trade liberalization and for the settlement of -debtor balances in the West African Clearing House". Prepared for UNCTAD at the request of ECOWAS. 1980. p. 8.

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55. I.M.F. op.cit. pp. 375 - 6.

56. See the "Trade Agreement between the Federal Military Government of the Federal Republic of Nigeria and the Government of the Republic of Dahomey", in Nigeria: Bulletin on Foreign Affairs, Vol. 1, No. 3, January 1972. pp. 31 - 33.

57. West Africa, 6 August, 1979 R 441.

58. Nigerian Television Authority, National Network News, 9 O'clock (p.m.) 24 May, 1984.

59. UMOA member states (Benin, Niger, Senegal, Togo, Burkina Faso, Mali and Ivory Coast) give preferential treatment to imports from franc zone.

60. Frimpong Ansah, op.cit. p. 10.

61. See ECOWAS, ECW/CM/XVI/1984. Council of Ministers, Summary Record of the 16th Session held at RPT Building, Lome (Togo) November 19 20, 1984.

62. These are Burkina Faso, Ivory Coast, Mali, Mauritania, Niger and Senegal which make up CEAO; and Guinea, Liberia and Sierra Leone, the M.R.U membership.

63. New Times (Lagos) Mid/End June, 1981. p. 30; New Nigeria, 28 May, 1981, p. 16; Ten years of ECOWAS, Lagos, 1985. p. 28.

64. ECOWAS, ECW/HSG.VI/2 Executive Secretary's Report to the AHSG, Conakry, May 1983. p. 5.

65. Daniel Bach, "Some French flavours in ECOWAS", West Africa, 19 November, 1984. p. 2334.

66. C/RES. 1/7/84. Resolution of the C.O.M on the application of Decision A/DEC. 1/5/83. See also, A/DEC. 1/11/84. Decision of the AHSG relating to the implementation of Decision A/DEC. 1/5/83.

67. See West Africa, 17 December, 1979. p. 2355.

68. Ibid.

69. ECA, op.cit. Table 5.4 p. 54.

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70. Interviews with officials of the Executive Secretariat of ECOWAS, Lagos, 16-18 December, 1986.

71. Computed on the basis of figures derived from I.M.F, Direction of trade statistics yearbook, 1984. Washington, D.C.

72. For example, Sierra Leone closed her land borders from September 1982 to March 1983. See West Africa, 16 May, 1983 p. 1155. Moreover, following an attempt to overthrow the regime of Samuel Doe in September 1985 (an attempt which the Liberian leader blamed on Sierra Leone) borders between the two countries were closed briefly by Liberia.

73. See ECA, op.cit. p. 29.

74. See, Protocol relating to the definition of the concept of products originating from member states of the ECOWAS.

75. Ibid. Article II, paragraph 2. Since the original protocol, the issue of originating products has been the subject of four supplementary protocols (as at December 1985) and numerous decisions and resolutions of the AHSG and the D.O.M.

76. ECW/CM. IV/2 Report of the Executive Secretary to the C.O.M Meeting in Dakar, 20-21, November, 1978.

77. See A/DEC. 10/5/79, Decision of the AHSG of ECOWAS relating to the modification of Article II of the protocol on originating products, and A/DEC.11/5/79, Decision of the AHSG of ECOWAS on Articles II. 2, VII and VIII of the protocol relating to the definition of the concept of products originating from member states.

78. Ibid.

79. See ECW/CM/VII/2, Report of the Executive Secretary. Council of Ministers Meeting, Lome, 22 - 24, May 1980. p. 8. West Africa, 9 June 1980, p. 1004. See also, Authority Decisions A/DEC. 15/5/80; and A/DEC.1/5/83.

80. Interviews with officials of the Executive Secretariat of ECOWAS, Lagos, 16 - 18 December, 1986.

81. Ibid.

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82. For example, See Bonnie Campbell, "The Ivory Coast" in John Dunn ed., West African States: failure and promise. (Cambridge, Cambridge University Press, 1978). pp. 81-83; Sirmir Amin, Neocolonialism in West Africa, (Harmondsworth, Penguin, 1973). pp. 64-5.

83. Rita C. O'Brien, "Foreign ascendance in the economy and state: The French and Lebanese" in Rita C. O'Brien (ed) The Political economy of underdevelopment: dependence in Senegal, (London, Sage publications, 1979) pp. 105-8 The World Bank, Senegal, op.cit p. 161.

84. Rita C. O 'Brien, op.cit. p. 110.

85. For example, See E. Akin Ogunpola, "Harmonization of industrial policies in the field of incentives, company taxation and Africanization", in A. G. Akinyemi, S.B. Falegan and I.A. Aluko Readings and documents on ECOWAS, (Lagos, Macmillan, 1984). p. 310.

86. For example, see Alkasum Abba, et.al The Nigerian economic crisis, causes and solutions, (Zaria, Academic Staff Union of Universities of Nigeria, 1985). Chapter 8.

87. Richard Rathbone, "Ghana", in John Dunn (ed) op.cit. p. 32.

88. Claude Ake, Revolutionary pressures in Africa, (London, zed Press, 1978). p. 44.

89. West Africa, 17 December, 1979. p. 2355; ECA, op.cit. pp. 29, and 98.

90. Ibid. p. 30.

91. For example, Nigeria's value added in Manufacturing amounted to $1,122 million in 1976, whereas she exported only $58 million worth of manufactures in that year. On the other hand, the Ivory Coast, with a value added of $292 million in manufacturing exported $124 million worth of manufactures during the same year. See the World Bank, World development report, (Oxford University Press 1979) Appendix Table 12. However, these figures may not actually reflect Nigeria's true exports of manufactures to West African countries since a high proportion of these goes out through smuggling.

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92. See Daily Times, 20 October, 1984. p. 1. "Joint Communique", Ghana, Benin, Togo and Nigeria's summit on Security, held in Lagos, 10 December, 1984.

93. In fact, within the Franc zone, any sharp distinction between foreign and local ownership would appear to be blurred.

94. West Africa, 13 October, 1980. p. 2044.

95. West Africa, 27 May, 1985. p. 1053.

96. Ibid.

97. This view was expressed by officials of the MRU. See Sunday Times, 13 May, 1984 p. 5. See also, Stephen M.B. Manu and Patrick Elliott. "Problems posed by and lessons from the multiplicity of intergovernmental organizations in ECOWAS", in Akinola A. Owosekun, (ed), Trends in an African economic community; lessons of experience from ECOWAS. (Ibadan: NISER., 1986) pp. 38-65.

98. ECA, op.cit. p. 4

99. The member states of CEAO took exception to the report of ECA on the grounds that it was prejudicial to the efforts to harmonize the conflicting activities of the various groups since it wanted them down graded in relation to ECOWAS. Based on this criticism, the Authority of ECOWAS called for further studies on the situation, stressing that the restructing of the existing organizations should be based "on scientific considerations". See Decision A/DEC. 2/11/84 of the AHSG relating to the rationalization of co-operation efforts within the West African sub-region.

100. See Sunday Times, 13 May, 1984. p. 5; Stephen M.B. Manu and Patrick Elliott, opcit.
In 1962, Ord had suggested this grouping in recognition of its geographical unity. See H.W. Ord., "West Africa needs a common market" New Commonwealth, May 1962. pp. 281-289.
Also, in 1972, President Mathiew Kerekou of Benin Republic had called for a 'Benin Union' to embrace Nigeria, Togo and Benin-then Dahomey. Africa Contemporary Record, 1972-73. p. B584.

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101. See ECW/CM/XVI/1984. S.A. Council of Ministers, Summary Record of the 16th Session held at RPT Building, Lome (Togo), November 19 - 22, 1984.

102. Dr. Omoniyi Adewoye, Chairman Council of Ministers of ECOWAS, 1977-78 made a similar suggestion. However, he emphasizes the need to restructure the sub-groups as developmental organs with autonomous powers on issues and problems peculiar to specific geographical parts of West Africa. Interview with Dr. Adewoye, 21 October, 1986. See also his paper, "West Africa: multiple inter-governmental organizations as building blocks for an African Common Market". op.cit., and Sunday Times 13 May, 1984. p. 5.

103. Interview with officials of the Executive Secretariat of ECOWAS, Lagos, 16 - 18 December, 1986. This trade is crucial to Togo and Benin, especially since the days of the 'Oil Boom' in Nigeria. It has been one major factor in their attempts to develop sound relations with Nigeria. At the same time, it has contributed to the sour relations between Benin and Togo. The tendency on the part of Benin to close its borders with Togo on the slightest excuse has been blamed by the latter on the attempt by Benin to cut off Togo from the lucrative Nigerian market.

104. West Africa, 3 September, 1984. p. 1770. It is also estimated that re-exports from Benin to Nigeria of items like tobacco, textiles and alcohol make up between 35% and 80% turnover of commercial firms and merchants in Benin Republic. See West Africa, 19 November, 1984. p. 2334.

105. See Africa Diary, 15-21 January, 1980. p. 9847. Africa Research Bulletin, Vol. 14, No. 9, October, 31, 1977. p. 4426; Vol. 15, No. 5, June 30, 1978. p. 4702.

106. In 1971, Nigeria entered into joint-venture agreements with Benin. These were in respect of two projects, to be located in Benin for the production of cement and sugar. Similarly, in 1976, Ghana and Cote d'Ivoire signed an agreement with Togo for a cement plant to be sited in the latter.

107. For example, see 'Joint Communique', Ghana, Benin, Togo and Nigeria's summit on security, held in Lagos, 10 December, 1984.

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108. West Africa, 18 August, 1980. p. 1581.

109. Even before the formation of ECOWAS, countries like Nigeria, Ghana and Guinea had always emphasized the need for an African, or sub-regional payments system as a way of promoting economic interactions among African States. See West Africa, 12 March, 1974. p. 31; Nigeria Herald, 15 May, 1974. Ronald Bornstein, "The Organization of Senegal River States", Journal of Modern African Studies. Vol. 10, No. 2, 1972. p. 272. In fact, former President Sedar Senghor of Senegal of the view that a single monetary zone in West Africa should be the logical starting point for any comprehensive integration scheme in the sub-region. See West Africa, May14, 1973. pp. 625 and 629.

110. D.R. Mensah, "Trade and Currency in West Africa", International Herald Tribune, (Paris), 27 June, 1983. p. 15s. The Gambia had stressed the relationship between community enterprises and a common currency. See Nigeria Herald, 27 November, 1978. p. 8.

111. Aguibou Y. Yansane, "Monetary independence and transition to socialism in Guinea", Journal of African Studies, Vol. 6, No. 3, Fall, 1979. pp. 132-3.

112. Rohald Bornstein, op.cit. p. 276.

113. See "Guinea", in Africa South of Sahara, 1977-78. (London, Europa publication, 1978). p. 409.

114. See Africa Research Bulletin, Vol. 12, No. 6, July 31, 1975. p. 2543; West Africa, 10 September 1979. p. 1673; 15 December, 1980, p. 2584; 27 May, 1985. p. 1060.

115. John D. Collins, "The clandestine movement of groundnuts across the Niger-Nigeria boundary", Canadian Journal of African Studies, Vol. 10, No. 2, (1976). pp. 259-278.

116. Ibid. pp. 272-3

117. Africa Contemporary Record, 1970-71. p. B. 335.

118. The Guardian, 13 July, 1986 pp. 1 and 2.

119. West Africa, 3 September, 1984. p. 1770.

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120. Ibid. Also, see Mark Doyle, "The franc zone and the ECOWAS ideal", West Africa, 27 May, 1985. p. 1060; "The underground trade", p. 1061.

121. Ernesto May, Exchange controls and parallel market economies in sub-saharan Africa: Focus on Ghana. World Bank Staff Working Paper no. 711, (Washington D.C. The World Bank, 1985) Table 5 p. 69.

122. Ibid. Tables 8 and 11, pp. 79 and 89.

123. Ibid. p. 95.

124. West Africa, 10 November, 1980. p. 2280. p. 2280; 15 December, 1980. p. 2584. A summit meeting was necessary to settle differences arising from smuggling activities between Mauritania and Senegal in 1975. See Africa Research Bulletin, Vol. 12, No. 6, July 31, 1975. p. 2543.

125. Africa Diary, 21 - 27 May, 1975. pp. 7441-2.

126. Africa Research Bulletin, Vol. 10, No. 4, May 31, 1973. p. 2718

127. Africa Research Bulletin, Vol. 14, No. 9, October 31, 1977, p. 4427.

128. In 1984, the then Nigerian Head of State Muhammadu Buhari told visiting President Gnassingbe Eyadema of Togo that Nigeria's borders would remain closed until neighbouring countries adopt measures to curb the illicit activities within their countries, of those speculating on the naira, or engaged in other acts of economic sabotage against Nigeria. President Eyadema remarked that a bank in his country had been closed down for illicit currency dealings. See Daily Times, 29 March, 1984. p. 1.

129. See West Africa, 24 March, 1972. p. 363; Africa Research Bulletin, Vol. 10, No. 7, August 31, 1973. p. 2807. A clearing arrangement between Nigeria and Niger lapsed in 1977, and was not renewed.. The only one stillopperational in West Africa by the early 1980s was that between Cape Verde and Guinea Bissau. Mclenaghan et.al, op.cit. pp. 38-9.

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130. The WACH is a clearing arrangement between the BCEAO (the Central Bank of UMOA member states), the Central Banks of Liberia, Gambia, Ghana, Nigeria, Mali and Sierra Leone. See "Agreement concerning the establishment of the West African Clearing House". However, Guinea, Guinea-Bissau and Mauritania have since joined while Mali has been submerged within the BCEAO since joining the latter in 1984.

131. In June 1985, Nigeria attempted to broaden the transaction scope of the WACH by channelling remittances of ECOWAS citizens and private bodies through it. This was resisted by the Executive Secretariat of ECOWAS on the grounds that WACH was outside the framework of ECOWAS. See The Guardian, 2 July, 1985. pp. 1 and 2.

132. Frimpong - Ansah, op.cit Table 4, p. 21.

133. Ibid. Table 5. p. 24

134. See "Progress report on monetary cooperation within ECOWAS"; Information paper presented to the Committee of Governors of Central Banks, Conakry, June 4, 1982.

135. New Nigeria, 8 September, 1984. p. 5.

136. Ibid.

137. Mclenaghan, Nsouli and Riechael, op.cit. p. 33.

138. Interview with officials of the Executive Secretariat of ECOWAS, Lagos, 16-18 December, 1986.

139. Proceeds of Nigeria's oil sales to West African countries are not channelled through WACH. Otherwise, she could have maintained a good credit rating in the organization. Nigeria had actually wanted to have proceeds from oil exports to West African States channelled through WACH, but this was opposed by the members which feared that the usual concessionary, three months settlement period extended to them for their imports of Nigeria's would have to give way to the one month rule prevailing in WACH. Interviews with officials of the Executive Secretariat of ECOWAS, Lagos, 16-18 November, 1986.

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140. See The Punch, 18 May, 1977, p. 16; New Nigerian, 18 May, 1977. p. 28; ECW/CM/VI/2. Report of the Executive Secretary to Council of Ministers meeting in Dakar, 26th-28th November, 1979. p. 5.

141. See ECOWAS, Monetary co-operation programme. Study project 2, "Currency convertibility in the ECOWAS", Report prepared by I.M.F. Lagos, 1980. This was published as John B. Mclenaghan, Sleh M. Nsouli, and Klaus - Walter Reichel, Currency Convertibility in the Economic Community of West African States, Ocassional Paper No. 13 (Washington D.C., I.M.F., August 1982).

142. Ibid. p.3.

143. Ibid. p. 5.

144. Ibid. p. 31.

145. "Progress Report on Monetary Co-operation within ECOWAS". Information paper presented by the Head of the Money and Payments Division of ECOWAS Secretariat to the Committee of Governors of Central Banks, Conakry, June 4, 1982.

146. Ibid.

147. ECOWAS, Final Report, Second Meeting of Directors of Research of Central Banks of ECOWAS member States. Contonou, 27 - 28, July, 1982.

148. Interview with Senior Money and Payments officer, Executive Secretariat of ECOWAS, 16 December 1986. Inspite of the merits of a community approach to foreign indebtness, the fact that the sources of the debts (whether official or private) and therefore the conditions attached differed made such a common front a difficult proposition. But more important is the fact that the creditor countries tend to put pressures on third world countries to prevent them from creating 'debtors' clubs, prefering instead that they (or the IMF/World Bank group acting on their behalf) negotiate individually with the debtors.

149. Ibid.

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150. For example, total employment in Manufacturing establishments in Ghana declined from 80,265 in 1980 to 67,661 in 1983, i.e. 12604 jobs were lost in the manufacturing sector alone. In Ivory Coast the decline was from 67,172 to 48,940 or 18,232 jobs lost; while Senegal registered a fall from 28,500 - 22,900, a loss of 5,600 jobs. See United Nations, Industrial Statistics Yearbook, Vol. 1, various editions; 1982 - 1984.

151. The member states had made it clear that they would not adopt these measures even before the committee of Central Bank Governors considered them in June 1982. See Annual Report of the Executive Secretary, 1981 - 1982. p. 18.

152. Interview with Senior Money and Payments Officer. See also, Mclenaghan and Co, op.cit. p. 30.

153. Interview with Senior Money and Payments Officer.

154. West Africa, 26 February, 1979, p. 370.

155. Final Report, Second Meeting of Directors of Research of Central Banks of ECOWAS member states, Cotonou, 27 - 28 July, 1982.

156. Ibid.

157. Vanguard, 9 April, 1985, p. 5. The Guardian, 10 December, 1985. p. 11. Interview with Senior Money and Payments Officer.

158. The idea of a common currency had earlier been rejected by member states of ECOWAS as not being feasible or necessary in the short term. See International Herald Tribune, 16 June 1982. p. 9s. See also, Mclenaghan and Co., op.cit. p. 31.

159. A/DEC.6/5/83 Decision of the Authority of Heads of State and Government relating to the proposal for the creation of a single ECOWAS Monetary zone.

160. New Nigerian, 31 May, 1983. p. 8.

161. International Herald Tribune, 16 June, 1982. p. 9s.

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162. Nigeria's long drawn out resistance to devaluation as demanded by the I.M.F was seen as a major obstacle to the scheme. However, when in November 1986 she introduced the Second Tier Foreign Exchange Market (SFEM) and the Naira was devalued by more than 300%, it was felt that this obstacle had been removed. Interviews with various officials at the Executive Secretariat; see also The Vanguard, 8 November, 1986. p. 1, for the views of Mr. R.D. Asante, Senior Money and Payments Officer ECOWAS Secretariat, on this issue.

163. Interviews with various officials of the Executive Secretariat.

164. This view was advanced by the Director of Research, ECOWAS Secretariat, Professor J.E. Manu. See The Guardian, 12 October 1985. p. 11.

165. Interview with Senior Money and Payments Officer.

166. Mali rejoined UMOA in 1984, while The Gambia and Guinea (the latter since the death of Sekou Toure) have indicated their interest in joining the Union.

167. The other issues relate to the structure and functions of a sub-regional co-ordinating and monitoring body, institutional and operational matters, and the statute of the proposed monetary union. See Executive Secretary's Report to council, Lagos. November, 1985. p. 12.

168. Interview with Senior Money and Payments Officer.

169. Interview with various officials of the Executive Secretariat.

170. Interview with Senior Money and Payments Officer. The political character of a single monetary zone had all along been emphasized by the First Executive Secretary, Aboubakar Ouattara, and Managing Director of the Fun, Mahenta Fall. See Daily Times, 30 November, 1984. p. 32; West Africa, 27 May, 1985. p. 1052.

171. Ibid.

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172. See A/RES.3/11/84: Resolution of the Authority of Heads of State and Government relating to the support for the creation of Ecobank Transnational incorporated.

173. Daily Times, 17 April, 1986. p. 18.

174. Ibid.

175. Interview with the Principal Officer (Trade).

176. A/RES. 3/11/84. op.cit.

177. Their impact in the formation of ECOWAS is reflected in the preeminence of commercial integration in the organization's treaty.

178. See C/DEC.1/5/79. Decision of the council of Ministers relating to the ECOWAS Federation of Chambers of Commerce.

179. Interview with principal officer (Trade).

180. A/RES.3/11/84. op.cit.

181. On Corporate integration, see N. Girvan and O. Jefferson, "Corporate V. Caribbean integration", in Henry Berstein (ed) Underdevelopment and development (Harmondsworth: Penguin, 1973) pp. 341-356.

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CHAPTER SIX

EXTERNAL SHOCKS AND THE CRISIS OF LABOUR MIGRATION

6.1: The pattern of international migration in West Africa.

The phenomenon of migration in West Africa is usually seen as a reflection of the relation of population to available resources.[1] Thus the movement of people across national frontiers becomes a reaction to the structure of economic opportunities associated with disparities in resource endowment. However, as Samir Amin has pointed out, this simple characterization of the process fails to acknowledge the structural context of migration in the sub-region. According to him, modern migration in West Africa must be situated in the context of the sub-region's integration into the world economy.[2] For this reason, the movement of people across national boundaries must not be viewed in the simple terms of reflecting disparities in the ratio of population to available resources, but must transcend this to show how it indicates a response to the logic of foreign capital, whereever it choses to establish itself, and the export oriented economic framework it established in colonial and post-colonial Africa. In other words, the logic of foreign capital and its export oriented production demands a population redistribution in favour of those areas producing for exports or

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in which export led development produces the kind of economic transformation that forces or induces migration.[3]

This suggests that the migration process would be strongly related to trends in export production and the general performance of the economy. It will tend to mirror the structure of economic opportunities, rising or declining, as these respond to the vagaries of the world economy. And in this, the crisis character of the migration process becomes a function of structural crisis, just as its boom largely reflect favourable conditions in the world market.

