THE STATE OF ECONOMIC INTEGRATION
IN SUBSARAN NORTHEAST AFRICA:
THE EMERGENCE OF THE ECONOMIC COMMUNITY
OF WEST AFRICAN STATES (ECOWAS)

by

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Introduction

What are the requisite components of any model for economic development in Africa? They should certainly include profitable methods of agricultural production with control of water, rational hydro-power exploitation, and carefully adapted means of agricultural and industrial production useful to the African entrepreneurs and peasants. They should also have the training of African manpower, effective channels for financing production, as well as marketing and distributing material goods and services. Finally, and very important, they should include reorientations of African priorities and new relationships with the former colonial powers.

In their present state of development, not too many African states can afford to accomplish the financial requirements of growth and development in a short period of time. Rare is the African state budget which can meet these requirements without sacrificing other vital national projects.

Yet several of the states of Africa were once united in federations for ease of colonial administration or perhaps for efficient colonial administration. This was the case for former French West Africa (A.O.F.) made up of Dahomey, Guinea, the Ivory Coast, Mauritania, Niger, Senegal, Sudan (today's Mali) and Upper-Volta. It was also the case of former French Equatorial Africa made up of Chad, the Congo, Gabon and Oubangui-Chari (today's Central African Republic).

The disintegration of these federations was initiated in 1956 as a result of African pressure on the "mother-country" for decolonization and France's response through the "Loi Cadre" which consecrated balkanization of the former French colonies by granting semi-autonomy to each territory of French West Africa and French Equatorial Africa. Both President T'libure of Guinea and President Senghor of Senegal opposed, to different
degrees, this move and articulated their positions on behalf of a federal executive which would have salvaged the functional structures of AOF and AEF after independence. President Houphouet-Boigny of the Ivory Coast was for dismemberment. 3

In the years 1956 to 1958, the issues about preserving federal structures were discussed in all the political circles of West Africa. Many African Leaders worked to maintain the degree of integration already achieved during the colonial period, though it might not have been originated for the benefits of the territories. Guinea's President Toure, for instance, thought that unity would mean more if these territories were completely independent. 4

In 1958, the structures of different autonomous territories prevailed when Guinea voted "no" to De Gaulle's referendum on the constitution of the Fifth French Republic and pulled out of the French colonial union and proclaimed independence on October 2, 1958. 5 The other territories chose to retain their ties with France by voting "yes" to the referendum, and therefore said "yes" to economic dependence on France. 6 By 1960, all the former French colonies were independent.

While the trend in mid 1950's was toward disintegration, the grouping trend picked up from the late 1950's and the early 1960's (Table 3). However the proliferation of groupings and unions made the inclination toward African unity more or less ineffective because of the conflicting ideological stands of different countries on issues such as the Algerian War, the Congolese crisis, decolonization and neo-colonialism. The nations also disagreed on association with the European common market, problems or armament and use of atomic weapons, location of foreign military bases on national sovereign soil, and other cold-war related matters. 7 Nevertheless, the Organization of African Unity (OAU) was formed in 1963. At its creation OAU was made of all the then independent African countries except Morocco, which did not want to sit side by side with Mauritania, a state upon which Morocco was nourishing some territorial claim. Morocco joined the OAU a year later.

It is almost unanimously recognized that many West African countries with weak economies—characterized by limited markets and productivities—cannot on their own, finance large scale development programs, nor the resulting large scale economies. For example, many of these countries, occasionally drought stricken, such as Mali, Niger, and others, cannot finance gigantic dams nor irrigation schemes which could be instituted in the Senegal and Niger river basins. The continued ties with the former European "mother countries" present certain advantages but the states cannot escape the heavy costs of being trapped in neo-colonialist interests and the dependence through
which Africa was made part of the Western economy.  

The purpose of this paper is to examine to what extent African regional cooperation can be of assistance in building economic foundations providing viability for the new states including self sufficiency, integrated economies, decolonization and reduction of the dependence due to inherited institutional structures. It seems clear that the organizing units must be based on maintaining sovereignty of national entities and non-interference in the internal affairs of states since these features characterize the structures of African state associations with lasting functional and operative relationships in contrast to the structures of short-lived strong political unions. To what extent and under which conditions can regional cooperation be a step toward that political union toward which all modern African states aspire, if not on continental basis at least on a regional basis?

I. Economic Realities since Independence

Since the formation of the OAU, many circumstances have appeared which affect the balance of power in Africa.

Dr. Kwame Nkrumah, the late President of Ghana, who had contributed tremendously to awaken African consciousness to the need of freedom and African unity, was deposed on February 24, 1966. It was he who had helped greatly to revolutionize thinking in the Third World, and who was the driving force behind the notion of continental unity based on such solid unitary structures as over-all economic planning, a unified military and defense strategy, and a unified foreign policy and diplomacy. He was deposed after launching, what expert Africanists would call an unsuccessful socialist experiment in which the state farms failed because of poor planning, high costs and a lack of incentive among the rural people, and what future historians may some day refer to as an original humane and authentically African alternative for growth and development. Nkrumah's Ghana had a peculiar situation where cocoa was still the major cash crop. Export of cocoa has remained the major source of foreign revenue. Nkrumah attempted to use surplus revenue from cocoa sales as a basis for industrial development but soon the surpluses were exhausted by trying to protect against drastic declines in world cocoa prices. Despite the operation "feed yourself" for the 1970's, Ghana of the 1970's is haunted by certain deterrents which have taken it away from the substantial savings resulting from the spontaneous growth of agricultural exports of the '50's and '60's.
Nigeria is the most populous country in Africa and probably it is most often lauded as the country which is most likely to develop soon. Nigeria is characterized by forms of economic laissez-faire and a pragmatic interventionist approach; there is a vast diversity in agricultural products. It is also endowed with plenty of mineral resources. It is often argued that halfhearted attempts at planning had a terrible result of non-development of Nigeria's economy. Other Nigerian problems have included predominantly peasant-based agricultural techniques—yielding low production, balance of payment problems aggravated by unfavorable terms of trade due to fluctuations in export prices for Nigeria's cash crops, and the inability of marketing boards to adequately protect producers from such price fluctuations on World markets. Occasional state intervention had created disparities between sectors of production, individual interest, and individual economic units leading to direct cost increases, the constitution of an indigenous middle class allied to foreign interests. This situation generated frustration and dissatisfaction before being ended by a civil war. Nigeria has emerged from its torpid state of civil war to become an economic power with which to be reckoned in West Africa, thanks to its promising petroleum industry.15

The Ivory-Coast, whose pragmatic leaders have built a stable system resting on private enterprise, encouraging entry of overseas investors, and a very liberal policy regarding repatriation of profits and expatriate wages, has had a continuously growing economy with an appreciable growth rate (8%). This has come about due to diversification of its agriculture and the contribution of a dynamic industrial manufacturing sector of significant size. As a result, Ivory Coast has emerged as a regional power for the African states of French colonial legacy. Yet the Ivory-Coast's growth has been characterized as a "growth without development," a growth generated by and kept up due to considerable outside investment which does not provide strong socio-economic structures which would allow the economy's transition to one in which the motor of growth is self-centered and self-sustained.16

Senegal benefitted by a comfortable lead in development from the colonial days to the mid 1960's, because many services and the headquarters of colonial companies originally designed to service the defunct French West Africa, were located around Dakar, the federal capital.

Senegal is having a hard time holding on as the leading influence in the Francophone community as a result of A.O.F. dismemberment, the proliferation of small enterprises whose output goes to a relatively restricted market, the de-
teriorating world prices for the main cash crop, groundnuts, peanuts, and small or zero growth of the GNP. Despite the optimistic GNP growth projections of the latest World Bank studies (4.8-5.1% from 1970 to 1980) generated by the policy of diversification in agriculture and manufacturing, it is difficult to imagine Senegal solving its stagnation problems. These problems are described by the World Bank reports as being due to the lack of a large integrated market such as the one provided by the federation of former French West Africa.

