PROBLEMS OF ECONOMIC INTEGRATION IN WEST AFRICA

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by

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ABSTRACT

The last two decades have witnessed increased concern about economic development. The endeavours in the struggle against underdevelopment have led to some successes and achievements. However, problems of underdevelopment and poverty remain unsolved.

The countries in the third world would find better prospects for their development in instituting large, coherent, regional economic systems. This is so because integration would create for them larger markets for a greater productive capacity.

The West African leaders seem to understand that their condition of underdevelopment compels them to adopt a program of economic integration that would promote development. However, up to the present time, the West African nations have had very little success even with the planning stages for economic integration, and the future is uncertain. The advantages that a regionally integrated market offers West Africa are considerable.

This study is an inquiry into the problems of integration in West Africa and the contributions a fourteen-country economic community would make to the development of the region, and needless to say, the individual countries.

West African nations are reluctant to take part fully

in this regional undertaking. They seem to be paying only lip-service to the formation of a regional economic community. The difficulties they consider serious problems are for the most part minor obstacles that would be wiped away as they start implementing a programme of coherent integrated development that would secure benefits for each sovereign state. Economic integration once begun, it can be argued, is likely to soften some of the political rivalries that stand in the way of economic development.

There are a number of benefits to be gained by regional integration: larger markets and better opportunities for regional specialization, a protected environment for growth of infant industries. This study presents a list of industries that are capable of development within the context of a West African Economic Community and tries to suggest the proper regional location for some of these industries.

ACKNOWLEDGEMENTS

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I have drawn considerably on the knowledge and experiences of other people, however, I take full responsibility for all statements contained herein.

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CHAPTER I

INTRODUCTION

A) WORLD-WIDE INTEREST IN ECONOMIC DEVELOPMENT

The race for economic development can be conceived of as a struggle for a higher standard of living. In this sense, it is possible to state that the search for economic development dates back to the origin of man. There is ample evidence that shows man to have striven to improve his conditions of life. Economic development as a subject of systematic study can be traced to Adam Smith. Since Adam Smith, the interest in economic development has varied. However, the intense interest in economic development on a world scale is a phenomenon of the last quarter of a century. Subsequent to the Second World War, a large scale program of reconstruction was undertaken in Europe.

Before long, interest in economic development spread to the rest of the world. This interest was reinforced by improved world-wide transportation and communication, by ideological conflict and political competition between the great powers, and by the rising expectations engendered by political elites in the emerging countries. Not only the national leaders who called attention to the possibility of economic development but also international leaders, before long, started to feel the pressures exerted. National, international, and intergovernmental organizations intended to promote development emerged on the world scene. The increase in development banks in the different countries can be taken as a good example at the national level. Within the framework of the family of nations, various assistance programs were devised to help the third world, financially as well as technically. For instance, the International Bank for Reconstruction and Development (IBRD), better known as the World Bank, has extended loans for development projects throughout the world.

AID, the American Agency for International Development; FAC, the French Fonds d'Aide et de Coopération; and EDF, the European Development Fund, to cite but a few of the more prominent institutions, have made considerable contributions. The resource flow from the more advanced market economies and multilateral agencies, between 1960 and 1968, is given in table 1-1 below.

Table 1-1

Capital Flow to Developing Countries: Net Official Flow of External Resources from Developed Market Economies and Multilateral Agencies

Year	Millions of US $					As % of Total		
	Total	Latin America	Africa	Asia	Unallocated and interregional	Latin America	Africa	Asia
1960	4219	289	1482	2304	144	7.1	36.4	56.5
1961	4920	768	1654	2297	201	16.3	35.0	48.7
1962	5374	856	1778	2488	252	16.7	34.7	48.6
1963	5920	1095	1663	2859	303	19.5	29.6	50.9
1964	5935	988	1761	2976	210	17.3	30.8	52.0
1965	6228	995	1701	3330	202	16.5	28.2	55.3
1966	6374	1180	1591	3349	254	19.3	26.0	54.7
1967	6897	1177	1601	3864	256	17.7	24.1	58.2
1968	6716	1251	1562	3471	432	19.9	24.9	55.2

Source: UN-Statistical Yearbook 1969. Twenty First Issue. New York, 1970. p. xxx.

The flow of resources from the Socialist bloc, though less in importance when measured in absolute figures, is not insignificant. The situation in the nineteen-sixties is summarized in table 1-2.

Table 1-2

Capital Flow to Developing Countries: Commitments of Bilateral Economic Assistance of Centrally Planned Economies

Year	Millions of US $				As % of Total		
	Total	Latin America	Africa	Asia	Latin America	Africa	Asia
1960	868	-	414	454	-	47.7	52.3
1961	1005	270	314	421	26.9	31.2	41.9
1962	316	-	55	261	-	17.4	82.6
1963	341	-	242	99	-	71.0	29.0
1964	1246	-	874	372	-	70.1	29.9
1965	646	15	247	384	2.3	38.2	59.5
1966	1313	100	46	1167	7.6	3.5	88.9
1967	621	107	420	94	17.2	67.6	15.1
1968	758	20	223	515	2.6	29.4	68.0
1969	560	30	38	492	5.3	6.8	87.9

Source: UN-Statistical Yearbook 1969. Twenty First Issue. New York, 1970. p. xxx.

The underdeveloped nations often have the attitude that aid should be given to them as compensation for the abuses of imperial domination. On the other hand, the more developed nations frequently evoke humanitarian reasons in support of their actions, whereas they may be motivated by reasons of self-interest such as the wish to maintain or expand export markets and insure sources of raw materials or influence world affairs. They all would state the promotion of free societies and rising standards of living as their objectives.[1]

The Soviet Union did not sit idle while the West was spreading its ideology of capitalistic development among the emerging countries. By the mid-nineteen fifties, the Soviet Union decisively entered the race, and the assistance programs were strengthened as important instruments in the battle of the cold war. The preaching of capitalism and socialism as effective means of development was intensified on both sides.

In the race to pull the emerging countries to either the capitalist or the socialist camp, modern technology has made it very easy to reach most distant areas of the globe. The radio and the press have been extensively used as effective means of propaganda.

Very few leaders in the less developed nations understood the many advantages the cold war offered them to play the large industrial powers against each other in their requests for assistance. Few took advantage of the opportunities, while the majority of them categorically aligned themselves behind one particular bloc characteristically for security reasons, and thus became slaves to a particular ideology.

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1. Rubin, Seymour J.: The Conscience of the Rich Nations: The Development Assistance Committee and the Common Aid Effort. Published for the Council on Foreign Relations by Harper and Row, Publishers. New York and London. Copyright (c) 1966 by Council on Foreign Relations, Inc., p. 5.

In the quest for development, planning became important even in the non-socialist countries. The general attitude is to consider planning as being indispensable for development. Planning was seen as a deus ex machina which would bring development and spread it all over the national territory. In the emerging countries where independence was being won, the interest in economic development manifested itself in the adoption of national development plans.

Planning, in addition to the guarantee it seems to offer for a high rate of balanced economic development and growth, became a symbol of sovereignty and modernism in the third world.

Also, in some instances, it became a condition for a relatively easy foreign aid.

Raising the question whether planning should be made a condition for development or development assistance is not necessary.

The question worth raising here is how much the standards of living all over the world have improved since the beginning of world-wide interest in economic development. At first approximation, it can be observed that after a quarter of a century of efforts both on the national and the international levels, there have been some achievements and successes. The general conditions of living in the less developed countries have improved. However, the problem of economic development as a whole still remains unsolved.

There are, of course, limitations to measuring and comparing the incomes of the less developed countries. But if the term "underdeveloped" is used to describe countries where "per capita real income is low when compared with the per capita real incomes of the United States of America, Canada, Australia, and Western Europe"[1], then it follows from Table 1-3 that a fair range of countries are very poor. And worse than that, a fair range of countries are getting poorer by international standards. In fact, between 1958 and 1967 the per capita income in the United States of America went up by $1,195, going from $2,115 to $3,310, whereas in Latin America, the same indicator increased by only $81 for Peru; $132 for Brazil; and $79 for Columbia. In Asia, the increase was only $9 for India ($64 to $73); $50 for Pakistan, going from $62 to $112; $14 for Burma ($53 to $67); and $4 for Indonesia, going from $82 to $86. On the African continent, the United Arab Republic registered a $45 increase; Ghana, a $69 increase. A peculiarity with Ghana on the continent is that in 1958, the per capita income was $140. It increased to $233 in 1965 and to $265 in 1966 to fall down to $209 in 1967. On the same continent, the Ivory Coast saw her per capita income increase by $89, going from $123 to $212 over the period under consideration.

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1. Higgins, Benjamin: Economic Development - Principles, Problems, and Policies. Copyright (c) 1959 by W.W. Norton and Company, Inc. p. 6.

TABLE 1-3

Estimates of Total and Per Capita National Income
and Gross Domestic Product at Factor Cost
(Selected Countries and Years)

Continent and Countries	(a)	Type of Estimate 1963	Total 1958	Total 1965	Total 1968	Per Capita 1958	Per Capita 1963	Per Capita 1965	Per Capita 1966	Per Capita 1967	Per Capita 1968
			Millions of dollars			Dollars					
Europe:											
United	NI	A	52,331	80,473	80,216	1,013	1,303	1,478	1,544	1,586	1,451
Kingdom	GDP	...	56,345	86,541	86,971	1,091	1,400	1,590	1,668	1,715	1,573
Germany	NI	A	45,025	86,357	101,227	829	1,254	1,463	1,528	1,519	1,682
	GDP	...	50,000	98,410	116,025	921	1,420	1,667	1,750	1,752	1,928
France	NI	A	38,207	74,524	96,216	853	1,322	1,528	1,642	1,752	1,927
	GDP	...	42,402	84,457	109,786	947	1,487	1,732	1,866	1,999	2,199
Italy	NI	A	23,443	47,464	60,164	478	763	920	992	1,075	1,149
	GDP	...	25,917	52,149	66,299	528	841	1,011	1,088	1,178	1,257
Asia:											
Pakistan	NI	A	5,482	9,725	13,241	62	82	95	108	112	121
	GDP	...	5,889	10,423	14,203	66	88	101	116	121	130
India	NI	A	26,459	43,230	...	64	78	89	75	73	...
	GDP	...	28,223	46,128	...	69	83	95	80	77	...

...2

TABLE 1-3
(cont.)

Continent and Countries	(a)	Type of Estimate 1963	Total 1958	Total 1965	Total 1968	Per Capita 1958	Per Capita 1963	Per Capita 1965	Per Capita 1966	Per Capita 1967	Per Capita 1968
			Millions of dollars			Dollars					
Asia:											
Burma	N1	A	1,134	1,502	1,763	53	59	61	59	59	67
Indonesia	N1	A	7,333	8,151	9,659	82	74	78	80	80	86
Thailand	N1	A	1,936	3,268	4,617	80	98	106	123	127	137
America:											
United States	N1	A	369,962	568,424	719,796	2,115	2,562	2,921	3,175	3,310	3,578
	GDP	...	412,873	629,068	796,636	2,361	2,855	3,233	3,521	3,679	3,960
Canada	N1	A	25,732	35,878	46,677	1,503	1,602	1,830	1,990	2,085	2,247
	GDP	...	30,281	42,362	54,449	1,766	1,892	2,161	2,341	2,451	2,621
Peru	N1	A	1,542	2,540	3,145	163	202	218	228	244	246
	GDP	...	1,665	2,759	3,427	176	222	237	250	266	268
Brazil	N1	A	9,150	15,578	...	139	225	193	232	271	...
Colombia	N1	A	2,733	4,439	...	189	227	246	256	268	...
Africa:											
Egypt	N1	B	2,730	4,739	...	111	140	161	161	156	...
	GDP	A	2,723	4,883	...	110	143	166	167	161	...

(cont.)

TABLE 1-3
(cont.)

Continent and Countries	(a)	Type of Estimate 1963	1958	1965	1968	1958	1963	1965	1966	1967	1968
		Millions of Dollars				Dollars					
Africa:											
Kenya	N1	B	525	835	1,092	69	87	89	101	103	107
	GDP	A	583	926	1,206	76	96	99	112	115	118
Ghana	N1	B	898	1,801	1,661	140	188	233	265	209	198
	GDP	A	979	1,983	1,838	152	207	256	289	230	219
Ivory Coast	N1	A	379	735	...	123	163	192	205	212	...
	GDP	...	406	816	...	131	179	213	223	231	...
Senegal	N1	B	475	617	676	160	168	177	182	174	183
	GDP	A	517	668	727	174	183	192	197	188	197

Source: UN: Statistical Yearbook 1969. Twenty First Issue - New York 1970.

(a) N1 refers to National Income and GDP to Gross Domestic Product.

In Senegal, the increase was only $14 ($160 to $174), while in Kenya, it was $34 ($69 to $103).

If these statistical figures can be relied upon, then it follows that the increase in the per capita income in the United States of America (where this indicator was the highest at the beginning of the period) was larger than in any other country considered. What this greater increase in the American per capita income indicates is that the United States is still developing, and better than that, the United States is developing faster than the so-called developing countries.

This observation is equally true for other more advanced industrial countries. They are developing more rapidly than the developing nations. In the United Kingdom, the increase was $573. Here, the per capita income increased from $1,013 to $1,586. In Germany, it increased from $829 to $1,519, that is a total increase of $690. In France, it went from $853 to $1,752, that is a total increase of $899. In Canada, it went from $1,503 to $2,085, thus registering a total increase of $582.

In view of the fact that in some instances GNP per capita is not an adequate index of economic well-being, it is in order to take a short look at some other indexes. Even there, a miracle cannot be expected from the underdeveloped world. The following set of tables, related to health, education, and manpower reveals this very well.

TABLE 1-4

Health - Hospital Establishments and Health Personnel
Latest Available Year - (Selected Countries)

		Hospital Establishments			Health Personnel						
Country	Year	Total	Beds	Population per Bed	Year	Physicians	Population Per Physician	Dentists	Pharmacists	Nurses	Midwives
Africa											
Dahomey	1962	179[a]	2,331	930	1966	77	31,300	...	...	...	...
Gambia	1966	5	488	690	1966	18	18,670	1	...	240	67
Ghana	1966	154	10,296	770	1966	597[b]	13,310	39[b]	341[b]	3,010[b]	747[b]
Guinea	1966	58	6,843	530	1967	88	42,070	9	9	964	145
Ivory Coast	1966	...	7,672	510	1966	218	17,980	8	62[c]	1,624	123
Liberia	1967	32	2,181	510	1965	96	11,150	14	13	299	67
Mali	1966	114	3,474	1,330	1966	91	50,710	6	8	1,231	84
Mauritania	1965	18	282	3,720	1965	35	30,000	...	2	...	...
Niger	1966	55	2,553	140	1967	66	56,140	5	7	465	22
Nigeria	1966	1,163	27,318	2,190	1967	1,982[b]	31,000	68[b]	713	11,097	11,714[b]
Senegal	1967	83[a]	4,997[a]	720	1968	217	16,980	23	51	1,017	202
Sierra Leone	1963	30	1,895	1,210	1965	144	16,440	9	10	262	71
Togo	1966	16[a]	2,272[a]	740	1967	87	19,820	5	17	307	78
Upper Volta	1967	41[a]	2,144	2,360	1967	68	74,320	3	10	1,290	40

(cont.)

TABLE 1-4
(cont.)

Country	Hospital Establishments: Year	Total	Beds	Population Per Bed	Health Personnel: Year	Physicians	Population Per Physician	Dentists	Pharmacists	Nurses	Midwives
America											
Canada	1966	1,449	211,601	90	1967/68	23,353	890	6,199	10,585	...	...
United States	1967	7,172	1,671,125	120	1967	305,453	650	98,670	122,420	913,694	...
Brazil	1967	3,238	294,083	290	1966	39,732	2,090	24,337	8,737	23,597[d]	...
Peru	1967	2,282	29,510	420	1967	6,223	1,990	1,948	1,987	3,708	950
Asia											
India	1965	13,166	291,184	1,670	1966	103,184[b]	4,830	5,673	74,567	57,621	62,537
Pakistan	1967	2,262	33,309	3,560	1967	19,069[b]	9,890	328	388	4,161[b]	905[b]
Europe											
France	1965	1,097	392,676	120	1967	58,300[e]	850	19,100[e]	26,900	130,000	8,300
Germany, Fed. Rep.	1967	3,609	649,590	90	1967	97,400	650	31,148	20,743	128,712	7,746
Sweden	1966	722	112,049	70	1967	9,240	850	6,130	2,700	24,950	1,910

Source: UN - Statistical Yearbook 1969. Twenty First Issue. New York 1970. pp. 673-676.

(a) Government establishments only (administered by a governmental authority at any level, whether central, intermediate or local).

(b) Number of registered persons. Not all of them are resident (and working in the country (deaths, retirements, emigrations etc. are not always erased every year). Besides, in some countries registration is not compulsory and, therefore, a certain number of persons working in the country may not be counted.

(c) Including non-university level "pharmacists".

(d) Personnel in the hospitals only.

(e) Stomatologists and odontologists who are physicians (doctors in medicine) are included with physicians and not with dentists in France.

Estimated Total School Enrolment by Level of Education

World and Regions	Year	Total[a]	Number of Pupils Enrolled (thousands) First Level	Second[b] Level	Third Level	Percentage Distribution First Level	Second Level	Third Level
World[c]	1950	221,503	177,145	38,041	6,317	80.0	17.2	2.8
	1960	323,587	248,486	63,927	11,174	76.8	19.8	3.4
	1967	443,619	320,814	101,268	21,538	72.3	22.8	4.9
Africa	1950	9,328	8,511	745	71	91.2	8.0	0.8
	1960	21,238	18,931	2,115	192	89.1	10.0	0.9
	1967	32,758	28,028	4,373	358	85.6	13.3	1.1
North America	1950	38,822	28,988	7,377	2,458	74.7	19.0	6.3
	1960	59,244	43,201	12,168	3,875	72.9	20.5	6.5
	1967	76,376	46,889	21,826	7,661	61.4	28.6	10.0
South America	1950	11,619	10,158	1,261	199	87.4	10.9	1.7
	1960	20,900	17,609	2,874	417	84.3	13.8	2.0
	1967	31,651	24,759	6,086	806	78.2	19.2	2.6
Asia	1950	66,967	53,303	12,658	1,007	79.6	18.9	1.5
	1960	110,691	87,236	21,325	2,131	78.8	19.3	1.9
	1967	164,194	126,880	32,724	4,590	77.3	19.9	2.8
Europe	1950	56,966	42,899	12,786	1,280	75.3	22.5	2.2
	1960	70,453	49,106	19,285	2,061	69.7	27.4	2.9
	1967	81,775	51,729	26,450	3,596	63.3	32.3	4.4
Oceania	1950	2,058	1,584	419	55	76.9	20.4	2.7
	1960	3,306	2,403	801	102	72.7	24.2	3.1
	1967	4,240	2,783	1,241	216	65.6	29.3	5.1
U.S.S.R.[d]	1950	35,743	31,702	2,794	1,247	88.7	7.8	3.5
	1960	37,755	30,000	5,359	2,396	79.5	14.2	6.3
	1967	52,625	39,746	8,568	4,311	75.5	16.3	8.2

Source: UN - <u>Statistical Yearbook 1969</u>. Twenty First Issue. N.Y. 1970. p. xxix.

(a) Excluding pre-school and special education; adult education defined as such is not included; but in a number of countries, data on education at the 2nd level cover also evening and correspondence courses.

(b) General, vocational and teacher training. Including evening and correspondence courses in a number of countries.

(c) Excluding China (mainland), North Korea and North Vietnam.

(d) General education at the 1st and 2nd levels, comprising eleven grades, was divided for 1950 and 1960 into grades 1-7 for the 1st level and grades 8-11 for the second level. In 1966 and 1967, grades 1-8 are considered as 1st level, and grades 9-11 as second level.

TABLE 1-6

Unemployment (Selected countries)
Number and Percentage of Unemployed - (thousands)

Country	Code*	1953	1963	1966	1967	1968
Argentina[a]	A			172.7	198.7	153.3
%				5.6	6.4	5.0
Canada	A	162	374	267	315	382
%		3.0	5.5	3.6	4.1	4.8
Belgium	E[c]	171.6[d]	59.1	61.5	85.4	102.7
%		...	2.7	2.7	3.7	4.5
France	E	159.5	140.3	147.7	196.0	253.8
Germany, Fed.	E	1,258.6	174.2	154.3	444.6	313.6
Rep. %		7.5	0.8	0.7	2.1	1.5
Ghana	E	6.1[d]	15.4	11.5	18.7	17.6
Guinea	D			0.2		
India	D	477.6	2,605.3	2,609.8	2,706.3	2,902.8
Ivory Coast	D		0.4			
Japan	A	530	400	440	630	590
%		1.3	0.9	0.9	1.3	1.2
Kenya	D[j]	...	8.3	10.8	8.1	...
Mali	D	...	0.2	0.1	0.2	0.4
Niger	D		0.1	0.1	0.1	0.1
Nigeria	E	...	16.8	28.6	20.0	12.9
Sierra Leone	D[f]	1.8	4.4	4.9	5.2	5.5
United Kingdom	E[h]	356.3	558.0	361.0	558.8	586.0
		1.7	2.4	1.5	2.3	2.5
United States	A	1,834	4,070	2,975	2,975	2,817
		2.9	5.7	3.8	3.8	3.6
Upper Volta[i]	D	...	...	0.4	0.4	...

Source: UN - Statistical Yearbook 1969 - Twenty First Issue. N.Y. 1970, pp. 85-87.