Historically, the main currents of migration in West Africa have been North-South in direction, with the interior Sahelian countries of Burkina Faso, Mali and Niger constituting the principal labour reserves, while the cocoa farms of Ghana, the plantation and forest industries of Cote d'Ivoire and the groundnut fields of Senegal were the principal attraction of migrant labour in the sub-region.[4] This pattern reflects a movement of Burkinabe nationals to Ghana and Cote d'Ivoire, and Malians to Senegal and Cote d'Ivoire. On the horizontal coastal plane, the predominant stream has been the movement of Togolese to Ghana. In 1960, about 328,000 nationals of Burkina Faso, 280,000 Togolese were resident in Ghana. Around the same period, Malians in Cote d'Ivoire numbered about 250,000 while between 1956 and 1960,

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TABLE 6:1

ECOWAS Nationals By Country of Residence in West Africa

(CIRCA, 1975)

Country Of Residence	Year	Foreign Nationals		Foreign Nationals From Outside W/A as Percentage of Total Immigrants	Foreign Nationals As Percentage of Total Population
		Total	From Outside The Region		
Cote d'Ivoire	1975	1,425,900	34,700	2.4	21.3
Ghana	1970	562,100	15,000	2.7	6.6
Senegal	1975	355,000	51,000	14.4	7.1
Burkina Faso	1975	100,000	2,900	2.9	1.9
Mali	1976	100,000	5,000	5.0	1.7
Sierra Leone	1974	79,400	10,000	12.6	33.0
Togo	1970	60,000	2,000	3.3	3.1
Liberia	1974	55,700	11,600	20.8	3.7
Gsmbis	1973	52,300	1,900	3.6	10.6
All Countries		2,790,400	134,100	4.8	7.0

Source: K.C. Zahariah and Julien Conde, Migration in West Africa: Demographic Aspects (Oxford University Press, New York, 1981). Table 2o.

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TABLE 6.2

Foreign Nationals By Country of Origin And Country of Enumeration, CIRCA, 1975 (Thousands)

Country of Origin	Country of Enumeration									
	Burkina Faso[a]	Gambia[b]	Ghana	Ivory Coast	Liberia	Senegal[b]	Sierra Leone	Togo	Total Emigrants	Percentage Total Migrants
Benin	-	-	25.0	50.0	-	-	-	30.0	105.0	3.4
Burkina Faso	NA	-	159.3	726.2	6.4	13.7	0.8	2.0	908.4	29.5
Gambia	0.2	0.2	0.1	0.1	-	45.6	3.4	-	49.6	1.6
Ghana	20.9	-	-	42.5	3.5	1.0	4.6	100.0	172.5	5.7
Guinea	c	17.0	c	105.8	c	180.2[d]	41.0	-	344.0	11.3
Ivory Coast	53.9	-	18.3	-	13.7	1.4	-	2.0	89.3	2.9
Liberia	0.9	0.3	4.6	3.4	NA	0.7	11.0	-	20.9	0.7
Mali	26.0	5.5	13.4	348.5	-	28.9	-	-	422.3	13.8
Mauritania	-	-	-	-	-	150.0	-	-	150.0	4.9
Nigeria	2.3	-	55.5	49.6	c	c	7.3	c	114.7	3.8
Senegal	2.5	25.3	0.1	19.2	-	-	-	-	47.1	1.5
Sierra Leone	0.5	0.4	3.0	1.1	5.5	0.8	-	-	11.3	0.4
Togo	3.5	-	244.7	12.1	-	-	-	-	260.3	8.5
Other Africa Countries	6.7	2.4	48.1	82.7	23.8	31.7	1.3	37.6	234.3	7.7
Other Countries	3.7	1.9	15.1	34.7	2.8	51.1	10.0	2.0	121.3	4.0
Total Immigrants	121.1	53.0	587.2	1475.9	55.7	505.1	79.4	173.6	3051.0	100.0
Percentage of overall total Migrants	4.0	1.7	19.2	48.4	1.8	16.6	2.6	5.7	100.0	

a. Foreign-born persons b. Foreign Nationals

c. Not tabulated separately but included in "other African Countries."

d. Including data for Guinea-Bissau.

Source: United Nations, World Population Trends, Population and Development Interrelations and Population Policies, 1983 Monitoring Report, Vol. 1, (New York, 1985), Table 93. p.244

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TABLE 6:3

Principal external migration streams in West Africa circa, 1975

Origin	Destination	No of Emigrants	Total Emigrants
Gambia	Senegal	45,600	49,300
Ghana	Togo	100,000	
	Cote d'Ivoire	42,500	
	Burkina Faso	19,200	
	Sub Total	161,700	173,900
Guinea	Senegal	180,200	
	Cote d'Ivoire	195,800	
	Sierra Leone	41,000	
	Liberia	25,400	
	Gambia	17,000	
	Sub Total	369,400	369,700
Cote d'Ivoire	Burkina Faso	49,100	
	Ghana	18,300	
	Sub Total	67,400	72,300
Liberia	Sierra Leone	11,000	21,300
Mali	Cote d'Ivoire	348,500	
	Senegal	28,900	
	Burkina Faso	24,000	
	Ghana	13,400	
	Sub Total	414,800	421,900
Nigeria	Ghana	55,500	
	Cote d'Ivoire	49,600	
	Sub Total	105,100	116,400
Senegal	Gambia	25,300	
	Cote d'Ivoire	19,200	
	Sub Total	44,500	47,300

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TABLE 6.3 CONTINUED

Togo	Ghana Cote d'Ivoire Sub Total	244,700 12,100 256,800	260,500
Burkina Faso	Cote d'Ivoire Ghana Senegal Sub Total	726,200 159,300 13,700 899,200	908,100

Source: Zachariah and Conde, Migration in West Africa: Demographic Aspects. (OUP, New York, 1981). Table 27.

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about 34,000 nationals of Burkina Faso left for Cote d'Ivoire.[5]

Senegal, the major attraction of Malian emigrants after the first world war, lost the Malian Stream to Cote d'Ivoire and Ghana in the post world war 11 period as the cultivation of cash crops like coffee, Cocoa and Bananas in these two countries was rapidly expanded. Similarly, prior to 1935, Ghana was the principal destination of Burkinabes. Since then, this stream has been diverted to Cote d'Ivoire as the latter's export potentials were increasingly exploited.[6]

The continuation of these patterns are largely indicated in the post-independence period. Table 6.1 shows that Cote d'Ivoire, Ghana and Senegal (among the 8 countries for which data are available) have continued to dominate as migrant labour absorbers. However, with 21.3% of her total population made up of foreign nationals, Cote d'Ivoire holds a preponderant position in this regard. In fact, as Table 6.2 indicates, of the 8 countries with available data, Cote d'Ivoire was the destination of 48.4% of migrants within the sub-region. This was followed by Ghana (19.2%). On the other hand, Burkina Faso, which accounts for 29.5% of the sub-region's emigrants, ranks first as the country of origin of migrant labour. This is followed by Mali, with 13.8% and Guinea, with 11.3%.

Table 6.3 shows the external migration streams in West Africa. The most important streams link Burkina Faso to Cote

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d'Ivoire, Mali to Cote d'Ivoire, Togo to Ghana, Guinea to Senegal and Burkina Faso to Ghana. Other important streams are those of Guinea to Cote d'Ivoire and Ghana to Togo. These streams indicate a movement from low export resource countries to those of high export resource countries. The Ivorian economy, the main attraction of immigrants exemplifies the importance of such labour for export production. Blessed with abundant, exploitable export resources, and relatively scarce labour, migrant labour has contributed substantially to the Ivorian 'miracle'. Agriculture, the primary sector and mainstay of the economy was manned mostly by non-Ivorian African workers, 72.7% in 1971 and 81.8% in 1974. In the secondary sector they constituted 38.4% in 1971 and 36.8% in 1974 while in the tertiary sector, they formed 34.1% in 197 35.1% in 1974. With particular reference to the manufacturing sector, non-Ivorian African migrant workers made up 36.2% and 34.4% of migrant workers in 1971 and 1974 respectively.[7]

Burkina Faso and Mali as the principal labour reserves of Cote d'Ivoire, contribute about 75% of the total West African immigrants in that country. For these countries, the major advantage derivable from their labour exports lies in permitting some form of participation in the international economy beyond what their internal export resource base would normally accomodate. In fact, by facilitating the inflow

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of foreign exchange through remittances, emigration becomes a basic component of their economic reproduction. From 1970 to 1974, Burkina Faso received $137 million as remitances from her citizens working abroad. Mali netted $44.6 million dollars from the same source during the same period.[8] The ratio of remittances to merchandise exports in Burkina Faso was 0.566 in 1967, 0.804 in 1973, and 0.596 in 1978-79. For Mali, it was 0.379 in 1967, 0.169 in 1973 and 0. 0.330 in 1978-79.[9]

As a direct consequence of the sub-region's incorporation into the world economy, the migration process reflects its context. Thus, in exhibiting a pattern of response from export resource scarce areas to export resource rich ones, it gravitates in a way that indicates a marked recognition of rising economic trends as well as declining zones of economic activity. During its export boom phase, Ghana, with about 828,000 persons of foreign origin in 1960, was the principal destination of West African migrants. But economic downturn from the mid-sixties, typified by declining exports, chronic balance of payments deficits, unemployment and a rapid deterioration in the value of her currency, led Ghana to issue the Aliens Compliance Order in 1969. The forced departure of migrant workers which followed complemented the voluntary departure which was already in progress. Thus, by 1970, the total numbers of foreign nationals had decreased to about 562,000 a figure that

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meant a negative migration balance for Ghana.[10] The country was explicit in its reasons for the expulsion: that it would relieve the unemployment situation, cut the balance of payments deficits made worse by migrant remittances, and reduce the incidence of smuggling.[11] In West Africa, the expulsion of aliens, mostly Africans, no matter how small in scale, is usually an expression of domestic economic crisis, originating in the declining performance of the export base.

No systematic figures are available for Nigeria as an absorber of migrant labour. From recent events however, it could be reasonably conjectured that since the mid-seventies, the fast expanding crude oil export base economy had turned the country into a major absorber of migrant labour in West Africa, and perhaps, the prime attraction of immigrants in the sub-region. On the other hand, following the sustained crisis in the Ghanaian economy in the post independence period, that country had become a major supplier of migrant labour by the late seventies and early eighties. In this regard, Nigeria was the major beneficiary.[12] This Ghana - Nigeria migration stream suggests another pattern to the modern migration process in West Africa. This is the movement of labour from declining, crisis ridden, high resource dependent capitalist economy, to a growing, high resource, export based dependent capitalist economy. It is this pattern that largely informs the crisis

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of ECOWAS' migration policy.

6.2: ECOWAS and intra-West African migration.

Article 27 of the treaty of ECOWAS provides for freedom of movement and residence in the community. Under this, citizens of member states are in principle, conferred with the status of community citizens with right to work and undertake commercial and industrial activities within any of the national territories of West Africa. In order to give effect to those provisions, member states were obliged to conclude bilateral arrangements among themselves to ease conditions of movements, residence and involvement in host country's economic activities through exemption from visas and other restrictive permits.

The need to bring this into fruition when ECOWAS became operational was treated as a matter of urgency. This urgency derived from two basic considerations. In the first place, it was seen as a prerequisite for the realization of the objective of trade liberalization. Secondly, it was seen as the decisive move required to put a halt to mass and arbitrary expulsion of community citizens from member states. This position no doubt drew from the Lessons of Ghana's Aliens compliance Order of 1969 but the phenomenon of expulsion which had acquired prominence in inter-state relations in Africa was seen as something to be tackled decisively if ECOWAS was to be given a firm foundation, and its impact felt on the ordinary day to day life of

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nationals of member states.[13] The pressure to guarantee free movement and prohibit expulsions was rather widespread. In Nigeria, the press called on the community not only to give it priority over trade liberalization, but also to ensure that any format adopted for its implementation contained explicit provision to prohibit expulsion of nationals of one member country from another forbid border closure among member states, and guarantee equal status to all ECOWAS citizens as indigenes.[14] In November 1978, Ghana hosted a conference of Transport Workers Unions from the Gambia, Ghana, Liberia, Nigeria, Sierra Leone and Togo. This conference went beyond calling for the guarantee of free movement and prohibition of expulsion to recommending the provision of employment Laison Offices for information on available jobs for West African nationals, harmonization and mutual recognition of educational qualifications obtainable in member states, guarantee of workers' remittances etc.[15]

It was thus under a favourable climate that the Executive Secretariat submitted proposals on the movement of persons to the Council of Ministers, in Lome, November, 1977. In April 1978, the Authority, meeting in Lagos called for new proposals on the grounds that those originally submitted for consideration did not adequately address the issue of free movement in the

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sub-region.[16] Three main weaknesses derived from the bilateral framework envisaged for the implementation of the proposals. First, it would require an unnecessary amount of finance and energy for each member state to conclude such arrangements with all other states in the sub-region, the existence of a standardized format not withstanding. Secondly, such a framework was bound to create problems where transit and right of passage issues were involved. This would apply in relation to non-contiguous states whose citizens must transverse a third member state in order to take advantage of bilateral arrangements. Thirdly, the mechanism would appear to put the issue of implementation beyond the community monitor, and therefore subject to uncertainty of bilateral relation of member states.

From all indications, the bilateral approach would contribute little to an integraion scheme which aimed to advance the multilateral approach to sub-regional issues. In fact, the bilateral framework, might on this issue represent a deviation from the general approach which was envisaged for other integration issues. The Authority therefore decided that if free movement was to promote the 'realization of community ideals', the issue must be dealt with through a more unified community regime.[17] Furthermore, inspite of the generally favourable disposition towards free movement, transit countries, especially Togo and Benin expressed the fear that being sandwiched between two

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large states, the movement of aliens across their territories might pose some security problems.[18] It was this that further convinced the Council of Ministers, to which the issue was referred to set up a committee to study in depth, the political, economic and social issues connected with the free movement of persons.[19]

The draft proposals submitted by the committee duly reflected the significance attached to labour migration in West Africa. Apart from being multilateral, the committee decided that the framework of implementation should have a status that transcends that of a simple agreement. It therefore decided on a protocol which would be an integral part of the treaty, and therefore part of the domestic laws of member states on ratification. The committee also decided to phase the implementation, graduating from free movement of persons through freedom of residence to freedom of establishment. While the general principles of the three phases were set out, only the modalities for implementing the first phase were clearly spelt out. This was done in order to make allowance for necessary adjustments to the social, political and economic situations of the member states as more advanced stages of implementation were attained.

The protocol relating to free movement of persons, Residence and Establishments was adopted by the Authority in Dakar,

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May 1979.[20] Although multilateral in form and conception, there was an indication that member states intended to retain their manoeuverability where vital issues bordering on economy and security were concerned. This was aptly demonstrated in the number of concessions made to national sovereignty and bilateralism. Thus, a member state could refuse entry to any community citizen who comes within the category of inadmissible immigrants under its municipal law. Furthermore, disputes arising from the application of its provisions are to be settled on a bilateral basis between the states concerned. Where this fails, the matter can be referred to the Tribunal of the community whose decision is final. The ad hoc committee that drafted the protocol had assigned a mediatory role to the Council of Ministers (COM) in the event of a breakdown in the bilateral machinery of handling disputes. However, before recommending the protocol for the Authority's signature, the COM decided to skip this stage. The council might have decided on this in order to ensure that an issue that might prove highly volatile and divisive is handled at a technical level. In the absence of a constituted Tribunal, this action produced a vaccum that left the community without a statutory machinery or an official role in the handling of disputes arising from the application of the protocol.

Finally, the protocol acknowledged the right of expulsion and expatriation. It merely required the country embarking on such measures to notify the community citizen affected, his

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home government and the Executive Secretary of ECOWAS; protect his person and property; and shoulder the expenses arising from the expulsion or expatriation exercise. The recognition of the right of expulsion was warranted by the fact that, the community could not at least, so early in its existence, arrogate to itself, the sovereign powers involved in such issues. If the community was to adopt any such stance, it would have to be at a more advanced stage of integraion. However, any expulsion was expected to be associated with a proven case of criminal activity. In fact, expulsion was to be carried out on the merit of each case. It was expected that the spirit of the protocol should be seen to preclude mass expulsions.[21] In addition the protocol provided a framework on which issues arising from its implementation, including cases of expulsion, could be resolved. This made room for bilateral solutions as well as the legal machinery of the Tribunal.

6.3: Implementing the protocol: Phase one

The distinctive feature of the first phase of the protocol was the abolition of visa and entry permit requirements for community citizens visiting any member state for a period not exceeding 90 days. This was subject to the possession of a valid travel document and international health certificate . Any intention to stay beyond the 90 day limit was to be regularized with the government of the host country. Although nominally

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effective from the date of signature, that is, May 1979, the protocol actually became operational in April 1980.[22] By this time, strong indications of antagonism between the protocol and the objective economic and political situation of member states were already manifest.

Inspite of its initial popularity, the misgivings that attended the definitive entry into force of the first phase of the protocol were reflected in the behaviour of many member states, which in large measure, acted on West African migrants as if the protocol was not there. At the heart of these was the fear of the major absorbers of migrants labour about the possible implications for their economies as migrants increasingly took advantage of the 'spirit' of the protocol rather than its letter.

In Nigeria, the fear was that the influx of aliens experienced by the country since the 'Oil boom' might be aggravated should immigrants fail to leave on the expiration of the 90 days residence permit.[23] In fact, in anticipation of the adoption of the protocol in May 1979, the Nigerian government had requested the Ghanaian government to take a census of her nationals in Nigeria with a view to quiet deportation of those without valid travel documents.[24] In reacting to the misgivings expressed by Nigeria about the possible influx, the Executive Secretary of ECOWAS, Dr. Aboubakar Quattara declared that Nigeria had no basis to entertain such fears. For one thing,

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nationals of other African countries living in Nigeria were less than 2% of her total population, while Nigerians living in Cote d'Ivoire alone were about half a million. In any case, he argued further, mass influx from one country to another was not anticipated under the protocol because of language problems.[25] Although he further gave the assurance that the Executive Secretariat would ensure that the protocol did not create social and economic problems for the countries of residence within the three months allowed for visiting,[26] how this was to be achieved was not specified. The secretariat seemed contended with its own assurance that the problem would not arise in the first place.

By the time of the Lome Summit in May 1980, the problems associated with the implementation, had started to assume a more definite shape. At this summit, Nigeria complained that while the country was allowing nationals from other member states to take advantage of the provisions of the protocol without hindrance, other countries either kept their borders closed, or employed various administrative tactics to frustrate the objectives of the protocol.[27] For example, around the period of the summit, some Nigerian nationals were refused entry into Cote d'Ivoire as a result of their inability to produce their visas. Nigeria protested officially to the Ivorian government. Although the Ivorians blamed their action on

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"overzealous officials",[28] the administrative bottlenecks would appear to be deliberate steps taken in the context of the attempt to Ivorianize agricultural employment in the country. This was one of the major objectives of the investment plan (1976-80) of that country.[29] Put forward as a solution to mounting unemployment, the concept of Ivorianization of agricultural employment in essence, meant the replacement of African migrant labour with Ivorian manpower. Immigrant labour employed in the primary sector of the Ivorian economy earned 39.1% and 56.1% of total wages and salaries earned in that sector in 1971 and 1974 respectively. As the trend of employment and wages clearly rose at the expense of Ivorians, it was increasingly felt that the home remittances and the leakage effect implied in it was something which the economy might not be able to sustain if the trend were to continue. The 1976-80 investment plan was to reverse this. In line with this, the Ivorians introduced policies to curtail the influx of aliens induced by its economic boom.[30] This was the context in which the impact of the protocol was felt in Cote d'Ivoire.

The reaction of Liberia to the protocol was similar. Various countries complained against the Liberian authorities for violating the protocol. These protests became more pronounced following Samuel Doe's violent overthrow of the government of William Tolbert in 1980. But even before this time, the

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Tolbert government had in December 1979, deported over 200 Ghanaians and some Sierra Leoneans. Earlier in that year, entry had been denied about 200 Ghanaians on visa.[31] Liberia pleaded the lack of valid travel documents for these actions but where such documents were complete and in order, it admitted its fear that some of the aliens might settle and take up jobs as some of their compatriots had tended to do in the past.[32] As the influx of the aliens (mainly Ghanaians and Sierra Leoneans) into Liberia continued, the government took the stand that the first phase was creating or aggravating adverse economic conditions in the country. In fact, the country's commissioner of Immigration and Naturalization, Edwin J. Taye pointedly asserted that the first phase "is not in the best interest of Liberia."[33]

Generally, several member states took various measures to restrict the entry of West African immigrants. In 1982, Sierra Leone expelled some Guinean nationals.[34] Ghana, for what was described as compelling economic and security reasons, closed her land borders between September 1982 and February 1983,[35] their reopening being compelled by Nigeria's mass expulsion of illegal aliens, mostly Ghanaians in 1983. In 1982, also, Liberia had closed her borders with Sierra Leone, and then deployed 2000 troops to "implement their closure on land, sea and air."[36]

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Various administrative measures were also adopted by member states to discourage immigration. With the generalized economic downturn and shortage of foreign exchange dating especially from 1981, certain measures were adopted to take advantage of the difficulties in providing travelling nationals with hard currency. For example, in 1984, Nigeria, Ghana and Sierra Leone enacted regulations which required that an ECOWAS citizen entering their territories must possess a specific amount of money in foreign exchange to cover expenses for 90 days.[37] Sierra Leone continued to insist on visa from ECOWAS citizens. Although the Authority had directed that member states should provide special counters at points of entry for ECOWAS citizens, none had complied by 1983. Some states argued that this could not be done as such counters were not envisaged in their port designs. Others maintained that such special counters for ECOWAS citizens were not provided because the passenger traffick in their ports were generally not large enough to warrant them.[38] In 1984, a single arrival and departure form for community citizen was drafted by the Secretariat and circulated to member states, but they rejected it on what secretariat officials regarded as "very flimsy excuses"[39]

Ordinarily, the fact that the first phase did not confer more than visiting rights on community citizens would have been sufficient to assuage the misgivings of national authorities on the protocol. However, as the Liberian

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government pointed out, there was no guarantee that once immigrants were let in, they will voluntarily find their way out again. The tendency has been for them to settle down and find jobs. Under such a situation, the misgivings displayed towards the protocol at the level of implementation become clearer. Immigrants tended to see the protocol as synonymous to residential and work permit.[40] The logic of this is dictated by the underlying economic basis of migration in West Africa. Nigeria's handling of the issue of illegal aliens puts in perspective the pattern of reaction to the issue in the light of economic boom and crisis.