Guinea, one of the most endowed with natural resources of all the West African states of French colonial legacy, (second perhaps to Gabon) has several development projects based on bauxite, iron mining and hydropower which result from the party-states's acceptance of aid from both Eastern and Western nations as long as such aid has no strings attached and does not compromise Guinea's revolutionary fervor and policy of non-alignment. While today's economic situation is still difficult, bauxite production (which may reach 26 million tons by 1979 and therefore will make Guinea the world's largest producer), is expected to bring surplus foreign exchange which would strengthen the Syli (the national currency) presently suffering from a persistent state of inflation. This could happen provided that the Intergovernmental Bauxite Association, a producer's pact, were to continue pushing bauxite prices up or at least maintain them at the present levels, and that Guinea were able to expand its agriculture so any eventual gains in foreign exchange would not be offset by spending on such imported foodstuff as rice. Guinea's economy is subject to state control and central planning.

Most of the other West African states of French colonial legacy, with the exception of Togo, have not experienced appreciable GNP growth rates during either the independence decade, or in the early 1970's. Benin (formerly Dahomey), shaken by regime instabilities since independence, still experiences some problems of trade balance because of increasing import costs. Efforts are being made to revolutionize the regime, to control the economy, and to develop better relations with neighbors.

Mali's economy suffered tremendously from drought which caused many casualties in human lives as well as in livestock. Livestock, groundnuts, and cotton still dominate the economic prospects. Groundnut and cotton prices are subject to world market fluctuations. Recent grain production was lower than during the pre-drought years. Foreign assistance has to make up for expected trade deficits.
Mauritania's dominant foreign earnings came from the production of iron ore and copper whose sale proceeds might help to build and stabilize the predominantly rural economy. The new currency, the Ougouia, should not be expected to have such unforeseen problems stemming from its exit from the zone franc that Guinea and Mali experienced because Mauritania which was recently admitted to the Arab League, is backed by Arab petrodollars.

Niger, another drought stricken country, is obtaining more investments in uranium production facilities. A lot of consumer goods, particularly foodstuff, have been imported for many years. Foreign assistance makes up the trade deficit.

Upper Volta has also recently been dominated by the problem of drought. Subsidies have been making up for the lack of the trade balance.

Togo experienced growth in the 60's, but in the early 70's Togo suffered from large trade deficits. The volume of exports is expected to rise. Togo has been instrumental in convincing several francophone West African states to join hands in the Economic Community of West Africa of which Ghana and Nigeria are two of the 15 members.

Liberia is one of the smallest countries of Africa with its resources only very slightly developed. It has a very clearly defined dualistic economy and is (modern sector and subsistence sector) very dependent on foreign operations. The American rubber company Firestone and an American-Swedish iron company, ALAMCO, are involved in exploiting respectively rubber and iron ore, with little state interference in their operations because of Liberia's open door policy. There are no laws requiring reinvestment of profits or restricting repatriation of profits and expatriate wages. This does not seem to very much have helped Liberia. Liberia is still dependent of US currency operations and has no central bank of its own. Those Liberians who work for the foreign firms seem to be doing quite well, at least compared to the majority of the population who survive at low subsistence levels.22

Gambia has a relatively small and prosperous economy based on export of groundnuts and a very liberal import policy which is to its advantage.23

Guinea-Bissau seems to be in need of more financial and development assistance which is presently coming from several different Eastern and Western countries.24

In Sierra Leone, 77 percent of the work force is still
engaged in agriculture, 5 percent in mining, 5 percent in manufacturing, 6 percent in trade, 2 percent in construction, 2 percent in transport, 2 percent in services, 1 percent in public administration. Most of the foreign exchange earnings are still being originated in the mining sector based on extraction of quasi-depleted minerals (diamonds and iron ore). The Gross National Product is increasing at about 5 percent a year. But the balance of payments shows persistent deficits since 1970. There is a new shift in emphasis from mining production to development of agriculture, industry and tourism.25

II. Attempts at Integration in West Africa; Concern for Internal Stability and National Consolidation versus Political Union

Despite only limited successes toward political integration since the disintegration of the federations in the late 1950's, several encouraging Pan-African attempts were and are being made to link both contiguous and distant states.

The Ghana-Guinea Union in 1958, followed by the Ghana-Guinea-Mali Union in 1961, called first on the member countries to harmonize their policies in the fields of defense, finance and external affairs. The three countries pledged to write a constitution, to create the United States of West Africa, which would not affect the relations between Ghana and the Commonwealth nor those between Guinea and the Francophone Community. The Union Ghana-Guinea was able to secure ten million Ghanaian pounds for Guinea during the difficult early years of its independence,26 despite the structural differences of economic and political nature which prevented the functioning of this union which has no common boundaries; Ghana's economy was more prosperous, and the common neighboring states of the Ivory Coast was ideologically opposed to them.

In 1959 at Sanniquellie (Liberia), Ghana, Guinea and Liberia joined in an organization of associated states based on a "friendship convention" in navigation and trade. This organization rejected any idea of political unification.27

Ghana, Guinea and Mali became partners in 1961 of the "progressive" Casablanca group whose other member-states included the United Arab Republic, the Provisional Government of Algeria, Morocco and Libya. This group was more intransigent than its counterpart--the Monrovia Powers--in combating neo-colonialism and imperialism, demanding the removal of all foreign military bases from their territories. This group supported the leadership of the late Patrice Lumumba, Prime Minister of the Congo, (today's Zaire) against the Congo's
President Kasavubu whom the Monrovia powers supported. The Casablanca Group formed a common market to come into being over a four-year period, on October 1, 1962. After the formation of the OAU, the Ghana-Guinea-Mali Union, the Casablanca group dissolved.

Guinea, Mali, Mauritania and Senegal formed the Organization of the Senegal River States (OEERS) which was established by a convention in 1968 to develop the Senegal River basin. This was to be accompanied by regulating the flow of water to a minimum of 300 cubic meters per second and constructing a dam on the Senegal or one of its tributaries to provide controlled irrigation to enhance grain cultivation and move toward self-reliance in production. The countries also envisioned larger, integrated industrial development, trade and eventual political union. In the meantime, member-states were to encourage trade and the eventual creation of a common market. At the time of the OEERS creation, member-states belonged to different monetary zones without free convertibility for currencies except for nations of issuance to comply with requirement that the bulk of exchange transactions be handled in the franc-zone. Inter-state payments were created. While the OEERS provided a lot of hope for the people of Guinea, Mali, Mauritania and Senegal nevertheless it dissolved in December 1971.

Trying to compensate for the failure to implement the vital development programs planned by OEERS, the Senegalese authorities developed the "Organization pour la Mise en Valeur du Fleuve Senegal" (OMVS), very reminiscent of the former OEERS interstate committee. They also revived a long-proposed West African Economic Community—the "Union Douaniere des Etats de L'Afrique de L'Ouest" (or UDEAO)—which was created at the same time as the Central Bank (BCEAO), but has never been functional.

The "Organization pour la Mise en Valeur du Fleuve Senegal" made up of Mali, Mauritania and Senegal has been pursuing the major inter-state development projects planned by the OEERS. On May 23rd, 1974, they signed a major 30-year joint agreement for the development of the Senegal River which should provide water to irrigate 430,000 hectares. The projects upon which the three states have decided to work are the construction of the proposed dam at Manantali (Mali) and Diama at the Senegal-Mauritania border and the development of the river delta and construction of various landing stages and ten modern small ports between Saint Louis and Kayes. These specific projects are estimated to cost 87 billion CFA francs (about $ US 390 million). Twenty international finance organizations and interested countries committed on July 23, 1974—in Nouakchott the capital city of Mauritania—to provide the required financial resources for the OMVS planned projects. The World Bank, the African Development Bank, France, West Germany, Canada, Iran, Saudi-Arabia,
Kuwait, US AID and others were among the financial sponsors of OMVS. By July 24, 1974, it was reported that the organization had some 34 billion CFA francs ($151 million) at its disposal. A summit meeting of the Heads of States of OMVS (Mali, Mauritania and Senegal) decided to reinforce the structures of the organization and urgently implement the planned projects.33

Early after AOF dismemberment in 1959, Senegal and the former French Soudan formed the Mali Federation and decided to abandon partial sovereignty to a federal assembly. In January 1960, the Mali Federation secured independence from France. This independent federation under a federal government was short-lived since Senegal pulled out in August 1960 because of ideological conflict opposing Senegal's leaders to Soudan's and Senegalese did not want to risk the loss of their constituency.34