* A: Labour force sample survey
D: Registered applicants for work
E: Registered unemployed

(a) Greater Buenos Aires only.
(c) Wholly unemployed receiving insurance benefits.
(d) 1954.
(e) Average of less than 12 months.
(f) Applicants for work registered at the Maritime Pool.
(g) Prior to 1960, excluding Alaska and Hawaii.
(h) Wholly unemployed.
(i) Ouagadongon and Bobo Dioulasso.
(j) Males only.
(k) Prior to 1960, excluding Alaska and Hawaii.
(l) Scope of Series revised, beginning 1967.

TABLE 1-7

Manpower; Employment, excluding Agriculture. Index Numbers: 1963 = 100
(Selected Countries)

Country	Code[a]	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
Austria	B	93	96	98	99		101	102	103	102	101
Belgium	B	94	95	97	99		102	103	104	103	103
Cameroon	C	104	100	103	80		102	109	113	101	...
Canada	A	90	92	94	97		104	109	115	119	122
Czechoslovakia	C	89	92	96	99		102	105	107	110	112
France	C	95	96	96	98		101	101	101	100	99
Germany, Fed. Rep.	C	94	96	98	99		101	102	102	99	100
Ghana	C	81	84	92	97		103	104	95	97	...
Italy	A	93	95	97	99		102	99	99	102	103
Japan	A	88	91	94	97		103	107	111	115	118
Kenya	C	110	112	108	107		100	101	96	...	...
Nigeria	C	105	113	95	120		123	126	...	...	...
Peru				92	96		104	108	...	...	...
Sierra Leone	C	83	85	89	94		104	113	114	110	109

Source: UN - Statistical Yearbook 1969. Twenty-First Issue. New York 1970. pp. 81-82.

(a) Code: A = Labour force sample surveys
B = Statistics of compulsory social insurance
C = Statistics of establishments.

TABLE 1-8

Education (Selected countries)
Teaching Staff and Students, Ratio of Student to Teacher

Country Currency Unit	Type of Education	Year	Teaching Staff Total	Students Enrolled Total	Public recurring expenditures on education (thousands)	Ratio of Students to Teacher
Algeria (Dinar)[a,b]	1st level	1966	30,666[c]	1,409,381	396,398	46
	2nd level	1966	7,658	147,455	170,813	19
	(Teacher-training)	1966	(255)	(4,062)	...	(16)
	3rd level	1966		9,272	56,890	-
Dahomey (Franc CFA)[e]	1st level	1967	3,445	139,734	837,936	41
	2nd level	1967	557	14,210	259,742	26
	(Vocational)	1967	(69)[c]	(727)	(55,589)	(11)
	(Teacher-training)	1967	(18)	(129)	(51,461)	(7)
	3rd level	1967	...	115	9,516	-
France (Franc)[a,b,f]	Pre-primary	1966	34,906[c]	1,884,325	795,502	54
	1st level	1966	177,800[c]	5,435,061	4,250,528	31
	2nd level	1966	200,898	3,370,475	6,498,629	17
	(Teacher-training)	1966	(2,063)	(31,293)	(175,022)	(15)
	3rd level	1966	...	531,750	2,972,418	-

(cont.)

TABLE 1-8
(cont.)

Country Currency Unit	Type of Education	Year	Teaching Staff Total	Students Enrolled Total	Public recurring expenditures on education (thousands)	Ratio of Students to Teacher
Ghana (cedi)[g,d]	Pre-primary	1967	443	13,168	-	30
	1st level	1967	49,098[k]	1,288,383	24,140	26
	2nd level	1967	...	...	28,865	-
	(Vocational)	1967	(775)	(17,587)	(785)	(23)
	(Teacher-training)	1967	(1,200)	(16,782)	(14,928)	(14)
	3rd level	1967	672	4,768	23,214	7
India (Rupee)[g,j]	Pre-primary	1965	...	11,773,000	11,000	-
	1st level	1965	1,570,000	49,639,000	1,263,000	32
	2nd level	1964	...	7,102,914	2,299,000	-
	(Vocational)	1964	24,146	(440,183)	(82,000)	(18)
	(Teacher-training)	1964	...	(203,312)	(...)	-
Ivory Coast (Franc CFA)	Pre-primary	1967	...	2,085	...	...
	1st level	1967	8,818	407,609	...	46
	2nd level	1967	...	42,169	...	
	(Vocational)	1967	...	(3,571)	...	
	(Teacher-training)	1967	...	(1,138)	...	
	3rd level	1967		2,640	...	
	General	1967	955[c]	(37,460)		

(cont.)

TABLE 1-8
(cont.)

Country Currency Unit	Type of Education	Year	Teaching Staff Total	Students Enrolled Total	Public recurring expenditures on education (thousands)	Ratio of Students to Teacher
Kenya (pound)[g]	1st level	1968	37,923	1,209,680	8,000	32
	2nd level	1968	5,273	109,867	4,343	21
	(Vocational)	1968	(161)	(1,872)	(509)	(12)
	(Teacher-training)[i]	1968	(468)	(6,634)	(834)	(15)
	3rd level	1968	395	4,967	1,923	13
Laos (kip)[e]	Pre-primary[c]	1967	8	322	-	41
	1st level	1967	5,119	196,751	994,872	39
	2nd level	1967	580	10,124	387,193	18
	(Vocational)	1967	181	(1,636)	(90,862)	(9)
	(Teacher-training)	1967	(149)	(1,636) (2,198)	(19,404)	(15)
	3rd level	1967	...	348	122,254	
Mali	1st level	1967	5,324	186,022	...	35
	2nd level	1967	589	6,206	...	11
	(Vocational)	1967	(304)	(2,301)	...	(8)
	(Teacher-training)	1967	(114)	(2,064)	...	(18)
	3rd level	1967	90	345	...	4

(cont.)

TABLE 1-8
(cont.)

Country Currency Unit	Type of Education	Year	Teaching Staff Total	Students Enrolled Total	Public recurring expenditures on education (thousands)	Ratio of Students to Teacher
Nigeria[k]	1st level	1967	57,866	1,778,976	12,319	31
(pound)[l]	2nd level	1967	9,011	172,776	7,971	19
	(Vocational)	1967	(986)	(16,214)	(1,116)	(16)
	(Teacher-training)	1967	(1,079)	(19,310)	(3,252)	(18)
	3rd level	1967	1,281	8,076	4,362	6
Peru	Pre-primary	1967	1,450	62,592	-	43
(sol)[l]	1st level	1967	65,394	2,236,397	903,396	34
	2nd level	1967	33,387	511,173	316,150	15
	(Vocational)	1967	(8,254)	(86,752)	(118,297)	11
	3rd level	1967	11,649	101,099	196,260	9
U.S.S.R.	Pre-primary	1968	536,000	7,537,000	2,010,000[b]	14
(Rouble)	1st level	1968	2,345,000	49,125,000[m]	6,249,000[b,m]	30
	3rd level	1968	...	4,469,700[n]	1,685,000[b]	-
United States	1st level	1967	1,207,000	32,181,000	} 27,500,000	27
(Dollar)[q]	2nd level	1967	909,000	18,006,000	...	20
	3rd level	1967	...	6,911,748	8,800,000	

Source: UN-Statistical Yearbook 1969. New York 1970 (except the last column) pp. 716-40)

(cont.)

TABLE 1-8
(cont.)

(a) Expenditure of the Ministry of Education only.
(b) Expenditure data refer to 1967
(c) Data refer to public education only
(d) Including capital expenditure
(e) Expenditure of Central or Federal government only.
(f) Including overseas territories: Martinique, Guadeloupe, Reunion, and French Guinea
(g) Expenditure data refer to 1965.
(h) Teaching staff of junior secondary schools is included in the first level
(i) Teacher-training at the third level of education
(j) Including private expenditure on private education
(k) Data refer only to 9 out of 12 states
(l) Expenditure data refer to 1962
(m) Data on general education at the 2nd level are included with the 1st level of education
(n) Including evening and correspondence courses
(p) Full time only
(q) Including debt service
(r) Including data for pre-primary education.

In Canada, the United States of America, and the Western European countries shown in the tables above, the ratio of population to physician was well below 1,000 in 1967 (unless otherwise indicated). In South America, Asia, and Africa, this ratio was well above the 1,000 level throughout the decade.

In the other fields, the third world is still lagging far behind the more industrialized countries. The ratio of students to teacher is still very high for them.

If any conclusion is to be drawn, it is a generalization of the observation with regard to the increases in the per capita incomes. The more advanced countries are still developing and are developing faster than the poor countries. This conclusion, of course, does not overlook the fact already stated that some successes have been achieved. The standard of living in the less developed pre-industrial countries has been raised; but it still remains very low. The gap between the rich and the poor countries is still very wide.

The answer then to the fundamental question, raised above with respect to the materialization of the world-wide interest in economic development is therefore that, on the whole, a great deal has been accomplished. Nevertheless, the problem of underdevelopment remains unsolved.

Economic development itself, the phenomenon the world is said to have developed a special interest in over the last quarter of a century is a multi-dimensional process.

The following section is an attempt to bring to light its different aspects. Economic integration will be analyzed as an aspect of the development process. An attempt will be made to state an approach to developing the West African economies through integration. This approach is in effect an exposition of the contributions economic integration would make to the development of the region as a whole, and needless to say, of the individual countries.

B) ECONOMIC INTEGRATION AS AN ASPECT OF DEVELOPMENT

Economic development, as was previously stated, is a multi-dimensional process. It means that the development of any country or region of the world involves a variety of processes. Development is a function of numerous factors.

It is not a mere economic phenomenon. It involves other aspects of culture. In other words, the economic aspect of development is closely linked to all other aspects of human activities. This is why the concept of development is multi-dimensional. The concept of economic development is by nature moral, social, cultural, political, as well as economic.

In this sense, the concept of development is similar to that of social evolution, and that of progress. It is an indivisible process that encompasses all aspects of life that can be improved. It is indivisible in so far as it implies the idea of progress. As Ayres says: progress is an "aggregative term. There can be small aggregates as well as large ones, of course. We can speak intelligibly of a single individual's progress in learning to swim, or of a whole community's progress in physical fitness. By the same token, we can speak of human progress in general, meaning the broadest possible aggregate of all human activities."[1]

The relevant point here is that "...human progress consists in finding out how to do things, finding out how to do more things, and finding out how to do all things better...".[2]

If Ayres' view is a valid one, then the society that is said to be economically developing will be evolving in the course of time, discarding antiquated, inadequate practices, and adjusting to the exigencies of modernism to generate, probably from its defunct techniques, new modes so as to allow for the most efficient production of more goods and services that will assure its general well-being. In this sense, economic development goes hand in hand with the ever present move to achieve the most efficient modes of production that will make available the greatest variety of products to satisfy unlimited human wants. It is the improvement, tangible and intangible, engendered through the multi-efforts to satisfy limitless human wants which constitutes economic development.

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1. Ayres, C.E.: The Theory of Economic Progress; A Study of the Fundamentals of Economic Development and Cultural Change. Second Edition. Copyright (c) 1962 by Schocken Book Inc. Cf. Foreward - 1962, p. vi.

2. Ibid. p. v.

Economic development as viewed above is an on-going process that involves the whole activities of the community.

For development to take place, all the forces influencing development have to be in motion, transacting in a progressive system. Among these forces, the cultural aspect of development, which somehow englobes the others, deserves a special attention. A kind of 'cultural revolution' must occur to clear the way for the institution of those conditions under which more goods and services can be produced. It does not mean that these cultures ought to be swept away and replaced by Western or other cultures. What is needed is the injection of flexibility and the establishment of new institutions in these cultures to allow for the production of more goods and services, for the introduction of new commodities or techniques of production.

In a culture where the appropriate financial institutions do not exist to channel the available funds for investment and, for example, funds are used for sumptuous funeral or wedding ceremonies, conditions do not exist for technological progress to permit the effective massive production of those goods and services that can assure the well-being of an ever-increasing population.

What might be required for the flexibility to be incorporated within the social institutional framework is the emergence of social entrepreneurs to lead the necessary transformation of the communities. A social entrepreneur is the agent who mobilizes local resources for productive uses. The social entrepreneur breaks tradition, hence he breaks impediments to progress. By so doing, the social entrepreneur introduces changes in the community.

With respect to the cultural aspect of development, it is important to note that development cannot be transposed from culture to culture. Development arises within the culture itself. However, this does not mean that each culture should try to be self-contained. On the contrary, the more open a society is, the more flexible it is likely to be, hence the more progressive it becomes since it can benefit from the phenomenon of acculturation which is a fertile ground for progress. What this means is that development is the product of the transaction between internal and external forces, propelling progress within a given social system.

If development were transferable, the problem of underdevelopment would have been solved long ago. However, once again, the development process at any place generally requires external and internal factors. External factors such as foreign aid and technical assistance discussed extensively above should be designed solely to promote internal ones such as appropriate administrative schemes, a more qualified labour force etc..., appropriate to the social system concerned. What is important is that the internal forces be able to sustain development once it starts.

Today, in the less advanced countries, the initiation of development is left in the hands of governments. This is to say that as it is approached nowadays in the poor countries, development is an induced process. It is a process induced by the government which is seen as having the responsibility of generating it. However, it cannot be achieved by the government alone. It has to involve the society as a whole. All the government can do to promote development is what has been repeatedly said over the recent years, namely, that the government paves the way. The government can pave the way through the provision of the basic necessities, the infra-structure as they are called. When the government provides the basic necessities, it requires ambitious men to make use of them.

In the process of inducing development, close ties have grown between governments at the world level. That development today is a world economic problem has been dealt with extensively in the preceding section where it is also observed that national development plans are adopted almost everywhere to assure a balanced development. Jan Tinbergen[1] explains that the elaboration of these national development plans requires not only data of a national character, but also considerable information on the prospective development of other countries and of the world markets.

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1. Jan Tinbergen: International Economic Integration. Second, Revised, Edition. Elsevier Publishing Company, 1965, p. 94.

"For this purpose and also for the purpose of creating the basis of an international economic policy, an international plan is needed". The benefits of such a world development plan would be extensive. The plan would help toward a more efficient development of both the more developed industrial and the less developed pre-industrial countries.

The above view of a world plan can be conceived of as a special form of integration. It points to the importance of integration in the solution of the economic problems of the 'developing continents'. Before going further, it is in order to clarify the concept of integration as it will be used in this thesis. This is the purpose of the following section.

C) THE CONCEPT OF ECONOMIC INTEGRATION

Integration is an ambiguous[1] term, the definition of which must be approached with care. In everyday usage, it implies the idea of movement towards, the idea of merging heterogeneous entities into a homogeneous unit. In this sense, integration is conceived of as a process. This point will become clear from the discussion in the following paragraphs.

Economic integration can hardly be dissociated from social integration. This is why Myrdal's concept of

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1. "Dans la hiérarchie des mots obscurs et sans beauté dont les discussions économiques encombrent notre langue, le terme d'intégration occupe un bon rang". François Perroux: L'Europe sans rivages (Paris: Presses Universitaires de France, 1954).

integration should be seriously considered. As approached by Myrdal, integration is a social and economic process which is, by its nature, not only an international phenomenon as it is generally taken to be, but also a national undertaking or realisation. This social and economic process aims at demolishing social and economic barriers among heterogeneous entities so as to create a homogeneous environmental structure, or harmonious environmental conditions for their economic activities. To put it in Myrdal's own words, "The economy is not integrated unless all avenues are open to everybody and the remunerations paid for productive services are equal, regardless of racial, social and cultural differences".[1]

In this study, the expression economic integration, once again, refers to the process of constructing an economic entity. This is to say that it is an attempt to bring different economic units together into a single and a unique economic organisation. They would be intertwined in such a way that what previously existed and functioned as separate economies, would now operate as parts of a unique viable market. Transactions between two individuals, no matter where they are located within the integrated market, would be more or less the same as transactions between individuals of the

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1. Myrdal, Gunnar: An International Economy, N.Y. Harper; 1956, p. 11.

same national market.[1]

Bela Balassa would certainly not agree to view economic integration chiefly in terms of a process. For the author of The Theory of Economic Integration, the expression refers to a process and a state of affairs. "...Regarded as a process", wrote Balassa, "it encompasses measures designed to abolish discrimination between economic units belonging to different national states; viewed as a state of affairs, it can be represented by the absence of various forms of discrimination between national economies".[2]

Nicholas Plessz views the problem in a similar way. In Problems and Prospects of Economic Integration in West Africa[3], the expression is said to be defined in two different ways:

> Statically, the economic integration of an area can be taken to mean that the persistence of national borders within the area does not have any effect on the structure of the economy or on location of economic activities. In other terms, not only is the movement of goods and services not uninhibited by state boundaries, but also economic policies would not be influenced by the existence of different national units.

This is clearly integration viewed as a state of affairs. And Plessz continues:

1. Raymond Aron wrote: "Two different economic units may be said to be the more highly integrated when transactions between two individuals, one in each of the two units, most closely resemble transactions between two individuals in the same unit". cf. R. Aron in "Problems of European Integration". Lloyds Bank Review, April, 1953, p. 1
2. Bela Balassa: The Theory of Economic Integration (c) 1961 by Richard D. Irwin, Inc. p. 1.
3. Nicholas G. Plessz: Problems and Prospects of Economic Integration in West Africa. Montreal. McGill University Press. 1968 p. 2.

> Dynamically, economic integration can be taken to cover all measures, arrangements and development which aim at achieving economic integration as defined earlier.

This is exactly what integration is as far as this study is concerned. It shall therefore concern itself with only the process aspect of the issue.

Taken as a state of affairs, integration is the results of the measures, the arrangements Plessz talked about; integration would imply an end to the dynamism of the process composed of the measures designed to abolish discrimination between the economic units concerned. This would represent the final stage of the process. In this sense, the term economic fusion should rather be used. An established free trade area, or even a customs union, as defined below, can hardly represent integration as a state of affairs. The persistence of national boundaries might still constitute an impediment to the location of economic activities. As long as the free movement of the factors of production is not provided for, discrimination will persist in a form or another. At those stages, it is the dynamic aspects of integration which applies. In other words, a free trade area or a customs union is not statically integrated. In conclusion, the term economic fusion should be used where integration is viewed as a state of affairs. The phrase economic integration refers better to the process leading to the fusion of national economies. It is worth adding that the nature of this study obliges the author to deal exclusively with integration as a process.

One other point which merits clarification before proceeding relates to Myrdal's concept of integration. In the present study, integration is not analysed at national levels. The issue is raised at the international, i.e. regional or subregional level. However, it should be well understood that economic integration can be defined at the national level as well. The UN Economic Commission for Europe[1] once wrote that "No single country would be regarded as having a well-integrated economy as long as glaring disparities persisted between the levels of development and standards of living in different areas within it". The only difficulty with this conception is the problem of the stage at which the regional disparities are no more glaring. It makes economic integration a value term which it should not be.

The question of whether or not integration at the international level can be achieved if the various national economies remain disintegrated is not discussed here. It would be superfluous to do so. The concern is only at the international level.

When integration is defined at a subregional or regional level, the dynamic element is reinforced. To

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1. Geneva: United Nations Economic Commission for Europe, 1953: Economic Survey of Europe since the war. p. 218.

integrate is to increase, on a given space, the planning 'responsibility', the 'accountability' of a number of decision-making centres which are to form a unique economic system.[1] What is important is the idea of decision-making centres (centres de decision) going to form a common and unique economic system. Here is the issue: the problem involved in harmonizing the policies of decision-making centres. The term decision-making centre is much more expressive than economic entities or units for it reveals the dynamism of the transaction between the systems to be brought together. How to go about conciling the interests of these various decision-making centres is the problem. An adequate answer cannot be given to this question here. An attempt will be made to answer indirectly in the subsequent sections when the issue of industrial coordination is discussed. However, it is probably appropriate to make it clear that integration being the merging of parts into a whole, a master plan must necessarily exist.

When Paul G. Hoffman defined economic integration as "the formation of a single large market within which quantitative restrictions on the movements of goods, monetary

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1. Henry Bougignat: "Régionalisation, intégration, coproduction". Economie Appliquée, Tome XXII, 1969 n. 1-2. Here, Bourgignat interprets Byé's concept of integration as follows: intégrer, "c'est accroître, sur un espace donné, la comptabilité des plans d'un ensemble de centres de decisions appelés à former un seul système économique..."

barriers to the flow of payments and, eventually all tariffs are permanently swept away"[1], the size of the market was explicitly discussed. The issue of the size of the market is very important and its discussion might be undertaken in a later section.

Thus conceived, integration can be distinguished from cooperation. A clear cut distinction does not always appear among these two terms. Is integration a form of cooperation or the other way round? In its everyday usage, cooperation describes relations between sovereign nation states. A nation is not usually said to cooperate with itself.

R. Triffin is said[2] to have taken the activities of the Organization for European Cooperation and the Payments Union as forms of economic integration. A discussion of this issue goes beyond the scope of this study. The idea is introduced here simply to show the different interpretations of the concept of cooperation and integration.

Different nation states taking part in economic integration are undergoing a process of becoming elements of a new whole. They become, in other words, subregions

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1. Paul G. Hoffman: The Speech before the Council of Economic Cooperation. Paris, October 31, 1949. cf. Jacob Viner, The Customs Union Issue, Carnegie Endowment for International Peace, N.Y. 1950, p. 132.

2. R. Triffin: "Convertibilité monétaire et intégration économique". cf. Balassa: "Towards a Theory of Economic Integration". Kyklos vol. XIV, 1961, pp. 1-2.

while under cooperation, agreement might be reached on a particular or a specific form of economic activity. In other terms, under cooperation, different national economic units do not become parts of a whole. The different decision making centres involved remain manifestly independent but carry out specific economic activities in line with policies agreed upon. To the extent that integration brings the partners closer to one another, it can be argued that cooperation is an early form of integration.