6.4: Economic crisis in Nigeria and the crisis of migration in West Africa

Nigeria had protested the mass influx of nationals of other member states of ECOWAS before the first phase of the protocol became operational. By 1980, the presence of these immigrants was already attracting adverse attention in the Nigerian press. The protocol was portrayed, in some cases as something that stood between Nigeria and the assertion of her sovereignty on behalf of her nationals in the Nigerian job market.[41] It had created a situation for the exploitation of Nigerian workers, as it permitted the influx of "jobless, unskilled and socially undesirable aliens always ready to accept low wages that are below the minimum wage".[42]

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Thus, alien competition was seen to make jobs unavailable for Nigerian workers. At the same time, the protocol, would by implication ensure huge profits for some Nigerian employers who made use of cheap immigrant labour. At this stage, the impact of the aliens' presence on the Nigerian economy was mostly felt by the low income groups in the country. These were at a disadvantage in the competition for available low income jobs, in which the migrants were willing to accept very low wages. In addition, these two categories were also in direct competition for residential accomodation in low income, high density areas of urban centres.[43] Resentment over the presence of aliens was therefore felt mostly by the working class. On the other hand, employers of migrant labour, who were very much aware of the huge profits they were reaping from the availability of this source of cheap labour, exerted pressure on the government to allow them stay, even as the latter embarked upon low key deportation.[44]

The Nigerian economy was at its peak in 1980. With the price of crude oil above the $40 per barrel mark, export volume reached an all time peak of $26,000 million, with import at $15,000 million (See Table 5.4). In that year also, the G.N.P was $84,033 million, its highest ever. Under this buoyant economic situation, issues such as unemployment, smuggling and other economic/security problems usually blamed on aliens

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TABLE 6.4

Nigeria: some basic economic indicators, 1978-1983. (million u.s. dollars)

	1978	1979	1980	1981	1982	1983
Price of Crude Oil (dollar per barrel)			41.0	40.78	35.50	29.0
Government Revenue		15,380	14,500	15,120	12,820	10,120
G.N.P.	53.074	66,629	84,033	75,761	70,428	68,449
Exports (Ex)	9,483	18,073	26,000	18,727	19,484	17,509
Imports	12,857	12,399	15,000	18,776	20,821	17,600
External debt	2,347.7	3,267.6	4,275.7	5,898.7	8,488.1	11,757.2
Total debt Service (TDS)	104.1	237.8	547.1	905.0	1,427.6	2,040.5
Debt Service ratio $\frac{TDS}{Ex}$ (in %)	0.9	1.3	2.0	4.6	10.3	18.6
International Reserves	2,029	5,900	10,640	4,168	1,927	1,252
Reserves/Import ratio (in months)	1.6	4.4	5.8	2.0	1.1	1.0

Source: The World Bank, World Debt Tables, 1984-85;

__________ World Development Report, 1980-1985 editions.

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by some Nigerians who demanded drastic action, had not assumed the critical dimension that would warrant the kind of action on the part of the Nigerian State which might offend the 'spirit' of the protocol,[45] or jeopardise the country's commercial ambitions in the sub-region.

Although Nigeria's position was dictated by the buoyant economic situation of 1980/81, the country nevertheless took protest actions in two forms, both of them low-key. The diplomatic approach emphasized voluntary restraints on the part of governments of member states in checking the influx of their citizens into the country. Pressures along these lines were applied at the bilateral as well as the community level. The bilateral aspect was essentially in the form of attempts to get the government of Ghana, the main source of immigrants into Nigeria, to quietly, on its own initiative, restrain her citizens from travelling to Nigeria without valid documents, and getting those illegally in the country to return. At the community level, Nigeria also urged the method of voluntary restraint on fellow ECOWAS member states during the organiztion's summit in Freetown in 1981. On this occasion, Nigeria went a bit further by making it clear that henceforth, the 'letter and spirit' of the protocol were to be strictly applied. Visitors were to leave after 90 days, and must not take up employment during their stay. Violators of these basic tenets of the protocol were to be deported.[46]

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The other form of action on Nigeria's part was to insitute legal proceedings against aliens without valid entry documents. In essence, this was the follow-up to the warnings put across at the diplomatic level.[47]

By 1982, the Nigerian economy had started to show visible signs of crisis. An oil glut in the international market forced a drastic fall in Nigeria's export earnings, at a time when import were growing faster than exports, and reserves accumulated since the boom period in 1980, had been rapidly exhausted in the massive liberalization of imports which the administration of President Shehu Shagari had embarked upon in 1980. A decline in exports earnings was recorded in 1981, while imports rose, but the high level of reserves accumulated in the previous year easily accomodated this rise and the attendant trade deficit. By 1982, the situation was clearly worse. Although exports recovered marginally, the upward trend in imports triggered earlier resulted in large trade deficit, while international reserves which stood at $10,640 million in 1980 declined to $1,927 million. (See Table 5.4). In fact while the average reserves - imports ratio for 1980 was 5.8 months, it plummetted to 1.1 in 1982 and 1.0 in 1983. The crisis is further reflected in the debt position. Between 1980 and 1982, the external debt doubled, while the debt service ratio increased rapidly from 2.0% in 1980 to 10.3% in 1982 and 18.6%

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in 1983. In fact, by 1982, Nigeria had largely started to display the crisis pattern of the relatively wealthy peripheral capitalist system, with a massive externalization of foreign exchange at a time when the capacity to earn it was rapidly declining.

As the capacity to earn foreign exchange declined, debt and debt service simultaneously rose. This situation fuelled the foreign exchange leakage effect, rendering foreign exchange largely unavailable. With this came a fundamental decline in the capacity for the importation of raw materials, spare parts and other necessary inputs for industrial production. The resulting retrenchment of workers by the private sector shot the unemployment situation to new heights. The public sector which had expanded rapidly and recklessly under the second republic became the subject of fundamental disequilibrium as governments, especially at state levels increasingly found it difficult to meet their financial obligations. The need to relieve the unemployment situation, stem the outflow of foreign exchange, and in general deflect mounting social and economic tensions became of overriding necessity. In this context, the mass expulsion of illegal aliens was one of various measures adopted by the Nigerian state to protect its basis of self reproduction and accumulation.

By the middle of 1982, the spectre of mass expulsion had increasingly loomed large as West African aliens, mostly Ghanaians

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were held responsible, or blamed for compounding many of the ills of the Nigeian economy. However, there was considerable opposition to the idea of mass expulsion. This was based on two major factors. First, if mass expulsion was to be reciprocated by affected African Countries, Nigeria would end up receiving more of her emigrant citizens than the number she expels. This would make the country worse off as negative employment effects are expanded and the problem of crowded utilities are further compounded.[48] Secondly, for reasons of Pan Africanism . Nigeria's Africa Policy, as well as the special position occupied by the country in the attempt to realise the ideals of ECOWAS, it was strongly felt that mass expulsion as an option should not be considered. It would mean serious set-back for Nigeria's foreign policy in general.[49] This argument was employed by the government itself in its initial resistance to the mass expulsion option.[50]

However this opposition could not prevent the Nigerian government from embarking on a large scale expulsion of illegal aliens in January/February 1983. The expulsion option was important to the Nigerian State for two main reasons. One, some savings in scarce foreign exchange could be made by eliminating or drastically reducing alien remittances, smuggling and speculative parallel market activities which were increasingly having a depreciative effect on the naira.[51] Secondly, there was the need to relieve tension in industry and unemployment

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in the economy. For example, the increased pace of activity in the shipping and construction industries in the era of economic boom made them of prime attraction for a large number of unskilled aliens and local unskilled labour. But as the dawn of economic crisis turned these industries into early casualties of import restrictions and various other foreign exchange saving devices, mass retrenchment in them became inevitable. The expulsion effectively retrenched alien workers in these industries, and in so doing, diffused mounting tensions between management and labour. Although this did not necessarily mean that Nigerian workers would fill the spaces created by the departing aliens, it certainly **relieved,** or postponed, if only temporarily the need to retrench such Nigerian workers.[52]

The reaction from the community came from two sources, while the Executive Secretary made an ambiguous call for greater adherence by member states to the ECOWAS protocol on free movement,[53] the then Chairman of ECOWAS, President Mathieu Keredou of Benin merely affirmed the right of member states to regulate the movement of foreigners in their territories.[54] The ECOWAS committee of Ambassadors which met in Lagos on the issue simply sought an improvement in the Nigerian government's implementation logistics so as to ease the hardship of affected aliens.[55] The move was greeted with varying degrees of hostility by member states of ECOWAS. However, a good deal of this was in its rather harsh mode of implementation rather

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than the fact of the mass expulsion itself.[56] Thus, in the Conakry summit in May 1983 where the matter might have been discussed by the Authority, the host, President Sekou Toure was able to ensure that the issue was not included in the agenda.[57] Institutionally therefore, ECOWAS was unable to muster the authority to deal with the issue.

As should be expected, the mass expulsion order was greeted with pronounced hostility in Ghana, the most affected country.[58] Of more significance is the impact which the expulsion had on Ghana. As the Ghanaian Head of State, J.J. Rawlings made clear during the crisis, the deportees left for Nigeria because life in Ghana had "become near impossible", and they were being forced to return when the situation was not in any way improved.[59] In the circumstances the expulsion constituted a crushing burden on the economy of Ghana, largely exhausted by extended crisis. The evacuation of about one million deportees was estimated to have cost the Ghanaian government about 40 million cedis.[60] The period of the expulsion also coincided with acute food shortage in Ghana. These twin problems meant a short fall in grains of about half a million tons which had to be acquired before the next harvest which was due in September 1983.[61] The need to make up for this short fall, along with the existing facilities to cope with various problems associated with the expulsion made recource to foreign aid inevitable. In fact,

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the relief and Supply Committee, (one of the three committees set up to evacuate, receive and resettle the returnees, - the other two were evacuation and repatriation, and mobilization and rehabilitation) was specifically charged with receiving, co-ordinating and distributing relief supplies from foreign aid donors.[62]

Table 6.5 shows the list of pressing requirements communicated by the Ghanaian government to international institutions and foreign governments. This represented only a part of the short term needs for reception, and did not take into consideration the longer term requirements of a resettlement scheme. Thus, inspite of the response from aid donors (see Table 6.6), the Ghana government made it clear that the requirements of a long term resettlement scheme were beyond the resources of Ghana. In the circumstances the only effective solution would be to increase Ghana's usual foreign aid by twice what it normally was.[63]

Furthermore, the unemployment crisis in Ghana was aggravated as more than one million people were compelled to return to a country which they had left in the first place because it could not provide jobs for them, and at a time when the situation had further deteriorated. Added to this was the ineveitable problem of crowding utilities.[64] Thus, as the government of Ghana pointed out, the expulsion was "greatly disruptive of the government's programme of restructuring the Ghanaian Society".[65] In

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a profound sense, this was portrayed in different ways. At a time when the country' leadership claimed to be trying to restructure the economy to be self-reliant, it was compelled into a position where increase dependence on foreign aid became of paramount importance to the economy. Also, fears were expressed that all the wrong values imbibed by the deportees in 'neo-colonial, corrupt and crime infested Nigeria' might undermine the 'just and equitable system free from exploitation and oppression' that Ghana was trying to build.[66] Added to the foregoing was a security dimension . In a sub-region noted for political instability and mercenary attacks, the Ghanaian authorities entertained genuine fears that the mass return of her nationals might serve as a conveninent camouflage for mercenary attacks to destabilize the government.[67] This contributed to the country's reluctance to reopen her land borders, closed earlier to check smuggling and currency trafficking. In fact, the reopening of the borders meant the resumption of the distortional effects which the latter activities implied for the economy of Ghana.

That the rehabilitation exercise was only a partial success, giving the prevailing resource handicap is confirmed by the fact that many of the deportees found their way back to Nigeria. Following Ghana's mass expulsion of aliens in 1969/70, Nigerians, the most affected group of migrants left Ghana and did not return in large numbers, the period thereafter coinciding with Nigeria's economic upsurge. However in the case of Ghana, the

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TABLE 6.5

Rehabilitation of deportees from Nigeria: List of Short term aid requested by the government of Ghana from foreign donors (1983).

Item	Volume/Value.[a]
Cereal	250,000 tons
Baby Food	10,000 cartons
Vehicles (Ambulances)	15
Tyres	800 sets
Light bulbs	100,000
Drug and other medical facilities	unspecified.

a - These are actually below the short term needs of the country. The estimate was essentially based on the storage facilities available to Ghana.

Source: Compiled from West Africa, 14 February, 1983. p. 383.

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TABLE 6.6

Some foreign relief supplies to Ghana for rehabilitating deportees from Nigeria, 1983

Source of Aid	Item	Volume/Value
Denmark	Drugs	24 tonnes
International Red Cross	Medical Supplies	Two large cargo aircraft full
Libya	Medical Supplies	Several large Cargo aircraft full
EEC	Credit [a]	$5 million.
EEC	Food stuff, hospital equipments and tents.	2,000 tons.
EEC	Medical supplies	A boat load
Oxfam	-	$13,000
U.S.A	Food	720 tons
Liberia	-	$20,000
Denmark, Luxemburg, Norway, Sweden and Switzerland	food, blankets and hospital tents.	Not indicated

a - To be shared with Togo and Benin.

Source: Compiled from West Africa, 14 February, 1983 p. 383.

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economic situation continued to deteriorate. This prompted the deportees to return to Nigeria, (inspite of the possiblity of another expulsion) since to eke out a living was still much easier there, compared to Ghana.[68] The return of many of the expelled aliens to Nigeria might have been further fuelled by the expectation that the second and residential phase of the protocol scheduled to come into effect from July 1985 would automatically preclude subsequent mass expulsions, and therefore guarantee the stay of the returnees in Nigeria. In fact, the first draft of the residential phase was founded on such a guarantee. However, Nigeria pre-empted the latter by embarking on another mass expulsion in May 1985, about two months to the crucial ECOWAS summit that was to consider and approve phase two of the protocol. And to consolidate the 'gains' of the expulsions, the country initiated counter-proposals to those put forward by the Executive Secretariat for the implementation of the second phase.

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6.5: Phase Two: Right of residence

With the persistence of the crisis of the Nigerian economy and the return of a large proportion of the aliens earlier deported, the Nigerian state embarked on another mass expulsion in May 1985. Although the action was heavily criticised by neighbouring states as well as the Executive Secretary,[69] the military which had taken over control of the Nigerian state

apparatus in late 1983, was even more forthright in defending the action on the grounds of the necessity to create jobs for Nigerians and relieve the country of various other social pressures which the presence of such aliens had created or aggravated.[70] Coming only about two months before the ECOWAS summit slated for Lome, July 1985, it might have been expected that the action would this time be tabled for discussion. In fact, Ghana, again the country most affected by the expulsion order tried to have the issue put on the agenda but Nigeria, with the active support of Liberia, a net labour absorber which was also currently having to contend with aliens in her attempt to implement a 'Liberianization' policy, succeeded in preventing the issue from being tabled. Along with the unanimity rule which appears to govern such cases, what amounted to a defect in the provisions of the protocol also provided a convenient loophole that aided Nigeria in having the issue blocked from community consideration. Issues arising from the implementation of the protocol are the subject of bilateral negotiations. When the community has a say, it is only through the legal machinery of the Tribunal of the community. Since the latter was yet to be constituted,, the community was not only denied of any major political role on the issue (by virtue of the provisions of the protocol) but also left without an institutional machinery for dealing with immigration problems arising between two or more states.

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Paradoxically, the Lome summit of 1985 was scheduled to adopt a supplementary protocol on the implementation of the second phase, the right of residence.[71] Ghana was the most positively disposed towards the adoption and implementation of phase two. Having made it clear that the government of that country had no intention of stopping Ghanaians from travelling outside the country,[72] Ghana became the major advocate of activating the Tribunal of the community under phase two. In this way, the issues arising from implementation would have become the subject of legal, technical and supposedly depoliticised interpretation. Tacit support for this position came from Togo and Benin.[73] In view of their small size and sandwich locations between Nigeria and Ghana, Togo and Benin had for security reasons initially expressed reservations about the protocol on free movement in general. But by the time Nigeria's border closure had sealed off their transit economies from their major base in Nigeria, the result was a shift from reluctant accomodation to open support for policies that would keep the borders open.[74]

Resistance to the implementation of the second phase came mostly from Nigeria and Liberia. Under this phase which was scheduled to come into operation in 1985, ECOWAS citizens were to be entitled to a five year residence permit in the first instance. The granting of this residence permit meant the right to seek employment. However, at the COM meeting in Lome,

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June 1985, Nigeria with the support of Liberia requested that the implementation of the provisions of the second phase be suspended for two years, or in the alternative, be given exemption status during the initial stages of implementation. These proposals were opposed by Ghana which demanded the implementation of the provisions of phase two according to the original schedule.[75] In the event, the matter was submitted to the Authority, which decided that the protocol should have equal force of application in all member states. The Authority therefore elected to postpone the implementation of the second phase for one year, with the first phase thereby extended to run for another year (till May 1986).[76] This extension was also made in order to allow member states to dismantle those isolationist policies which had tended to mar the smooth running of phase one, and therefore pave the way for a smooth transition to phase two. But most important in granting the extension was the fact that Nigeria's determined opposition to its immediate implementation would have rendered it of no practical effect since recent events relating to immigration in West Africa had clearly pointed to Nigeria as the country to be carried along. In fact, Nigeria's second mass expulsion involving about 750,000 illegal aliens was done partly in anticipation of the second phase, when community citizens, once inside a member state would be legally free to stay and work, irrespective of whether they possessed valid documents or not.

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Nigeria was seen as the main stumbling bloc to the take-off of this phase. The marked isolationist character of her policies in the face of economic crisis were felt to be dangerous to the continued existence of ECOWAS. It became necessary to get her to reaffirm her commitment to the organization. Thus, the Authority did not only adopt a modified time table put forwards by Nigeria for the commencement of phase two, the Nigerian Head of State was also elected as the Chairman of the organization at the Lome summit of 1985. It was hoped that this would moderate Nigeria's adoption of any policy that might further isolate her from the organization. But as the then Nigerian Head of State, Muhammadu Buhari emphasized, ECOWAS chairmanship would not make Nigeria to sacrifice her interest. He maintained that the deportation of illegal aliens would be a continuous exercise. A situation in which they monopolised jobs meant for Nigerians, and in the midst of economic crisis, he said, "will not be tolerated".[77]

When the first draft of the supplementary protocol on the Second Phase was first presented to the C.O.M in Lome, November 1984, it was rejected. It was contended that issues raised in the course of implementing phase one should first be resolved before further progress on free movement. Such issues relate to the fact that aliens tended to stay put after the expiration of the 90 days limit, without regularizing their stay thereafter. In addition, they took up employment which their status did not allow, and at the same time, were inclined to take advantage

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of certain economic weaknesses of host states by engaging in clandestine cross-border activities which further aggravated the existing economic crisis. These issues were essentially highlighted by Nigeria, in the context of her own economic crisis, and her continued border closure, but they were obviously shared by some other member states, especially those with inconvertible currencies.[78] Another factor contributing to the rejection of the proposals relate to the apparent uneasiness with which member states viewed them. The proposals embodied an explicit attempt to exclude the say of host states on the residence and employment status of community citizens. Such powers were to be transfered to the community, and the country of origin of the community citizen. The general opposition to this led the C.O.M to return it to the TCIMP department, in the Executive Secretariat which was told to come up with a more realistic draft.[79]

In June 1985, the TCIMP department decided to reactivate this draft without substantial modifications. In adopting this line of action, the TCIMP department was persuaded by the assumption that the precarious position of the migrant community citizen as exemplified by Nigeria's mass expulsion exercises, could only be tackled through an attempt to transfer powers to confer the migrant community citizen with basic residence and employment rights from the host state to the community

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and the country of origin of the immigrant. That the TCIMP department could adopt this line of action was a pointer to the fact that more states had become receptive to its provisions in the light of Nigeria's second mass expulsion which had been carried out after the first consideration of the draft by the C.O.M.[80]

This draft hinged the second phase of the protocol on three basic principles.[81] First, mass expulsion involving community citizens was for any reason, prohibited. Where deportation was carried out, each case was to be treated on its own merit, and even then, was only permissible for reasons of national security, health and public morality. Even in such cases, an affected community citizen could appeal against the deportation order before the ECOWAS Tribunal. Secondly, the right of residence was guaranteed to the community citizen in the host state. This guarantee was to take the form of a community passport and visa which were to be issued by ECOWAS. But the issuance was to be done on behalf of the community by the home state of the intending migrant. Thus, residence permits were no longer to be issued by the host state, but by the country of origin of the immigrant. In this way, a member state was no more in a position to determine whether to allow a migrant from a member state into her territory or not. This power was to be exercised de-facto by the state of origin. Finally, the right to work was

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guaranteed to the immigrant. Although he was obliged to apply to the host state for an ECOWAS work permit in order to exercise this right, this was only of nominal value since delay or refusal by the host state to grant the permit did not in any case preclude the immigrant from securing a job. With the Tribunal of the community there as the final arbiter in matters of intra-community migrations, securing a job was not a sufficient criterion of permissible expulsion.

Most of the movement of immigrants in West Africa took place outside the framework of the protocol during its first phase.[82] The proposals contained in the draft of the supplementary protocol, on the right of residence tried to place all such movements within the sub-region under a blanket legality. The chief instrument for this was the attempt to constitute the country of origin of the immigrant as well as the community into the pivot of the whole framework of free movement of persons, residence and establishment. At the same time, the host state was to be reduced to a position where its already highly circumscribed powers were again subject to the final decision of the Tribunal of the community.