At the same time that the Mali Federation was created, the Entente Council ("Conseil de L'Entente") was founded by Dahomey, the Ivory Coast, Niger, and Upper Volta. They were joined by Togo in 1966. The Entente Council's purpose is to coordinate the economic and foreign policies of the member-states in the fields of taxation, customs union, public administration, public works, and communication networks. The membership of the Entente Council has control of a solidary fund to which each state pays 1/10 of its revenue, and the Ivory Coast, which is relatively well-off, provides limited aid to other members of the Entente Council.35 The Entente Council's Mutual Aid and Loan Guaranty Fund was originally intended to guarantee foreign public and private investment in the member-countries. Its activities have expanded until the mid 1970's; they cover virtually the entire field of regional economic development. The Entente's main objectives are now to promote economic development and integration of the region, to assist in preparing specific projects in the economic field and to obtain assistance from donor organizations. They have succeeded in obtaining US-AID loans totalling $13.5 million, French Aid and Cooperation Funds amounting to US $3.5 million, money from EEC's European Development Fund of $1 million, and from the Canadian International Development Agency they have gotten $1/2 million. These funds are for implementation, to provide a guaranty fund to encourage investments in the member-states and to increase trade, commerce and investment between the Entente Council and their neighbors. The annual contributions of member-states currently is 650 million CFA francs or some $2.7 million. The other resources are subsidies and grants, investment returns and commissions on its guarantee operations. By early 1974, when the Entente Council was celebrating its 15th anniversary, the capital of the fund amounted to some 4.6 billion CFA francs, (USA $19 million).
The fund sponsored efforts to combat substantial meat deficits in the coastal regions, developed the Meat and Livestock Community, and supports a program of annual health care for animals, cattle trails and slaughter houses. The fund also provides regional economic measures such as the stabilizing of supplies and prices of cereals in Entente states by construction of storage facilities and establishment of regional cereal offices. The Entente Council has sponsored feasibility studies to determine the possibility of expanding production of fruit and vegetables for the African market and for out-of-season export to Europe. It has sponsored measures in transport and telecommunications, common statistical systems, regional industrial development, and solving payment problems between member-states Ghana and Nigeria. It survives today because of its loose and flexible structures which include no supranational institutions.

The member-states of the Entente Council used to be members of the Africa-Malagasy Union ("Union Africaine et Malgache" or UAM), which included all the former French tropical African colonies except Guinea and Mali. The UAM was created in 1961 to coordinate matters related to currency, transport and technical assistance between member states and between member-states and France. Other UAM objectives were to work to preserve peace, to foster mutual aid among members, non-interference in the internal affairs of other members, economic and cultural cooperation based on equality, and concerted diplomacy in international affairs. The Algerian War and the Congolese crises were major events which affected the creation of UAM and were stated by the former Secretary General of UAM:

"The formation of UAM had to do with the position of France in 1960. The worst hour of the Algerian War was at hand. Negotiations were bogged down. Several Afro-Asian, Socialist and even Western states seriously contemplated a United Nations intervention. The De Gaulle government was resolutely hostile to such a solution...Whether or not the idea was entirely their own, Houphouet-Boigny, Senghor and their friends wanted to avoid recourse to the UN.... The UAM to some extent owed it existence and development to the Congo crisis, over which African states were and still remain sharply divided. It was above all at the Brazzaville Conference of December 19, 1960, that the UAM became a reality."
Tevoedjre acknowledges that Pan-Africanism is a glorious myth and an intellectual imperative but centrifugal forces in African states of French colonial legacy have resulted in balkanization and "vassalization". He states:

"The greatest shortcoming of the UAM in diplomacy was the impression it sometimes gave of an excessive dependence on France. The ties between each of the UAM states and France were in effect so close as to give the impression that the organization itself drew its every inspiration from the former metropole."

Tevoedjre thinks that he was acting from his Secretariat with some detachment from the Paris authority as well as his Dahomean constituency and his assessment is that UAM was the most effective and important organ of solidarity on the continent of Africa in the early 1960's. The UAM was dismantled in 1965 as a result of the settlement of the Franco-Algerian War in 1962, the OAU formation in Addis Ababa in 1963, and the reluctance of many of UAM members to recognize the regime—sponsored by Togolese authorities—involved in the coup in which President Sylvanus Olympio was murdered. In the words of its Secretary, UAM died because "it was trying to stop the state of being satellite nations" by the member states who were too closely tied to France, their former colonial power. The member-states of UAM had previously been part of a larger group: the moderate faction of the Monrovia powers which included Nigeria, Liberia, Sierra Leone and Tunisia, who were opposed in many instances by the Casablanca group.

In 1965, UAM—which had turned into the "Union Africaine et Malgache de Cooperation Economique"—became the "Organisation Commune Africaine et Malgache" or OCAM, after the admissions of Rwanda and Zaire (former Congo-Kinshasha). OCAM's objectives included the harmonization of the activities of member-states in the economic, social, and technical and cultural areas; the coordination of their development programs; respect for the sovereignty and the fundamental options of each member-state; and facilitating consultation in foreign policy matters among member states.

Under an OCAM sugar agreement, the two sugar exporters of the organization, Congo and Madagascar were to have guaranteed markets of 70 to 80 percent of the total imports to OCAM countries. In the European Economic Community (EEC), the OCAM organization has often aggressively lobbied for higher prices for its tropical produce in keeping with the high prices of industrial equipment that it has to buy. At the closing session in Rwanda, in August 1974 the retiring Secretary-General
hoped that the OCAM planned to make itself completely non-political, to become a true instrument of economic, cultural and social solidarity and development. Elimination from the OCAM charter of any reference to political consultation between member-states was obtained later at Kigali (Rwanda) in 1975.

At this ministerial council meeting held in Kigali (Rwanda) from December 12th to 16th, 1975, it was judged wise to defer most of the controversial points such as the participation of all the member states of OCAM (M standing no more for Madagascar which had left OCAM but rather for Mauritius Island). The ministers did not even agree on how to let the rest of Africa share OCAM facilities which had been built over a decade of existence. A project to set up an OCAM Guarantee and Cooperation Fund was deferred for discussion by the OCAM heads of state. The ministers did, however, agree on the creation of three new joint enterprises. These were the African and Mauritian Institute of Bilingualism, to be located in Mauritius, the Inter-state School of Architecture and Town planning to be located in Lomé (Togo), and the Institute for the Training of Statisticians to be located in Kigali (Rwanda). The OCAM budget of 1976 was fixed at 387.4 million CFA francs (about US $2 million).

Madagascar, because of its defection, withdrew from the sugar agreement. The Congo has not been able to supply sugar to OCAM member states. Many sugar importing members have experienced difficulties. Discussion of touchy points of disagreement between member-states of OCAM is being deferred. Air Afrique which was the show-case achievement of OCAM has had problems because of failures of member-states to honor their debts and recent conflict between Senegal and the Ivory Coast over its leadership.

The present membership of OCAM comprises Benin (formally Dahomey), Gabon, the Ivory Coast, Togo, Senegal, Upper Volta, Niger, Central African Republic, Rwanda, and Mauritius. Cameroon, Chad, Madagascar, Mauritania, Zaire had been members from OCAM. Many reasons may have led to their defections. OCAM is stereotyped by African nationalists as "moderate" which in African context conveys the connotation that its membership remain closely linked to neo-colonialist and imperialist centers of the World. Dissatisfaction and even lack of support within OCAM has increased because of the suggestion of Ivory Coast's leadership of "dialogue" with South Africa. This is consistent with the fact that any political references in the charter, which might allude to foreign policy coordination between OCAM member-states has been eliminated. It seems that the Ivory Coast, a leading member is justifiably dissatisfied with OCAM because of a lack of support for its initiative toward the
settlement of South Africa's apartheid policy through "dialogue". This position was opposed by an overwhelming majority of African states.

Most of OCAM members still are linked to France by bilateral treaties of economic, cultural and military natures. The OCAM organization still enjoys the benefits of cultural and economic links with France and its partners of the European Economic Community despite the present threats of dismemberment of OCAM.