It is a hard task to distinguish between economic integration and economic cooperation. However, within the framework of this study, the term integration will not be used to describe simple interactions as trade relations between independent economies on the world market. As long as there is no tendency, no action to destroy discrimination between the participating countries, the term integration shall not be used. Any undertaking to smooth the extent of discrimination in economic activities or particular economic activities shall be termed cooperation. This, it is to be added, is pretty close to Balassa's[1] distinction which states that

> "...The difference is qualitative as well as quantitative. Whereas cooperation includes actions aimed at lessening discrimination, the process of economic integration comprises measures that entail the suppression of some forms of discrimination. For example, international agreements on

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1. Bela Balassa: <u>The Theory of Economic Integration</u>. Op. Cit. p. 2.

> trade policies belong to the area of international cooperation, while the removal of trade barriers is an act of economic integration. Distinguishing between cooperation and integration, we put the main characteristics of the latter - the abolition of discrimination within an area - into clearer focus and give the concept definite meaning without unnecessarily diluting it by the inclusion of diverse actions in the field of international cooperation."

This distinction shall be maintained here.

Different Stages in Economic Integration.

Cooperation then is an early phase of integration. In light of this distinction, a preferential area would fall in the field of economic cooperation. Indeed, a preferential area exists where the participating members

> "...agree to grant one another more favourable tariff treatment than they give third countries. This does not mean that they abolish all tariffs on trade with one another but only that mutual tariffs are lower than the tariffs applied to imports from other countries. The difference between the two tariff levels is referred to as the margin of preference."[1]

A preferential area should be classified as a form of cooperation for it aims at lessening discrimination and not at eliminating it.

On the other hand, a free trade area, to the extent that participating countries eliminate entirely tariffs and other restrictions on their internal trade, falls in the first stages of economic integration. Only internal

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1. Sidney Dell: Trade Blocs and Common Markets. Constable and Co. Ltd. (c) 1963 Sidney Dell. pp. 76-77.

tariffs are removed. Each member of a free trade area applies its own tariffs on imports from third countries.

A customs union goes to further stages. In addition to abolishing tariffs and other restrictions among themselves, the partners in a customs union apply a common external tariff to the outside world. Needless to say, the revenue from the common customs duties and taxes would be allocated in accordance with a principle chosen and agreed upon.

A common market goes still further and thus, in addition to all the dispositions of a customs union, provides for a free movement of the factors of production.

A still more advanced stage of integration is an economic union. What distinguishes it from the preceding stage is that, beside the internal free movement of the factors of production, it undertakes to coordinate the economic, financial, and social policies of the different decision-making centres. Here, the term economic fusion can be made use of; an economic union operates as a single and unique economic system in its relationship with the outside world. A single currency could be adopted and a common central bank could be established.

These are the major stages involved in economic integration which deserve attention. If the definition given by the General Agreements on Tariffs and Trade (GATT) is maintained, then[1]

> A free trade area shall be understood to mean a group of two or more customs territories in which the duties and other restrictive regulations on commerce are eliminated on substantially all the trade between the constituent territories in products originating in such territories.

The problem of a free trade area thus defined is concerned with the differences in the levels of the different external tariffs applied to the outside world. What would prevent consumers or investors in the high tariff countries to import their final products or raw materials through the low tariff partner(s)? What would prevent investors from establishing their firms in the more advanced partner country from where they can easily invade the rest of the area with their products?

On the set of problems a free trade area can give rise to, the definition of GATT is explicit for instead of stating that obstacles to internal trade are removed, it makes it clear that the elimination occurs with products originating in the territories concerned. It is nonetheless true that the problems persist. To prevent them, ways and means have been found to set limits to these abnormal possible practices. These ways and means simply complicate the tariff administration. The origin and/or destination of the commodities have to be ascertained. The problem with origin is the stage of

1. GATT, Basic Instruments and Selected Documents, Vol. 1, Part III, Article XXIV, Sec. 8 (b).

its transformation at which a product can be said to originate from country B rather than from country A, where the first transformation took place. That is the problem of value added. The whole principle around which centres the issue is that the area products are traded duty free within the union. The rule based on the calculation of value added to remedy the deficiencies of a free trade area is generally known as the percentage rule.

Another rule, that of transformation, regards a member country as the origin of a product when the relevant process, among the production processes previously agreed upon, takes place within its boundaries.

These and many other rules have been discussed in the literature on free trade area. None of them can be said perfect. But without measures against the deflections, imports, and possibly exports, would go through the lowest tariff partner. Only transportation costs would increase together with transit trade.

A customs union, by essence, discriminates against the outside world. The definition given by GATT reads:

> A customs union shall be understood to mean the substitution of a single customs territory for two or more customs territories, so that (i) duties and other restrictive regulations of commerce are eliminated with respect to substantially all the trade between the constituent territories of the union...and, (ii) substitantially the same duties and other regulations of commerce are applied by each of the members of the union to trade of territories not included

in the union.[1]

This is clearly an incomplete definition of a customs union: it does not include provisions concerning the repartition of the product of the customs duties. Even where they are levied for purely protective purposes, and/or might constitute a tiny percentage of total public revenue (in the United States of America, this contribution is around only 1%), customs duties do constitute revenue anyway. The loss of this source of revenue should be accounted for in a clear concept of a customs union. Furthermore, the distribution of the common revenue from customs duties can be a cause of serious disagreement among the partners.[2]

To go back to GATT, this international institution provides for a 'soft' discrimination against third countries by members of a customs union. The level of the common external tariff applied to the outside world will not exceed the average of the tariffs prevailing in the member countries before the formation of the union. In general terms, trade controls should not be, on the average, more restrictive after the formation of the customs union than before.

However, it might sound strange to read these definitions of free trade area and customs union in the documents

1. GATT, Basic Instruments and Selected Documents, Vol. 1 (Geneva, 1952), Part III, Article XXIV, SEc. 8 (a).

2. This provision is made clear in Viner's concept. Cf. The Customs Union Issue. Carnegie Endowment for International Peace, New York, 1950, p. 5. ff.

of GATT where the clause of the most favored nation is considered to be a useful and a widely appreciated provision. GATT exempts customs unions and others from this clause of most favored nation. The clause then applies within the union only.

In a comparison of customs unions and free trade areas, it is clear that the former, from an economic point of view, are much better than the latter because they make necessary fewer trade and investment deflections and have generally lower tariff administrative costs. It was explained above that free trade areas, to the extent that the deflections have to be controlled, complicate the system of tariff administration.

Undoubtedly, at both stages, the removal of restrictions on inter-state trade is very significant especially for countries where transit trade has an importance and does constitute a substantial source of public revenue. In a customs union, this source of revenue is cut off. In a free trade area, without the prohibition of the deficiencies previously discussed, the transit trade increases. This increase, needless to say, occurs at the expense of the high tariff partner(s).

On the whole, a free trade area is a domestic trade promoter; a customs union is a "fusion of the tariff interest of two or more states", whereas an economic union is a fusion of two or more economic systems.

A customs union makes it possible for its members to trade freely among themselves and provides for protection for producers inside the union against competition from outside.[1] It can be added that the protection is less, or rather loosely organized in a free trade area and that in an economic union, the producers belong to a completely harmonized economic system.

The various well known studies of economic integration deal mainly with customs unions. R. Lipsey defines the theory of customs unions as "that branch of tariff theory which deal with the effects of geographically discriminatory changes in trade barriers".[2]

At this stage of the discussion, it is worth noting the validity of Meade's observation regarding the evaluation of customs unions. It is practically impossible to pass judgement upon these economic groupings in general. "They may or may not be instruments for leading to a more economic use of resources. It all depends upon the particular circumstances of the case...".[3]

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1. Johnson, H.G., Money, Trade, and Economic Growth, London 1962, p. 47.

2. Lipsey, R.G. "The Theory of Customs Unions: A General Survey". Economic Journal LXX 1960, p. 496.

3. Meade, J.E. The Theory of Customs Unions, North Holland Publishing Company, Amsterdam, 1968, p. 107.

Some Issues in Economic Integration

One of the major advantages of economic integration is the increase in the size of the market it secures. The example of the United States of America is usually given. It is often argued that the size of the market has provided for competition, for mass production, and hence standardization of products. But is the consumer everywhere really better off in consuming standardized products! Certainly consumers somewhere might prefer non-standardized products! Aesthetics cannot enter the discussion; it goes beyong the scope of this study.

Integration permits mass production, large scale operations. Another way of viewing the size of the market is that the larger the union, the more diversified the resources are likely to be, and hence, the larger the number of large scale industries that are likely to be installed. The more varied the industries, the more prosperous the intra-regional trade is likely to be. A.J. Brown expressed this idea in these terms:

> ...The bigger the area, the more varied its resources, the larger the number of industries that have reasonable chances of growing within it to scales on which either they can stand foreign competition or, if they are to be protected permanently, the opportunity cost of preserving them is fairly small.[1]

The success of a customs union then depends on its ability to install within its boundaries large scale industries

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1. Brown, A.J., "Economic Separatism versus a Common Market in Developing Countries. The Case of Customs Unions". Yorkshire Bulletin of Economic and Social Research, 1959-62, n. 13. pp. 33-34.

capable of resisting foreign competition.

The interest shown in large unions comes also from the belief that "the larger an economy, the more likely it is to be in a position to improve the terms on which it exchanges exports for imports through the exercise of monopoly power".[1]

Jacob Viner[2] explains that

> the greater the economic area of a tariff unit, other things equal, the greater is likely to be the elasticity of its 'reciprocal demand' for outside products and the less is likely to be the elasticity of the 'reciprocal demand' of the outside world for its products, and consequently the greater the possibility of improvement in its terms of trade through unilateral manipulation of its tariff.

It follows from the fact that a tariff does not only divert consumption from foreign goods to domestic ones, but it also improves the terms of trade of the tariff-levying country by improving the rate at which its exports exchange for its imports that 'survive the tariff'.

To the extent that a customs union widens the size of the new tariff territory, it increases the efficacy of the tariff by improving the terms of trade of the union vis-à-vis the rest of the world.

The larger the union, the larger the size of the market, and the higher the possibility open for a division

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1. Sidney Dell: Op. Cit. p. 52.

2. Viner, J. Op. Cit. p. 55.

of labour, for specialization, for efficiency in production resulting from this specialization. As Adam Smith said: "The division of labour is limited by the extent of the market".[1] This is quite obvious if the size of the market is taken to mean the volume of production.

It can be argued that the larger the union, the more chance there is of developing regional imbalances; the more chance there is for certain areas to be sacrificed for certain others.

Regional disparities do not exist solely with large economies. Furthermore, the division of labour in a large union can hardly be denied. The arguments against large unions therefore are limited in their scope.

According to Dell, economies of scale, or of mass production are those that arise where greater efficiency and lower unit costs can be achieved if total output is very large; economies of specialization are those that occur when countries concentrate upon those types of productive activities for which they are best suited by virtue of natural resources, capital endowment, or acquired skills.

Large scale economies, engines of growth as Kaldor described[2] them, make it possible to develop industries up to their optimum size.

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1. cf. B. Balassa. Op. Cit. p. 101.

2. Ewing, A.F., Industry in Africa, with a Foreword by Robert Gardiner. Oxford University Press, 1966, p. 15 note 28.

Economic integration would not only lead to external economies, economies of scale, or competition; it would also develop internal economies.

Given certain industries, small countries cannot produce on a large scale: specialization being limited. Hence, the wider the market, the larger the economies of specialization that can be developed.

On the whole, economies of large scale are not related only to the size of the market. Many other factors need to be taken into consideration. Among these factors, the nature of the industries to be installed, the level of technology, and the resource endowment are the most important.

Before Viner developed the concept of trade creation and trade diversion, the reasoning was common that "free trade maximizes world welfare; a customs union reduces tariffs and is therefore a movement towards free trade; a customs union will, therefore, increase world welfare even if it does not lead to a world welfare maximum".[1]

A customs union can be evaluated in terms of its trade creating and trade diverting effects; that is, on balance, if the customs union has resulted in trade creation or in trade diversion. The term trade creation is generally used to denote the increase in trade among the participating members of a union as a result of the formation of the union whereas

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1. Lipsey, R.G. Op. Cit. p. 497.

trade diversion generally refers to a reduction in trade with third countries, due to the same phenomenon. It automatically comes to mind, as a partisan of Viner would put it, that trade creation is good whereas trade diversion is bad. It follows from the essence of human beings who always want to dispose of more wealth.

One interesting aspect of these effects of trade creation and trade diversion is that, the higher the elasticity of supply in the relatively low-cost partner, the larger the gains from trade creation. On the other hand, the higher the elasticity of supply in the low-cost foreign country, the larger the losses resulting from trade diversion.

Under trade creation, the volume of trade at world level would increase. Under trade diversion, on the contrary, it can be argued that a reallocation of the existing volume of trade occurs. This 'inefficient' allocation of world resources sustains the inadequate (for the world) customs union. At world level, trade diversion can only be a negative factor affecting well-being.

But the concept of trade creation and trade diversion deserves more attention than the simple formulation given above. Suppose that, because of an effective customs union in West Africa, the volume of trade among the members increases, which is highly desirable. Suppose specifically that imports in Ghana (imports from her partners) increases. The increase might be at the expense of domestic production. This is to say that trade creation exists if members of a customs union substitute, for their previously high cost products, the low cost products of other members within the union. The increase in Ghanaian imports might, instead, be at the expense of her trade with third countries. This is trade diversion. Trade diversion takes place where members of a customs union reduce their imports from low-cost suppliers outside the union and buy the same products from the union, but at higher prices.

Trade creation and trade diversion thus understood, it is clear that with given countries producing the same range of commodities, the more different the comparative advantage enjoyed in each prospective member country, the more considerable the trade creation effects will be, for the partners will be able to rationalize their production.[1] The more competitive the prospective members are, but potentially complementary, the larger the trade creation effects are likely to be.[2] If on the contrary, the partners have

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1. Compare with R.G. Lipsey op. cit. pp. 498-499: "This analysis leads to the conclusion that customs unions are likely to cause losses when the countries involved are complementary in the range of commodities that are protected by tariffs...This point of Viner's has often been misunderstood and read to say that,..., the economies of the two countries should be competitive and not complementary. A precise way of making the point is to say that the customs union is more likely to bring gain, the greater is the degree of overlapping between the class of commodities produced under tariff protection in the two countries."

2. cf. Meade, J.E. Op. Cit. pp. 107-111.

similar comparative advantages - they then trade heavily with third countries - the formation of the customs union will lead to trade diversion.

On the volume of trade between partners, Lipsey[1] admirably observes:

> "...This argument gives rise to two general conclusions, one of them appealing immediately to common sense, one of them slightly surprising. The first is that, given a country's volume of international trade, a customs union is more likely to raise welfare the higher is the proportion of trade with the country's union partner and the lower the proportion of trade with the outside world. The second is that, a customs union is more likely to raise welfare the lower is the total volume of foreign trade, for the lower is the foreign trade, the lower must be purchases from the outside world relative to purchases of domestic commodities. This means that the sort of countries who ought to form customs unions are those doing a high proportion of their foreign trade with their union partner, and making a high proportion of their total expenditure on domestic trade. Countries which are likely to lose from a customs union, on the other hand, are those countries in which a low proportion of total trade is domestic especially if the customs union does not include a high proportion of their foreign trade.

It can be added[2] that territories might lose in the formation of a customs union even if the union increases its total income, welfare, and whatever might be expected to increase. These less fortunate countries are those that have strong comparative advantages in primary production and supply their partners with only goods that they could equally

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1. Lipsey, R.G., op. cit. pp. 508-509.

2. Brown, A.J., "Should African Countries Form Economic Unions?" <u>Economic Development in Africa</u>, Oxford, 1965, pp. 176-193.

export to the rest of the world. Their benefits would be expressed only in the form of public services. Their residents would have easier access to development centres in the rest of the union. Other territories which might equally lose include those that have comparative advantages for some industries but which might not succeed in attracting these industries. The failure in doing so might be due to the presence of a partner, relatively more advanced and who offers better prospects for the same industries.

At the present time, the structure of the West African economies is favourable to such anomalies. This is why the type of customs union instituted in the region is very important, and deserves serious studies.

Viner explains that "Customs unions are not important, and are unlikely to yield more economic benefit than harm, unless they are between sizeable countries which practice substantial protection of substantially similar industries".[1]

In final analysis, a good customs union is the one which increases the income and the well-being of the population through its trade creation effects. It constitutes in itself a step towards free trade. A bad customs union, on the other hand, reduces well-being; in fact, it simply reinforces protectionism. These are the effects generally attributed to these phenomena.

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1. Viner, J. op. cit. p. 135.

But either trade creation or trade diversion cannot be evaluated a priori. Following Cooper and Massell,[1] the author of this study would strongly support the view that either trade creation or trade diversion can be good or bad. If, given a customs union, trade creation takes place - that is industries move from country B (high cost producer) to country A (low cost producer) - B will purchase cheaper goods but its industrial sector will have been "lost in the bargain". The question is to determine whether or not B is necessarily better off. When trade diversion takes place, each partner develops its own industrial sector.

So far the discussion has centred around the theory of customs union in general. No specific provisions have been made for the so-called developing countries. Because they present special conditions, and more convincingly because the area of study in this thesis is a less developed region, the subsequent section deals exclusively with the case of the new countries.

The Case For the Less Advanced Pre-Industrial Countries

The less advanced countries, because they lack that industrial sector that can sustain a high degree of trade among them, deserve special treatment.

It is sometimes argued that the interest in economic integration in the underdeveloped world has its deep roots

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1. Cooper, C.A., and Massell, B.F.: "Toward A General Theory of Customs Unions for Developing Countries". Journal of Political Economy LXXIII, 1965, p. 475.

in political considerations, or in a simple desire to imitate Western Europe. Some sceptics would go as far as to doubt gains from integration in this part of the world. Thus R.L. Allen[1] observes that "integration itself does not necessarily attract investment", it does not offer unlimited scope for economies of scale, and "external economies are not a direct function of integration". There are many other factors to be considered. In sum, "In the development process", wrote Allen, "integration has no role other than its basic one of economizing resources". This would express the feeling of those who find it necessary to stress the idea that a common market is not a deus ex machina.

For Allen, trade creation has little prospect in the developing world. As long as import competition comes from outside, an abolition of trade barriers among developing countries under protection against products from industrial countries will have an insignificant advantage. It follows from the theory that trade creation will be beneficial only if in the region undertaking integration, competition exists among member countries which previously protected their industries and that high cost producers give way to low cost producers.

In the developing countries then, trade diversion is likely to take place with the formation of customs unions.

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1. Allen, R.L. "Integration in Less Developed Areas". Kyklos Vol. XIV, 1961, Fasc. 3, pp. 315-336.

Departing from this set of arguments that underdeveloped countries trade mainly with industrial countries, and that their own union will not be beneficial at the international level, it has been suggested that these so-called developing countries enter free trade arrangements with the developed world with which they trade. Peter Robson for instance wrote:

> "...The general conclusion is that in terms of the criterion of gain of traditional theory, a customs union among typical less developed countries would be likely to offer small opportunities of gain. Indeed the conclusion suggested by the static theory taken in conjunction with these facts is that less developed countries ought to form customs unions, if at all, with some of the advanced industrial countries. It is with these countries that they do most of their trade and the advanced countries have a big comparative advantage in most kinds of manufacture.[1]

The less developed country will surely purchase cheaper manufactures but will have to sacrifice its own industrial sector. Will it be better off? Will it move to a higher indifference curve? A more meaingful approach would probably be that of the adherents to the doctrine which states that the less advanced countries form the union with the semi-industrialized countries within their area.

Economic integration is more justified for the less developed countries than for the more advanced ones. As far as the size of the market is concerned, integration does enlarge the market in both a developed and an underdeveloped

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1. Peter Robson, Economic Integration in Africa. (c) George Allen and Unwin Ltd., 1968, pp. 32-33. See also by A.J. Brown, "Should African Countries Form Economic Unions?" Op. Cit. p. 179.

world. Where it is more justified for the less advanced countries is that, here, it promotes industrialization. In other words, it makes it possible for new commodities to be produced and offered the consumer. It is not hazardous to make this argument, namely that integration constitutes a force clearing the way for the new states to develop new productive capacity, the core of the integration movement in the third world. The traditional view would simply support the hypothesis that in the process of economic development, integration has no role other than economizing existing resources. Even if integration among the less developed countries does not permit the most efficient use of the existing resources, it does however open the door for a more efficient utilization of these resources than their use in the individual small national economies.

The industrial club has already been monopolized by the developed countries so that the new world has little prospect, it has limited opportunities to export its manufactures to the world market. The appropriate solution for the new states would be to form large regional markets, regional trading areas. It follows from the fact that a new country cannot develop a viable industry if the commodities are to be sold only on the domestic national market.

This would express better the attitude of the underdeveloped world. Furthermore, it is imperative to keep in mind that the world development plan as previously explained is advocated in the interest of the less developed countries.

On the whole then, integration, by developing a new capacity of production, paves the way to economic development. This does not make integration a deus ex machina. It does not mean that as soon as they integrate their national economies, the different member states will develop. Integration is not a sufficient condition for development but it might be a desirable condition. It means that economic integration makes it possible to better create those conditions necessary and indispensable for economic development to take place. In the emerging countries, development can hardly take place in the absence of industries. Integration is precisely meant to promote their industrial sector. Thus the less advanced countries ought to form their own unions. If the unions are formed with the more advanced industrial countries, the less developed pre-industrial nations would simply continue to export raw produce, and reap no benefits.