This attempt to reduce the issues involved to legal and administrative technicalities ignored the basis of the hostile reception accorded the protocol in some states, especially on the onset of major economic crisis. When the Buhari administration had clearly indicated that as long as Nigeria's economic

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crisis persited, illegal aliens would not be tolerated in the country,[83] the underlying structural basis of the crisis of free movement in ECOWAS was portrayed in its essence. While the successor administration to the Buhari regime kept this in view, it attempted to distance itself from the latter's rather short sighted policies which had virtually isolated Nigeria from ECOWAS. This was done by shifting from active oppostion to the proposals on phase II as presented by the TCIMP department, to the presentation of counter-proposals which radically altered the earlier idealistic framework envisaged for the implementation of the new phase.

The basic premise of Nigeria's counter proposals was that the second phase should not be universally applied to all categories of immigrants in West Africa. In June 1986, Nigeria had unilaterally imposed a restriction on the categories of expatriates that were qualified to take up employment in the country. Those acceptable included engineers, doctors, architects, teachers, surveyors and bilingual secretaries. Journalists, lawyers, accountants, administrators, musicians and drivers, along with unskilled alien workers were barred from taking up employment in the country.[84] It was this that Nigeria urged on ECOWAS as the basis of the conferment of the right of residence status. This was adopted at the Abuja summit of 1986.

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Thus, under the second phase, only professionals can enjoy the right of residence and employment, and only six categories of professionals at that. Apart from the restricted categories of admissible aliens, the provisions of the second phase as finally adopted, nipped in the bud, the attempt to transfer the powers of the host state over community citizens to the institutions of the community. Community citizens who are qualified by profession are expected to obtain the ECOWAS resident permit, but unlike in the earlier draft, such a permit is obtainable from the host country. The host state reserves the right to grant or reject an application for such a permit. In the event of a rejection, a reapplication is allowed but another denial means the applicant must leave the country.[85]

The second phase, as finally elaborated was purely a Nigerian initiative, unlike the initial draft which originated from the Secretariat. Although some member states were not enthusiastic about the counter proposals, since they amounted to a virtual imposition of Nigeria's position, the apparent support for them stemmed from a number of factors. First, as initially presented, it was clear that Nigeria, probably with some other member states would not likely adopt or implement phase two. This would have raised the distinct possibility of a major ECOWAS policy measure without the concurrence of Nigeria, something which the community would have found difficult to cope with. The Nigerian initiative prevented this outcome.

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Secondly, the Nigerian proposals enable member states to retain those powers which would allow for a careful national control of the inflow of aliens from member states. These were sovereign powers which the first draft had sought to alienate. Thirdly, the strict provision on the admissible categories of aliens ensures that only a tiny minority of community citizens can actually qualify for the 5 - year residence permit. The exclusion of unskilled and semi-skilled labour, the major form of migrant labour in West African ensures that their inflow can only be tolerated by a member state if it explicitly wants to. No member state was really confortable with the far-reaching economic and security implications of the mass influx of aliens. These were issues which the first draft did not address.

The further deterioration of the Nigerian economy after the country had requested for postponement of phase II had given rise to apprehension that the country might call for another postponement at the Abuja summit in 1986. But as pointed out earlier, Nigeria did not do this, but opted for a drastic revision of the framework of Phase II. Basically, the Nigerian state had to take action to keep open its long term interests in the sub-region as an extended zone of accumulation. As the then Nigerian External Affairs Minister, Bolaji Akinyemi made clear,

> Sooner than later, we are going to need a regional market for our burgeoning economy. It is therefore prudent to lay the foundation for that enhanced future economic interaction

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now, whatever it immediate costs.[86]

Nigeria's initiative was therefore an attempt to move away from the rather short sighted insularity that had attained its zenith under the Buhari administration. This position was seen to be clearly against the longterm interests of the country in as far as it threatened the attempt to build a unified West African market on which the Nigerian State rely so much for realization of expanded accumulation. Thus, the new position was fundamentally based on consideration of the short term structural economic crisis that gave rise to the crisis of migration in the first place. But it also attempted to marry the long term interests of the dominant interests of the Nigerian State by retracing the country's steps from insularity, and at the same time, ensuring that those conditions by which illegal aliens were alleged to have created or aggravated economic crisis were held in check.[87]

6.6: Concluding Comments

The modern migration process in West Africa is essentially a product of the integration of the sub-region into the world economy and the pattern of accumulation and reproduction this entails. For the host state, the process of mass migration could be seen in positive and expansive terms, and infact deliberately induced, if the existence of an exploitable resource of value to international capital necessitates it, or creates

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the conditions for it. For the state of mass emigration, it means a capacity to earn foreign exchange where the resources available and useful to international capital are inadequate or rapidly exhausted. In this way, it allows a measure of accumulation and reproduction along the basic lines of peripheral capitalism, inspite of the low level of resource endowment. It also relieves unemployment and provides breathing space for crowded utilities.

However, on the nagative side, an adverse impact of the world economy on the resource base of the high resource, labour attracting economies tend to elicit various official actions to discourage the inflow of immigrants, a situation usually complemented by spontaneous and volatile reaction to aliens from the local population given the slightest excuse.[88] The official reaction takes on an extreme form when aliens are expelled en masse. As this vividly portrays the state as it battles to relieve pressure on its accumulation and reproduction processes, it also thereby indicate the weakening of the same processes in another state through a transmission of pressure.

Furthermore, an essential element of the integration process is indicated in the purview of power of common institutions in regulating certain aspects of community life. The process of elaborating the free movement policy of ECOWAS shows that while a centralising tendency may be encouraged somewhat by economic boom in some member states a reflection of favourable

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moments in the world econmy, this same process can be held in check if not reversed by a fundamental economic crisis, equally resulting from the incorporation into the world economy. This was clearly indicated in the withdrawal syndrome exhibited by Nigeria and Liberia, especially in their resistance to the adoption of the first draft of phase II. Indeed, the provisions of the second phase as finally adopted confirm the close approximation of structural crisis and the reluctance of member states to transfer significant powers to the community. The tendency was to further constrict those powers.

In the final analysis, the migration process in West Africa underscores the 'periphery' status of labour exporting states and the 'centre' status of labour attracting countries within the sub-region. It does not only point to the general peripheral character of all the economies involved in relation to the world economy, but it also established a multilayered dependecy structure for the labour exporting economies. The mediating role of the regional 'centres' on the 'periphery' character of the labour exporters is brought out vividly as the wealthier states constituting the regional centres, become enmeshed in a crisis largely orginating from integration into the world economy. This crisis is itself transmitted to the labour exporters through various means, including a decline in remittances, refusal to accept new migrants, and sometimes, the mass expulsion of aliens, with all its attendant consequences.

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Notes

1. For example, Elliot Berg., "The economics of the migrant labour system", in Hilda Kuper (ed) Urbanization and migration in West Africa, (Berkely, University of Califonia Press, 1965). pp. 160-81; K.C. Zachariah and Julien Conde, Migration in West Africa. (New York, Oxford University Press, 1981).

2. Samir Amin, 'Introduction', in S. Amin ed., Modern migrations in West Africa, (London, Oxford University Press, 1974). pp. 65-124.

3. Ibid. p. 87. In fact, this phenomenon was effectively articulated during colonial rule when forced labour and taxation were systematically employed as instruments for inducing migration to areas producing for export.

4. Zachariah and Conde, op.cit., p. 31.

5. Ibid.

6. Ibid.

7. Bastian A. den Tuinder, Ivory Coast: The challenge of success. A World Bank country economic report, (Baltimore, The John Hopkins University Press, 1978). Tables 6.3 and 139.

8. Zachariah and Conde, op.cit. Table 37. p. 53.

9. Gurushri Swamy, International migrant workers remittances; issues and prospects. World Bank Staff Working Paper No. 481, (August 1981). Table 3.

10. Zachariah and Conde, op.cit. p. 38.

11. J. Adomako-Sarfoh, "The effects of the expulsion of migrant workers on Ghana's economy, with particular reference to the Cocoa industry", in S. Amin (ed)., op.cit p. 139

12. This deduction is based on the magnitude of migrant workers expelled from Nigeria in 1983 and 1985. Numbering at least 2 millions, the high proportion of Ghanaians among them gives a measure of validity to this conclusion.

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13. A contemporary example which reinforced this feeling was the Republic of Congo's expulsion of aliens in September 1977. Although only five citizens of ECOWAS member states (Mali and Nigeria) were affected by the exercise, the Executive Secretary of ECOWAS, Diaby Ouattara pointed out that "the lesson of the expulsion is that our duty is to make ECOWAS succeed. The community is very important to the life of the people, even if for the time being they don't see it." Daily Times, 21 September, 1977. p. 32. The reasons for free monvement being given priority attention were advanced by Dr. Quattara. See Daily Times, 11 June, 1977. p. 19.

14. See the editorials of Daily Times, 15 March, 1977 and Nigerian Tribune, 28 July, 1977.

15. Daily Times, 24 November, 1978. p. 9.

16. Times International,(Lagos), 19 March, 1979 p. 7.

17. ECOWAS, ECW/CM.IV/2. Report of the Executive Secretary to the Council of Ministers Meeting in Dakar, 20-21 November, 1978. p. 17.

18. Daily Times, 15 June, 1977. p. 3.

19. This committee was made up of experts from Benin, Cape Verde, Nigeria and Senegal. See ECOWAS, Ad-hoc Committee on Free Movement of Persons, "Introductory note on the protocol on Free Movement of Persons", 1978. See also, New Nigeria, 16 October 1978. p. 17

20. See ECOWAS, A/P.I/5/79. Protocol relating to free movement of persons, residence and establishment.

21. Interview with various officials of the Executive Secretariat of ECOWAS, Lagos December 16-18, 1986.

22. On April 8, 1980, the 7th member state ratified it. Guinea-Bissau, Nigeria, Guinea, Togo, Niger, Liberia, in that order were the first six countries to ratify the protocol. See ECOWAS, "Status of ratification of protocols and conventions deposited in the Executive Secretariat as at December 1985".

23. See for example, editorial, Nigerian Observer, 8 June, 1979. p. 3. It called for strict measures to curtail any possible abuse of this protocol.

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24. See West Africa, 7 May, 1979 p. 818.

25. Nigeria Herald, 20 May, 1979. p. 7.

26. Ibid.

27. Office of the President, Department of Information Late Press Release No. 1132, Lagos, 28 May, 1980.

28. See Nigerian Tribune, 26, July, 1980. p. 7; 18 June, 1980 p. 32; The Ivorian Foreign Minister, Mr. Simeon Ake came to Lagos specifically to consult with the Nigerian Government in response to the latter's protest note. He made it clear that although his country had not yet ratified the protocol, it felt bound by its provision, so that community citizens could enter Cote d'Ivoire without visas.

29. Bastian A. den Tuinder, op.cit. p. 212; Table 6.3.

30. Africa (London) No. 95, July 1979 p. 43.

31. West Africa, 5 March, 1979 p. 414; 3 December, 1979. p. 2261.

32. Ibid.

33. West Africa, 3 November, 1986. p. 2333.

34. West Africa, 3 December, 1983. p. 2261.

35. West Africa, 18 April, 1983. p. 942.

36. Ibid.

37. The Punch, 17 September, 1986. p. 11

38. Sierra Leone insisted on visas from ECOWAS citizens. In some States, cars with foreign plate numbers were barred from the streets after a particular hour in the evening. See ECOWAS, ECW/CM.XIII/5, Assessment Tour of Member States: Summary Report of Working Groups. Implementation of Acts, Decisions and Directives of Community Authorities. Lagos, March 1983.

39. Interview with various officials of the Executive Secretariat of ECOWAS, Lagos, December 16-18, 1986. See also ECOWAS, ECW/CM. XVI/2, Report of the Executive Secretary to the Council of Ministers, Lome November 1984. p. 4.

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40. See Sunday Herald, 18 July 1982. p. 7.

41. New Nigerian, 4 November, 1980. p. 4.

42. Ibid. Following Nigeria's deportation of some Ghanaians in 1981, the Ghana High Commissioner in Nigeria, Alhaji Youssuf Patti, said some Nigerian employers had appealed to him to do everything possible to prevent their Ghanaian employees from leaving. See West Africa, 9 March, 1981. p. 522.

43. International Herald Tribune (Paris), 16 June, 1982. p. 8s. Here it was pointed out that Maroko, a low income residential area in Lagos Island had virtually been taken over by Ghanaians. In general, the issue of overcrowding of utilities as a result of aliens presence was given much prominence in Nigeria. See Nigeria Chronicle, 2 February, 1983. p. 5; Daily Times, 26 March 1980. p. 9.

44. West Africa, 9 March, 1981. p. 522.

45. Thus, the Nigerian Minister of State in the Ministry of Internal Affairs, Mrs. J. A. Akinrinade made the point that in deciding on the issue of aliens, Nigeria had the spirit of the protocol to think of. See New Nigerian, 4 November, 1980. p. 4.

46. These new measures were made known by the Nigerian Internal Affairs Minister, Iya Abubakar, See New Nigerian, 14 August, 1981. p. 7.

47. See West Africa, 9 March, 1981. p. 522.

48. See Sunday Herald, 18 July, 1982. p. 7.

49. Ibid. See also, R.I. Onwuka, "The ECOWAS protocol on the free movement of persons: A threat to Nigerian Security". African Affairs, Vol. 81, No. 323, April 1982. pp. 193-206.

50. National Concord., 27 November, 1982. p. 4.Perhaps, it was due to the prevalence of strong anti-expulsion views in some key ministries that the whole exercise was planned in secrecy. As Aluko has pointed out, the decision on mass expulsion (1983) was taken by a select elite, made up of the President, a few key advisers and the Minister of Internal Affairs. The

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secrecy with which it was planned, and the fact that key ministries that should have been included for effective co-ordination of the implementation were left out, led to a poor and haphazard execution of the order. See Olajide Aluko, "The expulsion of illegal aliens from Nigeria: A study in Nigeria's decidion-making", African Affairs, Vol. 84, No. 337, October, 1985. pp. 531 - 560.

51. Opponents of the expulsion order have pointed out that the wrong aliens were sent away and that it was not the fellow West African blacks that were expected that constituted the source of resource drainage, but the non-white aliens. See West Africa, 14 February, 1983. p. 386.

52. About 7,000 West African migrant workers were estimated to be employed in Lagos ports alone. See West Africa, 7 February, 1983,. p. 307. The support which the measure generated within the country was essentially in the context of keeping jobs for Nigerians. In fact, Nigerians were called upon to regard it as their patriotic duty to report any illegal alien to the authorities. See editorial, Daily Times, 26 August, 1983; See also, The Punch, 7 September, 1983. p. 7.

53. National Concord, 17 July, 1984, pp. 1 and 17; 21 July, 1984. p. 5.

54. New Nigerian 18 February, 1983. p. 1.

55. Africa Now (London) February 1983. p. 47.

56. See West Africa, 7 February, 1983. p. 303.

57. West Africa, 6 June, 1983. p. 1333. Sekou Toure feared that the issue would mar the summit to which he was playing host, if it were tabled.

58. See Quison Sackey, "Who is an alien," West Africa, 21 February 1983. pp. 471-2; S.K.B Asante, "ECOWAS and the expulsions, West Africa, 18 April, 1983. pp. 941-3.

59. West Africa, 21 February, 1983. p. 463.

60. West Africa, 7 February, 1983. p. 305.

61. West Africa, 14 February, 1983, p. 383.

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62. West Africa, 21 February, 1983. p. 463.

63. West Africa, 14 February, 1983. p. 383.

64. West Africa, 21 February, 1983. p. 463.

65. West Africa, 7 February, 1983. p. 306.

66. West Africa, 14 February, 1983. p. 385. Such statements (which were carried by the Ghanaian Daily, Daily Graphic) could be seen as of mere propaganda value, but in the context of the anti-colonialist rhetorics on which J.J. Rawlings premised his image of a new Ghanaian Society, it represented an expression of the possible disruptive influence of a counter culture.

67. West Africa, 21 February 1983. p. 463.

68. See for example Lynne Brydon, "Ghanaian responses to the Nigerian expulsions of 1983". African Affairs, Vol. 84, No. 337, October 1985. p. 585.

69. Public and Official hostility to Nigerians resident in Togo and Burkina Faso were reported. See Financial Punch 29 May, 1985. p. 1. The New Executive Secretary of ECOWAS, Alhaji Momodu Munu had observed that while Nigeria claimed to be working within the protocols of the community", the whole idea of expulsion "seems to cut quite across the spirit of bringing together the people of the sub-region". West Africa, 27 May, 1985. p. 1050.

70. The then Chief of Staff, Supreme Headquarters, Major-General Tunder Idiagbon had justified the action, on the grounds that aliens engaged in crimes and "took up available jobs to the disadvantage of Nigerians .... We cannot completely close our eyes to the serious social and economic strains which the unrestricted movement of millions of illegal aliens from neighbouring countries has imposed on Nigeria". National Concord., 13 May, 1985. p. 2.

71. Nigeria might have been influenced in taking the action at the time it did by the need to ensure the exit of illegal aliens before the right of residence could come into effect, and thereby legalise their stay.

72. Reacting to Nigeria's May 1985 expulsion, Ghana's Secretary for Foreign Affairs, Dr. Obed Osamoah declared: "We believe in freedom of movement. We do not intend to take

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any policy state measures in order to prevent any Ghanaians travelling where they want to go". See West Africa, 27 May, 1985. p. 1033.

73. For example, Benin Republic, in a reference that obviously included Nigeria's border closure , had declared that some member states give the impression that there was more economic co-operation before the creation of ECOWAS than now. See ECOWAS, ECW/CM/XVI/1984. Council of Ministers. Summary Record of the 16th session held at RPT Building, Lome (Togo) November 19 - 20, 1984.

74. Interviews with various officials of the Executive Secretariat of ECOWAS, Lagos, December 16-18, 1986.

75. Sunday Tribune, 28 July, 1985. p. 8. The Punch, 17 September, 1986. p. 11.

76. ECOWAS, ECW/CM.XVIII/2. Executive Secretary's Report to Council, Lagos, November, 1985. p. 11.

77. New Nigeria, 25 July, 1985. p. 16

78. Interviews with various officials of the Executive Secretariat of ECOWAS, Lagos. December 16-18, 1986.

79. The Guardian 17 June, 1985. p. 4.

80. Indeed, the director of the TCIMP department in the Executive Secretariat emphasized that the second presentation, without substantial modification inspite of the earlier decision by the C.O.M. to have it reshaped was due to the fact that drastic measures, as in the draft were required if the position of a migrant community citizen was to be safeguarded in the host state. Interview with Mr. Paul Comlan, Director, TCIMP department, Executive Secretariat of ECOWAS, Lagos. 16 December, 1986. See also The Guardian, 17 June, 1985. p. 4.

81. See The Guardian, 17 June, 1985. p. 4.

82. See UKA Ezenwe, "ECOWAS policy on movement", Weekly Democrat, 13 May, 1984. p. 3.

83. New Nigeria, 25 July, 1984. p. 16.

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84. See The Punch, 19 June, 1986. pp. 1 and 9.

85. The Executive Secretary, Alhaji Momodu Munu made these clarifications. See The Punch, 19 June, 1986, pp. 1 and 6 For detail provisions on the Second Phase, See ECOWAS, A/SP.1/7/86. Supplementary Protocol on the Second Phase (Right of Residence) of the Protocol on Free Movement of Persons, the Right of Residence and Establishment.

86. Bolaji Akinyemi, "Balance and credibility in Nigeria's foreign policy", Sunday New Nigerian, 5 October, 1986. p. p; 19 October, 1986, p. 7.

87. Although the advent of the Ibrahim Babangida Administration in Nigeria (August 1985) was cheered in ECOWAS circles on account of his statement that "ECOWAS was ripe for rebirth", pronouncement of his Minister of Employment Labour and Productivity, Rear Admiral Patrick Koshoni soon indicated that this was not going to be a blanket approval for phase two as earlier conceived. The Minister made it clear that "no single job for which Nigerians are qualified will be taken by expatriates". Those of them holding down such jobs were, according to him, to be sent packing. See The Guardian, 15 October, 1985. p. 1.

88. In 1979, a riot that broke out during a football Match in Freetown, between Sierra Leone and Liberia led to the harassment of Sierra Leonians in Liberia. This produced a voluntary exodus of Sierra Leonians from Liberia. In 1980, Ivorians rioted and harassed Mauritanian shopkeepers in their midst in Abidjan for what was seen as thir monopoly of the retail business in Cote d'Ivoire. See West Africa, 10 December, 1979, p. 2295; International Herald Tribune, 16 June, 1982, p. 95; Africa Contemporary Record, 1980-81, pp. B519-20

In 1985, Nigeria withdraw from the West African Football Union (WAFU) Cup following requests by Nigerians resident in Cote d'Ivoire that tensions generated from the first leg of the match played earlier in Cote d'Ivoire, might endanger their lives in case the visiting team was defeated in the return match scheduled to be played in Nigeria.

Thus, competitive sports have become a way of venting anger on unwanted immigrants.

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The official disregard for the life of the immigrant is shown by two examples from Nigeria and Cote d'Ivoire the two major attractions for immigrant labour in West Africa. In 1979, Several workers, mostly aliens packed in a police Van (Black Maria) suffocated to death in Lagos. In 1980, a similar incident claimed the lives of 46 Ghanaians packed in a Police Cell in Abidjan.

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CHAPTER SEVEN

DISTRIBUTIVE POLICIES AND EXTERNAL RESOURCE INFLOWS

Distributive policies are meant to ensure that the gains from integration are evenly spread among the member states of an integration system. They involve a deliberate attempt to interfere in the integration process on behalf of those member states which may be disadvantaged if the expansive measures are allowed to take a laissez faire course, or if the infrastructural capacity to take advantage of expansive measures is not evenly spread.