OCAM's rate of integration has been limited by the inequalities among the member-states, the differences in their previous experiences and the divergences in the lessons they have drawn from their earlier strategies.\footnote{47}

Dependence on the metropole is another influence toward the small degree of integration as can be shown by EEC contribution to the member-states. EEC contributions (grants and rural loans) to the 18 associated states of OCAM was US $800 million between 1964-1969 and $1000 million in 1970-1975.\footnote{48} This aid came from such donors as France, West Germany, Italy, Belgium, Luxembourg and others as shown in the distribution below (See Table 1).

\begin{table}[h]
\centering
\caption{Financial Assistance Received By Tropical African States Of French Colonial Legacy From The EEC (US $ Millions):}
\begin{tabular}{|l|c|c|}
\hline
\hline
France & 246.5 & 298.5 \\
West Germany & 246.5 & 298.5 \\
Italy & 100.0 & 140.6 \\
Belgium & 69.0 & 80.6 \\
Luxembourg & 2.0 & 2.4 \\
Others & --- & --- \\
\hline
\end{tabular}
\end{table}

Defections from OCAM can be seen as due to the effects of centrifugal forces on staunch nationalists which consciously or unconsciously resent the nature of their dependency on the mother country—which was shown up lately in their tolerance towards South Africa's policy of apartheid. There are also centripetal forces which tend to pull them closer to the interests of the mother country and the European allies; the few well-off states will be inclined to look for a "rapprochement"
For example what Ivory Coast has done is to invite other African states to examine jointly ways in which a "dialogue" might be established with South Africa. The contact would be one of diplomacy and discussion rather than hostility and intermittent guerilla warfare. A similar even more peaceful approach was suggested in the 1970 OAU conference in Lusaka, with the provision that such contacts should only be established if South Africa indicated that in principle it was prepared to move toward the eventual relinquishment of apartheid policies which it was not prepared to do. It is possible that President Houphouet-Boigny may have had good intentions in trying to introduce a note of "moderation" into this issue. But on the other hand, his move indirectly caused a major split in OCAM and even OAU. Several states such as Cameroon, Congo-Brazzaville, Mali, Nigeria, Senegal, and Zambia have followed the lead of Guinea and Tanzania in denouncing that move. Others, such as Central African Republic, Gabon, Ghana, Lesotho, Malawi, Sierra Leone, Madagascar, and Zaire, have concluded major economic agreements with South Africa. Other states of the Entente might be expected to follow suit with their affluent leading partner—the Ivory Coast. Because of the overwhelming emotional and moral nature of this issue, disagreement could effect the state of already-developed cooperation between West African countries, cooperation which would result in economic and technical progress. South Africa would of course, rejoice if that happened, which is unfortunate.

III. From UDEAO to CEAO

The three members of OMVS are also members of the "Union Douaniere de L'Afrique de l'Ouest" or UDEAO. It was unanimously recognized by all the member-states—especially the Malian and Senegalese authorities—that UDEAO lacked vigor and that the practical and visible achievements of the organization were less than had originally been hoped despite considerable goodwill toward positive cooperation from its creation in Paris in 1959 (and its reform49 on December 15, 1966). UDEAO was first created to provide for such rulings as zero-tariff for inter-state trade within the zone combined with tariff-payment for countries outside the zone. But it was difficult to implement this ruling after independence, because each state managed its own budget and designed its own plan and trade policy. The 1966 reforms provided for the creation of import duties and a system of repayment to compensate the land-locked countries of the interior for the lack of income, enforced their geographical position. But because the volume of trade between member-states has not really been significant,
(1% for imports and 2% for exports) the results of UDEAO were meager. At their summit meeting in Bamako (capital city of Mali), on May 20th, 1970, a draft proposal ("protocol agreement") creating the West African Economic Community was written. The seven states of Dahomey, the Ivory-Coast, Mali, Mauritania, Niger, Senegal and Upper-Volta (Togo was an observer) decided to replace the old grouping of UDEAO by a stronger and renovated Economic Community of West Africa (CEAO). The major objectives of CEAO are to:

a) improve the infrastructure of the area as a whole by cooperation in the development of transportation and communication;

b) promote and accelerate the joint industrialization of the member states;

c) facilitate trade between members in both manufactured products and raw materials.

These objectives were to be implemented by the Conference of Heads of State, the Council of Ministers and the General Secretariat. The actual treaty setting up a new West African Economic Community was signed on June 3, 1972, in Bamako by six states which had signed the earlier protocol agreements. Dahomey and Togo did not sign. Up to the present date the new West African community has not recorded any additional states and, of course, lost Dahomey as a member between the signing of the protocol agreement and its ratification by the government and legislative assembly. Fortunately enough, two prominent leaders of CEAO, President Houphouet-Boigny of Ivory-Coast and President Senghor of Senegal, have expressed hopes for the compatibility of CEAO structures with larger unions.

So at the Niamey summit conference on April 7th, 1973 six member-states of CEAO (Togo and Dahomey were observers), Niger's President, Lieutenant Kountche, President of the Military Council of Niger, and the organization's chairman during the preparatory phase, stated:

While we cannot integrate our national development programs straight away, let us undertake to coordinate communal developmental actions, accelerate sub-regional economic integration and show to the international community our readiness to mobilize effectively our aid potential.

The Conference drew up measures to launch its operations. Adopted, was the concept of the "Regional Cooperation Tax" whereby industrial products imported from non-member countries. This contrasted with the customs duties and taxes
levied on goods brought in from outside the community. To benefit from this system, industrial producers must apply to the General Secretariat of the Community through the government of the member-states in which they operate. President Senghor is the current chairman of CEAO, and Mr. Cheick Ibrahima Fall is the Secretary-General.52

CEAO may very soon prove to compete with another grouping, the Economic Community of West Africa (ECOWAS).

Several questions of economic and political bearing need to be raised, if one wants to appraise the viability and effectiveness of CEAO. The protocol agreement of CEAO has been ratified by six West African states: the Ivory Coast, Mali, Mauritania, Niger, Senegal and Upper Volta. Besides differences of opinion among the signatories which always exist, Mauritania, which is the strongest link between Arab Africa and Sub-Saharan Black Africa, cannot help but more and more look northwards toward the Arab League and the Moslem World. Mauritania is compelled to orient in that direction by the flow of petro-dollars from which it benefits, and the backing extended by Arab States to support its national currency, the Ouigouya. Niger and Dahomey are quite aware that they are too far away from both Dakar, the former capital of French West Africa, and the Ivory Coast, the influential and leading partner of the Entente Council. They understand that their economic interests lie more with Nigeria, their immediate neighbor, which is also West Africa's economic giant. If CEAO is to make concrete its visions of being a strong economic and industrial community, the leaders of CEAO must soon solve the problem of the absence of Guinea, Liberia, Ghana and Nigeria which are potential sources of industrial developments in West Africa.

Dahomey and Togo—which maintain cultural, historic and ethnic links with anglophone Ghana and Nigeria—wisely held observer roles in the CEAO preparatory meetings. Both Senegal and the Ivory Coast, the two states which have achieved a relative degree of success in import substitution which contributes appreciably to capital formation for them, desire a larger market for their manufactured goods than the one provided by CEAO.

Would West Africa's main concern be the development and strengthening of West Africa or just the creation of temporary schemes of counterbalancing powers between competing states of French and British colonial influences? For how long would West Africa be subject to those influences? It can be guessed that these influences tend to be reduced by the proliferation of authentically African alternative educational
systems which would train in Africa most of Africa's future leaders. West Africa's economic prosperity is a function of a cooperative scheme in which the states of French colonial legacy have come to terms with those of British, Portuguese, Spanish and German colonial legacy. It is encouraging to note the acknowledgement by CEAO leaders of the principle of compatibility of CEAO structures with wider union. This is also consistent with the trend of alignment of all former AOF members with the European Economic Community so the West African cash crops can enter the common market duty free, instead of being restricted to being imported only into France where a guaranteed price was given in excess of the world market price (the old concept of the colonial French "surprix" in France). This is also a follow-up of the past advice given by France to its former colonies to look towards the international lending agencies, and if necessary their own private sectors. This is also in conjunction with France's earlier warning that in the early stages of association with the EEC, the African associated states should be expected to experience some reduction within the EEC's Treaty of Association from their preferential economic and financial relationship with France and within the Franc zone. Yet France always hoped that the cohesion of the franc zone would always be maintained. CEAO, as mentioned, seems already to be competing in its outlook and prospects with another grouping, the West African Economic Community founded by 15 states under Nigeria and Togo's sponsorship.