Economists who argue that poor nations, if gain is to be made at all, ought to form the unions with their present trade partners in the more advanced world seem to support the view that the poor nations would benefit in the long run as they continue to develop. What this view seems to ignore is what is technically known as external economies, already mentioned. Moreover, it ignores entirely the infant industry argument. Because of these effects, if a customs union is instituted between advanced and less developed economies, the industries would concentrate in the more advanced countries where they can profit from externalities, that is where facilities are already existing. The less advanced countries would continue to sell raw produce, thus sustaining expansion in the more advanced world. The absence of externalities is an impediment to development in the less advanced countries. It is unlikely that their union with the more developed countries can lead to their development.

The secret behind external economies is that, when a firm is established within an industrial zone, it can incur lower costs than when installed in isolation. Transporting semi-finished products becomes cheaper. Above all, the scarcity of skilled labour might be reduced for a firm can benefit from the services of a technically trained labour in the region.

Given a region, a growing industry will create external economies not only for the supplier but also for the user industry. The 'industrie motrice' and these other industries could constitute a development pole.[1]

Under these circumstances, a wise attitude is for the less developed countries to devise the particular mechanism that suits the most their own conditions. A customs union in the less developed world need not be the same as a customs union among the advanced countries. And a customs union need not be the same everywhere in the underdeveloped world either. It all depends on the peculiar conditions of each prospective union.

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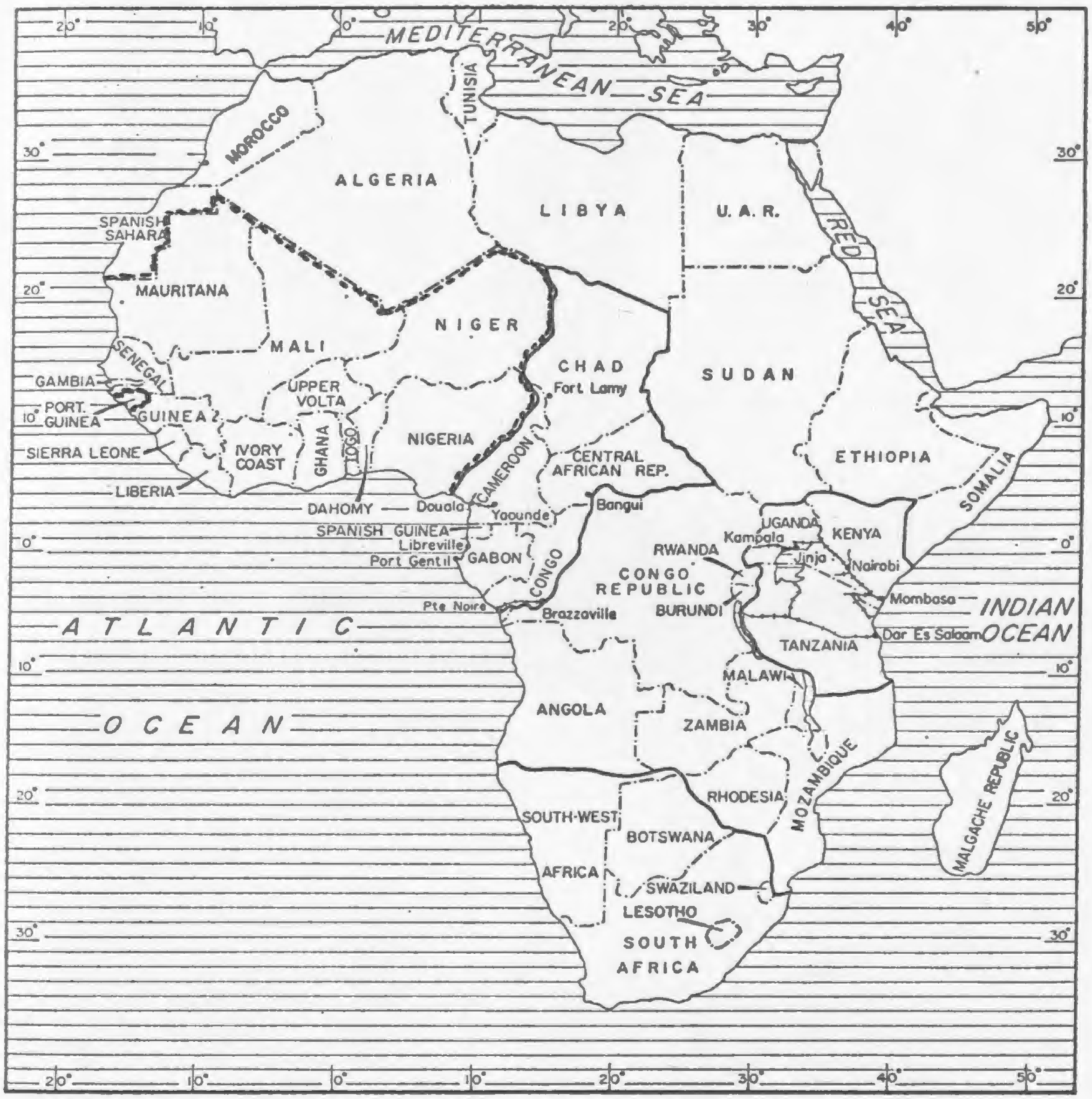
1. This is an allusion to François Perroux's notion of industrie motrice.

In general, the industrial countries can afford unions aimed at simply fostering exchange among the partners. The less developed countries have to develop the appropriate measures to avoid sacrificing certain partners for certain others. This is an essential point in this study. It is not enough to arrange customs unions. What kind of customs union is arranged given certain conditions is the question.

The traditional commercial approach then is for the old world. The planning approach which goes beyond this traditional approach, secures benefits for each partner and suits better the conditions in the so-called developing countries. This does not mean that the less developed countries need not increase exchange between themselves if they undertake integration. What is being maintained is that the planning approach distributes the benefits derived from the union in accordance with principles agreed upon and promotes the balanced development so much desired in the underdeveloped world.

It has already been stated that customs unions need not be the same everywhere even in the third world. This is so because the policies have to depend on the particular conditions in each region. Needless to say, what has been discussed so far is a set of general statements about the conditions in the world and the less developed areas at large. How can integration be achieved in West Africa, the area chosen for this study? Before answering this question, it would be pertinent to have an overview of the West African economies. The following chapter attempts to present the socio-economic structure of the region and tries to characterize the level of development achieved so far.

AFRICA
SHOWING COMMON MARKETS



CHAPTER II

WEST AFRICA: THE SOCIO-ECONOMIC STRUCTURE OF THE REGION

A) GENERALITIES

The phrase West Africa, as widely used over the world, is a mere geographical expression with, as it seems, imprecise or rather no definite territorial delimitations. There is no space here for going over how different people or organizations might interpret the term. The definition of the United Nations Economic Commission for Africa (ECA) shall be used here. Then, for the purpose of this study, the expression refers to the area of the African continent covering the national territories of fourteen new states lying West of the Cameroon Republic and South of the Sahara Desert. They are: Dahomey, Gambia, Ghana, Guinea, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo, and Upper Volta.

The latest statistics reveal that the population[1] of West Africa, slightly over one hundred million people, is unequally spread over a total area of a little more than six million square kilometers (approximately 2.4 million square miles). The nations within the region are unequal

1. Table 1 of the Appendix gives the population, its rate of increase, the birth and death rates, and the population density, compared with other regions of the continent. Table 2 gives the total population and GDP and per country while Table 3 gives in addition the income per capita.

in their size. Nigeria alone counts more than 56 million people and thus accounts for more than 50 per cent of the total population while no other single state, taken separately, would have more than 8 million inhabitants.[1] Gambia, the smallest of all, has about 0.34 million. This is an indication of the small size of the domestic market for each individual nation.

Always dealing with the dimension of the nations under consideration, one should note also, for purpose of anlaysis below, that of the fourteen countries, three, Mali, Niger, and Upper Volta, are completely landlocked, cover about sixty per cent of the regional area, and account for only 13.34 per cent of the total population. Table 2a in the Appendix gives an idea of the economically active population in selected countries. Other valuable information about the population is summarized in Tables 1, 2, and 3 in the Appendix.

It is worth comparing the region thus delimited with other economic entities, or possible economic groupings in the world. A meaningful comparison would be with typical developing regions. The table against attempts to show the evolution in selected indicators for the years 1963 and 1968 for proposed integrated areas in 1958.[2]

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1. Cf. Table 3 in the Appendix.

2. Cf. R.L. Allen: in <u>Kyklos</u> vol. XIV, 1961, pp. 315-336.

Selected Indicators of Economic Activity in Some Less-Developed Areas*
Compared with the EEC - 1958, 1963, 1968

Indicators	Central America			Latin America			North Africa			West Africa			E.E.C.		
	1958	1963	1968	1958	1963	1968	1958	1963	1968	1958	1963	1968	1958	1963	1968
Population[a] (million)	10.3	11.870	14.019	143.0	165832	190945	25.3	29544		40.9	93797	106	168.0	175.5	183.4
GDP-Million$		3.112	4.245		51824	37299[c]		5839	3707[c]		8721	2565[c]	136637	221444	333421
Gross Product (billion $)	2.4			29.9			4.4			3.2			154.5		
Exports (million $)	459	586	947	3655	5093	6689	987	1605	3860[d]	713	1462	1957[d]	22730	37550	64200
Imports (million $)	488	652	1047	4632	5205	7005	1778	1587	2870[b]	732	1710	1816[d]	22940	40430	61960
Percentage of world exports	.4	.38	.40	3.7	3.31	2.80	1.0	1.04	1.61	.7	.95	.82	23.6	24.37	26.84
Percentage of world imports	.4	.40	.42	4.5	3.21	2.78	1.7	.98	1.14	.7	1.05	.72	22.8	24.91	24.60
Intra area trade (million $)	18.7			366			40			4			6762		

Sources: Kyklos Vol. XIV, 1961, p. 321; UN; Statistical Yearbook 1968

(*) Groupings as proposed in 1958 - cf. Allen in Kyklos Vol. XIV, 1961
(a) The population for 1963 and 1968 are estimates of midyear.
(b) Includes Algeria, Libya, Morocco, Tunisia, and the UAR.
(c) Only Ghana and Senegal for West Africa in 1968; Latin America excludes Argentina, Brazil in 1968; North Africa includes only Morocco and Tunisia in 1968.
(d) West Africa excludes Guinea.

While in the sphere of comparisons, mention should be made of the ECA study of the 1966 GDP origin for different areas in Africa. The findings are summarized in Table 3a, in the Appendix. West Africa had the highest share in agriculture. This means that all economic activities considered, in West Africa, the contribution of agriculture to GDP was the highest; at the same time, this percentage for West Africa was higher than the same percentage for any other African region.

But more specifically, what is the level of the GDP in West Africa alone? This economic indicator reveals very well the inequality among the units in the region. The GDP[1] computed in million US dollars, was 2,523 for the whole former French West Africa in 1956; 1,433 for Ghana in 1959-60; and 2,628 for Nigeria in 1957. The GDP[2] for Nigeria, Ghana, the Ivory Coast, and Senegal was over 6 billion dollars in 1961.

Elsewhere, although all the figures are not indicated, the GDP at factor cost taken country by country has been increasing since 1958, except perhaps for Ghana. This is shown in Table 4 of the Appendix which gives the evolution in the estimates of total and per capita national income

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1. Onitri, H.M.A. "Towards a West African Economic Community". The Nigerian Journal of Economic and Social Studies. March 1963, vol. 5, n. 1.

2. Nations Unies, Commission Economique pour l'Afrique: Etude sur la situation economique de l'Afrique. vol. 1: Afrique de l'Ouest - Afrique du Sud. Nations Unies. N.Y. 1966, p. 151. Note the number of the vol. E/CN.14/370.

and gross domestic product at factor cost from 1958 to 1968.

The same thing could be said about the evolution in the level of the Gross National Product, shown at market prices in Table 5 in the Appendix. For the region as a whole, the GNP at market prices amounted to 6,341 million dollars in 1958. In 1963, it increased to 9,322 million dollars, thus registering an increase of almost 50 per cent over a period of five years. Even though the 1965 figure does not include data for Dahomey and Guinea,[1] the total GNP rose to over 10,000 million dollars. This progression is confirmed by the 1966 statistics which do not show figures for Dahomey, Gambia, Guinea, Mali, and Mauritania. The 1966 figure for only nine countries amounted to 10,239 million dollars.

Table 6 in the Appendix shows a rising trend in the evolution of the estimates of national income and gross domestic product, given in national currencies. The slight drop in 1967 in Ghana was recovered in 1968 whose figure goes beyond the previously highest level of 1966. The same is true for Senegal. This is to say that the national income and the GDP over the period 1958-1968 can be represented graphically by an upward sloping curve with a kink at the level of 1967 for Ghana and Senegal.

The per capita income, as shown in Table 3 in the Appendix, reveals the gap between citizens of the different

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1. Cf. Table 5 in the Appendix.

nations in the region. It ranged from 50 dollars in Upper Volta (one of the lowest in the world), to 230 dollars in Ghana, for that year.

A simple interstate comparison of per capita income is not very significant. What would be more meaningful would be the fluctuations in, or the evolution of the per capita income in each given country, over a period of time. The interstate comparison is being made simply because the nations are proposing to integrate their economies.

It has already been said that Table 4 in the Appendix gives estimates of total and per capita national income and gross domestic product at factor cost. The table reveals that those countries whose data are accessible have registered an increase in the per capita income over the period considered. However, in Ghana, where the highest level was enjoyed at the beginning of the period, a drop occurred towards the end of the last decade. The Ivory Coast registered the highest level in 1967.

On the other hand, Table 5 in the Appendix shows that those countries for which the statistics are available have registered an increase in the per capita national product at market price over the period 1958-1966. Again Ghana with the highest figure at the beginning, reached a pick of 314 in 1966 and then fell behind the Ivory Coast in 1967 and 1968.

These facts reveal that, on the whole, the level of economic activity in the region has been rising.

The structure of the regional economy, needless to say, has been highly influenced by colonialism. The relevant point to make is simply that the colony was, at whatever cost, to grow and to export the more those raw materials the already wealthy European power was in need of.[1] This is how the so-called exchange economy developed. And here what is important is that, since the poor colony was to support expansion in the European power, the economy of the region under consideration specialized in the export of primary products. This is still the dominant characteristic of the regional economy.

As Neumark has well observed:

> The modern development of tropical Africa is closely linked up with the expansion of Europe's demand for tropical products. Following the industrial revolution, there was an increased demand

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1. Poquin, Jean-Jacques: <u>Les relations économiques extérieures des Pays d'Afrique Noire de l'Union Française 1925-1955</u>; Librairie Armand Colin 1957; p. 6: "On insiste souvent plus sur la domination économique, et cependant, les cultures d'exportation furent dans de nombreux cas, imposées à l'autochtone sinon au sol..."

   Elsewhere in the same book (p. 145), the same author argues: "Coloniser, c'est organiser l'exploitation d'un pays étranger sur lequel a été établie une emprise politique ou militaire. La colonisation peut évidemment, et c'est souvent le cas, poursuivre quelques fins désinteressées, ..., mais toujours elle doit servir l'intérêt de la Métropole, en lui permettant le plus souvent d'exploiter économiquement le pays colonisé et en lui procurant quelquefois des avantages d'ordre stratégique ou démographique."

> for oils and fats for edible and industrial purposes...The resulting great demand for soap and candles had the interesting consequences that, instead of slaves, West Africa, the home of oil palm (Elaeis guinensis), was called upon to supply palm oil for soap and candle making. Another reason was that the machines of the industrial revolution needed new sources of lubricating oil and fat, since the existing animal and fish supplies were neither adequate nor suitable. But of no less importance was the fact that before the end of the nineteenth century two new uses were discovered for palm oil products: in the eighteen-seventies palm kernels began to be used in the manufacture of margarine; and in the eighteen-nineties, palm oil began to be extensively used in the tinplate industry as a means of preserving the heated iron sheet from oxidation.[1]

Thus as Europe expands, demand increases for West African produce which, it should be said, might be supplied from other sources as well.

Over the colonial era, to facilitate the exports of the agricultural produce and of the raw minerals towards the European powers, few roads and railways were built to link the ports with the zones of interest. Thus in Ghana for instance, gold mining in what was then known as Gold Coast, was responsible for the construction of the first railway and its extension. In Nigeria, this role was performed by tin and coal; in Sierra Leone and Liberia, it was iron. Examples can be given also for the promotion of export-crop production. In Ghana again, the Accra-Kumasi line was

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1. Daniel Neumark: Foreign Trade and Economic Development in Africa - A Historical Perspective. (c) 1964, Board of Leland Stanford. p. 148.

designed to serve the cocoa areas. In Nigeria, the Kano-Lagos line was to facilitate the export of cotton. Thus, the transportation network pointed only at the sea, aiming at easing the export of industrial crops and/or of raw minerals. They were not to serve primarily for exchange between areas of the same colony or within the region as a whole.

In other fields, education and health for instance, it is only sufficient to note that little effort was made. In education, West Africans were trained for clerical positions. Training in higher education was mere accident. As far as health is concerned, few hospitals were built but mainly in the capitals where the colonial administrators were living.

All these factors have highly influenced the structure of the regional economy.

B) AGRICULTURE

While dealing with the economic structure of West Africa, it is appropriate, first, to mention the traditional occupation of the population. Agriculture is the main, not to say the sole occupation of the population. Here, agriculture is to be taken so as to include animal husbandry, fishing, forestry, and agriculture per se.

In general, in tropical Africa, people are self employed farmers who are engaged mainly in growing foodstuffs for their own consumption; portion of the output might be locally distributed. As Table 7 in the Appendix indicates, in the early nineteen-sixties, the proportion of the non-commercialized agricultural production was very high.

Two belts of agricultural production exist in West Africa. The first one, the forest belt as it is called, would lie along the coast and would concentrate on growing crops especially for export. This is the home of cocoa, rubber, coffee, banana, timber, etc... It is the area of industrial plant production. The second belt, the northern savannah belt is better known for its livestock breeding. This belt 'specializes' in the production of cereals such as varieties of pearl millet, sorghum, fonio, and others.[1] This area is known as the grain production belt, or simply grain belt.

The belts stretch in the East-West direction. Some authors such as Plessz in Problems and Prospects of Economic Integration in West Africa might feel that a kind of complementarity exists between various parts of the region, for instance the belts of production, but that this complementarity is not being fully exploited. Thus over recent years, demand for staple foodstuffs increased very rapidly but production in the grain belt did not keep pace with this increase and the intra-regional trade, consequently, did not grow. The requirements were met by imports from overseas.

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1. by Elliott P. Skinner, "West African Economic Systems". Economic Transition in Africa. edited by Melville J. Herskovits and Mitchell Harwitz. 1964 by Northwestern University Press, p. 79.

It should be added that the present state of the means of transportation also contributes to the failure of the intra-regional trade to increase. The present state of the infrastructure does not facilitate the distribution of products within the region, especially when perishable produce as foodstuffs need to be transported. Thus, even if the production, or the supply of the staple foodstuffs had increased, their distribution within the region would not have been easy. In addition, to a certain extent, some food crops are grown in the forest belt.

In general, agriculture is the main occupation in the region and nowhere within its boundaries is less than 60 per cent of the economically active population engaged in the primary traditional sector. In Senegal, about 85 per cent of the working population was engaged in the traditional sector.[1] About 1 per cent was in fishing, 2 or 3 per cent in animal husbandry while agriculture occupied over 80 per cent. For Nigeria in 1959[1], 78% of the population were engaged in the primary sector, 6% in the secondary, and 16 in the tertiary. In Ghana, the primary sector engaged 61.5%. Mining absorbed 1.9%, and manufacturing 9.2%. The tertiary sector (service) occupied 23.8% while commerce took 14.5. The repartition of the economically active population by industry in 1960 for Ghana, one of the most advanced

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1. by N.A. Cox-George, "Economic Structure of the West African Countries". The Nigerian Journal of Economic and Social Studies. vol. 5, n. 1, March 1963.

countries in the region, is given in Table 2-2.

All these factors reveal that the primary sector is, by far, the most important.

There is need to stress the difference between the two levels of production: subsistence and export-destined production. From the subsistence crops, 'surplus' food might be taken to be sold on the market place. One other thing which might be worth taking into consideration is that, though by far the major occupation of the population, agriculture is not the most important source of "paid employment". There are only few large scale farms or plantations hiring employees. This is where the dilemma is.

A phenomenon parallel to this one deserves attention. West Africa, home of agriculture, imports foodstuffs. It is worth noting the deplorable aspect of the situation. "...on the import side, it is surprising that countries which are largely agricultural countries, in which a high proportion of agricultural products is for home consumption should import such a high proportion of foodstuffs...".[1] Twenty per cent of West African imports consists of foodstuffs and beverages.[2] The main imported foodstuffs would include milk, wheat, rice, sugar, etc...

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1. Ibid. pp. 20-21.

2. N.G. Plessz, <u>Problems and Prospects of Economic Integration in West Africa</u>. McGill University Press, Montreal 1968, p. 45.