In ECOWAS, the process of intervention as represented by distributive policies is in two main forms. The compensatory mechanism is geared towards offsetting losses which member states may suffer as a result of the impact of community expansive measures on their economies. The second dimension relates to measures which the community may undertake to promote infrastructural and industrial development, and therefore enhance the capacity of member states to participate in expansive measures. This equilibrating role of distributive measures is built around the Fund for Co-operation, Compensation and Development established under Article 50 of the treaty, although detail provisions

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relating to its activities and organizational structure are set out in a protocol.[1]

Apart from compensation to be made to member states for losses sustained as a result of the application of expansive measures, the Fund may also guarantee foreign investments of menber states, mobilize internal and external resources for member states and the community, and give special attention to the promotion of development projects in the less developed members of ECOWAS. The nature of these activities and their special relevance to the accumulation process in member states in general, and the less endowed ones in particular has effectively made the Fund the pivot of ECOWAS.[2]

7.1: The compensatory mechanism

The compensatory mechanism of ECOWAS is tied to trade liberalization, location of community industries, and losses likely to arise from unfavourable capital movement in the event of the creation of an ECOWAS monetary zone. While compensation for the first two are specifically provided for in the treaty, compensation relating to possible adverse consequences arising from the movement of capital in the event of an ECOWAS monetary zone was first advocated by the landlocked, mendicant states in 1980.[3] This demand was based on the assumption that the free movement of capital that would accompany such a zone would tend to attract resources from the less developed states to the more developed ones and also nurture an investment climate that would

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encourage an external resource inflow that would invariably gravitate to the better endowed states. The landlocked states were even more concerned about the possibility that any favourable investment climate that may ensue from the free movement of capital will produce a pattern of investments that may of necessity require proximity and easy access to the coast.[4] Without some form of compensatory scheme to ameliorate the anticipated adverse consequences, the less developed states in general and the landlocked ones in particular would end up subsidizing an investment climate that would further peripheralize them within the sub-region. This demand for a special compensatory facility did not generate much controversy as the principle of compensation for adverse consequences of industrial location was already enshrined in the treaty. In fact, a development bank which would address, the investment problems of countries in such a position, especially the landlocked countries, was suggested for this purpose.[5] But such a facility must necessarily become operational as a reflection of the operation of a single monetary zone.

The compensatory mechanism of the trade liberalization programme has been given a well defined form, although it too can only be activated when a free trade regime becomes a reality in ECOWAS. The treaty makes provision for losses of revenue from trade liberalization to be paid to importing countries,

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although it did not specify the kind of product to which such compensation should be applicable. The first attempt at further elaboration of the measure was made in one of the five orginal protocols annexed to the treaty.[6] This protocol only provided a formula for assessing losses. Like the treaty, it did not indicate the products that would be compensated in the event of loss of revenue.[7]

This was addressed by the Authority in 1980.[8] Thus, it was decided that compensation would only be paid in respect of losses arising from the circulation of industrial products that meet the requirements of the ECOWAS rules of origin. In general, losses are to be fully compensated. But 20% of the compensation due to Cote d'Ivoire, Ghana, Nigeria and Senegal, the four most advanced dependent capitalist states should be held back and subject to redistribution. During the first five years of the effective implementation of trade liberalization scheme, the retained 20% would be redistributed to the least developed member states in inverse proportion to their level of contribution to the community budget. After the expiration of the first five years, the 20% which would still be retained, will be redistributed to all the member states in inverse proportion to their contribution to the community budget. In effect, the poorer a member state, the more it gets under the compensatory mechanism.

The compensatory payments are meant to alleviate budgetary

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and developmental problems that might arise from the loss of customs revenues in countries importing industrial products of community origin. As indicated above, this is in practice, meant to favour the poorer member states of the community. In fact, when the programme for trade liberalization was first drawn up, the fact that the distributive package did not give a clear guideline on who constituted the least developed member states was one of the reasons why some mendicant states asked for further differentiation to give special attention to their developmental problems. The modification to the scheme adopted in 1983 reflected this, although CEAO has maintained its position that the ECWOAS compensatory scheme does not meet the aspirations of its members.

The resistance of CEAO to the adoption of the ECOWAS trade liberaliztion scheme is based on among other things, the claim that the scheme would represent a net revenue loss to its members. However, a comparative analysis of the provisions of the compensatory schemes of the two organizations does not bear this out.

The compensation scheme of CEAO is based on the regional co-operation tax. This substitutes for the tariff and fiscal measures which member states forego under that organizations trade liberalizatin scheme. It is channelled to a resource pool - the Fonds Communautaire de Development (FCD). The redistribution formula does not allow for full compensation for

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losses incured. Two-thirds of the losses are compensated while the remaining one-third is retained by the FCD to finance community projects whose location are geared to favour the less developed member states.[9]

On the other hand, the ECOWAS scheme provides for full compensation for losses incured except for the four most developed states. These countries will be compensated to the tune of 80% of their entitlements. The balance of 20% are scheduled for redistribution to least developed member states of ECOWAS, the core of whom are the four poorest states in CEAO - Burkina Faso, Mali, Mauritania and Niger. The redistributed 20% of the share of the 'big four' represents an addition over and above the actual revenue losses of the least developed members, and in that regard, it is not only an advance over the CEAO scheme but one that can be envisaged to ensure that more revenue is channelled to the less endowed member states, compared to the period prior to the adoption of the ECOWAS scheme. Simultaneously, it can be seen to represent a net loss to the 'big four'.

Therefore, CEAO's insistence that the adoption of the ECOWAS scheme will represent a loss of revenue to its members cannot be sustained. If the scheme will represent a loss to them, such losses are rather suggested by the possibility that the ECOWAS scheme may undermine the special, reciprocal relations between France and CEAO member states on the basis of which the former subsidizes the budgets of most of these states, acts as

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the major source of foreign investments, major trade partner, and perform a number of other economic and political tasks that might not easily be quantifiable.

CEAO's anticipation of losses from the ECOWAS scheme might also have stemmed from its own experience. The landlocked member states of CEAO have tended to express discontent about the compensation accruing to them for losses incured. They charge that at best, such compensation help to maintain the status quo, and in some cases, fall short of their financial obligations. In 1977, the CEAO decided to create the Fonds de Solidarite et d'intervention pour le Developpment de las Communaute (FOSIDEC) to guarantee loans contracted by member states, for developmental purposes.[10] FOSIDEC was CEAO's answer to the charge of inadequacy of the compensatory scheme by the poorer states.

However, CEAO's main problem in its compensation scheme has come from the dependent capitalist states and major exporters within the group - Cote d'Ivoire and Senegal, which are in effect, the principal contributors to the FCD.[11] As long as these countries enjoyed stable economic growth, the compensatory system ran smoothly. However, crisis in their primary export base has proved a fundamental threat to the system. Thus, reduced prices for Cote d'Ivoire's main export, Cocoa, and a decline in output in Senegal's groundnut as a result of drought

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led to an accumulation of arrears in their contribution to the FCD. By 1980, these two countries owed 5,000 million CFA francs (about $24 million) to the FCD.[12] In that year also, they requested that their contributions be suspended until their economic recovery could sufficiently guarantee their resumption. This was unacceptable to Burkina Faso, Mali, Mauritania and Niger. It implied that they would have to import goods from within the community duty free, while receiving no compensation in return for the resulting fiscal losses. These four countries expressed their opposition to this request by threatening to reimpose custom duties on industrial products from these two countries.[13]

It is clear therefore that the ability to meet obligations under the compensatory scheme has a lot to do with primary export performance at the level of the world market. In the face of crisis in the primary export base of member states, it is not clear that those states which bear most of the burden of compensation will be willing to, or have the capacity to meet their commitments. In this way, crises in the export base of the dependent capitalist countries in the group may be directly translated into fiscal crisis for the mendicant economies within the group. As this example of CEAO suggests, a trade liberalization scheme that is primarily dependent for its smooth operation on such a compensatory scheme may break down in the

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event of economic crises in the major contributors to the facility. A situation like this can be replicated in ECOWAS.

Furthermore, external dependence has implications for the compensatory mechanism. In ECOWAS, contribution by member states for purposes of compensation is to be made in convertible currency. Therefore, to meet obligations under the compensatory scheme must necessarily require member states to increase their earnings of convertivle currency in the world market as a condition of individually staying competitive in the regional market, and in general, sustaining and deepening it. In effect, the expansion of intra-regional trade and the capacity to meet its distributive requirements may necessarily become a function of the expansion in individual member state's primary export trade with the world, that is, the capacity to earn foreign exchange. Logically, this implies that deepening West African integration must necessarily be a reflection of an increasing integraion of the sub-region into the world economy.

The linkage of sub-regional integration to integration in the world economy under the compensatory scheme of ECOWAS is further suggested by the highly permissive rules of origin of the community. The high proportion of permissible foreign input in terms of raw material sourcing, value added and equity capital represents a major compromise with foreign capital, in an effort to attract it. The compensatory mechanism may be

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seen as part of the package of incentives to sustain this process, since it represents a price that member states will pay in order for their industrial goods to gain privileged access to the community market. With most of the industrial production in West Africa dominated by foreign firms, the compensatory mechanism could actually be seen as a price to be paid by member states in order to create a wider market for foreign dominated enterprises.

Although ECOWAS has increasingly become sensitive to the need to reduce emphasis on the compensation for losses arising from trade liberalization, this was not prompted by any consideration of the potential of the latter to further the incorporation of West Africa into the world economy or ameliorate the possible adverse impact of its crisis on sub-regional integration efforts. Rather it arose from the need to adopt or expand on other distributive measures whose burden will be felt less directly by major contributors to the compensatory facility, and yet have a more noticeable and transformative impact on the structure of industrial production in the mendicant and other less endowed member states. The argument for this is based on the idea that compensation for losses from trade liberalization represents a penalty imposed on exporting countries and their export firms, a disincentive to manufacturing for export on a sub-regional basis. In calling for a critical reappraisal of the 'sacred' issue of compensation for losses arising from trade

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liberalization,[14] the Executive Secretary argued that since benefits and losses are inevitable in an integration scheme such as ECOWAS, member states must "build into their initial expectations the possibility of losses which invariably would be temporary".[15] In an attempt to make the trade liberalization programme acceptable while preparing grounds for reducing what might turn out to be a burden under the compensatory mechanism, ECOWAS decided to adopt short term measures such as trying to find alternative sources of budget financing for member states, as well as a co-ordinated development programme for the sub-region.[16]

However, the attempt to make a degree of losses acceptable in the short run is to be spearheaded by permanent and industrially equalising measures to be adopted at the community level. The increasing emphasis on joint industrial ventures, rehabilitation of dormant industrial capacity and a general integrated development policy are all indicative of attempts at a larger community role in centralizing the development process at the level of the sub-region, and therefore, artificially inducing a more even spread in the structure and benefits of integration to member states.

7.2: The rehabilitative and remedial approaches to industrial production in ECOWAS.

Two opposing stand points were manifested on the issue of an industrial policy for ECOWAS. One was manifested in the fact

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that certain interests connected with the business community in a few member states favoured trade liberalization under an industrial production regime based solely on national efforts. If industrial production must cut across national boundaries in West Africa, this should be on a gradual note, with the initiative coming from the private sector, and with minimum community involvement.[17] These interests hold strongly to the view that commercial integration based on trade liberalization should be the definitive criterion of economic integration in West Africa. For them, compensation for losses arising from trade liberalization is an adequate mechanism for redressing any imbalance within the sub-region, and the resources of the community should be concentrated on making the free trade scheme work instead of being dispersed on a number of projects whose viability is questionable.[18]

However, the opposing tendency, represented by the mendicant as well as the less endowed states in general have tended to emphasize the need to base trade liberalization on community industries. Although the treaty made provisions for sub-regional industrial co-operation, its three-stage industrial harmonization programme did not seem to contemplate an active role for the community in industrial production planning, except on a long-run basis. But the industrial programme as a remedial policy for containing disparities between member states

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in industrial development was given a political expression under Article 32 of the treaty. Thus, as the trade liberalization programme was increasingly perceived by many member states as a policy package that would further exacerbate sub-regional disparities, joint industrial efforts under the aegis of the community became very popular as the best method of spreading the fruits and structure of development. Specifically, the locational pattern of joint ventures is expected to favour the mendicant and the less developed states through community intervention. The Economic Commission for Africa and the Executive Secretariat both of which strongly advocate this,[19] see joint production as the way to move towards equalising gains from integration outside the passive and punitive framework of compensatory payments founded on commercial relations, to a more active and dynamic industrialization process based on production integration. The envisaged equalising tendency is expected to eliminate the need for compensatory payments overtime.

The emphasis on direct community involvement in industrial production was also catalysed along different lines by economic crisis. From the early eighties, the singular process of incorporation had been manifesting itself in West Africa through an extended period of structural economic crisis that had resulted in phenomenal decline in industrial capacity in

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the sub-region. In the circumstances, trade liberalization became meaningless as "most countries of the sub-region had nothing to trade with".[20] It then became clear that rehabilitating and boosting dormant production capacity at the national level and the creation of joint production facilities at regional level should be embarked upon as the standard approach to integration.[21] In the few countries which could generate their own industrial development on a relatively large scale within the sub-region, the crisis in the international economy, to which such efforts are largely subject has tended to render existing capacity dormant or underutilized, in addition to constituting a real veto on the creation of new industries. This objective situation compelled ECOWAS into a consideration of direct community action in the revitalization of industry in the sub-region.

In the light of the foregoing, the community's role in industrialization has crystalized in two fundamental forms. The rehabilitative dimension, essentially a direct outcome of the economic crisis addresses the problem of resuscitating industries rendered dormant, under-utilised or uncompleted as a result of the shortage of foreign exchange, raw materials or spare parts. Some aspect of the ECOWAS Economic Recovery Programme (ERP) were cast in this mould. The remedial dimension envisaged the creation of new industries through joint ventures

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between two or more member states, or between community citizens of different member states.

7.3: The Economic Recovery Programme (ERP)

The ERP was adopted by the Authority in November 1984.[22] As member states embarked on national ERPs in reaction to the structural crises in their economies, it became necessary to rationalize, harmonize and make these efforts more cost effective. Hence the community decided to generalize and co-ordinate these programmes on a sub-regional scale.[23] In essence, this scheme was largely an attempt to collectively scout for international sources of finance for the rehabilitation of industry at a time when national efforts at attracting foreign resources were precariously at a low ebb.[24]

Under the rehabilitation scheme, member states submitted lists of projects which had been lying dormant due to the shortage of foreign exchange. While all projects were required to contribute to economic recovery in order to be eligible for community treatment, regional projects or projects with regional impact were given priority over purely national projects. The former were to get 60% of the budget of the ERP while the latter were allocated 40%. Almost all countries responded with a lists of projects requiring rehabilitation.[25] This high response rate is an indicator of the importance attached to the programme by member states. In all, 474 projects were submitted,

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with an estimated rehabilitation cost of $3.6 billion. The Council of Ministers later trimmed the projects down to 146 on a budget of $1.2 billion.[26]

This budget estimate was to be financed from internal and external sources. The internal sources, from which about 30% of the total outlay was expected, were essentially cast in a supplementary role. The major internal source of finance was the Fund. In fact, it was the pivot of the programme. Apart from having to provide part of the required finance from its own resources, it was also expected to guarantee internal and external borrowing by member states, and the community in the execution of the programme.[27] However, the likelihood that the Fund would generate a sizeable proportion of the expected internal estimate became doubtful following the marked reluctance of the member states to increase its call-up capital. Although member states had responded with remarkable promptness to the initial call-up capital of the Fund, it was no longer clear that such enthusiasm would be displayed in the attempt, to further raise the capital base in the light of its increase commitments. In fact, many member states actively opposed an increase in the call-up capital from $50 million to $150 million. This opposition was based on the grounds that the prevailing economic crisis had depleted their financial resources.[28]

About 70% of the finance for the ERP was expected to come

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from external sources. In this regard, the community embarked on high level official contacts with the I.M.F., the World Bank, the EEC and some Western countries.[29] In fact, the programme was largely predicated on an increment in international development aid to the community. In the light of the then prevailing economic crisis, such inflow of foreign aid to individual member states had become dependent on the acceptance of economic reforms or structural adjustment programmes insisted upon by the IMF/World Bank group. Thus, the popularity of the ERP of ECOWAS among the member states could be seen in terms of the opportunity it offered for revitalising industry outside the intimidating framework of the I.M.F/World Bank conditionalities. The resulting willingness to enhance the community's role in industrial planning was an obvious advance on the idea of integration. But certain implications for the extent and direction of that integration can be discerned. The implementation of the programme was largely predicated on the willingness of the international financial bureaucracy, and on international capital in general, on behalf of which it operates, to finance the scheme. This implies a fundamental limitation on the scale to which the community could undertake an ERP. It would be difficult for the international financial bureaucracy and international capital to undertake on a large scale, something that might conceivably turn out as an

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alternative to their structural adjustment programmes in the various member states of ECOWAS. Such an outcome would invariably circumvent the supervisory role of international capital over member states through the instrumentality of structural adjustment programmes. In addition, the granting of such aid package must necessarily be predicated on the acceptance by the community, of reforms, or the adoption of particular attitudes which will guarantee a strong foothold for international capital. Even if no conditions were insisted upon for the initial commitment of the aid package, the long term contradictions which the presence of international capital at the community level indicate will tend to increasingly require the presence of the international financial bureaucracy to resolve crisis, or sustain a process already begun. The usual conditionalities for this, in what-ever form they may assume, would necessarily underscore the collective incorporation of the community into the world economy. Thus, the ERP, the genesis of which is largely the crisis of incorporation of member states into the international economy, represents an endorsement of extra-ECOWAS directed reforms which will tend to reproduce and deepen that incorporation.

7.4: Community industries

The programme for industrial joint ventures evolved on a slow note. In 1979, the Executive Secretariat initiated a move

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to formulate a regional industrial policy.[30] The objective was to create a legal regime to govern the development of industries under the ECOWAS priority industrial sector and coordinate the distribution of industrial joint ventures among the member states.

In drawing up this policy, an issue of major concern was the kind of legal regime that would specifically address the problem of differential resource endowment and the equitable distribution of industry in the sub-region.[31] This, in essence, expressed the political imperative of remedial action to address industrial inequalities in the sub-region. Another issue raised related to external sources of capital for community industries. The problem here was to define the level of local participation in such a way that while foreign capital inflow would be ensured and encouraged, it would equally be impossible for foreign firms to assume defacto control of an 'ECOWAS Company'.[32]

To qualify as a community enterprise, the protocol adopted the standard but nominal yardstick of community ownership. Thus, at least 51% of the equity capital of such an enterprise must be owned by citizens or legal persons of member states of the community.[33] The approval criteria embodied special provisions to discriminate in favour of the less endowed member states, with the most generous terms being those in favour of the mendicant states. For purposes of equity capital and financial investment levels, member states were classified into three according to

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levels of development. If the firm is to be located in any of the least developed states - Burkina Faso, Caper Verde, Gambia Guinea-Bissau, Mali, Mauritania and Niger, its equity capital should not be less than 1.5 million units of account (a) while its investment capital must be at least, 6 million ua. For Benin, Guinea, Liberia, Sierra Leone and Togo, minimum equity capital is put at 2 million ua, while the intended investment must not be less than 8 million ua. For the most developed states of Cote d'Ivoire, Ghana, Nigeria and Senegal, a minimum equity capital level of 2.5 million ua and an investment of at least 10 million ua are provided for.

The attempt to equalize the voting powers of all shareholders irrespective of levels of equity participation is also meant to give particular attention to the industrially less endowed member states. However, the ability of the community to ensure locational patterns that will favour the least and less developed member states reside mostly in the discreet powers it posseses to identify, conduct feasibility studies and scout for funds for the execution of such projects.

Community enterprises were granted various privileges. First, their products are not subject to any tariffs, or non-tariff barrier in the sub-regional market. Secondly, member states are enjoined to adopt protectionist policies towards the products of such enterprises in order to ensure their competitiveness in the community market. Thirdly, no matter where such enterprises are located, they have legal

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personality in all member states. This entitled them to the financial and industrial incentives of member states under their different investment codes. Finally, member states are not expected to nationalise such enterprises, "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.[34]

Much of the regulatory powers over community enterprises were conferred on the Executive secretariat and the Council of Ministers. Their regulatory role conferred upon them, the right to be informed of any attempt to deal in the shares of each enterprise, fix or alter prices of its products, decrease or increase the capital or effect its dissolution. The appointment and removal of member states of Boards of Directors, or change of location of the headquarters of the community enterprise must have been previously notified to the Executive Secretariat. In addition to all these, such enterprises are required to comply with "such audit as may be authorized 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."[35] This community supervisory role is further enhanced by the fact that the Council of Ministers is vested with powers to admit enterprises to the status of community enterprise, or to suspend or cancel

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that privilege. The Community also has powers of taxation of community enterprises in addition to whatever national taxes they may pay to the countries of location.

This central role of the community in respect of these enterprises appear to account for the reluctance of member states to ratify the treaty.[36] No joint industrial venture among member states has applied for registration under the terms of the protocol, inspite of the existence of a few enterprises that qualify for community status.[37] The existing joint ventures in West Africa were planned outside the framework of ECOWAS, and those that are operational have remained outside the auspices of the organization. Although member states have displayed much interest in joint ventures, there appeared to have been a reluctance to bring them under the ambit of the community. This might have been due to the fact that the trade liberalization scheme under which the products of the enterprises would have to circulate freely in member states, was yet to become operational. This is in addition to the strong community presence in such enterprises.

Table 7.1 shows the joint industrial ventures planned or operational among the member states of ECOWAS. Nigeria is highly conspicusous in the participatory set up. Out of the 9 projects listed, the country's presence is registered in 8 cases. Apart from these, the country has invested in agriculture in Benin

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TABLE 7·1

Joint Industrial Ventures among Member states of ECOWAS: Planned and Operational (1986)

PRODUCT	PARTICIPATING COUNTRIES	LOCATION	DATE OF AGREEMENT
1. Cement	Ghana, Ivory Cost and Togo	Togo	Jan. 1976
2. Cement	Benin, Nigeria and a Danish Firm (F.L. Smith)	Benin	1971. Reactivated in 1978
3. Sugar	Benin and Nigeria	Benin	1971, 1978
4. Bauxite	Guinea and Nigeria	Guinea	1977
5. Aluminium	Guinea and Nigeria	Nigeria	1977
6. Bauxite	Algeria, Guinea, Liberia, Libya, Nigeria and Non-African firms.	Guinea	1977
7. Fertilizer	Cameroon, Ivory Coast, Nigeria, Senegal and other non-African partners	Senegal	
8. Petro-Chemicals	Nigeria and Ivory Coast	Nigeria	1975
9. Asphalt	Nigeria and Ivory Cost	Ivory Coast	1975

SOURCES: African Research Bulletin Africa Contemporary Record, West Africa, International Herald Tribune, 1975 - 1982. Interview with Chef de Division Industrie, ECOWAS Secretariat, Lagos.