IV. Ecowas and Its Treaty

The move to coordinate rural plans for regional cooperation has been growing in importance since the creation in 1975 of the Economic Community of West Africa (ECOWAS)—whose idea has existed for some time. On May 4, 1967, under the sponsorship of the Economic Commission of Africa, Ghana, Liberia, Mauritania, Niger, Nigeria, Senegal, Sierra-Leone, Togo and Upper Volta signed an agreement of association in Accra, Ghana, after the overthrow of Ghana's President Nkrumah who worked his life to achieve this union and others similar to it. The same agreement was revived in Monrovia (Liberia) in 1968.

After preparatory meetings whereby the draft proposal was approved by economic ministers, on May 28, 1975, a providing for the establishment of the Economic Community of West Africa was signed by the heads of state and representatives of fifteen West African countries. Several procedural amendments (Article 59) were introduced and passed by the signatory-states including the recognition of the existence of regional groups such as the Entente Council of CEAO and the
idea of regional expansion. The participants included: Dahomey, Gambia, Ghana, Guinea-Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo, and Upper Volta.55

To date eleven states have ratified the Treaty56, which was supposed to become operative after seven countries had ratified it.

The broad objectives of the Treaty of ECOWAS were for participant states, cooperation and harmonization in the fields of agriculture, industry, transportation, telecommunications, energy, natural resources, commerce, monetary, financial, social and cultural matters with the view toward freeing the movement of persons, goods, and capital across national borders in West Africa. It is of great importance that ECOWAS sees the need to build interstate highways. These highways should reverse the effects of colonial transport networks whereby the economies of countries of different colonial legacies were left with few possibilities for associations and communications. The colonial pattern of transportation was basically between African states and the colonial country, rather than between neighboring African states. Representatives of member-states were convinced that cooperation was essential to foster and encourage social and economic development of their states, to improve the standards of living of their peoples, increase and maintain economic stability and build closer relations among their countries and contribute to the progress of Africa. The Treaty provides for the establishment of a Fund for Compensation and Development to further the objectives of member-states. There are articles of the Treaty establishing a time-table for trade liberalization among member-states and the establishment of a Customs Union over 15 years. The treaty takes cognizance of the effects of the reduction and elimination of import duties on the revenues of member-states and the need to avoid the disruption of income they derive from import duties. There are articles on strategies to check smuggling, "goods acceptable to Community Tariff treatment", on deflection of trade, dumping reexportation of goods and transit facilities. There is discussion of compensation for loss of revenue and settlement of payment between member-states. The treaty provides for the establishment of the Council of Ministers of "Trade, Customs, Immigration, Monetary Payments" a Committee of West African Banks, made up of the Governors of Central Banks of member-states.

The treaty's higher institutions include the Authority of Heads of State and Government, the Council of Ministers, the Executive Secretariat, and the Tribunal of the Community. The authority of Heads of States is required to meet at least
# Table 2: Economic Characteristics of ECOWAS Membership

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Area (km²)</th>
<th>GNP (US $ million)</th>
<th>Principle Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rep. of Benin</td>
<td>2,869,000</td>
<td>112,622</td>
<td>314.820</td>
<td>palm production, cotton, groundnuts (30-34%)</td>
</tr>
<tr>
<td>(formerly Dahomey)</td>
<td></td>
<td></td>
<td></td>
<td>groundnuts (94%)</td>
</tr>
<tr>
<td>The Gambia</td>
<td>494,279</td>
<td>112,950</td>
<td>52.780</td>
<td>cocoa (61%), timber (19%), bauxite alumina 90%, iron ore</td>
</tr>
<tr>
<td>Ghana</td>
<td>9,600,000</td>
<td>238,537</td>
<td>2,725.800</td>
<td>palm kernels, groundnut</td>
</tr>
<tr>
<td>Guinea</td>
<td>5,143,000</td>
<td>246,000</td>
<td>459.000</td>
<td>timber 29%, coffee (23%),</td>
</tr>
<tr>
<td>Guinea-Bissau</td>
<td>800,000</td>
<td>36,125</td>
<td>72.240</td>
<td>coco (15%)</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>5,400,000</td>
<td>322,463</td>
<td>1,836.000</td>
<td>iron ore (71%), rubber (16%),</td>
</tr>
<tr>
<td>Liberia</td>
<td>1,617,000</td>
<td>111,369</td>
<td>355.000</td>
<td>cotton (39%), livestock (33%)</td>
</tr>
<tr>
<td>Mali</td>
<td>5,260,000</td>
<td>1,240,000</td>
<td>370.000</td>
<td>iron ore (73%), livestock, gum</td>
</tr>
<tr>
<td>Mauritania</td>
<td>1,205,000</td>
<td>1,032,455</td>
<td>217.440</td>
<td>groundnuts (24%), livestock (12%)</td>
</tr>
<tr>
<td>Niger</td>
<td>4,248,000</td>
<td>1,267,000</td>
<td>400.000</td>
<td>oil (88%), cocoa (10%),</td>
</tr>
<tr>
<td>Nigeria</td>
<td>79,778,960</td>
<td>923,768</td>
<td>9,061.000</td>
<td>groundnuts and prod. (35%), phosphates</td>
</tr>
<tr>
<td>Senegal</td>
<td>4,080,000</td>
<td>197,161</td>
<td>1,037.400</td>
<td>diamonds (63%)</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>2,730,000</td>
<td>72,326</td>
<td>540.000</td>
<td>phosphates (62%), cocoa (25%),</td>
</tr>
<tr>
<td>Togo</td>
<td>2,092,000</td>
<td>56,000</td>
<td>328.000</td>
<td>coffee (13%)</td>
</tr>
<tr>
<td>Upper Volta</td>
<td>5,620,000</td>
<td>274,122</td>
<td>392.910</td>
<td>livestock (48%), cotton, groundnuts</td>
</tr>
<tr>
<td>15 states' Total</td>
<td>130,937,239</td>
<td>6,242,898</td>
<td>18,162.390</td>
<td></td>
</tr>
</tbody>
</table>

once a year, and its decisions are binding on all institutions of the Community. The Council of Ministers keeps under review the functioning of the Community and makes policy recommendations to the Authority of Heads of States. Each state is represented by two members on the Council. The Executive Secretariat supervises the daily functioning of the Community; it is headed by a General Secretary appointed by the Authority to serve for four years. The General Secretary is assisted by two Deputy-Secretaries. The Tribunal of the Community—whose structures are to be determined by the Authority—will "ensure the observance of law and justice and the interpretations of the provisions of the Treaty."57

The content of ECOWAS's Treaty seems quite reasonable. It seems to be favored by the size of its population (around 131 million people), the area it covers (6 1/4 million km²), the combined GNP of the member-states and the diversity of its exported products, (see Table 2). ECOWAS appears to be a potentially solid economic entity which would provide to the area benefits of a wider market, economies of scale and specialization, as well as establishment of heavy industries based on iron ore, bauxite, fertilizer, cement and furniture. It should provide mutual support against fluctuations of prices of international markets for the cash crops, for coordinated policies to attract new investments and for reduced costs of integrated communication services, transportation systems and infrastructure (highways, universities, employment opportunities). Also less costly should be the administrative and monetary systems. In sum, the ECOWAS is likely to benefit from a wide spectrum of policy alternatives created by the pooling of resources which should occur over the next 30 to 35 years.58 The hesitations of smaller states such as Dahomey, Gambia, Guinea-Bissau, Liberia and Togo may temporarily be countered by ECOWAS "Fund for Cooperation, Compensation, and Development" which is to be established.

V. ECOWAS and the Intricate Task Ahead

But would ECOWAS structures speed decolonization, reduction of inequalities among the member-states and reduction of dependency on former colonial metropoles and multinational corporations59? These are the key issues that the leaders of ECOWAS should start addressing with the hope that their echoes would be heard by ECOWAS's Authority of Heads of State.