TABLE 2-2

Ghana: Economically Active Population by Industry, Sex and Age: Each Census, 1955-1964

Census date, sex, Age	Total Economically Active Population	Agriculture Forestry Hunting Fishing	Mining and Quarrying	Manufacturing Industries	Commerce	Services
20 III 1950[a]						
Male	1,682,730	1,003,320	45,910	136,360	95,520	124,010
15-19	170,450	86,630	2,150	18,670	5,260	7,990
20-24	244,190	111,190	7,780	24,920	14,240	23,950
25-34	507,310	269,750	20,330	45,150	34,110	46,690
35-44	353,390	226,280	10,110	26,630	21,460	24,350
45-54	213,170	151,250	3,980	12,750	12,030	12,930
55-64	113,260	89,850	1,150	5,020	5,340	5,170
65 and over	80,960	68,370	410	3,220	3,080	2,930
Female	1,042,120	575,560	2,520	98,880	275,980	31,080
15-19	141,780	59,760	690	17,680	27,260	6,690
20-24	166,700	81,350	570	23,130	43,590	7,170
25-34	299,490	163,520	710	30,620	87,220	9,020
35-44	199,860	118,830	250	14,800	57,980	4,260
45-54	121,250	75,940	170	6,600	33,660	2,380
55-64	70,140	47,600	80	3,510	16,440	1,010
65 and over	42,900	28,560	50	2,540	9,830	550

Source: UN - Statistical Office, Department of Economic and Social Affairs. Demographic Yearbook 1964. Sixteenth Issue. United Nations, N.Y. 1965, p. 241

a) Data are based on a 10 per cent sample of census returns.

That West Africa imports foodstuffs is surprising; but that the value of the imported foodstuffs increases over the years is distressing. In this respect, the nature of imports is very significant. The percentages under consideration include not only food and beverages, but also tobacco and tobacco products. West African countries do grow tobacco however. Dahomey, Ghana, Guinea, and the Ivory Coast are the territories where this activity is the most important.[1]

As for the export-destined production, the characteristics are well known. Since the export crops have been developed, the national economies have been characterized by the predominance of one or two export plants. West Africa is known for its fats. Senegal and Gambia are reputed for their groundnuts:

> In the middle and late fifties, groundnuts constituted 93-97 per cent of the exports of Gambia; cacao some 56-57 per cent of those of Ghana and rubber constituted over 76 per cent of the exports of Liberia... In Nigeria, between 19 and 22 per cent of export earnings derive from cacao, 17-20 per cent from groundnuts, and 15-18 per cent from palm kernels.[2]

It is worth noting at once that Nigeria is the world largest exporter of palm kernels. Other palm product producers in the region include Dahomey, Togo, Ivory Coast, and Sierra Leone. Recently, a coherent industrial complex

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1. Cf. §116 UN-ECA: E/CN.14/INR/141.

2. N.A. Cox-George, Op. Cit.

was inaugurated in Dahomey. The oil mill of this industrial complex was established to serve the Mono region.[1]

The rubber plantations in Liberia are well known. Nigeria and the Ivory Coast have developed an important rubber production, but not to the same extent.

In Togo, since 1964, the share of cocoa, coffee and phosphate in total exports has been fluctuating between 75 and 84 per cent. In general then, all these economies rely heavily on the export of one, two, or three commodities. Cox-Goerge[2] put it very well:

> All these West African economies have developed as export economies. It is a true reflection of the structure of these economies that they are all without exception dependent on the export of primary commodities. They all export agricultural produce and some export mineral produce as well. In some, as for example Sierra Leone, there is a very strong tendency for mining products to outrun agricultural products in the structure of exports. In none of them is the export of manufactured goods of any significance where they enter into the returns at all. Indeed, it is truer to state that manufactures do not enter at all; not even in intra-African trade except for re-exports. This is significant. For even where some manufacturing feature in the structure of the economy itself, such manufacturing is directed more at import-replacement than at the international market...

The considerable importance of agriculture is even more convincingly revealed by the industrial origin of the GDP. The figures for the year 1964 are given in Table 8 in

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1. Jeune Afrique, n. 532 - 16 Mars, 1971, p. 21.

2. N.A. Cox-George, Op. Cit.

the Appendix. They show the weight of the primary sector, country by country. Nowhere, except in Liberia and Senegal, did it contribute less than 30 per cent. The origin of the GDP in 1966 has already been mentioned. It is shown in Table 3a in the Appendix.

Thus in the final analysis, primary production is the mainstay of the economy. Adedeji asserts that the average share of agriculture in total GDP is between 50 and 55 per cent. One can however be optimistic and believe that this percentage has decreased, at least slightly in the nineteen sixties. If in Table 8 in the Appendix a percentage of 54 was recorded for Togo in 1964, the share of agriculture in the 1966 GDP was 43.9 per cent.[1]

Animal husbandry is essentially important in the coastless countries. These countries are a source of supply of meat and livestock for most of the coastal countries. The five members of the Entente as described later in this study have agreed to "consider themselves one for taxation and customs duties on meat".[2] The Council of the Entente comprises two landlocked countries, namely Niger and Upper Volta. Other countries, Ghana, Nigeria, and Mali (the third

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1. Togo, Rapport Economique, Social, et Financier-Budget Général:1970. Ministère des Finances, de L'Economie et du Plan. Lomé - Togo, p. 5.

2. Cf. West Africa, no. 2754, March 21, 1970, p. 321.

coastless country), attended the conference which led to the agreement and the arrangement will be open to them.

Animal husbandry seems to be important in Mauritania too, the source of supply of livestock for Senegal.

Tropical Africa is fairly rich in forest. As far back as the colonial era, Europeans have exploited the forest on the coast and in the centre of the West African countries in the form of timber. This is particularly true of the English influence area, Ghana (the former Gold Coast) and Nigeria chiefly.

Table 18 in the Appendix gives an idea of the West African share in roundwood production over the world.

At this stage, the question is the importance of the West African agriculture, the mainstay of the regional economy, in the world. This can be measured only by the share of its crop exports to the world market.

> In the area of primary agricultural production, West Africa contributes more than 65 per cent of the cacao entering world markets - in 1957 it went up to as much as 73 per cent by way of value. Over 76 per cent of the volume of palm kernels and 32 per cent of the volume of palm oil which enter into world commerce come from West Africa. The bulk of groundnuts entering international trade come from two countries in West Africa, Nigeria and Senegal.[1]

The region then has a significant share of world markets for some of its commodities.

To sum up, agriculture is the main occupation of

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1. N.A. Cox-George, Op. Cit.

the West African population. It contributes, on the average, 50 per cent to the total GDP. It is characterized by a subsistence and an export sector. In general, the degree of marketability is low. Self-employed peasants produce for their own consumption or grow industrial crops whose output aims at European markets. Finally, West Africa maintains a considerable share in the world sales of its industrial crops. For cocoa, the region accounts for more than 60 per cent of world exports and includes Ghana, the world first producer of the crop. For groundnuts, it includes Nigeria and Senegal counted among the world largest producers.

To end, the question of the future of the West African agriculture may be raised. Today, the leaders in the region, well aware of the instability of their produce prices on world markets, are preoccupied with diversifying their exports to create a broader basis for the economy. The real problem is with the competitiveness of these exports. To the extent that, in addition to the measures now in application, efforts are not multiplied to increase producitivity in this agricultural sector, the problems faced today would hardly be solved. Increase in producitivity may be achieved through the introduction of measures designed, with the ultimate end, to release part of the huge amount of the labour force engaged in the traditional occupation. The most effective of these measures lies in industrialization.

So far, the annual growth rate of total agricultural production, as shown in Table 7a in the Appendix, is below

10 everywhere. For a considerable number of countries whose data are accessible, the rate of growth was higher over the period 1957-1965 than over 1961-1965. Whether or not at this rate West Africa can develop is a serious problem. Progress has been realised with the introduction of fertilizers. When fertilizers were introduced in the Kaolack region in Senegal some years ago, groundnut output increased by 48 per cent.[1] Other examples can be given. But the use of fertilizers can be intensified.

C) INDUSTRY

Resource Endowment and Existing Industries

Although prospection might not be complete, it can be argued that the region is fairly well endowed with mineral resources. The West African subsoil is fairly rich in iron, phosphate, bauxite, diamond, gold, manganese, copper, lead, etc... These minerals often constitute rich deposits awaiting their exploitation when transport problems in particular have been solved.[2]

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1. Nations Unies, Commission Economique pour l'Afrique: Etude sur la situation économique de l'Afrique. Vol. 1: Afrique de l'Ouest - Afrique du Sud. E/CN .14/370. Nations Unies, New York 1966. p. 135.

2. J.J. Poquin, Op. Cit. p. 3 "Le sous-sol de l'Afrique Occidentale renferme, parmi les richesses décelées: du fer, des phosphates, de la bauxite, du diamant, du cuivre, de l'or, du manganèse, du plomb, de la cassitérite, gisements souvent riches et qui attendent leur exploitation lorsque seront résolus, en particulier les problèmes de transport".

The extraction of minerals seems to have little importance in West Africa as a whole. In 1966, mining contributed 4.1 per cent to the regional GDP.

> And yet West Africa is a potentially resourceful region! Over 60 per cent of the world production of gold derive from Africa the bulk of which outside South Africa come from West Africa. 96 per cent of the world production of diamonds come from Africa the bulk of which outside the Congo (and indeed, in the wider sense parts of the Congo must fall within West Africa) derive from West Africa. Over 45 per cent of world output of manganese is produced in Africa nearly 34 per cent of which come from West Africa and West Africa produces 27 per cent of the African output of iron ore. Of this, there are unlimited reserves running through the veins of Birrimian system extending from Senegal through Guinea, Sierra Leone, Liberia, Ivory Coast, to Southern Ghana. The African production of bauxite is as yet a small fraction of that which enters into world trade, about 3.5 per cent, but nearly the whole of this comes from West Africa and it is believed that there are yet considerable reserves of this mineral in the region. There are said to be extensive deposits of other minerals as well, the extent of which are not yet determinable.[1]

West Africa possesses some of the richest iron ore deposits of the world.[2] Since economic integration involves the inter-action of sovereign states, it would be appropriate to locate some of the mineral deposits country by country. This would help to see the difference between the entities to integrate. Table 17 in the Appendix gives the production of some of these minerals. One of the most important deposits is gold in Ghana. Ghana is the second largest world producer of industrial diamonds; she is third in the production of gem stone. She also has bauxite, but her manganese cannot

1. Cox-George, N.A., Op. Cit., p. 18.

2. UN-ECOSOC-ECA: E/CN.14.246. Report of the West African Industrial Coordination Mission.

be ignored.

Though considered a rich country, the Ivory Coast is not noted for her mineral resources. In the early nineteen sixties, her production was nearly limited to diamonds (the most important activity insofar as minerals are concerned), manganese and a minute tonage of colombo-tantalite.

In Dahomey, iron and chrome ores exist in the North, phosphate and lignite in the South, with oil deposits in the Centre.

Liberia, Guinea, Mauritania, and Sierra Leone are famous for their iron ores to which reference has already been made. Guinea, in addition to this iron ore and her diamonds, exploits bauxite. Sierra Leone is the second world producer of gem stone. She also has bauxite, but is third in the world in industrial diamonds production.

Senegal and Togo are reputed for their phosphates. Further prospections have revealed that in Togo the subsoil contains also limestone, chrome, iron ore. Senegal is second in the world in zircon production. She also possesses ilmenite and others.

Mali and Niger, two landlocked countries, are both rich in rock salt. Niger has in addition tin ore, and Mali bauxite, phosphates, and iron ores.

The other landlocked country, Upper Volta, seems to offer great possibilities for mining, too. Among the deposits, gold, manganese, and bauxite are the best known. There are also copper and graphite.

Finally in Nigeria, mining does not represent a large proportion of the total GNP. This vast country has been exploiting tin and is the only one in the region to have coal. Columbite is another mineral of which Nigeria was producing 90 per cent of the world supply in the early nineteen sixties.[1] In addition, this vast political territory possesses limestone, lead, zinc, and her petroleum is well known.

Table 9 in the Appendix gives, on the basis of 1955-1957 averages, the output of some of the principal minerals in West Africa.

With respect to other resources, West Africa, as far as electrical power is concerned, has the physical possibility of developing hydroelectrical energy from its rivers among which the largest are the Niger, the Senegal, and the Volta. Insofar as the utilization of this resource is concerned, it is worth mentioning, in Ghana, the Volta River Authority administering the Akosombo dam on the Volta river. Reference will be made to this later.

To close this section of resource endowment, it can be argued that the region under study is fairly rich in minerals. Mining is more or less important, depending on the individual countries. In 1960, its contribution to GDP was evaluated to be between 8 and 9 per cent in Liberia and some 5 per cent in Ghana.[2] In Sierra Leone, mining and

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1. Worldmark Encyclopedia of the Nations - Africa. Editor and publisher Moshe Y. Sachs. (c) 1960 by Worldmark Press, Inc.

2. UN-ECA, E/CN.14/370 Op. Cit., p. 13.

quarrying contributed about 18.19 per cent to GDP in 1963-1964; 18.57 per cent in 1964-65; and 19.22 per cent in 1965-66.[1] This contribution to GDP is considerable in other countries such as Guinea and Mauritania if the composition of their exports is to be taken into account. On the other hand, countries as Mauritania, Senegal, and Togo have become mining countries over recent years. However, the relative importance of mining is still not spectacular. In 1966, (this has already been shown, cf. Table 3a), mining contribution to GDP in the West African region was only 4.1 per cent.

Finally it can be added that Nigeria, Ghana, and Liberia seem to be the major exporters of minerals in the region. Their share was once evaluated to be 4/5 of the total regional mineral exports.[2]

With regard to the secondary sector as a whole, it can be seen from Table 8 in the Appendix that manufacturing seems to be relatively more important where the share of mining is relatively low. The best examples are the Ivory Coast and Senegal. However, in this field, for lack of sufficient data, further comments might be misleading. In the very early 1960's, it could be argued that the secondary sector contribution to GDP was, everywhere within the region, below 15 per cent.[3] A look at Table 8 in the Appendix

1. Sierra Leone, Central Statistics Office: National Account of Sierra Leone, June 1967, p. 5.

2. UN - ECA: E/CN.14/370., Op. Cit., p. 48.

3. Ibid., p. 13.

shows that this percentage varied between 11.1 and 36.0 per cent in 1964. The statistics for 1968 might draw a different picture.

However the problem of the relative importance of industry in West Africa can be raised. In Africa, that is Africa as a continent, industrial output in the 1960's was negligible. Peter Robson asserted in 1968[1] that in this area of the world, "...industrial output was insignificant. At present, Africa accounts only for about two per cent of world industrial production...". If this is the picture for Africa, then the importance of industrial production in West Africa where recently, 1966, agriculture alone contributed over 53 per cent to GDP, can be easily seen; it is very slim. This percentage was the highest for agriculture on the continent.

The African countries can be classified under 10 industrial groupings.[2] This has been done on the basis of some 140-150 industries. The industrial groupings include: food, textiles and allied industries, forest industry, non-metallic minerals, metals, chemicals and fertilizers, metal products, mechanical industries, electrical industries, and transport equipment. It is to be made clear that the list

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1. P. Robson, Economic Integration in Africa, (c) George Allen & Unwin, Ltd., 1968, p. 69.

2. A.F. Ewing, Industry in Africa. Oxford University Press, 1966.

covers the already installed industries and also those that were likely to be possible over the following two decades. The main purpose was to show the actual and potential industrial structure in each individual country. The number of industries in each of the independent states in mid-1966 varied from 115 in UAR to 3 in Mauritania (a West African country). The point of interest in this study is that, of the fourteen West African countries, only two, the Ivory Coast and Nigeria, fell in the top group which includes also Algeria, the Domocratic Republic of the Congo, Kenya, Morocco, Rhodesia, Tunisia, and the UAR. Here, the number of industries installed in each country goes from 53 to 115. Yet, out of the nine countries classified in the lowest group, five (Mali, Mauritania, Niger, Togo, and Upper Volta) are West African. The corresponding number of installed industries varies from 3 to 13.

Another finding which is worth mentioning in this study is that, almost

> all African countries have installed or were in the process of installing the following industries: flour milling, beer and beverages, clothing, boots and shoes, sawn wood and joinery, including wooden furniture, plastic manufactures, soap, liquid air, paint, metal products for construction, household utensils, repair of motor vehicles, and where appropriate, repair of railway equipment or small ships.[1]

But it should be made clear that these industries

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1. Ibid. pp. 21-49.

are not equally developed everywhere, neither should they be taken as existing all together in every country.

Ewing's study distinguished also three main groups of 'industrial' African countries. The first is a set of countries "where industrialisation can hardly be said to have started". The West African countries in this category are Dahomey, the Gambia, Guinea, Liberia, Mali, Mauritania, Niger, Sierra Leone, Togo, and Upper Volta. The West African countries in the second category where a certain range of industries have been already installed are Ghana, the Ivory Coast, Nigeria, and Senegal. Unfortunately, none of the states of interest here falls in the last two country group (Tunisia and UAR). Here, the countries are said to have begun to change the structure of their economies and "to lay down on a significant scale intermediate goods and some capital goods".

The discussion, so far, has drawn an industrial picture of West Africa, somehow in comparison with the rest of the continent. This study is relevant here for everything being intertwined in the real world, no economic entity should actually be considered in isolation. West Africa is just a subregion of a whole continent. The point will become clear in the following sections.

It has already been said that integration presupposes the interaction of sovereign states. It is therefore not superfluous to give examples of industries country by country. The list does not however pretend to be exhaustive. Guinea and Mali are two dynamic countries which Ewing has included among the first group of countries where industrialisation can hardly be said to have started. However in Guinea, the manufacturing industry comprises a range of first stage industries - textiles, cigarettes, matches, a cannery, a saw mill, bricks, and furniture. The sugar refinery planned together with a second cannery must be added.

In Mali, industries under construction or being studied by 1968 include: cotton seed oil, refined sugar, dairy products, rice processing, saw milling, textiles, hosiery, sack making, plastics manufactures, cement, ceramics and refractory bricks, agricultural equipment and assembly of transistor radios.

Togo also possesses a certain number of industries the most significant of which are: textiles, beer and beverages, plastics, soap, oil mill, agricultural produce processing and a considerable range of projects such as phosphorous fertilizers, matches, cement, building materials, etc...

In the second group characterised above, it should be noted that Nigeria has a wide range of industries, including food and forestry particularly, a wide range of textiles and allied industries, cement and other building materials, and a fair range of metal products. Transport equipment is also assembled there.

Senegal in the same group, was once the most industrialised nation in French West Africa. She has her groundnut oil, food processing, preservation of meat and vegetables, flour and biscuits, beverages. In addition, industrial plants such as textiles, shoes, tobacco, wood industries, packaging, building materials, simple metal products, first stage chemicals, and repair assembly of transport equipment operate too. One should not forget the principal industrial projects of a phosphate fertilizer plant already mentioned, a sugar refinery, and a textile works.

A particularity about Senegal is that Dakar, a commercial and industrial centre, was the capital of the former French West Africa. "This had the original advantage, for a small country with a population of about 3.5 million, of providing some impetus to industrialisation, with the markets of other territories in view...".[1] Thus some of the industries in Senegal owe their existence to the commercial importance of Dakar. This is for instance the case of oil industries.

As far as economic activity is concerned, the Ivory Coast is, today, by far the most dynamic country in West Africa. She works up agricultural products for exports (sawn wood, canned tunny fish, canned pineapple, soluble coffee, cocoa-butter, and palm oil). She also has light industries based on local agriculture, metals, textiles, cigarettes, and soap. Finally, she operates some industries very important for the domestic market. These are based on imported

1. The industries seem to be concentrated in the Cap Vert area.

raw materials such as flour milling, light metal products, assembly, and first stage chemicals.

For Ghana, the energy derived from the Akosombo dam was designed to supply mainly an aluminium smelter. Among the considerable number of industries already in the country, one should cite the food and forest industries, textiles, building materials, scap melting and re-rolling, and some metal products, with the industrial centre at Tema which is more or less a pole of development.

Some of the industries which could be developed on regional scale include among others, cement, energy, fertilizers, chemicals, etc... As far as energy is concerned, Dahomey and Togo have already agreed on the creation of a common organism known as the Compagnie d'Energie du Bénin (CEB), to administer the interconnecting lines Akosombo-Cotonou, via Lomé. Furthermore, the agreement concerning the purchase of power from the Akosombo dam has been signed between Dahomey and Togo on the one hand, and Ghana on the other. This is the major form of cooperation in the field of power in tropical West Africa. The Niger and Senegal rivers offer many prospects. On the Senegal river, the Gouina dam is expected to produce about 2 billion kilowatt-hours.

As for cement, an agreement, a convention has been signed between the Ivory Coast, Togo, and le Groupe Lambert, creating the Société des Ciments de l'Afrique de l'Ouest (CIMAO) which the other three members of the Council of the

Entente - Dahomey, Niger, and Upper Volta - were expected to take part in. However, Dahomey seems to be maintaining her own clinker factory plan. Togo[1] gave the Company a mining research permit to test limestone deposits in the centre of the country. The Company is planning to break down the 50 million ton limestone deposits into clinker which would make cement production possible.

The World Bank has agreed[2] to provide two thirds of the total capital required by the cement producing complex at Aveta (Togo). The remaining capital would come from private and public sources. Beside the Ivory Coast and Togo who are already committed, Niger and Upper Volta would certainly participate in the project.

The subregional demand for cement has been projected to some 1,200,000 tons in 1972 and to 1,500,000 tons in 1975. In this specific context, subregion is defined as to include the five members of the Council of the Entente and eventually Ghana.

For the region as a whole, the Economic Commission for Africa once estimated that cement consumption would be 4 million tons in 1970.[3] Given the evolution of the modern construction industry, the regional cement consumption must

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1. Cf. West Africa, n. 2758, April 18, 1970. p. 444.
2. Cf. West Africa, n. 2797, January 16-22, 1971. p. 82.
3. UN-ECA, E/CN.14/370 Op. Cit. p. 154.

be increasing considerably. Investment in this industry is expected to reach some US $3,000 million per annum by 1980.[1] The need in cement in the years ahead is therefore considerable.