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and Ghana, and in mining in Niger.[38] Nigeria's pronounced presence in these ventures can be seen from different perspectives. First, many of such joint ventures would have to depend on the country's financial resources in order to effect their take off. Practically, this means that a large proportion of community enterprises would have to depend on a buoyant Nigerian economy for financing. External shocks and prolonged crisis in the Nigerian economy could have an adverse impact on the take off or the operation of such ventures. Secondly, as a distributive measure, it indicates a conscious effort to assist less endowed states in the sub-region to develop their resources and also provide a market for them. But it also carries the implication that Nigeria might be extending its industrial dominance of the sub-region into the domestic industrial set-up of member states of ECOWAS.

Table 7.1 also indicates that joint ventures in the sub-region are mainly attracted to areas with the relevant raw materials. And in this regard, they are inevitably sited in the coastal states, with the added advantage of accessibility. With a pattern like this, any conscious attempt to ensure equitable distribution of joint ventures in West Africa must necessarily consider, and deliberately overlook the resource disadvantages of the less endowed, island and landlocked countries of the sub-region, that is, the mendicant countries that have mostly been

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the vanguard for a remedial policy based on industrialization. This will be a difficult task.

7.5: Physical integration through infrastructures.

In its attempt to physically link up the sub-region, ECOWAS laid much emphasis on the development of transport and telecommunications. These are expected to set the tone for a pattern of development that would generally facilitate trade liberalization, industrial development, free movement of persons and general factor mobility within the sub-region.

7.5.1: The transport programme

The trans-West African highway Project was initiated in 1961. But a concrete design started to take shape when in January 1974, representatives of 15 West African States met in Niamey under the auspices of the Economic Commission for Africa (ECA) to discuss a road network for the sub-region. The aim was to fashion a highway network to link Dakar in Senegal with Ndjamena in Chad, and with Lagos in Nigeria. Two trunk routes with a coverage of about 10,000 kilometres were considered. The Sahelian route would link Dakar and Ndjamena, passing through Mauritania, Mali, Burkina Faso, Nigeria and Cameroon, a distance of about 5,500 kilometres. The second route, linking the coastal states, would start from Dakar and terminate in Lagos, and in the process, transverse Guinea, Sierra Leone, Liberia, Cote

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d'Ivoire, Ghana, Togo and Benin, a distance of approximately 4,500 Kilometres.[39]

ECOWAS inherited this project in 1977 after signing an agreement with ECA to implement the road network programme, with the assistance of the latter.[40] In 1980, the Authority incorporated this project into a more comprehensive and ambitious transport programme aimed at the development and upgrading of all forms of transport infrastructures (roads, rail, maritime, river and air transport); making landlocked countries easily accessible; and the harmonization of transport legislations of member states as well as the standardization of transport equipments. Other objectives of the programme included the encouragement of the establishment of industries to produce transport equipment and the establishment of training centres on transportation.[41]

For the trans-West African highway, each member state is responsible for the construction of the portion of the network within its territory. The role of the community is that of co-ordination, assisting member states in scouting for funds, and where possible, actually making finance available for project execution. In this latter role, the Monrovia-Freetown highway has received financial assistance from ECOWAS. The two countries involved - Liberia and Sierra Leone-were each granted $2.5 million. Also, about $1 million subvention was granted for the feasibility and engineering studies of the portions of the network

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covering Togo, Mali and Liberia.[42] Financial constraints limit the scale of the actual involvement of the community in funding construction work. In fact, it has not guaranteed any loans, internal or external for the execution of any of the road projects.

The same financial constraints have also adversely affected ECOWAS involvement in the construction of railways. The community initially gave close attention to the development of rail transportation in the sub-region.[43] This priority attention was informed by the fact that the railway enjoys certain advantages which recommended it as a very practical transportation system for West Africa. Because of its low rates for the haulage of low-value, bulky cargo over long distances, the rail system is well suited for an adequate coverage of the vast expanse of land that is West Africa. High premium was also placed on them for the linkage of the land-locked states to the coast. However, as a result of problems associated with the huge financial outlay required for their construction and the pronounced reluctance of most of the coastal states to commit financial resources to projects they consider as of uncertain investment returns, railways are no longer on the priority list of ECOWAS. The community has limited its role to that of merely supporting whatever the Union of African Railways plans for transportation in West Africa.[44]

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In the attempt to physically integrate the community, special provisions have been made within the framework of the transportation scheme to ameliorate the peculiar problems of the landlocked countries. Under the "Convention on Interstates Road Transit of Goods", the transportation of goods between different member states are free of duty, taxes and other restrictions.[45] In Maritime transport, free zones were recommended to be created at sea ports for the use of land locked countries. This is in addition to provisions made to enhance the development of inland waterways in the sub-region.[46] With reference to free zones at Sea ports, the bilateral arrangement between Togo and Burkina Faso is the pacesetter for the envisaged multilateral version in the sub-region. The agreement, signed in 1975, opened up the port of Lome to Burkinabe imports. Burkina Faso was allowed to build an entreport in the port of Lome. Also, Burkinabe transporters were to take charge of two - thirds of the goods imported into that country through the port of Lome, while Togolese transporters were to take charge of the remaining one-third. On the other hand, imports to Burkina Faso through Togo which do not pass through the port of Lome were to be handled on equal basis by the two countries.[47] For Burkina Faso, this was a way to diversify the routes of its extenal trade from the port of Abidjan, its erstwhile major outlet to the sea.

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While arrangements of this nature are meant to address the peculiar problems of the landlocked countries, coastal states have in general, tended to adopt a cautious approach to the issue of concessionary transport arrangements for the interior countries.[48] This rather circumspect stance is based mainly on considerations of volume of traffic and security of investment. The volume of traffic in these routes might be too low to justify the large scale investments which they inevitably involve. Also, the landlocked countries have tended to advocate for the development of new routes as alternatives to existing ones. While this would mean increase security for trade outlets for the landlocked states, it could become a source of insecurity for the investments of the coastal states. An outlet to the sea can become unprofitable if for one reason or the other, a landlocked state withdraws its patronage. The landlocked states are primarily concerned with coastal access in order to link them with the world market. Their generally low resource endowment and harsh climatic conditions easily leads to the conclusion that sustained patronage of new access facilities, with the optimum freight level to break even or show some profit may be difficult to come by.

The issue of a common Airline for West Africa further buttresses these contradictions. Since the community became operational in 1977, much attention has been focused on the establishment of a single Airline for the sub-region. The issue has remained largely unresolved because of the conflicting require-

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ments of accomodating profitability of sub-regional routes to the need for effective linkage of the Sahelian and the other less developed states to the rest of the sub-region and the world in general. Most of the air traffic in the sub-region is on the Lagos - Accra - Abidjan - Dakar route.[49] For any integrated community Airline to be viable, it must concentrate on this route, and cut off many other routes, which although, unprofitable, are plied by national airlines. In the face of this, many national airlines whose routes are likely to be adversely affected have found it difficult to submerge their national fleets within a single community air service.

7.5.2: The Telecommunications Programme

Telecommunications represent an area in which the distributive Policies of ECOWAS have shown the utmost dynamism. The Pan African Telecommunication (PANAFTEL) programme is a continental programme originally under the auspices of the OAU. However, ECOWAS on becoming operational, took over the West African network, which it then redesigned for cost efficiency especially through shorter routes for establishing links among member states.[50]

The telecommunication development programme of the community is in three main parts: infrastructures, training, and operation and maintenance.[51] The Integrated Programme of ECOWAS Telecommunication Network, (INTELCOM) represents the infrastructural

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element. The INTELCOM is being implemented in two phases. Phase one is already well advanced having by the end of 1986, attained a physical implementation level of 82% while financial disbursement amounted to 60%.[52]

The INTELCOM Programme is aimed at effecting a microwave link-up of all the member states. The community has also actively assisted in the execution of the national tele-communication network of some member states. This kind of assistance is usually rendered where they provide vital links in a set of sub-regional projects. Mali and Mauritania have received such assistance from the community.[53]

The telecommunication programme of the community was readily embraced by member states. Apart from aiming to eliminate the cumbersome and embarassing South-North-South colonially derived telephone links among the countries of the sub-region, it is relatively cheap to implement and a high rate of return on investment is expected in the short run.[54] Added to these is the fact that funds for the implementation of the first phase were readily available. In 1981, ECOWAS decided to set up a special fund to finance the telecommunications projects in member states.[55] Apart from this, the EEC approved a financing loan of $50 million in principle for the projects.[56] Nigeria further underscored the importance of telecommunications to the community when she promised that "as a leading member of ECOWAS",

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the country would:

> use her oil wealth to guarantee loans from international sources to enable our poorer neighbours to develop their internal and external communications and transportation links with other ECOWAS member States.[57]

Inspite of all these, the first phase which was estimated to cost $35 million is wholly funded by the ECOWAS fund from its own internal resources. External commitments have been earmarked for the implementation of the second phase.[58]

The training aspect of the programme emphasizes co-ordination meetings between member states, and the pooling of resources (human and material) in order to ensure better maintenance of the sub-regional network. The final aspect of the programme concerns the operation and maintenance of the network. To this end the community in 1981, decided that the best way to accomplish this goal is to establish telecommunication industries in member states.[59] This, it was hoped, would ensure prompt and adequate supply, as well as achieve self-sufficiency in tele-communication equipments and spareparts. The components would have to be manufactured by industrial undertakings in the community. These industries would enjoy 'community enterprise' status and will be located taking into consideration the employment needs of the least developed member states, raw material availability, and any other factors which the Authority may consider relevant.[60]

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7.6: Finance, technical assistance, and community projects

In general, member states of ECOWAS are favourably disposed to infrastructural links in the community. The drawback has tended to be scarcity of resources and consideration of national priorities. This has largely meant that infrastructural links between countries of the sub-region have necessarily been dependent on external finance and technical knowhow. For example, while Cote d'Ivoire and Mali planned to link up the two countries by railway, this could not materialise on the basis of their joint efforts. Apart from lack of financial resources, Mali felt it could not finance the project since it was basically in Ivorian territory. Cote d'Ivoire, obviously better placed to contribute financially to its execution, did not see it as a priority project. In the end, the EEC was approached by both parties to provide the necessary finance.[61]

This philosophy of external funding and execution of regional projects has been adopted by ECOWAS.[62] Various United Nations agencies, the EEC, the commonwealth secretariat, the government of the United States (USAID), the French Government (La Caisse Centrale), and Canada through the Canadian International Development Agency, (CIDA) are generally in contact with ECOWAS, or executing one project or the other in the sub-region.[63] In cultivating these organizations, ECOWAS aims to exchange information with, and harmonize the programmes of these foreign

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bodies in the sub-region; ensure that there is a complete coverage of the sub-region, and offer itself as a viable channel for launching sub-regional programmes. In addition, the community aims to attract more financial and technical assistance to the sub-region, and in general, promote the "concept of multilateral and regional assistance within donor agencies".[64]

ECOWAS has tended to strengthen relations with these organizations because, it envisages "the adoption of a regional approach to development would involve the transfer of many activities for which external assistance is required from the national to the community level".[65] Designed and implemented within a regional context, programmes would become more effective, and foreign donors will therefore be more forthcoming with financial and technical assistance.[66]

Premised on inadequate finance and the dearth of skilled manpower, one of the first actions of the ECOWAS Fund on becoming operational was to sign an agreement with the ACP/EEC Centre for Industrial Development. This agreement provided for regular exchange of information on possible industrial projects, carry out joint promotion activities, co-finance studies for industrial projects in ECOWAS, and if the Fund requests, the Centre could aid in identifying sources of finance for projects which member states of ECOWAS wish to carry out.[67]

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The Fund generalized this contact with the EEC to other Western industrialized countries and international institutions. Thus in 1978, Fund's representative undertook a European tour, which took them to Belgium, France, Holland, West Germany, and Switzerland.[68] In the same year, a similar delegation also toured the United States of America.[69] In June 1980, another delegation of ECOWAS headed by the Executive Secretary, and inclusive of the Managing Director of the Fund embarked on another visit to the United States. Here a one day conference was held at the state Department to "acquiant government officials with ECOWAS ..., its present state of development and what it signifies for U.S - West African economic relations".[70] This was followed by a two-day investors forum, with representatives of private industry during which the Executive Secretary assured the American business community that ECOWAS was ready "to take all comers" in sectors that had been identified for development. West Africa, he went further, was not "a French zone", as the American Business Community seem to think, but a 'target of opportunity' for expanding trade and investment.[71]

By this time, the United States had adopted the position that ECOWAS was in tune "with U.S. Policy towards Africa". The country made it known that apart from U.S. aid to individual West African countries, the country will also "help ECOWAS in

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studies (that will define) their areas and methods of operation; and as the organization matures, we will study other ways in which we can help".[72] Thus, under the United States government programme "Energy initiatives for Africa", the U.S. Agency for International Development (USAID) has been virtually responsible for the energy conservation programme of ECOWAS. This include the financing of the feasibility studies for conservation investments - a pilot scheme involving Cote d'Ivoire, Mali, Niger, Nigeria, Senegal and Sierra Leone - to help reduce these countries' dependence on petroleum for electricity generation. USAID has also sponsored a seminar on the energy conservation programme.[73]

While ECOWAS has tried to involve the United States government and its agencies in the implementation of its programmes, Western Europe, and especially the EEC and its individual member states have had the closest level of collaboration with the community in terms of finance, technical assistance and project implementation. In fact, in 1978, the Executive Secretary of ECOWAS, Dr. Aboubakar Quattara had stressed the importance of the EEC for ECOWAS integration efforts. In this regard, he pointed to the Lome Conventions provisions for technology transfer, agricultural development, and most important, the provision that 10% of the total financial aid under the Lome Convention will be earmarked for promoting regional projects.[74] To further underscore the importance attached by ECOWAS to the Lome convention, Dr.

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Quattara sought to impart to a visiting select committee of the British parliament for overseas development, the need to divert more EDF resources to regional projects as opposed to national ones.[75]

The ECOWAS fund is the financial arm of the community. With most of its $50 million call-up capital paid, the fund gained full recognition as a credit worthy institution in its own right, with lines of credit extended from various sources, notably in Western Europe, the EDF and the EIB - European Investments Bank.[76] As mentioned earlier, the Fund signed an agreement with the ACP/EEC centre for Industrial Development, on ways to co-operate in a number of fields. This was in 1978. By 1979, the Fund had received an undertaking by leading international Banking institutions to raise $1000 million for its operations. Similar assurances came from the EEC and other leading international financial and development institutions with regard to financing new ECOWAS projects, making their expertise available to the Fund's professional staff.[77]

Once this foundation was laid, the Council of Ministers requested the Executive Secretary to prepare a plan for financing for what had become ECOWAS priority infrastructural project - the telecommunication network. The major source of financing was to be through foreign loans. To further underscore this, the Authority, in 1980, authorised the creation of a special fund for

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telecommunications which was to guarantee such external loans, in addition to making subventions to member states in respect of their telecommunication programmes. Along with Nigeria's pledge to use her 'oil wealth' to guarantee loans from international sources in furtherance of the ECOWAS telecommunications and transport network, the search for money began in 1980, with the Fund negotiating with 13 financial institutions, including the Italian government.[78]

The response of international finance to these projects was highly favourable. Six financial institutions in Europe and the African Development Bank (ADB) pledged to extend a credit line of $69.7 million towards the funding of the telecommunication projects. The breakdown is approximately as follows.[79]

(1) IBWA - Paris, $15 million.

(2) Morgan Grefen - London, between $8 million and $10 million.

(3) Credit Bank of Brussels, $20 million.

(4) Scandinavisca of Stockholm, $5 million.

(5) EDF - $7 million.

(6) ADB - $7.7 million.

The ECOWAS fund was to contribute $5 million for the local financial component of the project. The Italian government promised $2.1 million in outright grants, but on the condition that an Italian firm was selected for part of the work. The

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EEC, had by this time provided technical assistance worth $400,000 for feasibility studies on the project.[80]

In October 1981, representatives of ECOWAS, the EEC, the Italian government and the European financial institutions met in Brussels to decide on final financial arrangments. With finances for the project obviously over suscribed, ECOWAS insisted that the concessionary, grant element be made clear in each case before decision on the commercial credit line to take up.[80] The protracted negotiations surrounding this point led to some delay in the implementation of the project. When eventually the projects took off in 1984, agreement had not been reached between the two sides. In effect, the INTELCOM phase one was to be fully financed by the ECOWAS Fund. The negotiations continued, on the assumption that the promised external loans would be made available under the second phase of INTELCOM.[82]

7.7: Lome conventions and project development

Under the Lome ii convention, the EDF earmarked almost 600 million EUA (about $780 million) for financing regional projects in ACP countries. Of this amount, 150 million EUA ($195 million) was allocated for projects in West Africa. This has placed the EEC at the centre of West African integration efforts. Thus, ECOWAS, the MRU, CEAO, and other inter-governmental organizations (I.G.Os) in West Africa are required to submit requests for

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financing specific projects in industry, infrastructure, energy and agriculture, to the EEC under the Regional Development Fund of the Lome Convention. At various times in 1981, these West African I.G.Os, met with the EEC in Brussels to discuss ways of effecting the EEC contribution to regional projects in West Africa.[83]

Under Lome I, (1976 - 1980), EDF spent a total sum of 5 million EUA ($6.5 million) on MRU sponsored projects. In Lome II (1981 - 1985), this increased to 7 - 8 million ECU (9.1 - 10.4 million dollars). Under Lome II, also, 74.5 million EUA $96.85 million was earmarked for projects in CEAO states alone. (see Table 7.2).

In 1981, the MRU approached the EEC for financing of a bitumised road linking freetown in Sierra Leone to Monrovia in Liberia. That same year, CEAO requested for additional financing from the EEC for the Research Centre for solar energy (CRES project) which was being set up by CEAO in Bamako, Mali. The EEC, which, at the time of this request had already financed the project to the tune of 100,000 EUA ($130,000) was to be represented on the supervisory committee set up by CEAO to oversee the implementation of the project.[84] It was at this time also that ECOWAS stepped up its negotiations on EEC aid to the community's telecommunication project. By the end of 1980, the contribution of the EEC to ECOWAS amounted to 590,000 EUA. This was made up of the cost of financing the 4th investors forum in Dakar

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TABLE 7.2

Regional Projects in West Africa under Lome II 1981 - 1985 (150 million ECU)

SECTOR	PROJECT	LOCATION	DONORS EEC	DONORS OTHERS	STAGE OF IMPLEMENTATION
TRANSPORT	(1) Fada N'Gourma - Niamey Rd.	Burkina Faso Niger	10m ECU	The Kuwait Fund and ABADEA	Appraisal
	(2) Senegal-Gambia -Guinea-Bissau	Senegal, Gambia and Guinea-Bissau	10m ECU	ADB	Appraisal
	(3) Bridge-Dam over the River Gambia	Senegal-Gambia (OMVG)	0.5m ECU	West Germany (20m ECU); U.K. (4.4-8.8ECU), Canada (21.7m ECU); U.S., (11-22m ECU)	Identification
	(4) Zinder-Agades road	Niger-Nigeria	Not indicated	OPEC, UNDP	Appraisal
	(5) Benin-Nigeria railway link	Nigeria-Benin	Not indicated	-	proposed
TELECOM-MUNICATIONS	(6) Telephone links between ECOWAS Member states	All ECOWAS Member States	10m ECU	ECOWAS, FAC, Belgian, French and British donors	Appraisal

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TABLE 7.2 (CONT'D)

ENERGY	(7) Diama and Manantali dams	Mali, Mauritania and Senegal (OMVS)	55m ECU	Several countries and International organizations, contributing about 110m ECU	Under Implementation
	(8) Mono River dam	Togo-Benin	10m ECU	Several countries and International organizations, contributing about 110m ECU	Appraisal
	(9) Bui dam	Ghana, Burkina Faso	5m ECU	Several countries and International Organizations 870m ECU	Appraisal
	(10) Dam on thee Mano River	Sierra Leone and Liberia (MRU)	7-8m ECU		Appraisal
	(11) Water Resource projection	Niger Basin River Commission	1.5m ECU	UNDP	Identification

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TABLE 7.2 (CONT'D)

INDUSTRIES	12) Industrie Chimique du Senegal (fertilizer)	Cameroon, Ivory Coast, Nigeria and Senegal	10m ECU	IFC (\$25m) EIB (\$14.5m) ADB (\$16m) ABEDIA (\$10m) CCCE (\$22.6m) OPEC (\$10.15m) World Bank (\$19.3m)	Identification
TRAINING PROJECTS	(13) Centre de Recherche Appliquee pour les Energies Nouvelles (CRES)	Niger and Burkina Faso (CEAW)		FRU, ADB OPEC & other ARAB Funds, UNDP, and France (21m ECU)	Identification
	(14) Ecole Mimiere et Geologique	Segou (CEAO)	7m ECU	AS ABOVE (23.3m ECU)	Identification
	(15) Ecole Superieure des Textiles	Niamey (CEA)		AS ABOVE (\$18m)	Identification
AGRICULTURE	(16) Water Resource projections	Niger River Basic Commission	1.5m ECU	UNDP & NRBC (3m ECU)	

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TABLE 7.2 (CONT'D)

	(17) Storage of Agricultural products at Lome port	Togo involves Mali, Niger, and Burkina Faso along with Togo	1m ECU	-	appraisal
	(18) Integrated rural development project	Niger and Nigeria	3m ECU	FAO	Identification
TRADE	(19) Trade regional co-operation programme	CEAO	2.5m ECU	-	appraisal

SOURCE: Compiled from Catherine Goybet, The Second Convention of Lome: EEC Aid to the ACP Countries (1981 - 1985). Bureau D'Information Europeans S.P.R.L., Brussels, February 1982. PP. 154-162.