It is not guaranteed that ECOWAS will produce disengagement by its member-states from the international division of labor and thus to be just concerned with the allocation of its resources toward fulfilling the needs of ECOWAS people. The more relatively "well-off" states of ECOWAS, in terms of
GNP magnitude and the UN ranking of per capita GNP—Ghana, Ivory Coast, Senegal, and Nigeria—seem to have provided themselves with investment laws which considerably encourage overseas investors in part through very liberal policies regarding repatriation of profits and expatriate wages. In those countries it would be difficult to reverse the status quo of unequal distribution of the revenue between foreign firms, domestic entrepreneurs and the overwhelming majority of the people. Arrighi and Saul in attempting to identify those forces which are responsible for the uneven developmental process in Africa, assess the structure of Western capitalistic interest in Africa in the following terms:

It should also be noted that countries like ... Ghana, and the Ivory Coast, which (owing to their relatively more structured economies) play or can play the role of peripheral centers, are important in ways denied to more marginal economies. This is not to deny that such countries which are those more directly impinged upon by the "second phase" of imperialist economic predominance mentioned above, will also find their continued dependent relationship, however novel the terms of that dependency.60

Samir Amin reached the same conclusions in his study of capitalist development in the Ivory-Coast.61

Growth of these economies continues to depend on the growth of outside markets for iron ore, oil, bauxite and cash crops. The risk here is that the economies of scale which might be generated by big industrial schemes would favor capital-intensive techniques by importing heavy machinery in the earlier stages of integration, which might, by the same token, firmly attach the modern sector of ECOWAS to the needs of multinational corporations which are operating in the areas. In other words, the relationship between West African integration and the international capitalist system which is operating there is still so intertwined and complex that using inferences from historical analysis, one tends to conclude that relationship is an obstacle to African development.62

It is true that many vital institutions responsible for this state of external dependency are inherited from the colonial times. They still function today in the West African states of French and British colonial legacy to perpetuate dependency or neo-colonialism.
The Franc zone is such an institution in the West African states of French colonial legacy. They use the CFA currency which belongs to the Franc zone and is issued by their central bank the "Banque Centrale des Etats de L'Ouest Africain" of BCEAO, which issues the currencies of Dahomey, the Ivory-Coast, Niger, Senegal, Togo and Upper Volta. Under the zone franc system, the currency is freely convertible with the French franc at a fixed rate of exchange (50 CFA francs = 1 French franc). The system has allowed France a large degree of control over the franc zone economies, but the evolution of the EEC and the growing demand of franc zone member-countries for greater financial and economic autonomy has led to considerable modifications in the system. At the end of 1973 changes were made which partially removed France's preponderant weight in governing the operations of the "Union Monetaire de l'Ouest Africain" (or UMOA) bank, as well as the BCEAO. The headquarters of these organizations have been moved from Paris to Dakar. Instead of occupying a third of the seats on the BCEAO board, France now occupies one seat as is the case with UMOA members. Most board decisions are now made on the basis of a simple majority vote but even for the most important matters a relative majority vote is adequate to decide the issue. Among other changes, the reforms ended the rules of automatic monetary adjustments, leaving the BCEAO board with more scope to decide policy. In addition, only 60% of the reserves of UMOA countries are still lodged with the French Treasury. Since January 1974, the CFA has been floating, together with the French franc. The currency's parity against the US dollar as of March 1974 was 210.75 CFA francs (IMF Survey Source).

For these West African States of French colonial legacy, BCEAO and CFA currency are links which make their economies very dependent on France and its allies of the European Economic Community. This is so because they lack monetary autonomy and the CFA franc continues to be guaranteed by the French Treasury.

Lately—on May 10-11th, 1976— a French sponsored summit meeting brought around President Giscard d'Estaing representatives of all the former French African colonies except Guinea as well as Rwanda, Mauritius, Seychelles, Burundi, Cape Verde Islands, Guinea-Bissau, Sao-Tome and Principe, Zaire and the Comoro Island. The French President launched the idea of a Solidarity Fund to help the most needed African countries to which France would provide 50% of the funds. This idea was agreed by all the representatives. The fund would deal with the specific development problems of the poorest nations of Africa by providing resources to build rail and road links for land-locked African states, by combating drought,
by assisting introduction of modern agricultural techniques and by helping with the exploitation of mineral resources. It is undeniable that his solidarity Fund would assist some member-states of OCAM or CFAO—which suffer from falling export prices and climbing import expenses—to overcome their balance of payments problems. Earlier, at a meeting of Finance ministers of France and its former colonies, there was put forward a monetary program of reform. This plan included stable but adjustable parities, a standardization of gold, the creation of links between the Special Drawing Rights and aid to developing countries and a call for the IMF and the World Bank, (which were represented at that meeting) to back a system of corrected prices for raw materials. These decisions lead one to suppose that France could like to maintain close ties with its former colonies but she also wants other developed nations to share in the aid program, a program which is proving to be more and more burdensome on France's resources.

The African states of British colonial legacy may not be as dependent on Great Britain's aid as the former French colonies are upon France's. Nevertheless, not even have they held control over their national monetary and financial institutions. If they had pursued a contra-cyclical policy to moderate increases or declines of income caused by the fluctuations in income of the less developed West African economies during export booms or slumps. They could have done this by adding to or releasing foreign exchange reserves whenever they were needed to pay for the excess of imports or for domestic long term investment. They could also have practiced deficit financing for economic development to cope with the situation of depression which has recently affected the more developed countries. But unfortunately they have not had the independent resources to allow them to practice such policies. Paradoxically enough, Nigeria still uses Great Britain's banks to deposit petro-dollars reserves.

The new financial aid of the European Economic Community to 46 African, Caribbean and Pacific (ACP) states—which includes all the ECOWAS member-states—is fixed at 3,390 million European Units of Account (US $4068 million) over five years (1975-1979). Other EEC-ACP clauses of agreement are privileged access to the EEC for all ACP exports, most of which will be imported dutyfree; a stabilization fund to compensate the ACP countries for any fall in the market prices of a number of basic products; industrial cooperation to provide an international distribution of labor more in favor of the ACP countries; and a joint EEC-ACP institutions (Ministerial Council and an ambassador's committee) which will make sure that the agreement is correctly carried out.
Though the provisions of this current aid program will prove to be—on a per capita basis—inferior to the allocation that the 19 African Associates got from EEC countries during the previous period (1969-1974), there is still a substantial amount of aid which is intended to remedy foreign exchange shortages. The links to tie together ACP economies and the World Capitalist System seem consecrated. 70

Perhaps the publications West Africa, Africa and Afri-scope, should concentrate on awakening ECOWAS member-state's consciousness to the existence of viable alternatives to this European assistance program rather than emphasizing the "Pro-French divisive tendencies" of French former colonies. 71 These tendencies would be no more than one or two generations, assuming that all the present leaders of Francophone Africa who were educated in French schools will no longer be in leadership positions and that the coming generations will be attending African schools. If these African schools have African and European professors there should be a trend to indigenization which will have to rely on new attitudes and values preserving the best of both worlds.

Could Nigeria using neo-liberal laissez-faire and occasional state interventions assume the role formerly played by France to partners of the poor ECOWAS such as the land-locked, drought-stricken countries of Niger, Chad, Upper Volta, Mali and the small deficit-ridden economies such as that of Togo and Dahomey? Could Nigeria work to attract Cameroon and other states of Central Africa to ECOWAS? It is hoped here that Nigeria could assume that political and financial leadership to some extent, after controlling the deteriorating economic situation (due to some basic structural problems such as the increasing prices of consumer goods, high rate of inflation and internal instability) and thus create a surplus of foreign exchange—the surplus resulting from the appreciable proceeds of sale of its petroleum. A sound financial economic situation realized in Nigeria, could thus be a guarantee to the viability, credibility and effectiveness of ECOWAS.