A promising industry in the region is agricultural produce processing. This industry, needless to say, has already been undertaken. But even in the nineteen sixties, the processing industries in West Africa were mainly limited to national markets, and this appears to be their characteristics. These processing industries can be intensified and developed at the regional level.

What exactly is the stage presently reached in this economic activity? Presently or at least in the last decade, processing could be found at different stages, from the simple form of sorting to the advanced stages of finished products such as groundnut or palm oil, through intermediary stages. To give a more precise idea of the situation, it might be added that countries like Nigeria, Dahomey, Togo, Ghana, Senegal, and others possess facilities to extract groundnut oil, cottonseed oil, palm kernel oil, coconut oil, castor oil, sesame oil, or shea butter.

By mid-nineteen sixties, this processing industry seemed to be concentrated in four major countries, namely Senegal, Nigeria, Ghana, and the Ivory Coast. In 1963[2], the two countries on top of the list sold 78 per cent of the

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1. UN-ECA, E/CN.14/366. 2. ECA, E/CN.14/370, p. 50.

regional agricultural products, processed and exported to the OECD countries. When the contributions of the last two, Ghana and the Ivory Coast, are added to this figure, these four countries shared over 96 per cent of these exports from the region to OECD.

It goes without saying that the intensification of processing called for would be beneficial only if it results in a promotion of exchanges within the region and with the rest of Africa. Processing is seen as a means to exploit the afore-mentioned complementarity between the belts of production. Thus millet processed in Niger would be easier to export to the coastal areas where the market is. But it follows also from the preceding paragraphs that processing is already developed in these coastal countries. It is nonetheless true that the future of processing industries in West Africa is considerable. The two belts do not have advantage in the production of the same food crops. Since the Northern belt is the grain belt, it should be the home of processing.

"The development of food processing and distribution industries would provide an additional outlet for employment as well as a stimulus for improvement in the quality and variety of agricultural food products".[1] One of the major

1. UN-ECA, "The Development of Food Processing Industries in West Africa". E/CN.14/INR/76 and Annex. p. 2

problems facing the West African region is how to employ the considerable idle portion of its labour force, not to use disguisely unemployed.

As far as chemicals and fertilizers are concerned, it can be said once again with respect to fertializers that the benefits to be derived are essential for agriculture. This is a case of typical large scale industry. Due to its vitality to agriculture, it deserves special attention. Chemicals developed locally, must constitute a source of foreign exchange savings.

For the textile industry, there should not be many problems with raw materials. This industry appears to present a special case since it seems to be already dispersed throughout the whole continent. Is the dispersion for good or evil? Textiles are usually considered as an industry that can be developed on a small or a large scale. The experiences of Togo in the field are worth mentioning, for they reveal the implication of this type of activity for a small domestic market; these implications are coupled with other problems which are likely to arise in other parts of the region.

The Industrie Textile du Togo (ITT), besides financial problems, has to face competition from Japan whose exported textiles to the Togolese market cost less than the domestic ones. The ITT on the other hand, due to measures on borders taken by the governments concerned, cannot export to neighbouring countries, namely Ghana and Dahomey, which used to be its fraudulent markets. A protective tariff can be effective against Japanese imports only if this measure is taken in concert with the other two bordering countries to protect each, its own individual infant textiles, or a subregional textile industry.

Of course such a protective tariff, if it can effectively operate, would be an example of pure trade diversion as discussed in the previous chapter. For pure sake of argument, it can be assumed that the three countries concerned are prepared to act in concert against Japanese textile importers, but to protect each, their own infant industry. The measures would help to prevent infiltration of imported Japanese textiles from a bordering country into another. Under this state of affairs where imports of Japanese textiles would be discouraged, what could these new nations do about competition among themselves? Assuming Japanese competition is eliminated, each one would have better prospects for its output. This is a very good example here for textiles can be operated on a small scale and the countries would certainly prefer to have each their own textiles. If each state should have its own textile industry, then they would constitute competitive firms within a market and would have to be treated as such.

Suppose that, contrary to all expectations, a subregional or a regional textiles industry is established. If it can produce and sell cheaper than the Japanese textiles imported to the area, then there would not be any case of trade diversion and a protective tariff would not even have to be mentioned. Always for sake of argument, if it is assumed that the Japanese imported textiles would still be cheaper than the locally produced ones; that is produced at a regional or subregional level; then, the following problem might be discussed: should the eventual domestic production be dismissed because of trade diversion?

There is no doubt about the uninanimity among the theorists in the field of International Trade that the world would be better off if each trading unit specialised in the export of those commodities in the production of which it has a comparative advantage. Everyone is aware of the extent to which foreign manufactured products have invaded the West African regional market. One can rightly wonder what exactly provides enough foreign exchange for West Africa to pay for these imports, or even worse, what exactly West Africa manufactures, for at least, domestic consumption.

Of course, it can be argued, as it has always been done, that by devoting its efforts to agricultural production (because agriculture is the main stay of the economy today), West Africa would be better off in world trade. But how much wealth can be accumulated from agriculture is never really taken into consideration, or has always been purposely ignored.

Before proceeding, it should be made clear that the preceding paragraphs are not incriminating the law of comparative advantage. What is under criticism is the deliberate policy of condemning the poor countries to the least remunerative and the least dynamic economic activity, namely agriculture. This policy, put forth over the colonial era, is simply being defended in the name of comparative advantage.

During the colonial era, not only was industry neglected in the region, but also were economic activities capable of leading to progress actually restricted. Webster and Boahen[1] wrote:

> ...Development however, did not mean industrialization, for this would compete with industries in the imperial country. For example, when groundnut oil mills in Senegal began exports to France in 1927 they were restricted because French oil millers complained of the competition.

The British are said to be more liberal in their trade policy with their colonies; cases might be disclosed where products from the dominated territories were sacrificed. Webster and Boahen[1] may be referred to again:

> ...after the first World War the British placed special taxes on palm oil going to Germany, and in the 1930's excluded Japanese cotton cloth from colonies where it was underselling her own. The Nigerian Press was quick to point out that while Africans were now forced to buy high priced English cloth, Britain continued to buy cheaper Norwegian whale-oil, in preference to Nigerian palm-oil. When there was a burden to bear it was the colonies which bore it.

There is no doubt that if the West African textile industry were allowed to disappear, Japan and the rest of

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1. by J.B. Webster and A.A. Boahen, with a contribution by H.O. Idowu, History of West Africa: The Revolutionary Years - 1815 to Independence. Praeger Publishers. New York. Washington, (c) 1967 by J.B. Webster and A.A. Boahen.

the world would be better off; but what about West Africa? It would import cheaper textiles, needless to say, but would not earn foreign exchange enough to pay for these cheap imports. But when the industry is installed in West Africa, it would surely create employment outlet. The presently high rate of disguised unemployment would be reduced while producitivity in agriculture would increase. The newly employed population would buy food from the agricultural rural area, which would increase the money income for this sector.

While dealing with creating employment in these new countries in the process of building themselves, one just feels like going back to those ages when Mandeville thought that:

> The great art to make a nation happy, and what we call flourishing, consists in giving everybody an opportunity of being employed; which to compass, let a Government's first care be to promote as great a variety of Manufactures, Arts and Handicrafts as human wit can invent; and the second to encourage Agriculture and Fishery in all their branches, that the whole Earth may be forced to exert itself as well as Man. It is from this Policy and not from the trifling regulations of Lavishness and Frugality that the greatness and felicity of Nations must be expected;...[1]

The important point here is that an adequate government is to promote manufactures first.

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1. Bernard Mandeville. Cf. John Maynard Keynes, The General Theory of Employment, Interest and Money. Macmillan & Co. Ltd., 1967, p. 361.

The issue of creating employment in the West African region is significant. It is one of the major problems the region is facing. However, solving the problem of employment has to be looked at in the general context of overall development rather than as an exclusive objective in itself.

D) TRADE

An important aspect of integrated markets is the relations between the constituents. The point in view is the commercial ties. This is why the organization, composition, and direction of the West African trade will be discussed in the subsequent paragraphs.

It is probably surprising to read that, in an economy of subsistence agriculture, a great deal of attention is devoted to trade. What can be traded in such an area, people would ask. For that reason, a general description of trading in the region is presented. If trade is simply exchange of goods, that is buying and/or selling goods, then West African people are just as trade-minded as they are agriculture-minded. If one could count in the remote villages the Africans involved in trading, add them with the settled merchants in the cities and the 'itinerant' merchants, the percentage of the population engaged in commerce would be very close to, if not as important as the percentage in agriculture.

But as one author has pointed out, the existence of a market place does not make a market economy. Thus a 'subsistence trade', if the phrase could be used at all, would hardly make a market society. What exists widely in West Africa is 'petty' trading. For the local population, petty trading is the road to prosperity. Most of the time, in the villages, trading is a part time job; agriculture usually comes first.

But whatever be the name given to the activity, the importance of trading in West Africa cannot be ignored. It made the second highest contribution to the regional GDP in 1966 (cf. Table 3a in the Appendix). Moreover, it goes back to time immemorial. At the time of the known empires of Ghana and Mali, West African traders went beyond the Sahara desert and reached as far as Tripoli where they exchanged their gold and kolanuts for manufactured goods.[1]

Today, it is not only the subsistence peasant, artisan, or craftsman who lets his wife, children, or relatives engage in 'petty' trading. Even among prosperous citizens, one can find people somehow involved in petty commercial activities. The justification is very simple. Trade is a source of revenue designed to supplement the earnings from the main occupation. Thus in most of the cases, trade is a supplementary activity.

The relevance of these remarks is to make it clear for the reader, before they are introduced in the discussion, that the statistics, however accurate they might appear to

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1. cf. Aderigbe, A.B., "West African Integration in Historical Perspective". The Nigerian Journal of Economic and Social Studies. Vol. 5, n. 1, March 1963.

be, can underrate commercial activities within the region since all the transactions are not recorded.

Domestic trade should be the most important aspect of commercial activities to be studied within the framework of this thesis. The generalities above seem to apply mostly to this category of exchanges. Hence, it would be appropriate to continue right away with internal trade. On this point, one can say that, even if the lack of statistics does not permit a confirmation of the expansion of internal exchanges, it is nonetheless true that within each country, trade is expanding. This is due in part to urban development. The growth of cities has promoted an increase in the consumption of agricultural produce outside rural settlements. The demand of the rural population engaged in the cultivation of export crops is to be added. On the other hand, a variety of consumer goods are sold to the rural areas.

Since the statistics of the internal trade (internal to each country) is not available, what about the domestic trade at the regional level; to put it in different terms, the intra-regional trade? On this point the first statement to make is that West African nations trade very little with one another. Unrecorded transactions might be going on across the borders. Indeed the statistics can cover only modern trade in raw materials and manufactured goods. It might include the re-export of manufactures imported from overseas. It is probable that these statistics exclude overland trade in foodstuffs, salt, timber, and even animals. Nothing will be said about smuggling, whatever be its importance. If all these omissions could always be included, the intraregional trade would certainly be more considerable than available data indicate. Still, the distribution of the interstate trade, as shown below, would not be proportionally very different.

With regard to the statistics, it might not be superfluous to recall this observation by the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) in the early nineteen-sixties: "At a time when the African Common Market has become a very topical issue, one can only strongly wish more detailed and more precise information on trade flows and, in particular, a clear cut distinction between trade in transit, re-exports, and trade in domestic produce" (cf. BCEAO n. 93 p. 5).

The two belts of production, spread in the East-West direction as previously described, depict very well intraregional trade. The bulk of transactions within the region takes place in the North-South direction; this is to say that the exchange of goods between the two belts is the most important commercial relationship at the regional level. Indeed trade in domestic produce is much greater in the North-South direction, both in value and in volume.[1] Whether this trade is growing or not is irrelevant for the moment.

The structure of the intraregional trade has been highly influenced by the traditional specialization in agricultural

1. N.G. Plessz, Op. Cit., pp. 32-37.

production, subject to climatic conditions;[1] in addition, the existence of preferential systems and monetary agreements between groups of countries within the region has subdivided this trade along the lines of these groupings.

Vegetable, cereals such as corn, livestock, and meat constitute the bulk of the exchange. One can see the concentration of this trade in primary products. It seems also that, since the exploitation of Nigerian oil, petroleum has taken a considerable share in the intraregional trade. In Table 10 in the Appendix, fuel is almost 10 per cent of the intraregional imports.

As far as manufactured products are concerned, Table 10 in the Appendix reveals that over 25 per cent of the intraregional imports was composed of manufactured goods. However, a high proportion of these manufactures might have been imported from outside the region and re-exported afterwards to neighbouring countries.

The amount of raw materials and manufactures traded has increased recently. Account should be taken of the fact that Ghana, the Ivory Coast, and Nigeria are the principal exporters of manufactured goods within the region. There are disparities in the degree of industrialization affecting trade at the regional level. Thus the relatively more industrialized countries such as Senegal, in addition to those

1. Nations Unies, Commission Economique pour l'Afrique: ST/ECA/109: La coopération et l'intégration économiques en Afrique. Trois études régionales. Nations Unies, New York, 1969, p. 69.

already cited, can trade manufactured products. They export manufactured goods to, and import mainly foodstuffs and raw materials from the rest of the region. The reverse holds for relatively poorer countries. Dahomey for instance exports primary commodities to Senegal and to the Ivory Coast; she imports, in return, manufactured products.[1]

As Table 10 in the Appendix indicates, fats and non edible raw materials originating in the region constituted 18.3 per cent of total imports at the regional level. It was the highest share for the period. The percentage was only 6.9 for foodstuffs, beverages, and tobacco.

Table 10b in the Appendix gives a better picture of the intraregional trade; it shows the origin and the destination of the intraregional exports. The real interest of the table is that it reveals the share of each country in the intraregional exports. This figure was comparatively high for five countries, of which three are landlocked. It was 15.1 per cent for Upper Volta; 20.4 per cent for Mali; and 14.5 per cent for Niger. The other high percentages were registered in Nigeria (18.6), and the Ivory Coast (15.8) which are considered among the major exporters of manufactures within the region. Ghana's share was only 7.5 per cent. Senegal, once the most industrialized country in the French influence area, had a share of only 2.8 per cent. It is probable that for some coastal countries, the high figure

1. Un-ECOSOC-ECA, E/CN.14/246 1963/64, Op. Cit. pp. 7-8.

was due to the phenomenon of re-export to neighbouring countries:- i.e. transit trade might have been included in the statistics. The coastal countries in general trade little with the rest of the West African region. The share of their exports to the region in total exports was low. It was 2.6 for the Ivory Coast; 1.4 for Nigeria; and 1.2 for Ghana. For the inland countries on the other hand, this share is usually considerable and is significant: 71.3 for Upper Volta; 60.8 for Mali; and 32.1 for Niger. One can see clearly the implications of being landlocked. The relatively poor coastal nations, for the period considered, registered levels pretty close to the relatively wealthy ones, except probably Dahomey where the share was 9.2. In Togo, it was 2.7; and in Gambia, 1.4.

Another significant item of information included in Table 10b is the share of each country in the regional exports to the rest of the world. This is a matter of external trade but it can be pointed out that the highest shares were those of the states classified in the group of the major exporters of manufactured goods: 19.0 for the Ivory Coast; 19.7 for Ghana; 39.7 for Nigeria. Senegal was the bridge between this group and the rest of the region. She had 9.1 per cent.

There is a tendency for trade to increase among neighbouring countries and this is due to the general inadequacy of the transport system.[1] The best example is given

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1. Ibid., p. 7.

by the 1961 import statistics between Upper Volta and Ghana. During that year, trade among the two countries amounted to US $14.7 million. Of this, Ghana imported $9.4 million worth of goods from Upper Volta. This observation is confirmed by the figures of Table 10b in the Appendix. Here, Upper Volta exported $4,004 million worth of goods to West Africa. Of these, $1,594 million, that is 39.8 per cent, went to the Ivory Coast, the southwestern neighbour; $1,300 million, or 32.47 per cent went to Ghana, the southern neighbour; and $0,159 million, or 3.97 per cent went to Niger, the eastern neighbour.

To take another example, of the $6,596 million worth of goods representing Nigerian exports to West Africa, $4,728 million were sold to Niger, just across the northern borders. This represented 71.68 per cent of the Nigerian exports to West Africa that year.

That trade among the nations in question tends to concentrate between members of the same monetary group or between countries of similar economic systems is confirmed by Nigeria having exported 25.68 per cent, or $1,694 million out of her $6,596 million worth of West African sales to Ghana. Similarly, of the $11,886 million worth of Ghanaian exports to the region, 49.53 per cent were sold to Nigeria. The best example in the sterling area is Sierra Leone who exported $0,836 million worth of goods to Nigeria. That was 73.01 per cent of her $1,145 million worth of total regional exports. In the franc zone, Senegal exported 61.28 per cent of her regional sales to the Ivory Coast, and 26.72 per cent to Mali. Within the same franc zone, Mali and Senegal absorbed 52.4 and 2.7 per cent of Dahomey's exports to the region. They all belong to UDEAO as will be seen below.[1] Togo, just beyond the western borders of Dahomey, shared only 0.4 per cent of these exports. Togo is not signatory of the UDEAO Treaty,[1] though in the franc zone. However, Nigeria's share of 10.3 per cent supports the first observation that trade tends to concentrate among neighbours, because of the state of the communication network. Maybe it should be recalled that Nigeria is the giant eastern neighbour of Dahomey. Table 10b in the Appendix supports the trends observed in West African trade. There may be minor deviations as the case of Dahomey-Togo; but these deviations are insignificant.

The picture of trade between groups of countries of somehow similar economic systems is better drawn in Table 10c. But here, it is not only the intraregional trade which is under consideration; it is rather the total exports and imports. It can be shown by the first four columns that, as far as exports are concerned, the French speaking territories linked by the provisions of the UDEAO Treaty, as explained below, sold more to the fourteen country West African region than did the English speaking ones. This is by way of percentages; that is to say that a higher percentage of the

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1. For the organization, and composition of UDAO, UDEAO, Entente, BCEAO, UMOA, cf below Section on Economic Integration: Historical Perspectives.

exports of the first group of countries mentioned is bought within the region, than of the second group. The same observation is true for imports. The UDEAO countries bought more from the region than did each one of the other groups.

UDEAO sold more of its exports to the West African countries of the British Commonwealth than did the English speaking countries to UDEAO. The percentages were 2.4 for UDEAO and 0.3 for the Commonwealth countries. On the import side, UDEAO bought one per cent of its imports from the Commonwealth members, and 4.9 per cent from the region as a whole. The English speaking countries also bought one per cent of their imports from the UDEAO members.

In terms of Table 10c in the Appendix, the West African region sold only 2.8 per cent of its exports to West African countries and received from them only 3.5 per cent of its total imports.[1]

The most recent accessible statistics support the observation outlined above.[2] Table 11 in the Appendix shows the percentage of total imports purchased by each individual country from West Africa and from Africa. The point of interest here for the time being is the imports from West Africa. As in the previous analysis, the landlocked countries registered the highest figures. Upper Volta again bought nearly one third of her imports from West Africa and is, in this

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1. UN-ECA: E/CN.14/370, Op. Cit., p. 93.

2. For the 1966 statistics, see A. Adedeji, Op. Cit., pp. 213-231.

matter, far ahead of any other country; Niger bought 11.5 per cent, and Mali, 10.2. Dahomey and Togo came next with the figures of 10.4 and 7.4 respectively. This is to say that, apart from Upper Volta, Niger, Dahomey, and Mali, all the West African countries purchased less than one-tenth of their imports from the rest of the region.

Table 12 in the Appendix, built on the model of Table 10b, gives nearly the same information for only the year 1966. It also confirms the observation that trade tends to concentrate between bordering countries or between members of the same or similar economic and/or monetary systems. Thus, 44.8 per cent of the imports of Togo came from Ghana while only 8.2 per cent came from Nigeria, a larger country, but more distant from Togo. To illustrate the second point, namely that trade is concentrated among countries of similar economic or monetary systems, the Ivory Coast bought 67.4 per cent of her imports from Senegal and only 0.1 per cent from Ghana, though Ghana is just across the borders in the East.

For 1966, the trade balance of each state with respect to the rest of the region is illustrated in Table 2-3.

Out of the number of countries for which all the data are accessible, only four had a positive balance of trade with all other countries in the region taken collectively. Ghana's negative balance of trade within the region can be explained.

Table 2-3

West Africa - The 1966 Trade Balance for Each State

Countries	Exports	% of Intraregional Exports	Imports	% of Intraregional Imports	Balance
Mauritania	97	0.15	869	1.36	772
Senegal	12,397	19.38	7,815	12.21	4,582
Mali	7,059	11.03	5,254	8.21	1,805
Ivory Coast	21,957	34.32	7,885	12.32	14,072
Upper Volta	4,799	7.50	13,409	20.96	-8,610
Dahomey	1,603	2.51	3,427	5.36	-1,824
Niger	2,121	3.32	5,038	7.87	-2,917
Guinea	288	0.45	-	-	-
Sierra Leone	285	0.44	1,819	2.84	-1,534
Liberia	1,040	1.63	-	-	-
Ghana	3,961	6.19	12.726	19.89	-8,765
Togo	1,355	2.12	3,872	6.05	-2,517
Nigeria	6,726	10.51	1,866	2.92	4,860
Gambia	292	0.46	-	-	-

The figures are in $000, and in %.

Source: cf. Table 12 in the Appendix

It has been noted that livestock, meat, corn, and other cereals constituted the bulk of exchange within the region. The Ghanian market is, by far, the most considerable for these commodities.[1]

What the examination of these figures reveals is that, given the intraregional trade, the important exporters were Ivory Coast, Senegal, Mali, and Nigeria. A middle category existed and consisted of Upper Volta, Ghana, and also, but down the scale, Niger, Dahomey, and Togo. The rest contributed an insignificant part to the intraregional sales.