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(1979), and technical assistance for ECOWAS customs tarriffs readjustment programme.[85]

This pronounced and conspicuous presence of the EEC and other foreign donors has some fundamental conditioning implications for the integration efforts of the West African sub-region.

In the first place, many studies commissioned by ECOWAS have been sponsored and carried out by non-West African governments or agencies. The technical studies on harmonization of member states tariff were carried out by the EEC, computerization of Customs and Trade statistics in West Africa by the French government, while feasibility studies for ECOWAS telecommunication projects were carried out by Teleconsult (U.K) and Telecommunications, Radio and Telephone (TRT) of France. The feasibility study for an ECOWAS Airline strategy was by Aviation Planning Services (APS) of Canada, while that for the Energy programme was parcelled out to USAID, UNESCO, the World Bank, and PETROBRAS of Brazil. Many other studies were carried out by foreign agencies.

These studies are meant to chart the path of integration, and in fact define the general outlines of the character of that process. Basically externalised, it will be difficult for such paths and processes to aid collective self-reliance, that is, assist West Africa in severing dependent relations with the EEC and the industrialized countries in general. In fact, that

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these foreign consulting firms are invariably chosen is a recognition, and a reflection of these relations. Solutions and recommendations proffered through these studies might be such that the increasing involvement of the third parties in the integration efforts of West Africa become inevitable.

Secondly, contracts for project execution tend to be awarded to donor countries or organizations, and in the awards, the recipient organization hardly have a say. Generally, financial or technical assistance is tied to specific project. In the EEC, for example, tenders are mostly privately awarded - supposedly by the recipients and the EEC, but in fact, the latter end up with the awards, on account of its level of technological development. Moreover, since the member states of the EEC place the greatest premium on their firms' success in getting a fair share of EEC financed contracts, the tendency is for the main elements of project execution to be in the firm grip of the EEC member states. In the Diama and Manantali Dam Schemes for example, (see Table 7.2) civil engineering equipment supply were subjects of restricted international tendering. Project supervision went to the firms that conducted the feasibility studies. Invariably, these went to EEC based firms. Other aspects of the project like access road, rehousing, training, etc were to be awarded by the donor countries - each donor awarding the contract on the specific aspect it is financing.[86] With

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little or no financial participation by the recipient countries, it follows that they can hardly decide on who gets conferred with the responsibility of project implementation in their territories. The skills and technological multipliers involved in such projects would invariably be externalized.

Added to the foregoing is the fact that most of the projects tend to be capital intensive. In this case, their employment value become of doubtful quantity or quality. Moreover, as a great deal of technical assistance accompanies a donor's financial package, much of such financial inflow might not be retained in the recipient country but would simply go back with the imported labour.

Thirdly, most aid come in foreign exchange, so that even after the projects might have been completed, they are highly dependent on foreign exchange availability for their continued operation and maintenance. Also, just like national governments, a situation might be created where ECOWAS, for example, becomes unduly sensitive to political and economic signals emanating from the main donors, notably the EEC. With the high level of dependence on the EEC for the implementation of sub-regional project, whatever happens in that organization might be expected to have some impact, directly or indirectly on West African integration. Starting from Lome II for example, ECOWAS had found it necessary to participate in the negotiation of the various conventions. But as Verloren Van Themaat has pointed out,

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> even when they claim to support self-reliance, most foreign financed projects effectively integrate domestic economic institutional and political forces into the world economy and make them dependent on the latter.[87]

Fourthly, and with specific reference to the regional co-operation programme of the Lome Conventions, a situation is created whereby vital regional projects have to be submitted to the EEC for approval. Theoretically, a negative response from the European Community need not eclipse a project. However, in a situation where the conception of such a project - in terms of financing and technology - is fundamentally dependent on the financial and technical co-operation provisions of the various Lome Conventions, then a negative vote by the EEC may turn out to be a veto on the execution of the project.

Fifth , even where project financing has been approved by the EEC, the tendency is for disbursement to be piecemeal and irregular. In effect, the rate of progress on integration ventures become a subject of external manipulation. The ECOWAS Fund has had cause to call on the EEC to "try to unblock for ECOWAS the as yet unspent share of regional co-operation funds allocated to West Africa in the different Lome Conventions".[88] In addition, under the Lome Conventions, the EEC can suspend its commitments to a particular project if its monitoring team is convinced that such a project is not being implemented in accordance with specifications approved by the European Community.

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Finally, the various integration schemes in West Africa, notably the ECOWAS, CEAO and MRU are essentially duplicative. Request for finance under the Lome Convention regional allocation programme for West Africa firmly puts them on a competitive footing. A decision by the EEC to finance any regional project must necessarily take into consideration, projects submitted by other groups. This will not only enable the EEC to play off one against the others, but also give some of them, notably the MRU and CEAO, a measure of viability and persistence, which ordinarily their level of resource endowment and financial capability would not have made possible. The general impact of this would be to weaken ECOWAS while sustaining and strengthening the smaller sub-regional bodies. It was in recognition of this that the Authority of ECOWAS in 1984, endorsed a recommendation of the Executive Secretariat, that ECOWAS being the most comprehensive sub-regional organization, should be the sole authority to manage resources allocated to West Africa under the regional co-operation programme of Lome III.[89] When this position was communicated to the EEC in 1985, it duly acknowledged the competitiveness implied in requests for project funding and technical assistance among West African states and groups, but called on ECOWAS to restrict itself to specific requests in areas and sectors in which it had competence.[90] Meanwhile, the commission

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of the EEC would look for a "clearer idea of the ECOWAS mandate" and the competence of the organization in the management of regional co-operation resources.[91] Cearly, for the EEC, ECOWAS is just another of the numerous groups in West Africa.

7.8: Concluding Comments.

Distributive policies are crucial to the integration process. The pattern of their elaboration in ECOWAS has mainly been a function of differential resource endowment and the dependent nature of the West African economies. Although the differential component was anticipated, and therefore captured by treaty provisions, yet the pattern of demands associated with it have largely been founded on expectations of improved access to the World market rather than the community market. For instance, the demand by some mendicant states for concessionary infrastructural arrangements is not primarily informed by the need to enhance community linkages but to reinforce links with the world economy. However, the peculiar weaknesses of these states with respect to the world economy also provides grounds for coastal states to assume a cautions dispostion to such requests.

This could be seen as limiting the expansion of the role of central institutions in distributive policies. However, distributive policies in general have displayed much accomodation for an enhanced community role. This has largely been the case as

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the need to effect the physical integration of member states, reform the compensatory mechanism, and tackle the extended structural economic crisis in the sub-region propelled ECOWAS towards a central role in industrial planning and production. But the community's attempt to realise the rehabilitative and equalising character of distributive policies, and therefore realise its own central role, has largely been premised on external aid for project execution and foreign investments. In otherwords, this crucial dimension of the integration process mostly acquired its dynamism through a reliance on factors definitive of dependency. Indeed, from inception, the community had put much premium on international recognition as a consumer of foreign aid and an absorber of foreign investments. Moreover, the remarkable willingness of the member states to allow a high degree of community involvement in distributive policies was largely induced by the fact of its capacity to attract foreign resources for projects that would fulfil their expectations. Thus, integration has consciously taken the form of the community's acquisition of an international personality, capable of attracting foreign aid and investments, and seeking the transfer of much of what normally accrued individually to the member states in this regard, to the sub-regional level , for joint administration. Thus, ECOWAS has largely become an organization for the collective management of extraversion.

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As the extravert element showed itself as the cornerstone of the distributive process, the agency of the community mainly responsible for its management (the Fund) also tended to enhance its status in relation to the Executive Secretariat, the organ with overall administrative responsibility for ECOWAS. Thus, the endemic bureaucratic crisis of the organization, built around these two organs largely suggests a struggle for the management of the most dynamic sector of the community's programmes - the distributive policies - and consequently, the struggle for the management of collective extraversion.

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Notes

1. See ECOWAS Protocol relating to the Fund for Co-operation, Compensation and Development.

2. For Senghor, the Fund is the most important agency of ECOWAS. This position stems from his emphatic view that the community would have to be particularly concerned with the development of its weaker member states. Similarly, Eyadema described the Fund as the "ideal framework for a harmonious development". His finance Minister, Yao Grunisky was even more forthright in putting it as "the driving force in the development of the community", see African Research Bulletin, Vol. 13, No. 10, Nov. 30, 1976. pp. 4056; West Africa, 29 August 1977. pp. 1757-9.

   The nominal capital of the Fund was set at 500 million US dollars but the call up capital was put at 10% i.e. $50 million. Contributions to the Fund's capital are made in convertible currencies - certified as such by the I.M.F. These contributions are decided on the basis of the economic strength of member states, assessed as a co-efficient of their GDP and per capital income.

3. Interview with Senior Money and Payment Officer, the Executive Secretariat of ECOWAS, Lagos, 16 December, 1986.

4. Ibid. See also John B. Mclenaghan, Saleh M. Nsouli, and Klaus - Walter Reichel, Currency convertibility in ECOWAS, Occassional Paper No. 13, I.M.F., Washington D.C. August 1982. p. 32.

5. Interview with the Senior Monetary and Payment Officer.

6. ECOWAS, Protocol on the Assessment of loss of Revenue by member states.

7. This could not be done since the trade liberalization scheme on which it was to be based was still under consideration.

8. A/DEC.19/5/80. Decision of the Authority of Heads of State and Government of the ECOWAS relating to the application of the compensation procedures for the loss of revenue suffered by ECOWAS member States as a result of the trade liberalization programme.

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9. West Africa, 17 December, 1979. p. 2355.

10. FOSIDEC was capitalized at 5,000 million CFA Franc (about $24 million). Cote d'Ivoire contributed about 50% of this, and Senegal, 30%. Both countries also agreed to forego any rights to FOSIDEC's aid in the first few years of its existence. See West Africa, 29 October, 1979; p. 1976; 19 November, 1984. p. 2333.

11. In 1977, Cote d'Ivoire and Senegal contributed 61.5% and 33.1% respectively to the FCD. Burkina Faso contributed 3.5%; Mali 1.3%, Niger, 0.5% and Mauritania, 0.1%. In terms of receipts from the FCD, Cote d'Ivoire got 26.6%; Senegal 8.3%; Burkina Faso, 27.7%; Mali 8.1%; Niger, 9.6%; and Mauritania, 19.7%; See West Africa, 19 November, 1984. p. 2333.

12. Ibid. ECA, Proposals for strengthening economic integration in West Africa, (United Nations, 1982). p. 36.

13, Ibid.

14. ECOWAS, Ten years of ECOWAS, (Lagos, June 1985) p. 91.

15. ECW/CM/41/2 Annual report of the Executive Secretary, 1981-1982. May 1982. p. 6.

16. Ibid.

17. Interview with Principal Officer (Research), Executive Secretariat of ECOWAS, 18 December, 1986.

18. Ibid.

19. ECA, op.cit.; Annual report of the Executive Secretary, 1981-1982. p. 6.

20. ECA, op.cit. p. 13.

21. Ibid.

22. See A/RES. i/11/84. Resolution of the Authority of Heads of State Government on economic recovery in West Africa.

23. Interview with various officials of the Executive Secretariat of ECOWAS, Lagos, 16-18 December 1986.

24. With the crises in the Economies of member states, the inflow of resources became largely a function of the acceptance of

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the difficult conditions demanded by the IMF/World Bank group under their Structural Adjustment Programmes.

25. Only three member states - The Gambia, Cape Verde, and Cote d'Ivoire did not submit any projects for consideration under the scheme. For the Gambia and Cape Verde, the failure to respond was due to the fact that their recovery programmes had been placed within an 'exhaustive' austerity plan drawn up by the World Bank, and to be executed under the auspices of the latter. For Cote d'Ivoire, it was put down to administrative problems. Interview with principal officer, (Research).

26. The Herald, 7 November, 1986. pp. 1 and 8.

27. West Africa, 7 July, 1986. p. 1434.

28. Ibid.

29. The Herald, 7 November, 1986. pp. 1 and 8. Interview with Chef Division Industrie, Executive Secretarial of ECOWAS, Lagos, 5 February, 1987.

30. ECW/CM/VI/2. Report of the Executive Secretary to Council of Ministers meeting in Dakar, 26th - 28th November, 1979. p. 4.

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

32. Ibid.

33. See A/P.1/11/84. Protocol relating to community enterprises.

34. Ibid. Articles 16 and 18.

35. Ibid. Article 13.

36. For example, after more than one year of its adoption, no member state had ratified the protocol. See "Status of ratification of protocols and conventions deposited in the Executive Secretariat as at December 1985".

37. Interview with Chef de Division Industrie.

38. International Herald Tribune, (Paris) 16 June, 1982. p. 8s.

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39. ECA was responsible for the survey of these routes. The meeting appointed a 9 - nation co-ordinating committee to plan the coastal route. At the same time, the World Bank, the ADB and EDF were invited to appoint members to this committee.

40. See Africa Research Bulletin, Vol. 14, No. 9, October 31, 1977. p. 4424; ECOWAS, Study on the co-ordination of transport and communications. Vol. 1, General Report. (Prepared for ECOWAS by ECA, March 1979. Lagos, 1980) p. 110.

41. See A/DEC. 20/5/80. Decision of the Authority of Heads of State and Government of ECOWAS relating to the Transport Programme; ECOWAS, Ten years of ECOWAS. p. 46.

42. Interview with the Director of Transport, Telecommunications and Energy (TTE) Department, Executive Secretariat of ECOWAS, Lagos, 18 December, 1986. The Guardian 21 April, 1985. p. 12.

43. In 1980, 5 rail routes were listed under the community's schedule as priority area in transportation. These were Burkina Faso - Niger - Togo link; Burkina Faso - Mali, Guinea - Mali; A trans-Sahelian railway; and a Lagos - Cotonou, - Lome Accra Coastal link. See Authority Decision A/DEC. 20/5/80. op.cit.

44. Interview with the Director, TTE department;

45. A/P4/5/82. Convention relating to interstates road transit of goods.

46. See Authority Decision A/DEC 20/5/80. op. cit.

47. Africa Research Bulletin, Vol. 12, No. 11, December 31, 1975. p. 3707. ECOWAS has set a machinery in motion to work out a similar arrangement on a multilateral basis for the sub-region. See The Guardian, 5 November, 1985. pp. 1 and 2.

48. Interview with the Director, T.T.E Department.

49. The Guardian, 16 January, 1986. p. 3.

50. Interview with Senior Officer, Telecommunications, Executive Secretariat of ECOWAS, Lagos, 17 November, 1986.

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51. See "A major issue in ECOWAS Strategy for integration of its member countries Economies: Priority to the development of Communication Infrastructures", T.T.E department, ECOWAS (mimeo) 1986?

52. Interview with Senior Officer, Telecommunications.

53. ECOWAS "A major issue in ECOWAS Strategy ... " op.cit

54. Interview with Senior Officer, Telecommunications.

55. See A/DEC 21/5/80. Decision of the Authority of Heads of States and Government of ECOWAS relating to the establishment of a special fund for Telecommunications.

56. West Africa, 9 June, 1980. p. 1038

57. Dr. Alex Edwueme, Nigeria's Vice - President (1979-83) gave this pledge in an address to the annual conference of the West African Chambers of Commerce held in Lagos, November, 1980. See Nigerian Standard, 12 November, 1980. p. 3.

58. Interview with Senior Officer, Telecommunications. By July 1984, five of the countries listed to benefit from phase 1, had signed financing agreements with the ECOWAS Fund. These were Benin, Burkina Faso, Ghana, Mali and Niger. See Weakly Democrat, 15 July, 1984. p. 1.

59. Decision C/DEC. 1/11/81, relating to the establishment of industries for manufacturing telecommunication equipments.

60. Interview with Senior Officer, Telecommunications.

61. This plan dated from 1969. See West Africa, 12 March, 1979. p. 448.

62. From inception, a central role was mapped out by ECOWAS for technical assistance and co-operation wit international organizations and foreign sources of aid. See ECW/CM/(2)/8, Council of Ministers, Summary Record of the Second sitting held at the National Theatre, Lagos, on Friday 18th November, 1977, for details of the debate "Resolution on Technical Assistance and cooperation with international Organizations".

63. Ten Years of ECOWAS, op.cit. p. 87.

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64. Ibid.

65. Ibid. pp. 87 - 88.

66. Ibid.

67. West Africa, 13 February, 1978. p. 279. The ACP/EEC Centre for industrial development was set up in 1977 by the EEC to keep European investors informed about investments opportunities in the industrial sectors of ACP states.

68. Ibid.

69. Mr. Louis Stokes, a U.S. Congressman, stressed to the United States House of Representatives that the Fund will "provide guarantees in respect of foreign investments and provide financing of projects for ECOWAS". He was pleading for US to see ECOWAS as a fruitful zone of investment opportunities. See U.S.A., Congressional Record, Proceedings and Debates of the 95th Congress, Second Session, Vol. 124, Washington, Saturday October 14, 1978. No. 168. p. IV.

70. International Herald Tribune, (Paris) 16 June, 1980. p. 10s.

71. Declaring the Investors' Forum Open, William Gray, a member of the U.S House of Representatives Foreign Affairs Committee termed the ECOWAS Mission "absolutely essential to the improvement of U.S. export of goods and services to third World Countires". Among American firms represented at the Forum were General Electric, I.B.M., Chase Manhattan Bank, First Pennyslavia Bank, Pullman-Kellog, International Business Services, and Superior Farming Machines. Discussions were also held with the U.S. Chamber of Commerce on the possibility of creating a U.S. - ECOWAS Business Council. See International Herald Tribune, (Paris) 16 June, 1980. p. 10s; The Punch, 23 June, 1980. p. 7.

72. This was expressed in March 1979, by the U.S. Assistant Secretary of States for African Affairs, Richard Moose, See Nigerian Tide, 20 April, 1979. p. 7.

73. Apart from making an outright grant of $0.2 million for the ECOWAS energy programme, with indications of further assistance in this field, USAID also promised to assist in training West African Customs and Statistical experts in connection with the ECOWAS data processing programme. See Report of the Executive Secretary to Council of Ministers

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meeting in Dakar, 26-28 November, 1979. p. 5; Annual Report of the Executive Secretary, 1981 - 82. p. 40.

74. Nigerian Herald, 4 July, 1978. p. 6.

75. Daily Express, 19 May, 1978. p. 2

76. However, the World Bank, the African Development Bank, (ADB) and the Arab Bank for Economic Development in Africa (BADEA) still had some reservations on the legal status of the ECOWAS Fund as a multilateral financial institution. International Herald Tribune, 16 June, 1982. p. 8s.

77. Nigerian Standard, 12 April 1979. p. 11.

78. Nigerian Standard, 12 November, 1980. p. 3.

79. Nigerian Standrad , 25 May 1981. p. 1.

80. International Herald Tribune (Paris) 16 June, 1982. p. 7s.

81. National Condord, 24 October, 1981, p. 13.

82. Interview with Senior Officer, Telecommunications.

83. Catherine Goybet, The second convention of Lome; EEC aid to the ACP countries, 1981-1985. (Brussels, Bureau D'Information Europeans S.P.R.L., 1982). pp. 154 - 162. West Africa, 2 March, 1981. p. 452.

84. West Africa, 2 March, 1981. p. 452.

85. Ibid West Africa, 1 October, 1979. p. 1876.

86. Catherine Goybet, op.cit., p. 152.

87. J. Verlorem Van Themaat, "The least developed countries: a role for the EEC", the Christopher Stephens (eds), EEC and the Third World: a survey 2 (London, Hodder and Stoughton, 1982). pp. 119-20.

88. West Africa, 27 May, 1985. p. 1052.

89. A/DEC.7/11/84. Decision relating to the Management by ECOWAS of resources allocated to the West African sub-region under the regional Fund of the ACP/EEC Convention of Lome (Lome III).

90. West Africa, 10 June, 1985. pp. 1179-80.

91. Ibid.

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CHAPTER EIGHT

CONCLUSION

ECOWAS AND COLLECTIVE SELF - RELIANCE

In dealing with integration systems in underdeveloped countries, questions on how they function and how they fail to function must be asked. However, these must be transcended to ask about the specific direction of the process of integration. In this way, the possibility of the attainment of the goal of collective self-reliance is put in its correct perspective.

This thesis focuses on the concrete analysis of those forces that shape the integration process in ECOWAS and what can be deduced from them. The conditioning relationship of underdevelopment and economic integration in ECOWAS indicates two basic patterns of impact. At one extreme, opportunity costs associated with the structures and processes of underdevelopment tend to act as disincentives to adopt and implement integration measures. On the other hand, those structures and processes have also indicated opportunity costs which have acted as positive inducement to integrate. In both cases, ECOWAS as it unfolds indicates a path of collective externalization of the dynamic elements in the development process.

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The opportunity costs in the form of disincentives to integrate operate at both the level of the singular process of incorporation and that of the specific process of incorporation. At the level of the singular process, the impact of the recessive character of the world economy on the individual economies of the sub-region tends to induce a generalized pattern of response to integration measures that is hardly an advance on the process. As the adverse imperatives of attachment to the world market are felt during periods of economic crises in member states, the tendency is for the latter to embark on protectionist policies that make no distinction between the world at large and the ECOWAS market. Such crises present the trade liberalization programme as harmful to the accumulation and reproduction of the national economy. Economic recession, and the possibility of earning more foreign exchange can, as the example of CEAO shows, lead to a virtual withdrawal from integration. At the level of conjecture, but with the CEAO experience as a distinct indicator of possibilities, the ECOWAS trade liberalization scheme in primary products and the relations of the member states to the EEC under the Stabex and Sysmin regime of the Lome convention point to potential relations of competition between the two organizations. Such competitive relations will tend to draw primary exports to the EEC rather than the ECOWAS market.