VI. The Dilemma of Present Regional Cooperation: Some Keys to Policy Implementation

In the meantime, should ECOWAS be operative? What are the conditions under which it could operate to the benefits of the people assuming the limitations of dependency and the profit-maximization incentives in countries with relatively permissive investment codes for foreign firms? Dakar, Abidjan, Accra and Lagos constitute the new urban centers of development, because their associated states have developed the most
profitable investment opportunities and attracted the major share of foreign capital investment. Could the benefits from these pseudo-enclaves diffuse to the less developed interiors?

Industries in these West African countries consist mostly of light manufacturing such as beverages, fruit and vegetable canning, soap, wood, plastics, paints, utensils, shoes, groundnut oil refineries, as well as meat and fish industries. These concerns all produce consumer goods which have had a mass market. In most of the states there is also first-stage refinement of raw materials (aluminum in Guinea and Ghana, phosphates in Senegal and Togo), as well as small sized cement and fertilizer manufacturers. It is hoped that a viable integration scheme will not duplicate the inadequacies of the integration attempt of the East-African Community. There Kenya—which is in a similar situation to Ghana, Ivory Coast, Nigeria or Senegal received most of the benefits from internal trade and the locations of most newer industries while Tanzania and Uganda have had to pay higher prices for Kenyan goods than they might have paid for the same goods produced overseas.

Trade in francophone West Africa consists mostly of external trade, marked by dependent relations with the developed capitalist countries mainly France and the EEC. In these relations, the West African countries have suffered in the past in deteriorating terms of trade for their raw materials and cash crop against imported finished manufactured goods. In colonial times, Senegal benefitted the most from internal trade. The degree of that internal trade has been drastically reduced since the dismemberment of A.O.F. in 1958-59.

One problem governments face in internal West African trade is the large amount of smuggling and black market activities which take place and hurt the economies of Ghana, Guinea and Mali which have non-convertible currencies. Because of exchange rates favorable to the franc, sterling and dollar currencies, goods are smuggled into West African states using these internationally convertible currencies, causing a serious drain on the reserves of other countries which would stand to benefit much more from trade conducted at the official exchange rate.

Although Guinea, Ghana and Mali had sought to decrease their dependence on the international capitalist system by trading extensively with Eastern European countries, China and other non-capitalist countries, they are, like all the other West African countries, still intrinsically involved in the World economy as dependent partners of developed coun-
tries. Since the signing of the Lomé Convention in 1975, most of West African states have been closely connected with EEC through trade agreements or through development programs financed by multinational corporations.76 For example, if multinational corporations were to build dams in Ghana or in the Ivory Coast which would provide cheap energy not only to these states but also to a few neighboring countries and that they could outsell the source of the biggest energy potential of the area, the Konkoure dam project in Guinea, this kind of achievement, whose initiation was left to multinational corporation, cannot help realize the gain intended by ECOWAS.77 This is so because much profit of the multi-national corporation would be repatriated to the centers of their headquarters.

An integration scheme of the magnitude envisaged by ECOWAS in which initiatives of monetary, financial and planning institutions were somehow conditioned by the EEC countries multinational corporations, World Bank and its associate organizations, and the International Monetary Fund cannot and could not provide the dynamism needed to reorient West African economies from their lethargic state of non-development and dependency. Rather this situation could perpetuate their states of poverty and contribute to the fattening of their Western trading partners. Nor would such a state lessen the inequities of resource distribution between the urban centers and the rural areas, the wage earners and population living on subsistence.

While the idea of ECOWAS is great, certain key decisions need to be taken for the implementation to be successful.

There is a risk within such an organization that the member-States—who have diverse political and ideological persuasions—will observe silence on controversial political issues such as the nature of the regime of other member states, the existence or effects of neo-colonialism, centralism or private enterprise. In other words, there is a tendency to separate economic issues from political ones. Yet national planning decisions and state allocation priorities are economic decisions which always have political content to them. There is a strong need for ECOWAS to have agreement to do joint analysis of the economic and the political feasibility of key projects.

Colonial and neo-colonial institutions, inherited from mercantilism and stressing capital formation even if this means suppressing the incomes of the poor, need to be abolished in all the member states of ECOWAS because the colonial government was the guarantor of an unjust power struc-
ture. Monetary and financial institutions need to be made autonomous within the ECOWAS member-states. Member-state planning programs and price/credit policies should not be jeopardized by institutions whose primary goals are bound to make repatriable profits and thereby widen the existing inequities.

Monetary, fiscal and price policies need to be coordinated. Lack of this coordination is another problem.

For instance, the attempts to form a federation between Gambia and Senegal have failed, so far. Dependency on metropolitan prices are partially responsible for the structural characteristics of the two countries. Gambia import policies seem to be relatively more liberal than Senegal's and are based less on other British Commonwealth territories than are Senegal's on its UMOA partners. Gambia has always imported from everywhere, to its advantages, while Senegal buys mostly in French markets. Appreciable differences exist between the price levels in the two countries. Imports are usually expensive in Senegal and other UMOA states not because of preference quotas (which use to restrict them from getting their provisions at the cheapest source), favoring France but because of the contrast between the ancient attachment and the more recent ones. Metropolitan inflation is directly transferred to Senegal causing some increases in prices and labor costs so that exchange rates, wages, prices and the costs of living are much higher in Senegal than in Gambia.

After the failure of Mali's independent monetary experience, it devalued its currency in 1967 intending this to be a first step toward coordinating monetary, fiscal and price policies with other franc zone neighbors. Almost a decade afterwards, Mali is still at the first stage of such a policy coordination; at this time, it is difficult to evaluate to which extent Malian goods, (for example, its livestock) are competing with those of the neighboring states. It would be very interesting to know to what extent the Malian devaluation make commerce difficult for rural people.

Ghana and Guinea are utilizing non-convertible currencies; would they under inflationary pressures follow the Malian devaluation path? Not necessarily, their actions would depend on the ECOWAS nature of payment unions which are to be established to regulate trade transactions between member-states. The payment union will fix exchange rates and restrict the holding of external reserves. It will determine the intraregional schedule of exchange rates with strict exchange control and administered prices which eventually are to be relaxed as internal trade volume increases. Compensation funds and concomitant tax poli-
cies would assist in the redistribution of equities.

None of the ECOWAS member-states have yet established heavy industries. Intensive mineral exploitation is taking place in Guinea, Liberia, Mauritania and Nigeria. These countries could develop heavy industries based on iron products, bauxite, and Nigerian coal. Guinea, which has extended ownership shares of the Mount Nimba iron ore development project to Algeria, Nigeria, Liberia, and Zaire needs to be consulted on any decision about possible locations of the feasible and profitable iron-steel industries in West Africa. Guinea's has a natural endowment of potential energy sources provided by several rivers and waterfalls which should make it a good choice for heavy industry sites.

Guinea would be an excellent country in which to test the degree of good will shown by huge multinational corporations on the touchy topic of yielding technology and capital in the Third World. Guinea has already negotiated joint venture programs for mining development with financing provided by western multinational corporations, the UN and World organizations, as well as the East European governments and China. Guinea seems to have gotten the best of both Western and Eastern economic policies. It has succeeded in getting very favorable agreements whereby it supplies 49 percent of the capital and receives 65 percent of the profits from mining ventures. It also has made agreements which provide for training Africans to manage.

The installation of an aluminum smelter in Guinea, and such input plants as caustic soda and hydropower should also be a test to inform ECOWAS about the accessibility of ECOWAS products on the international markets, which are rigidly protected for a few metals.

To help establish heavy industry a sound principle of pan-Africanism suggests that every state of a federation must buy its share of the refined and finished products and to reduce to maintain control over importation of such goods as are available for the African sources. Import-substitution programs of all ECOWAS member-states need to be coordinated, as well as aggressively selling their imports to insure that all the produced goods and the services are disposed. They also need to see that all of the manufacturing plants constructed function at their full production capacity.