1. UN-ECA: ST/ECA/109, Op. Cit., p. 69.

On the other side, the large importers from the region were Upper Volta, Ghana, Senegal, and the Ivory Coast. In the middle of the ladder came Mali, Niger, Dahomey, and Togo.

Within the framework of this study, the intraregional trade should constitute the core of the discussion. But this intraregional trade can obviously be characterized in these few words: very little trade takes place between the countries concerned. It has been shown that in their first years of independence, the inland countries traded more heavily with other countries in the region; that four relatively wealthy coastal countries export manufactured goods to others in the region; that they import, in return, foodstuffs and raw materials; and that some unfortunate coastal countries such as Dahomey tend to follow the pattern of the inland nations. It has also been observed that trade within the region tends to concentrate along the lines of the economic and monetary systems, or between bordering nations.

West Africa, separated from the rest of the world by the vast desert of the Sahara in the North and by thousands of miles of sea in the West and in the South, should devote special attention to internal trade. But West Africa is contiguous to the rest of the continent in the East. What is the importance of trade carried out between West Africa and the rest of the continent, or the other African regions?[1]

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1. Because of the importance of trade in economic integration, it is probably necessary to split West African and African trades from that with the rest of the world. The increase in African trade called for requires such a study.

Due to their level of economic development, the African countries carry very little trade among themselves. So, by way of deduction, the West African trade with the rest of the continent can only be small.

What would they trade? "At present", wrote Peter Robson[1], "Africa accounts for only about two per cent of world industrial production". It is then not surprising that, as in intra-West African trade, foodstuffs account for a large proportion of the exchanges at the continental level. In Kamark's words, "Normally only around 8% of the trade of African countries is with other African countries".[2] And the West African countries account for almost fifty per cent of the total intra-African trade.[3]

The last column of Table 11 in the Appendix gives the percentage of total imports into West Africa from the rest of Africa. On the whole, those countries that in intra-West African trade purchased the most from West Africa registered the highest percentage in their exchange with the continent. Thus Upper Volta purchased one third of her imports from Africa; Mali, 18.1 per cent; and Niger, 14.0 per cent. It should probably be recalled that these are the landlocked

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1. P. Robson: Op. Cit., p. 69.

2. Andrew Kamark: The Economics of African Development. Praeger 1967, p. 21.

3. UN-ECOSOC-ECA: E/CN.14/246. 1963/64. Op. Cit., pp. 7 and 8. This is an indication of the importance of trade in West Africa.

countries within the region.

The statistical figures reveal that the relatively wealthy coastal countries bought more highly from the rest of Africa than they did from West Africa. The percentages were, for Senegal, 4.3 from West Africa and 10.4 from Africa; for Nigeria, 0.3 from West Africa, and 1.1 from Africa; for Ivory Coast, 2.3 and 8.9; only for Ghana were the figures pretty close: 3.3 from West Africa and 4.0 from Africa.

Table 13 in the Appendix gives details of the West African exports to and imports from the rest of Africa, but only for the year 1963. West Africa exported only 4.20 per cent of its world sales to countries in the West African region, and even less to the rest of the continent; in this last case, it exported only 2.76 per cent.

The relevant information in Table 13 in the Appendix can be summarized as follows: (the figures are in percantages).

Exports to→	West Africa	Other African Countries	Whole Africa
West Africa	4.20	2.76	6.96
Other African Countries	0.60	7.78	8.38
Whole Africa	1.31	6.80	8.10

And on the import side:

Imports from↓	West Africa	Other African Countries	Whole Africa
West Africa	3.55	2.09	5.64
Other African Countries	0.68	7.94	8.62
Whole Africa	1.33	6.60	7.94

An examination of these percentages seems to suggest

TABLE 2-4

West Africa: Trade Matrix
Exports 1963

From →	West Africa	Other Africa	Total Africa	To ↓	West Africa	Other Africa	Total Africa
Mauritania	1.71	21.98	23.69	Mauritania	-	0.0004	0.0003
Senegal	12.14	9.14	21.28	Senegal	0.03	0.16	0.13
Mali	50.04	3.65	53.69	Mali	0.32	0.05	0.10
Ivory Coast	5.60	7.26	12,86	Ivory Coast	0.49	0.13	0.20
Upper Volta	73.68	2.16	75.84	Upper Volta	0.85	0.009	0.17
Dahomey	12.79	1.47	14.26	Dahomey	0.30	0.01	0.07
Niger	14.23	3.00	17.23	Niger	0.32	0.007	0.07
Gambia	1.67	-	1.67	Gambia	0.04	0.003	0.009
Guinea	0.85	15.47	16.33	Guinea	0.08	0.06	0.06
Sierra Leone	0.81	0.03	0.85	Sierra Leone	0.07	0.02	0.03
Liberia	0.32	0.11	0.43	Liberia	0.08	0.01	0.02
Ghana	1.45	0.12	1.57	Ghana	1.33	0.08	0.33
Togo	10.75	2.58	13.31	Togo	0.21	0.009	0.05
Nigeria	2.11	0.39	2.50	Nigeria	0.09	0.06	0.06

Source: Cf. Table 13 in the Appendix.

(cont.)

TABLE 2-4

Imports 1963

From ↓	West Africa	Other Africa	Total Africa	To →	West Africa	Other Africa	Total Africa
Mauritania	-	0.10	0.10	Mauritania	0.005	0.02	0.02
Senegal	0.27	6.11	6.38	Senegal	0.77	0.17	0.30
Mali	14.04	8.41	22.45	Mali	0.30	0.006	0.70
Ivory Coast	4.23	4.65	8.89	Ivory Coast	0.74	0.28	0.38
Upper Volta	33.83	1.46	35.28	Upper Volta	0.39	0.003	0.02
Dahomey	13.28	2.60	15.89	Dahomey	0.09	0.003	0.02
Niger	20.81	1.95	22.77	Niger	0.16	0.01	0.04
Gambia	4.46	1.29	5.75	Gambia	0.008	-	0.002
Guinea	1.81	5.70	7.51	Guinea	0.03	0.14	0.12
Sierra Leone	1.21	1.11	2.33	Sierra Leone	0.04	0.0001	0.009
Liberia	0.85	0.51	1.37	Liberia	0.01	0.001	0.004
Ghana	5.38	1.39	6.77	Ghana	0.25	0.006	0.06
Togo	10.80	1.83	12.63	Togo	0.11	0.008	0.03
Nigeria	0.23	0.59	0.82	Nigeria	0.64	0.03	0.17

Source: Cf. Table 13 in the Appendix.

rather that trade was more heavily carried out among other African countries excluding West Africa. This cannot be confirmed because of lack of data for other years.

It is not superfluous to show in percentages, the exchange which took place between the individual countries of West Africa on the one hand, and the following entities on the other: Other African Countries (excluding West Africa), and the Whole of Africa. This is still based on Table 13 and is illustrated in Table 2-4.

In Banque Centrale des Etats de l'Afrique de l'Ouest 1966,[1] the evolution, over the years 1963, 1964, and 1965, of the trade of the UMOA (Union Monétaire Ouest Africaine) with the other African countries is as follows:

	1963			1964		
	Imports	Exports	Balance	Imports	Exports	Balance
Value	6,892	7,714	882	8,885	9,558	673
% of Total UMOA	5.97	7.68		6.60	7.35	

	1965		
	Imports	Exports	Balance
Value	8,268	8,207	-61
% of Total UMOA	6.23	6.42	

The absolute values are in millions of francs cfa.

1. Rapport de la Banque Centrale des Etats de l'Afrique de l'Ouest - 1966, p. 19. The absolute figures are in millions of francs cfa and do not include exchange between the UMOA members. Furthermore, the 1965 figures were estimated. Cf. Table 6, p. 19 of the above referred document.

All the statistics brought into the discussion so far support the observation that very little trade takes place among African countries. It is then not necessary to discuss this further. The next problem is what can be said about external trade of West Africa, that is trade between West Africa and the rest of the world.

Foreign trade: The characteristics of the West African foreign trade must have been clear from the previous discussion. It is in order to go over the main characteristics here. First, the precariousness, the instability of this trade is obvious. Earnings from foreign trade in these countries, exporters of primary produce and raw minerals are highly affected, not only by the various fluctuations demand can be subject to overseas, but also by local factors acting upon supply. In the field of agriculture, the price elasticity of supply is very low. When a higher price for cocoa induces the farmer to increase his output, the new plants will not start producing until after some years when other factors have already caused a drop in the price.

Each individual country has one, two, or three commodities accounting for the bulk of its exports. The case of cocoa in Ghana is well known, It has already been referred to. It can still be added that cocoa is the major source of government revenue. "Between a half and two thirds of Ghana's exports earnings come from the sale of cocoa".[1]

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1. The Economy of Ghana - A Study of Contemporary Ghana - Vol. 1. directed and edited by W. Birmingham, I. Neustadt, and E.N. Omaboe. (c) George Allen & Unwin Ltd., 1966 p. 236 and 333.

The importance of cocoa in the exports of Ghana is given below where the value of selected domestic export goods are shown in percent of total exports.[1]

	Cocoa beans	Timber (logs and sawn)	Manganese	Diamonds	Gold
1951	68	5	8	6	9
1952	62	5	10	6	11
1953	63	7	10	4	11
1954	75	6	5	4	9
1955	68	8	5	6	9
1956	59	11	8	9	9
1957	56	11	10	10	11
1958	60	11	8	8	10
1959	61	12	6	8	10
1960	59	14	6	9	10
1961	61	13	5	6	10
1962	60	11	5	7	10

Source: cf. footnote 1.

The example of cocoa in Ghana might be an extreme case. Most of the countries under study generally rely on two or three commodities; but this does not mean that they are better off than Ghana. The role of cocoa, coffee, and phosphate in Togo over recent years has already been stated. With respect to rubber production in Liberia, it is worth noting that "...rubber has not come up to original expectations, and no longer contributes more than half the export trade."[2]

To take another aspect of trade, it is interesting

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1. The Economy of Ghana - A Study of Contemporary Ghana - Vol. 1. Directed and Edited by W. Birmingham, I. Neustadt, and E.N. Omaboe. (c) George Allen & Unwin Ltd., 1966. pp. 236 and 333.

2. Larousse Encyclopedia of World Geography. 2nd Edition, 1967, (c) Augé, Gillon, HOllier, Larousse, Moreau & Cie.

to examine the exports and imports in per cent of GDP. This has been done for certain countries for the year 1961.

TABLE 2-5

West Africa: Exports and Imports as % of GDP - 1961
(Selected Countries)

Country	Imports as % of GDP	Exports as % of GDP
Nigeria	13.8	17.6
Ghana	22.5	27.5
Senegal	19.9	25.0
Ivory Coast	31.9	28.3
Dahomey	9.9	17.4
Mauritania	2.8	39.4
Niger	7.7	9.4

Source: UN. E/CN. 14/370 1966. p. 76.

Table 14 in the Appendix gives the same shares, but on 1963-64 average basis. The exports contributed 45 per cent of GDP in Liberia and imports 46 per cent in Gambia. It is not necessary to discuss these percentages in greater detail for the information they give is very limited. If, as some economists have put it,[1] a high rate of exports to gross domestic product means that resources are not used to satisfy domestic needs, then it follows that landlocked less developed countries as Upper Volta, Niger, and Mali devoted more of their resources to their own satisfaction than did countries as Ivory Coast, Ghana, Nigeria, and Senegal, the most industrialized countries in the region. This rate of exports to gross domestic product can hardly be taken as an

1. UN-ECA: E/CN.14/370. Op. Cit. p. 75. It is however true that the less developed countries in the region were the larger importers, confirming the second part of the contention.

indicator of the level of development.

An examination of Table 10 in the Appendix reveals that manufactured products other than machines and transport materials constitute the bulk of the imports of the region. On 1962-65 average basis, they accounted for over 45 per cent of total imports. The next commodities in importance were the machines and transport materials. The weight of foodstuffs, beverages and tobacco has already been reported above; almost 20 per cent. Surprisingly, fuel took only a little over 6 per cent.

Naturally, since the colonies were to support economic progress in the dominating European powers, they exported mainly to their mother country. Thus, over three quarters of the trade of the French African territories were with France. These territories had few markets, steady and important in the outside world.[1] This statement will be supported by the statistics below.

The second half of Table 10c in the Appendix shows the origin of the imports to and the destination of the exports from the region. France alone absorbed more than 50 per cent of the exports of the UDEAO countries. UDEAO sent only about 15 per cent of its exports to the rest of the European Economic Community; only a little over 8 per cent of its sales went to the United States of America; and 2.1 per cent to the United Kingdom. On the other hand, the UDEAO

1. J.J. Poquin, Op. Cit., p. 94.

members bought over 57 per cent of their imports from France, 8.3 per cent from the rest of the European Economic Community, and insignificant fractions from the United States (5.2) and the United Kingdom (1.9).

If these percentages do not constitute enough evidence that the former colonies trade mainly with the metropolitan countries, a look at the figures for the British Commonwealth members concerned will confirm the observation. Though they seem to have spread their trade over the world, these countries deal primarily with the United Kingdom. Thus over 33 per cent of their exports went to this European power alone while only 25.4 per cent went to the five partners of France in the European Common Market. The United States bought more from them than it did from the French speaking countries: 14.0 per cent. France absorbed only 4.0 per cent. On the import side, the West African British Commonwealth members bought over 31 per cent of their imports from the United Kingdom; only 17.4 per cent from the five members of the European Community, excepting France; even less from the United States of America, 11.0 per cent. Only 3.4 per cent of their imports came from France.

Over the period 1962-65, the region as a whole, that is the fourteen nation West Africa traded more with the United Kingdom of Great Britain than it did with any other economic power. These fourteen nations altogether sold over 23 per cent of their exports to the United Kingdom. France bought less, 18.9 per cent; when the United States came far behind, only 12.3. Even the imports statistics reveal that the United Kingdom was the major source of supply for the countries in the region. She provided 22.2 per cent of their purchases when France supplied 20.3 per cent, and the United States, only 9.1 per cent.

The importance of the United Kingdom in the regional trade, at least over the period considered here, 1962-65, can be explained by Table 10b. It follows from the concentration of trade along the line coloniser-colonised. Hence in Table 10b, Nigeria alone contributed almost 40.0 per cent to the regional exports to the rest of the world. This was the highest share. Another British Commonwealth member, Ghana, contributed nearly 20 per cent. The major contributor among the French speaking countries was the Ivory Coast who was third with 19.0 per cent. Except Senegal whose share was 9.1, the rest of the French speaking countries contributed less than 2.0 per cent each. This is to say that by way of percentages, the English speaking countries, though fewer in number, contributed more to the regional exports to the rest of the world. Account should be taken of the fact that the table excludes Liberia and Guinea for whom data were not available.

It follows from the statistics thus far presented that, whatever happens, Western Europe is by far the most important market and source of supply for the West African region.

An interesting phenomenon is taking place. Exports to and imports from the mother-lands have been decreasing through the course of time.[1] To show this, the data for 1950 and 1963 will be examined.

When in 1950 the former French West African possessions exported nearly three fourths of their sales to France, in 1963, they sold to the Metropole just a little over one half of their exports. Their trade with the United States of America went from 3 to 8 per cent over the same period; their exports to Japan and the socialist bloc, though still small, started to grow.

Over the same period, Ghana's exports to the United Kingdom decreased by one half; but her exports to socialist countries went up almost seven times. Even Nigeria cut down by half her exports to the United Kingdom and her exports to the European Economic Community went up ten times.

The following table summarizes, on the exports side, the statistics in favour of the observation.

What then about the imports? For the ex-AOF (ex-French West Africa), the imports from France decreased just a little bit; 67.6 per cent in 1950 and 55.3 in 1963. Togo too purchased less from France, and more from Britain in 1963.

Similarly, Ghana purchased less from the United Kingdom but her imports from the Common Market more than doubled. With the socialist countries, the imports were multiplied by 10. Nigeria too purchased less from the U.K. but imported three times more from the EEC; the origin of her imports were

1. UN-ECA: E/CN.14/370., Op. Cit., pp. 86-91.

TABLE 2-6

Destination of West African Exports: 1950 and 1963
(in million U.S. $ and in %)

Countries		World	EEC Total	EEC of which France	EFTA Total	EFTA of which U.K.	Planned Economies	U.S.A.	Japan	Africa
		million $	Percentages							
Ghana	1950	213.8	14.6	0.2	43.7	40.1	2.3	30.1	-	1.4
	1963	267.6	32.4	0.4	23.0	19.8	15.2	17.6	3.9	1.2
Nigeria	1950	252.6	3.4	0.4	79.6	79.5	0.4	14.6	-	1.7
	1963	509.1	37.5	8.7	43.9	39.7	0.9	9.5	1.3	2.0
Liberia	1951	52.1	5.9	-	0.8	-	-	92.5	-	-
	1961	61.9	38.1	0.5	10.0	8.9	1.0	46.2	-	0.5
Sierra Leone	1950	19.5	5.1	-	80.0	80.0	-	7.2	-	3.1
	1963	71.3	4.6	-	71.0	71.0	-	0.1	0.1	0.3
Togo	1949	5.9	86.4	77.9	-	-	-	-	-	10.2
	1963	18.3	74.3	51.4	2.2	1.6	1.1	7.7	3.3	4.9
Gambia	1950	6.4	-	-	96.9	96.9	-	-	-	3.1
	1963	8.7	68.9	-	27.6	26.4	-	-	-	2.3
EX-AOF	1950	176.9	72.0	70.6	3.4	2.1	-	3.2	-	10.1
	1963	442.1	68.9	54.3	3.6	1.1	2.9	8.3	0.6	12.9

Source: UN. International Trade Yearbook 1963; CEA, Statistiques africaines (annexe au Bulletin économique pour l'Afrique, vol. II, No. 1. Janvier 1961, E/CN.14/125/Add.1 Cf. E/CN.14/370 1966, p. 85.

TABLE 2-7

West African Imports by Country: 1950 and 1963
(in million US $ and in %)

Countries		World	EEC Total	EEC of which France	EFTA Total	EFTA of which U.K.	Planned Economies	U.S.A.	Japan	Africa
		million $	Percentages							
Ghana	1950	134.3	11.5	0.9	57.7	56.1	1.4	5.6	5.2	9.2
	1963	354.9	25.3	2.0	35.6	32.8	10.8	6.4	6.2	5.6
Nigeria	1950	173.2	8.5	1.0	61.5	59.8	1.2	4.0	9.4	1.1
	1963	574.5	21.9	3.6	39.9	34.5	3.9	8.7	13.1	0.8
Liberia	1951	17.1	11.1	0.6	11.1	11.1	-	65.5	2.9	-
	1961	90.7	21.9	1.7	19.8	12.5	0.1	49.1	3.0	0.2
Sierra Leone	1950	18.9	3.7	0.5	65.6	64.0	0.5	2.1	2.1	5.8
	1963	83.6	17.6	3.8	42.9	41.4	3.0	6.3	1.9	2.4
Togo	1949	10.3	70.9	68.9	2.9	1.9	1.0	7.8	-	6.8
	1963	29.0	48.6	33.4	11.4	10.0	4.8	4.1	9.0	12.8
Gambia	1950	8.2	3.7	1.2	61.0	59.8	-	2.4	4.9	11.0
	1963	11.8	9.3	2.5	43.2	41.5	6.8	3.4	11.0	5.9
Ex-AOF	1950	240.9	69.3	67.6	1.4	1.4	-	9.3	-	9.8
	1963	548.6	65.3	55.3	3.2	2.1	6.9	5.5	0.6	11.1

Sources: Cf. E/CN. 14/370 1966, p. 89.

more spread over the world.

Thus, from the accessible statistics, the West African trade was being diversified during the early 1960's.

This diversification is to be seen not only in the destination of exports or origin of imports as indicated above, but also in the composition of the commodities exported. Hence, cocoa, groundnuts, palm products, rubber, and coffee represented in value, over 72 per cent of total exports in 1950, but only a little over 60 per cent in 1963.

But diversification over a short period of time is not indicative enough. Has the tendency been sustained since 1963? This is the issue.

As far as the French speaking countries are concerned, Table 15 in the Appendix is a record of their trade since 1963, but only with the major industrial powers. UMOA (Union Monétaire Ouest Africaine) is a local monetary grouping among 7 francephone countries. Over the period considered, 1963-68, the EEC has remained the major client and supplier of these countries linked among themselves by the franc cfa (Communaute Financière Africaine).

But in BCEAO 1968 the importance of France in the trade of the EEC with UMOA is given in Table 2-8.

From here, it can easily be concluded that the period 1967/68 inclusive, France is still the major trader with the UMOA countries which comprises all her former West African territories except Guinea and Mali. France dominates tremendously the exchange EEC-UMOA. However, the share of

TABLE 2-8

Share of France in EEC-UMOA Exchanges: 1963/64-1967/68

Share of France in EEC Exchanges with UMOA	1963/64	1964/65	1965/66	1966/67	1967/68
Imports by EEC	73.1	66.4	66.2	64.4	61.2
Exports EEC	84.1	81.6	79.6	77.1	73.6

Source BCEAO 1968, STEFF IMP. Paris, p. 37.

France in this trade is decreasing. It is nonetheless true that France still carries the major proportion, at least up to 1967/68. Nowhere through the period considered has she contributed less than 61 per cent, and once, 1963/64, that is after independence, she went as far as to contribute 84.1 per cent to EEC exports to her former West African dependencies.