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Opportunity costs as disincentives to integration are even more pronounced at the level of the specific process of incorporation. Economic considerations in relation to export production mostly dictate migration patterns in the sub-region. This reflects a movement from low resource to high resource areas, or from 'bust' to 'boom' areas. The latter tendency, considered in the light of the West African economic crisis has a precarious ring to it. As 'boom' periods are rapidly translated into crisis manifested in massive decline in export earnings, fall in revenue, balance of payments problems, declining industrial production and rising rates of unemployment, the impulse to restrict migrant labour rises. Expulsion, including its implementation on a massive scale becomes pronounced. Furthermore, and in relation to the adoption and implementation of the second phase of the free movement protocol, domestic economic crisis forced some member states to adopt positions which had the effect of whittling, and engendering the kind of compromises that hardly made any significant impression on the status quo. Thus, the agreement on the right of residence virtually excluded from coverage the kind of migrant labour (unskilled) that predominate in the sub-region.

Certain integration measures are seen as competitive with the existing foreign ties of member states. The tendency is to shore up such external ties as more viable alternatives to the adoption of the community's proposals. This situation is

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exemplified in the trade liberalization programme and the issue of an ECOWAS monetary zone. Differential resource endowment tend to induce some member states to shore up their external ties as a counter to what is perceived as the potential for dominance by certain member states. The resilience of the CFA franc and the Liberian dollar vis-a-vis the other currencies of the sub-region induces a flow of resources from the countries of the latter to those of the former. In a situation where Nigeria, for example is perceived as having the potential to dominate the community, the strength of the CFA franc in relation to that of the naira becomes a way of balancing the economic power of Nigeria. Hence the necessity to resist the adoption of a common ECOWAS currency by the member states of UMOA. Equally, member states (especially the mendicant states) which perceive that a common ECOWAS monetary zone might not only lead to the outflow of resources from their economies to the better endowed states, but also result in external inflow of resources that might tend to gravitate to the more wealthy states, have argued for distributive measures that must allow for the equitable channelling of the inflow of resources to the member states. This implies that the community should adopt a position that must not only recognise the crucial nature of foreign investments to the member states, but also assume a position that encourages and guarantees such flows. In this, the

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community is called upon to give special assurances to the smaller states in attracting foreign investments in order to elicit their support for a common ECOWAS monetary zone.

Furthermore, the external guarantee of the CFA franc is seen as a cushion against the instability exhibited by the autonomous monetary units in the sub-region. Under conditions in which chronic balance of payments crisis and the rapidly deteriorating debt situations of member states have been further compounded by a generalized depression, more than triple-fold devaluation of the unattached currencies of the sub-region has been the result. In the circumstances, only the countries with external guarantees have been able to prevent such rapid, downward trends in the value of their currencies. The attempt to create an autonomous ECOWAS monetary zone has therefore been resisted by UMOA on account of this. The external ties that guarantee the convertibility of the CFA franc are regarded as non-negotiable by UMOA, a position that has led it to suggest a dual currency system for the community. The fact that this option will create and perpetuate a duality in the personality of ECOWAS renders it unacceptable to other member states.

The member states of CEAO and some of the less endowed member states predicate their capacity to compete in an ECOWAS market on their ability to attract foreign investments. Otherwise, it is considered that ECOWAS might turn out to be a market for Nigerian

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goods. The perception that the rules of origin of ECOWAS and the degree of indigenization these entail may further entrech the Nigerian position has been one of the major reasons for the resistance to the implementation of the trade liberalization programme. While CEAO states have mostly based their resistance on the need to retain their special external ties with France and the investments that are supposed to accrue in the process, some of the other states without such special external ties have tended to predicate the effective take-off of the trade liberalization scheme on community products derived essentially from joint community ventures. To be located outside the framework of market forces, the development of such community industries will depend on the ability of the more endowed states, notably Nigeria and Cote d'Ivoire to contribute to the implementation of distributive policies. As this capacity declines in the face of acute structural economic crisis, the tendency might be to reinforce the dominant pattern of financing through an increase in the external element in the sourcing of such programmes.

Furthermore, sub-groups within ECOWAS tend to see their existence as necessary for balancing Nigeria's resource preponderance within the community. Normally, the persistence and viability of such groups would be in doubt if not for their overwhelming reliance on France, the EEC and in general, foreign aid donors.

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For these groups, a reliance on external ties to balance the perceived dominance of some member states is a necessity. In fact, CEAO was essentially formed for this reason. Its continued existence finds justification in the performance of this function.

The resistance of CEAO to the adoption of the ECOWAS rules of origin is an attempt to ensure the survival of her own originating rules which involve a higher degree of concessions to foreign capital. While the ECOWAS rules of originating products attempts to include some measure of indigenization in terms of level of equity participation in products destined for community trade, CEAO's rules hold out no such promise, seeing in such a policy, an attempt to slow down the inflow of external investments, the major basis of industrial production in virtually all member states. Inspite of the criticism of the community's rules of origin as too restrictive and likely to undermine certain external ties and resource inflow associated with them, these rules nevertheless represent a major concession to the level of external input into originating products of ECOWAS. Although the criterion of a defined level of equity participation is meant to act as a decisive safeguard against the entrenchment of foreign interests in manufacturing in West Africa, it still concedes up to 49% ownership level to those foreign interests. At the same time, raw materials for community goods can be derived up to 60% from external sources while value added from the same sources can

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take up an equal percentage. This in effect does not represent a challenge to foreign dominance of industrial enterprises in ECOWAS. The high degree of permissible level of external processing and externally derived inputs into the production of originating products would actually perpetuate the situation under which what is passed as manufactured products in the member states would tend to have undergone most of their processing and transformation into finished goods outside the sub-region. Furthermore, in a situation where raw materials derived from the sub-region are not subject to even the simplest form of originating criteria, the ECOWAS trade liberalization programme may assume the aspect of foreign corporate integration - i.e foreign firms extracting raw materials for foreign firms, in West Africa to turn into finished products with originating status in ECOWAS. In fact, the crisis in the West African economies since the early eighties has unleashed forces that have threatened to reverse the indigenizing impulse in some member states of ECOWAS. As the structural condition of the West African economies undergoes a transformation from "growth without development" to the crisis of "neither growth nor development", the accumulation process has increasingly been in jeopardy, necessitating the conspicuous presence of the international financial bureaucracy (I.M.F/World Bank group) in the economies of the sub-region. This presence has been felt mostly in the shrinking autonomy of the state in relation to

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international capital. As the crisis created panic in accumulation, bringing it to a virtual halt in the most endowed states that had attempted to claim some autonomy from international capital through indigenization policies, the end product has been an increasing accomodation with the international financial bureaucracy. Thus, the privatization and debt equity swap options which the Nigerian state, for example, has adopted or wants to adopt will inevitably diminish the scope of indigenization. This increasing accomodation with international capital may likely aid in the resolution of the crisis of the rules of origin of ECOWAS.

The processes of incorporation have also propelled the community along lines suggestive of centralization, but in most cases, under direct cover of foreign capital and external ties. Most incentives in this regard operate at the level of the singular process of incorporation. First, there is the act of association with the EEC. This did not only facilitate the creation of ECOWAS,[2] but has also put the European Community at the centre of infrastructural policies and other sub-regional projects of ECOWAS. There has also been the generalized crisis of the economies of the sub-region and the consequent massive involvement of the international financial bureaucracy in West African economies. The implementation of its conditionalities by the individual economies, and by implication their further

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integration into the world economy, is seen as a necessity for the implementation of the trade liberalization programme by member states of ECOWAS. In fact, the crisis has produced the spectre of a direct EEC sponsorship of an ECOWAS currency. This implies an UMOA-type arrangement that would require member states of ECOWAS to pool their foreign reserves jointly with the EEC and tie the envisaged community currency to the European Currency Unit. (ECU). This carries the further implication that the EEC would embark on close and formal supervision of the monetary and fiscal policies of the member states as a condition of its guarantee. Finally, this same crisis has foisted on the community, a distributive policy of a rehabilitative kind, largely predicated on external sourcing of West African industries. All these indicate that the centralizing process is most dynamic when it is elaborated in close association with foreign capital or when actions are predicated on contact with foreign capital. This is because opportunity costs for the adoption of measures largely based on foreign financing of the collectivity are either low or hardly indicated for member states. But more importantly, they are in accord with the member states' perception of international capital in the development process.

The foregoing summary shows that some opportunity costs are such that the policies that may lead to integration are resisted because of indicated adverse effects on the national accumulation

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process, a process which is basically externally oriented. Integration policies thus adopted are such that would either not affect the national accumulation process adversely and therefore external dependence, or in the alternative, must further the national accumulation process by integrating the collectivity into the world economy. Thus, two basic trends, seemingly contradictory are indicated in the elaboration of the integration process in ECOWAS. The one shows the community unable to move as a result of impediments placed on its way by specific external ties and other imperatives of dependence. The other shows the community unfolding along lines suggestive of collective integration into the world capitalist economy. While one is essentially active in expansive measures, the other is basically expressed in distributive policies. In their respective ways, both are responses to the logic of the structures of underdevelopment and dependence.

The main objective of the strategy of self-reliance (SR) is to break out of the confines of underdevelopment and dependence into a path of autocentric and autodynamic development. It represents an attempt to internalize and restore to the national economy the multiplier and accelerator mechanisms which are externalized through structures and processes of underdevelopment. To recepitulate, the strategy of SR entails three

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distinct phases.

The first is the disengagement phase. This involves the delinking of the underdeveloped economy from the existing pattern of unequal economic and political relationships prevailing in the international economic system. Specific policies of delinking include comprehensive restrictions on trade with the industrialized countries, limitation on the inflow of foreign investments and expatriate manpower, severance of formal monetary ties, a conscious rejection of external aid, and a shift of emphasis from foreign techniques to the localization of the design and application of technology.

As the disengagement phase pulls away the national economy from dependent relations with the world economy, a replacement exercise becomes necessary in order to optimise the dynamic forces released while ameliorating the adverse consequences of disengagement. This is the collective self-reliance (CSR) phase, and it involves an attempt to replace vertical and unequal economic relations with the industrilized economies with horizontal relations among underdeveloped countries (UDCs). The restructuring under CSR substitutes transactions and exchange relations with other UDCs for previous ties with the industrialized countries. CSR should logically follow the disengagement phase, or both should be implemented side by side. Thus, an attempt must first be made to chart and

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implement an autonomous development path at the national level before embarking on a process of CSR. In the alternative, the first phase could consciously be embarked upon at the national level simultaneously with collectivist policies with other UDCs.

As the replacement phase (CSR) matures, and the collectivity becomes a stronger economic whole, a recoupling or reassociation with the international economy could then be made. This is the third and final phase of the strategy of SR. The basic assumption here is that the former peripheral countries had succeeded in transforming themselves into autonomous growth centres during the earlier phases of SR. Reassociation assumes the achievement of the capacity to reunite (as a single actor) with the international economy and compete with the industrialized countries on a more equitable basis.

Thus, the idea of collective self-reliance implies concentric circles in which the individual country and the community constitute the most essential parts. Through disengagement, restructuring and replacement, the locus and focus of economic activities are shifted to these circles.

So put, our analysis of expansive and distributive policies indicate that under conditions of underdevelopment and dependence, economic integration and collective self-reliance would tend to be fundamentally contradictory. While economic integration

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is negated and promoted simultaneously by the processes of incorporation into the world capitalist economy, the pattern of opportunity costs conducive to its realization tend to propel the communty towards the collectivitization of dependence, that is recreating the conditions and processes of dependence found at the level of the member state, at that of the community. It further implies that economic integration, to the extent that it takes place, would tend to reinforce the structures of underdevelopment through their reproduction at the community level, not transcend them.

The impasse on the issues of trade liberalization and payments, and the path increasingly charted for their resolution lends credence to this assertion. Thus, crisis in the West African economies has increasingly made the external guarantee of a common currency attractive and acceptable in principle. Equally, the structural adjustment package, the standard trade mark of the ubiquity of the I.M.F and the World Bank in West Africa has become the needed pep to get the trade liberalization off the ground. In addition, the denationalization and de-indigenization policies, as basic ingredients of SAPs hold some promise for the resolution of the rules of origin issue. The rules of originating products are resisted because of their seeming lack of sufficient appreciation of the critical importance of foreign investments and inputs for the economic

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foundation of political power of most African states. On the other hand, those who support it have done so because the rules are compatible with their national investments policies which aim to strengthen the state and local capital in relation to international capital. However, in the midst of the economic crises of the 1980s, privatization, based on the twin tools of denationalization and de-indigenization, (including debt-equity conversion) is the price which international capital has exacted in order to assist in the restoration of the accumulation process in these states. Thus, as these states are compelled to reformulate their investment policies in order to upgrade the permissible level of foreign participation, a closer alighment of opportunity costs among member states may be expected to lead to a reformulation of the community rules of origin which would reflect a higher degree of consensus. This would represent a boost to the integration process but it would also represent a fundamental negation of the ideal of CSR.

The contradiction between integration and CSR is also pronounced in the pattern of elaboration of distributive policies. The remedial, rehabilitative and infrastructural measures of ECOWAS show some dynamism and have raised much expectations among the member states. But as these indicate the areas in which joint community actions have been most advanced, they equally demonstrate very clearly the character of the integration

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process as it derives its dynamism largely from structures and processes definitive of dependence. This certainly does not indicate a path to CSR. On the contrary, it points the community in the opposite direction.

This should be expected since the formation of ECOWAS was in large part propelled on the framework of a new configuration in Europe marked by the British entry into the EEC. But the contemporary crises in the economics of West African states has intensified this path of elaboration of the integration process. The attempts to resolve the crises have reflected on ECOWAS in two ways. First, ECOWAS has employed its organizational weight in soliciting international aid and investments for the individual member states in order to restore their accumulation. This is the basis of the community's Economic Recovery Programme. On the other hand, as relations among countries of the sub-region have been highly influenced by their relations with the core countries of the world economy, considerations based on such relations have contributed immensely to the resistance of member states of ECOWAS to the implementation of certain joint policies. With the community rendered somewhat immobile by this resistance, and with member states in the throes of a major economic crisis, the widespread supervisory involvement of the I.M.F and the World Bank in the structural adjustment

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programmes of member states has become the reform package on which to break the deadlock on crucial integration measures.

Seen in this light, ECOWAS holds some promise for the realization of the economic integration of West Africa. This realization process might, quite conceivably, promote expanded reproduction in the sub-region, but it does not give cause for equal optimism for the resolution of the central problematic of underdevelopment, that is, the transition to autocentric and autodynamic growth, and therefore, the internalization of the fruits of development. As already indicated above, economic integration would in fact, tend to become the collective negation of these vital processes of development.

For economic integration to coincide with CSR, the former must necessarily move on its own steam. In other words, it should be able to avoid the conditioning impact of the structures of underdevelopment and dependence. The model of CSR put forward by the complementarity thesis on the relationship of self-reliance and collective self-reliance becomes relevant here. CSR is a logical necessity of the internal dynamics unleashed under the delinking process that informs the transformation approach to self-reliance. A fundamental link for transforming economic integration into CSR is a prior or concomitant delinking at the national level. This is the missing

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link in ECOWAS. If the organization must act as a vehicle for the realization of collective self-reliance, then the real challenge that faces member states of the community is the provision of this missing link.

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NOTES

1. For example, the Naira plunged from an official exchange rate of about 1:1 with the U.S dollar on the eve of the introduction of the Second Tier Foreign Exchange Market (SFEM) in September 1986, to an exchange rate of about 4:1 when auctioning of the currency started under SFEM. This rate had been reflected in the parallel market system even prior to this time. Similarly, the Cedi whose auctioning under SFEM arrangements had also begun in September 1986, plunged from a pre-SFEM official rate of about 90: 1 U.S dollar to about 160: 1. In 1983, the rate was about 3:1.

2. The uniting of the Commonwealth and the franc EEC preferential systems removed a basic obstacle to the formation of ECOWAS. However, the continued existence of special monetary relations in the franc zone has meant the continued operation of reverse preferences between France and her ex-colonies in West Africa. This has largely prevented the activation of the MFN clause of ECOWAS, and therefore the inability to activate the trade liberalization programme of ECOWAS.

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APPENDIX TABLE 1.

West Africa: Some basic statistical indicators.

	Population (millions) mid-1984.	Area '000 of sq. km.	GNP per Dollars 1984	capita Annual growth rate 1965-84 (%)	Annual rate of inflation (%) 1973-83	life expectancy at birth 1983 years	Average index of food production per capita, 1981-83. 1974-76=100.
Benin	3.9	113	270	1.0	10.8	48	95,
Burkina Faso.	6.6	274	160	1.4	10.8	44	100
Cape Verde	-	-	-	-	-	-	-
Gambia	0.7	11	260	1.4	10.4	36	79
Ghana	13.4	239	350	-2.1	51.6	59	65
Guinea	5.9	246	300	1.1	4.0	37	85
Guinea Bissau	0.9	36	180	-	6.9	38	84
Cote d'Ivoire	9.9	322	610	1.0	11.9	52	108
Liberia	2.1	111	470	0.8	7.2	49	92
Mali	2.3	1,240	140	1.2	10.3	45	106
Mauritania	1.7	1,031	450	0.3	7.8	46	102

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TABLE 1 CONTD

Niger	6.3	1,267	190	-1.2	11.8	45	122
Nigeria	96.8	924	770	3.2	13.3	49	98
Senegal	6.4	196	380	-0.5	8.9	46	71
Sierra Leone	3.7	72	300	1.1	14.7	38	98
Togo.	2.9	57	250	1.1	8.3	49	99

Source: The World Bank, Financing adjustment with growth in sub-saharan Africa, 1986-90, (Washington DC, 1986). Table 1. p. 67.

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TABLE 2

Intra-West African trade matrix, 1977, (millions of U.S dollars)

Exporting country \ Importing country	Benin	Burkina Faso	Cape Verde	Gambia	Ghana	Guinea	Guinea Bissau	Cote d'Ivoire	Liberia	Mali	Mauritania	Niger	Nigeria	Senegal	Sierra Leone	Togo
Benin		0.03			0.10			0.09				1.0	2.70	0.27		2.11
Burkina Faso	0.02			0.95				17.46		0.19		1.17		0.02		0.48
Cape Verde							0.2									
Gambia					2.41								0.06	0.25	0.08	
Ghana		0.8		0.3				0.6	2.4	0.1		0.6	5.2	3.3	0.3	1.1
Guinea					0.01				0.44						0.14	
Guinea-Bissau			0.034	0.040									0.231	0.926		
Cote d'Ivoire	6.0	44.8								50.7	4.0	17.1	5.7	25.9		5.3
Liberia				0.1	0.3			1.7		0.3	0.2		0.1		0.5	5.3
Mali		1.49			0.32			17.95	1.87			0.82	0.01	0.96		
Mauritania																
Niger	0.91	0.21			0.16			2.12		0.11			25.59	0.11		0.73

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TABLE 2 CONTD.

Nigeria					125.0			64.0			5.0		29.0	20.0	20.0
Senegal	2.85	4.43		3.47		1.43		23.15	21.88	28.06	8.17	15.68		0.46	2.38
Sierra Leone				0.50	0.01	0.12			0.58			0.13	0.05		
Togo	0.81	0.78			0.48			0.20	1.86		0.63	1.36	0.03		

Source: IMF, Direction of trade statistics yearbook, 1984 Washington D.C.

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TABLE 3

Intra-West African trade matrix 1980. (millions of U.S dollars).

Exporting country \ Importing country	Benin	Burkina Faso	Cape Verde	Gambia	Ghana	Guinea	Guinea Bissau	Cote d'Ivoire	Liberia	Mali	Mauritania	Niger	Nigeria	Senegal	Sierra Leone	Togo
Benin		0.03			0,05			0,07				2.50	5.34	0.09		1.04
Burkina Faso	0.22				0.35			29.68		3.70		1.38		0.11		
Caper Verde							0.1									
Gambia					2.35	3.06	1.32		0.02	0.73	0.52		0.57	0.37		
Ghana		2.3		0.5					1.3			0.9			0.5	2.6
Guinea				0.18	0.11				0.16					0.01		
Guinea-Bissau			0.680	0.112		0.305				0.001				0.162		
Cote d'Ivore	8.1	90.5								2.2		22.7	35.1	32.1		11.2
Liberia				0.4	1.0	5.4		1.7		0.1			0.7		1.2	0.2
Mali		2.14		0.03	0.13		0.03	7.62	1.95			1.07		0.09		
Mauritania																
Niger	0.57	2.79			0.17			0,27		0.27			65.83			0.13
Nigeria	5.0				140.0			53				63		70	45	80
Senegal	1.46	0.06	0.07	5.68	0.19	1.68	15.60	35.86	0.21	28.02	28.25	4.44	6.78		0.72	1.75
Sierra Leone	-															
Togo	1.32	6.16			7.26			10.34		1.64	1.64	2.22	34.18	0.66		

Source: IMF, Direction of trade statistics yearbook, 1984.

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TABLE 4

Intra-West African trade matrix, 1983 (millions of US dollars).

Exporting country \ Importing country	Benin	Burkina Faso	Cape Verde	Gambia	Ghana	Guinea	Guinea Bissau	Cote d'Ivoire	Liberia	Mali	Mauritania	Niger	Nigeria	Senegal	Sierra Leone	Togo
Benin					0.5			0.14	0.01			2.48	4.56			1.53
Burkina Faso	0.24				0.39			22.69		1.13		1.76				0.08
Cape Verde							0.4									
Gambia					2.32	3.03	0.06		0.01	0.72	0.52		0.49		0.20	
Ghana		3.4		0,5					0.4			0.9			0.5	2.7
Guinea				0.18					0.24							
Guinea-Bissau				0.011		0.014										
Cote d'Ivoire	14.5	94.8								3.5	0.2	31.5	21.2	30.5		11.2
Liberia					0.8	1,4		0.1					3.2	0.1	3.8	
Mali		1.06		0.02	0.13			2.48	0.41			1.06				
Mauritania																
Niger	0.56	0,21			0.17			0.11		0.38			56.28			0.73
Nigeria	4.0				107.0			64.0				48.0		19.0	35.0	3.0
Senegal	4.62	0,30	0.06	5.35	0.19	8.94	1.57	36.14	0.30	32.76	32.56	3.11	1.26		0.44	6.83
Sierra Leone																
Togo	2.23	3.11			11.94			6.23		0.38		1.86	4.34	0.03		

Source: IMF, Direction of trade statistics yearbook, 1984.

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