Conclusion

ECOWAS is coming into being at a time when there have
been experiments with several inadequately-formulated integration schemes in Africa. Most of them have failed; some have achieved limited success. Several factors account for the failures or the limited successes of different schemes of cooperation and integration. Dependency on metropolitan areas for the structural characteristics of the existing institutions was partially responsible for the dislocation of UAM—caught between the search for African identity and the state of vassalization imposed by Paris. France and the United Kingdom still maintain, within the framework of the Ministry of French Cooperation and the British Commonwealth, bilateral agreements which, in practice, tend to undermine new cooperative alliances of their former colonies. Another reason for failures of integration schemes is that some of these territories not only did not have contiguous frontiers with each other but they were actually located some thousand miles apart—too far away for them to be able to coordinate these activities and for the better endowed to exchange natural resources and surplus foreign earnings. One may also speculate that it is harder for people raised in very separate areas to feel kinship with each other and thus harder for the better endowed countries to share with the less endowed.

Often unilateral attempts by one member-state to inject coordinated politics into a "federation or confederation" can cause disruption. As a witness to this case, the Ivory Coast's idea of dialogue with South Africa may have produced the dissatisfaction, the quasi-paralysis and ineffectiveness of the OCAM.

Those few organizations which have survived since the creation of the OAU have done so because they incorporated into their cooperation agreements clauses such as the sovereign equality of all member-states and non-interference in the internal affairs of states. These clauses, considered to be due to Africa's "moderate" states, show the partial victory of Africa's gradualists versus the maximalists continentalist leaders. The clauses prevented direct OAU intervention in the Congolese, Nigerian and Angolan civil wars. It seems that a major big concern of African states lies in internal stability and national consolidation, given the perpetual threats of secessionist movements within each state and the presence of what legal authorities consider to be "subversive" activities. If these concerns are cultivated at the microstate level, there does not seem to be any way out from micronationalism and weak and fragmented economies.

The same token, regional integration scheme which have not broken away from colonial patterns of development (or those unchecked development models based on Parson's Structural Functional School and laissez-faire Dualism, Import Substitution as well as classical and neo-classical models) would be
establishing new forms of dependency which would not end the inequities of the existing structures but rather would replace alien firms with national entrepreneurs who could exploit their fellow Africans.88

Entente Counci, Organization pour la Mise en Valeur du Fleuve Senegal, OCAM and CEAO may all be functional; but they also have limitations. While their structures are not exclusive, they have yet recorded the memberships of Guinea, Ghana, Nigeria, Sierra Leone, Liberia, Gambia, Guinea Bissau and others.

ECOWAS is a fine achievement. But in order to implement ECOWAS's Treaty, member-states must realize political and economic agreements which may have to transcend the clauses of sovereign equality of all member states and non-interference in the internal affairs of states. Federal-level monetary, fiscal, and financial institutions need to be autonomous of individual state interests and control so they can decide on relevant credit, price and tax policies which would help to redistribute equity. To correct regional distortion of revenues there will be established payment unions and rigid exchange control which is aimed at the long-term uniformization of prices in the region. These will be established in partnership with compensation funds levied from tax resources poolings.

ECOWAS, if it is to have unity while being made up of unequal member-states emerging from divergent experiences, will have to create new structures and new institutions. These must not duplicate the colonial and neo-colonial mercantilist patterns of relationships between the former colonies and their metropoles if they are to be viable instruments for decolonization, non-alignment89, and to design an original African path of development; a path which would reflect the best of both worlds while combining the genuine integrating tenets of enlightened nationalism, Pan-Africanism and socialism advocated by several ECOWAS leaders.

The adequate implementation of ECOWAS's treaty dictates also to Nigeria to start initiating fruitful negotiations with its next door neighbors (Cameroon, Central African Republic, Gabon, Republic of Congo, etc.). It also dictates to Nigeria a supple policy exemplified by that consisting in inviting Arab states of North Africa to participate in the Festival of African arts. This decision was wise for two reasons: It reinforces the Afro-Asian solidarity; it pays tribute to the Mediterranean civilization without the understanding of which one cannot explain totally, Tropical African civilizations.
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Footnotes:


12. Nkrumah, Kwama. *Africa Must Unite*. N.Y.: International Publishers, 1963, pp.218-220. This book which presents the most effectively and consistently the need for African unity was distributed to all the delegations at the 1st OAU Conference.


   Afriscope, Vol.6, No.4, April 1976, Lagos, pp.41-43.


   Amin, Samir. Le Developpement du Capitalisme en Côte d'Ivoire, opt. cit.


30. As a result of Guinea's unsuccesful Portuguese backed invasion, the Guinean authorities argued that Senegal was used as a base from where military operations by invading forces originated against the Guinean regime. The Guinean authorities asked the Senegal's authorities to hand over to them the Guinean refugees, wanted in connection with the invasion of Guinea in November 1970, which Senegal refused; so the Guinean delegation did not attend the December 1971 meeting of OERS at Nouakchott (Mauritania) to discuss the future of the organization. Before even that date, Senegal had resigned. See Jeune Afrique, 18 Decembre 1971, p.4.


Marchés Tropicaux et Méditerranéens. May 9, 1974.


Fraternité-Matin. April 7, 1975.


57. Treaty of Economic Community of West African States. (ECOWAS), opt. cit.

58. I choose not elaborate here on the benefits of an integration scheme such a ECOWAS. Readers will find abundant coverage on benefits of economic integration in the books above. I will restrict myself to pointing out strategies which can assist in implementing ECOWAS's Treaty. See for advantages of integration:


59. It is here that I like to confront the all supportive advantages seen by several West African influential weeklies and monthlies which did point out so many advantages of ECOWAS, but also sometimes ridiculed the relations between West African States of French colonial legacy and France.


Afriscope. Vol.6, No.6, June 1976, p.11.


61. Amin, Samir. Le Developpement du Capitalisme en Cote d'Ivoire. opt. cit. (see especially his conclusions).


63. I.M.F. *Survey of African Economies*, *op. cit.*, pp. 73-84.


80. The economies of former AOF, for example were not integrated. They were centered on railroad axes going from the capital-port of the territories to the cities of the hinterland. This was the case of Dakar-Bamako, Conakry-Kankan, Abidjan-Bobo, etc. See Capet, Marcel. *Traité d'Economie Tropicale Les Economie d'AOF?* Paris: R. Pichon and R. Durand Auzias, 1958.


73. Various remedies were tried to solve these problems due to inequities; Tanzania created unilateral import restrictions against Kenya, to protect Tanzanian manufacture; there was a redistribution of light manufacturing activities; Kenya has given some fiscal aid, etc. The amount of cooperation and coordination in these efforts was rather inconclusive. Recently Tanzania established a rubber (tire) plant with the aid of an American corporation; though Tanzania could have benefited a lot by producing tires and supplying them to the whole East African market, Kenya established a duplicate plant with the aid of another different American corporation which will compete successfully against the first one. Much of trade is due to external trade with EEC (at least for Kenya and Uganda). Internal trade of which Kenya benefits most is characterized by considerable black market activities. Because of exchange rate conditions favorable to Kenyan currency, goods are smuggled into Kenya causing a serious drain on reserves of the other countries which would need to benefit more from trade at the official rate. See Arkadie, B. Van and D. Ghai. "The East African Economies" in P. Robinson and D.A. Lury *The Economies of Africa*. Evanston: Northwestern University Press, 1969, pp. 329-335.


76. EEC-ACP Lomé Convention in *The Courier*, *opt. cit.*


Colonial economic policy, argues Myrdal, was influenced
by mercantilism. In both cases he states: "A main purpose of the regulations of labor conditions established by state and municipal authorities was to assure employers of an adequate labor force available on favorable terms... This way of looking at things was entirely natural to a power structure that from a modern democratic point of view was severely biased. It fortified the privileges of cities (against surrounding rural districts and within cities), advanced the interests of the rich merchants and manufacturers against those of the workers. See Gunnar, Myrdal. Asian Drama, An Inquiry Into the Poverty of Nations, Vol. II. New York: Pantheon-Random House, 1968, p.966.


82. Other references here include:


Yansane, A.Y. "Experience in Monetary Independence and Transition to Socialism in West Africa: Case Study of Guinea," opt. cit., Ibid.


84. Yansane, A.Y. "The Intergovernmental Bauxite Association Search for Equity from Multinational Corporations; Case of Non-Aligned Guinea," paper to be presented at the 19th ASA meeting in Boston, Nov. 3, 1976.


* * * * * * *

A.Y. Yansane is an Assistant professor at the University of California, Berkeley.