Thus, at least for the French influence area, with the possible exception of Guinea and Mali, though it is obviously true that the share of the Metropole is decreasing, this Metropole still dominates the commercial relations of these new states.

To make a comparison between the information contained in Table 16 in the Appendix and what was said before, always within the framework of decreasing trade with the metropolitan powers, an average could be found for the percentage exports in Table 16. Thus, the ex-AOF (that is, in Table 16 in the Appendix, Section A excluding Togo but including Guinea from Section D), exported on the average 50.49 per cent of their sales to the EEC countries including France. The British Commonwealth countries concerned sent, on the average 42.15 per cent of theirs to the United Kingdom.

If this constitutes enough ground, then it follows that the former French territories, though still selling a higher percentage of their exports to France, are selling less and less on their metropolitan market. The British Commonwealth territories sell less of their exports (but not an insignificant proportion) in the United Kingdom, but the decrease in these sales over years is not spectacular. The 1965 statistics would rather show an increase in the average percentage of the exports of these countries to the UK: 42.15 in 1965 against 39.23 in 1963.

Though this information is statistically true, it would be wise to compile more data before drawing any definitive conclusion.

What about the composition of the exports? As far as this is concerned, Table 2-9 gives an idea of the situation.

No definite statement can be made from the table. The share of cocoa in total exports declined in 1963 relative to 1950; it declined further in 1965. The share of coffee in these total exports maintained a rising trend; i.e. it can be represented by a positively sloping line over the

TABLE 2-9

West Africa: Certain Commodities Share in Total Exports: (1950, 1963, and 1965)

Commodity	Total West Africa 1950	1963	1965	Share of each Commodity in Total West African Exports 1950	1963	1965
	million US $			Percentages		
Cocoa beans	234.1	333.7	366.4	32.5	22.8	20.25
Coffee	41.8	109.9	152.3	5.8	7.5	8.42
Gold	26.4	32.8	-	3.7	2.2	-
Manganese	14.0	13.0	-	1.9	0.9	-
Timber	21.6	109.7	79.3	3.0	7.5	4.38
Industrial Diamonds	10.0[a]	61.2[a]	18.9	1.4[a]	4.2[a]	1.04
Bauxite & concs.	0.6	1.4	-	0.1	0.1	-
Peanuts	82.6	185.2	55.5[b]	11.4	12.7	3.07[b]
Palm kernels	70.5	78.8	-	9.8	5.4	-
Rubber	54.2	58.4	59.6	7.5	4.0	3.29
Petroleum	-	-	190.7	-	-	10.54
Peanut oil	30.7	58.9	53.2	4.3	4.0	2.94
Iron ores & concs.	4.3	48.7	-	0.6	3.3	-
Phosphate	-	9.6	-	-	0.7	-
Fish	1.1	21.2	-	0.2	1.4	-
Live Animals	2.6	14.3	14.6	0.4	1.0	0.8
Bananas	5.8	18.6	17.7	0.8	1.3	1.0
Cotton seeds	0.7	4.3	-	0.1	0.3	-

TABLE 2-9
(continued)

Commodity	Total West Africa			Share of each Commodity in Total West African Exports		
	1950	1963	1965	1950	1963	1965
	million US $			Percentages		
Tin	16.9	3.3	-	2.3	0.2	-
Palm oil	36.7	28.3	-	5.1	1.9	-
Diamonds (excl. industrial)	-	-	51.7	-	-	2.86
Oil seeds and nuts	-	-	205.9	-	-	11.39

Source: UN. EC. 14/370 Tableau 49, p. 83. Etude sur la situation économique de l'Afrique 1966, Vol. 1. African Affairs 1970, Vol. 68-No. 270 January 1966, p. 27 Table 1: "Exports propsects for Africa South of the Sahara" by David Wall.

(a): Some precious stones included in industrial diamonds.
(b): Does not show figure for Nigeria.

same periods. Thus these two products considered, coffee was gaining weight in the regional exports. Unfortunately elsewhere, timber and banana for instance, the trend initiated over the period 1950-1963 has been disturbed. With regard to 1950, the share of these two commodities in total exports increased in 1963; in 1965, these shares decreased in relation to 1963.

However, the composition of the exports exhibits more diversification than in the early years. The heavy reliance on one or a few products has been progressively declining. Considering again the same group of commodities which in 1950 represented over 72 per cent of total exports, but only a little over 60 per cent in 1963, it can be shown that the same products, namely cocoa, palm products, rubber, coffee, peanuts, including oil seeds and nuts, and other peanut products, represented in 1965, only about 51 per cent of total exports. The progress in diversification is then considerable.

The findings on foreign trade so far can be summarized as follows: The regional economy, formerly heavily dependent upon the export of one or a few commodities is being more and more diversified. The external trade, though still important with the respective metropolitan power is being more and more spread over the world. These are the two major aspects of the plague from which the regional economy has been suffering. Whether the countries should accentuate the variation in the composition of their exports to the outside world or rather emphasize the diversification of the destination of these exports is an obsolete problem. An intensification of both policies seems more appropriate.

The problem of market for West African products is an important issue at a time when the effects of metrocentrism is still relatively strong, and impedes a more liberal trading policy. It is still one of the fundamental conditions for economic development in the region heavily dependent upon foreign trade. It is a non negligible precondition for economic independence which these new states are in search of.

This, of course, does not mean that the volume of trade with the metropoles should necessarily decrease abruptly. Such a drop would create very serious problems for the new states. What is needed is rather a very low marginal propensity to trade with the respective former colonial powers, i.e. a very low disposition to carry on further trade (additional trade) with the mother lands. Thus the best strategy would be to divert more rapidly to other markets additional output being produced for trade. Of course, this involves a lot of problems which go beyond the scope of this study.

On the other hand, further variation in the composition of sales would certainly reduce the intensity of the effects of world market instability.

However, the real solution to the problems of the West African trade lies within Africa. The domestic trade, that is the intraregional and continental trade is too small. Ways and means should be found to increase the proportion of this trade in total exchanges. It was statistically shown that in 1963, West Africa did not sell even 5 per cent of its exports to West African countries and that hardly seven per cent of its exports, that is total exports, were sold in Africa. The import statistics showed even more deplorable figures. In short, West Africa generally conducts a very small percentage of its trade with countries within its boundaries. An approach to the dilemma would be to increase the domestic trade so as to promote development from within. This can be done only through industrialization whereby more goods would be created for exchange within the region and with other African regions.[1]

West Africa depends heavily on foreign trade, and exchanges almost entirely primary products for manufactured goods. Recalling the low income elasticity of demand for

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1. A.F. Ewing: Op. Cit., p. 99:
"...The relatively limited scope for increase export of primary products, except for some minerals, was pointed out...There is scope for a higher degree of processing primary products for exports. But the only real way to increase African trade is by more intra-African trade...; the relevant point here is that if new links among African countries are to be viable, there will have to be a large increase in the volume of goods to be transported.
All the arguments lead to the same conclusion. Intra-African trade is limited because nearly all African countries produce the same few products. If trade is to be increased, there will have to be available more tradable goods, which means diversification of the economies and thus extensive industrialization. In African conditions industrialization is impossible without increased trade among neighbours. Specific provisions for trade expansion has to be made in national development plans..."

most of the regional products and the high income elasticity of demand for manufactures, it can rightly be stated that "...the long-run prospects in terms of existing patterns for the earning of foreign exchange, and hence development, are poor".[1] Here again, an increased intra-African trade is to be called for.

> "..., the essence of the matter is that there can be no real increase in trade unless there is a wider range of goods to trade in, especially industrial. There is no way of obtaining a growing volume of industrial goods without producing them in Africa, thus propelling development from within...".[1]

In short, West Africa is to create more goods within its boundaries if it wants to progress at all

SUMMARY

At this stage of the discussion, the point is reached where, by way of summary, an attempt can be made to point out the similarities and dissimilarities between national units within the area.

As far as the dissimilarities are concerned, it is obvious that the economic entities under study here are unequal in size measured by population or by territorial extent. The disproportion in the national income, and hence in the per capita income, is considerable.

The countries are unequally endowed with mineral

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1. A.F. Ewing: "Prospects for Economic Integration in Africa". Journal of Modern African Studies: 5, 1. pp. 53-67.

resources, though prospection might not be complete at this stage.

Obviously, due to their historical background - they all (except Liberia) have been under the colonial régime of two different European powers - the economic and commercial policies differ from country to country. Rather, it would be preferable to state that differences in these policies are noticeable between the countries of the British Commonwealth on the one hand, and the countries of the Union Monétaire Ouest Africaine on the other. This cleavage is important for, as it was shown in the analysis of the intra-regional trade, commercial relations seem to follow its lines.

The natural disadvantage of the inland countries compels them to trade heavily within the region. In certain respects, some of the poorer coastal countries tend to follow their path.

Though all are underdeveloped, the economies reveal a high degree of disparity between the level of their achievements. This is measured by the level of their industrial development and is very significant in their relations.

As far as the similarities are concerned, production for export and even for domestic use consists chiefly of primary commodities (i.e. food and raw materials). It follows that the major proportion of manufactured goods consumed within the region is imported from overseas. Everywhere agriculture occupies the majority of the population.

In commerce, the direction of trade of each country, formerly heavily concentrated in favour of its metropolitan industrial power - France and the United Kingdom depending on the case; and the United States for Liberia - is being diversified.

While dealing with diversification, it should be recalled that the composition of the national outputs is being varied too. Thus, instead of relying on one primary product, these economies have started to develop broader bases.

The trade of each West African country with other West African countries is a negligible proportion of their total trade. Each West African nation trade with other African countries is similarly insignificant.

Finally, it will be shown below that each state derives its public revenues mainly from import and export duties. Since each country derives a substantial part of its national revenue from foreign trade, the "West African Territories are peculiarly susceptible to economic fluctuations originating abroad".

It follows from the characteristics exhibited above that the region concerned includes within its boundaries typically less advanced countries. Their prosperity, the development of their economies, requires an expansion of exchanges within the region. This is so because the small size of the individual domestic markets does not permit a high degree of specialization and an efficient production at a large scale to reduce costs. Obviously, exchange cannot be multiplied if subsistence agriculture remains the dominant characteristic of the economies. The expansion of trade therefore calls for industrialization which would provide commodities to exchange. But industrialization can be profitable only if the size of the market is large enough to permit large scale production. Consequently, the appropriate solution to the development problems here lies in the creation of a large market, i.e. in integration. This, the West African leaders seem to have understood. What their endeavours in that activity have led to is the subject matter of the subsequent section.

CHAPTER III

ECONOMIC INTEGRATION IN WEST AFRICA

A) A HISTORICAL PERSPECTIVE

When practical issues of economic unification in West Africa are raised, it is probably wise to talk of economic cooperation even though various economic organizations aiming at integration have existed in the region. The riparian nations of the Senegal and Niger rivers see that it is to their advantage to cooperate in the development of their river systems; also the members of the Council of the Entente have agreed to coordinate their policies for taxation of meat. When it comes to economic integration, it can be argued that the various attempts have failed for even if they are progressing, they are doing so very timidly.

Before attacking the problem itself, it is indispensable to make it clear that one cannot talk of economic cooperation or integration in West Africa without reference to the colonial era. Even if colonization has split, and is still tearing West Africa into pieces, it is an undeniable fact that the imperial régimes had laid down the bases for economic cooperation among their respective colonies within the area. Of course, it is well understood that where they brought their territories close together, the nineteenth century invaders principally aimed at facilitating their administration. It is nonetheless true that, in general, the territories emerging from the same imperial power feel closer to one another than their geographically closest neighbours formerly administered by another colonial power.

In British West Africa, the colonies were not contiguous. However, a common currency circulated among them. Indeed, a West African Currency Board existed for Ghana, Nigeria, Sierra Leone, and Gambia. These territories shared common marketing boards and common airlines. But with independence, these arrangements became defunct and each new state created its own currency. Ironically, it is commonly held that these territories as colonies were much more open to one another than as independent sovereign states. However, they are still all members of the British Commonwealth. Wrote Adebayo Adedeji:[1]

> "...It is paradoxical but nevertheless true that resources, particularly capital and labour, moved more freely from one country to another within the region during the colonial era than they now do. Thousands of West Africans lived and worked in countries other than their own for years unmolested during the colonial period. They freely brought capital from their native lands to their adopted countries and were free to repatriate their profits and capital home.... Since independence this has become increasingly difficult...".

In the former French West Africa, cooperation inherited from the colonial ties has not been dissipated. This does

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1. Adebayo Adedeji, "Prospects of Regional Economic Cooperation in West Africa". The Journal of Modern African Studies, Vol. 8, N. 2, July 1970, p. 229. Adedeji was writing on West Africa as a region.

not mean that xenophobia is absent here. Under the colonial régime, Dakar (capital of Senegal) was the federal capital of the French West African 'Empire' (Afrique Occidentale Française, or AOF). The regional colonial administration, a federal administration in its structure, brought these former French territories much closer to one another than the British colonies. These territories, Senegal, Ivory Coast, Dahomey, Niger, Upper Volta, Mali, Mauritania, and Guinea, were not only politically bound around Dakar, but were also closely linked by economic relations expressed in the form of their common currency, the franc CFA (Communauté Financière Africaine), closely tied to the French franc. Togo shared the common currency with these countries.

When finally political independence was being won in Africa in the second half of this twentieth century, the desire to stay together within the same economic system was concretely expressed by the French speaking states. The peculiar cases of Guinea and Mali who adopted their own national currencies constitute minor deviations and need not be discussed in detail here.

In the general case, even before complete political independence was gained, seven francophone countries, on 9 June, 1959, reassembled under UDAO (Union Douanière de l'Afrique de l'Ouest). The agreement was signed in Paris. UDAO is usually described as a pure and simple extension of the colonial ties of Paris with the participants, namely Ivory Coast, Senegal, Dahomey, Upper Volta, Mali, Mauritania, and Niger. The Paris June 1959 convention pointed at a complete customs union. All duties (customs and fiscal), on trade between member states were to be abolished. The agreement foresaw a redistribution of revenue from customs duties through a system of refund so that each state gets its share.[1]

But after independence, UDAO could not meet the needs of the new states. Indeed, shortly after its institution, UDAO ran into difficulties on the distribution of customs revenue between the member countries on account of growing disparities between their indirect tax systems. When states started to adjust the customs duties so as to meet their budgetary needs and protect their own domestic industries, and when finally in 1962, after the Decision 53/UD/62 du Comité de l'UDAO, the exchange of products originating in the region was subject to fiscal duties, the future of the union was definitely impaired. So, on the whole, budgetary difficulties coupled with problems of customs administration were to work to undermine the union, to weaken it, and to finally lead to its collapse. And on 3 June, 1966, a few years after its establishment, UDAO had to give way to a new union, UDEAO. The agreement of the Union Douanière des Etats de l'Afrique de l'Ouest, UDEAO, superseding the Paris June 1959 agreement was signed in Abidjan (Ivory Coast). The new agreement officially came into effect in December 1966, to be effective only

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1. Ivory Coast, Chambre de Commerce de la Côte d'Ivoire, Bulletn Mensuel, Mars 1968, p. 19.

in 1967.

The convention of this new Customs Union of the West African States (UDEAO), makes provisions for the definition of a preferential fiscal system applied internally, for the definition of a common tariff, and for the establishment of the administration of the union.

In that respect, the convention provides in its article 6(1) that

> "products originating in UDEAO countries and brought into member states shall be subject to fiscal taxation, of whatever form, the total of which shall be equal to 50 per cent of the aggregate of the most favourable taxation applicable to similar imported products".

It adds, article 6(3):

> "whenever a similar industry is set up in another member state, that state shall be authorized by the Council of Ministers of UDEAO to raise the fiscal duties defined above to 70 per cent of the total rate provided for in the first paragraph of the present article".

A criticism of this type of provisions is made below with respect to problems likely to arise from the appropriate location of certain industries.

In general, commercial relations between UDEAO countries have been regulated by a set of unintelligible dispositions that could only endanger the functioning of the union. The Abidjan June 1966 convention impeded the distribution of products between member countries whereas, in principle, it aimed at facilitating it. In the provisions stated above, how should one understand the phrase 'aggregate of the most favourable taxation'? In the absence of agreement on a precise definition of this term, relations were determined bilaterally among member countries. For instance, the circular n. 1967, dated 24 April 1967 and issued by the Customs Directorate of Senegal, and the circular n. 37, dated 29 April 1967, issued by the Customs Directorate of the Ivory Coast, regulate trade relations between the two countries. The two Ministers of Finance agreed that the expression 'aggregate rate of taxation' covers all duties collected on products imported from the European Economic Community.

Besides this deal, the Ivory Coast on her part, by ordinance n. 66-593 dated December 14, 1966, stipulated that the provisions concerning the reduced fiscal taxation at 50 per cent of the aggregate rate of the most favourable taxation would not apply to her imports from Niger and Upper Volta. The trade agreement signed at Abidjan on 19 February 1966 between Ivory Coast and Upper Volta was to be implemented; and the trade agreement signed at Abidjan on 19 March 1963 between Ivory Coast and Niger was to be maintained.

Senegal, on the other hand, had achieved complete customs union with Mauritania.

The government of Dahomey defined its position with regard to the UDEAO Convention in the circular n. 3/61 dated 24 February 1967.

Other examples can be given. What is important is that, from the standpoint of an individual member country, products originating in the territories of its partners were subject to a diversity of taxation, probably hard to administer.

Where is the union! Why determine relations bilaterally or even unilaterally?

As for relations with third countries, article 8 of the convention stipulates:

> "products originating in third countries, not consumed in a member state, and sent to another state, shall be subject to all entry duties and taxes applicable to them by virtue of their origin".

This is to say that they are subject to a second taxation!

> "The said products shall be admitted to the country of consignment only on presentation of a customs document certifying that the duties and taxes paid in the member state will be repaid to the consignor. This document must be accompanied, unless exceptions are granted by the state of consignment, by an invoice showing directly the amount of duties and taxes previously paid in the member state reconsigning the goods. Any other system of repayment shall be left to the discretion of the member states".[1]

The Decision n. 24 UD 66 states the duties and taxes collected on entry and which are to be repaid to the consignor by the state of origin.

The Convention recognizes the Council of Ministers (composed mainly of the Ministers of Finance) as the supreme institution of UDEAO. This Council alone has the power of decision. A Committee of Experts, as it is called, groups representatives of the member states, studies the suggestions of the Secretary General, makes proposals, and recommends policies. The Secretary General does not decide, but provides a liaison between member states and the other institutions,

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1. UN-ECA: E/CN.14/WA/EC/2 Add. 1, p. 3.

and implements the decisions of the Council.

These are, in the main, the provisions of UDEAO.

Before considering any other organizations for economic cooperation or integration in West Africa in the nineteen-sixties, it is indispensable to note that, owing to dissatisfaction with the working of UDEAO, a summit of the union was held at Bamako on 20-21 May, 1970, to reconsider closer integration of the national economies. The summit was attended by the Heads of state of the member countries. A protocol adopted at the conlcusion of the meeting created a West African Economic Community (CEAO: Communauté Economique de l'Afrique de l'Ouest) which is, in essence, an institution of economic, industrial, and customs cooperation.[1] The new organization aims at improving the infrastructure for distribution, transport, transit, and communications; at promoting and accelerating industrialization of the member states and developing a harmonious economic balance between them; at increasing commercial exchange in agricultural and industrial products.

The community will have a Conference of Heads of state, a Council of Ministers, and a Secretariat General. The community, said the communiqué issued at the end of the conference, is open to any West African state. The Minister of Finance of the Republic of Togo attended the summit as an observer.

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1. Africa Digest, August 1970, pp. 77-78.

This is, in short, the evolution of integration at customs union level among the French speaking West African territories since 1959.

But it is not the only endeavour towards economic integration or cooperation in West Africa. Again in the French influence zone, the Federation of Mali and the Conseil de l'Entente date back to 1959. It is generally argued that, when in January 1959 the leaders of Senegal, the French Soudan (now Mali), Dahomey, and Upper Volta decided the formation of the Federation of Mali, they actually intended to establish a new form of Federation among the French speaking West African states. Unfortunately, only Senegal and the French Soudan finally formed the Federation; but they had to part company shortly after, in 1960, owing to political incompatibility.

The grouping initiated in 1959 by Abidjan is still existing. This group, known as the Conseil de l'Entente, hereafter called simply the Entente, initially united around Abidjan, Dahomey, Niger, and Upper Volta. The Entente, then a four country organization, started as a loose political institution to evolve into an institution of economic cooperation and expresses today the most effective form of cooperation within the area. When Togo became a member in June 1966, the Entente was promoted as a "model of a realistic, gradualist approach to the achievement of greater unity in Africa". Whether or not its promise will be realized remains to be seen.

Though political in nature, the Entente was conceived, even in 1959, as an economic organization. The provision of the 1959 agreement to harmonize the development plans of the member countries has not yet materialized. However, a joint fund was devised to support development projects in the member countries. Each state was paying into this fund one tenth of its budgetary receipts; as for the reallocation of the proceeds, only one sixteenth was going to the Ivory Coast and five-sixteenths to each of the other three partners.[1]

This Solidarity Fund through which the Ivory Coast was in fact subsidizing the budget of the other members has been transformed, since June 1966, into a Mutual Aid and Loan Guaranty Fund, (Fonds d'entraide et de garantie des emprunts, as it is called), to assist the member states and guarantee their borrowings abroad. Still, the Ivory Coast is the major source of finance. She is to contribute annually more than 77 per cent of the resources of the Fund (500 out of the 650 million francs)[2] when Niger, Dahomey, and Upper Volta would contribute each around 6 per cent (42 mn francs); and Togo around 4 per cent (24 mn francs). The Ivory Coast was not to draw on the Fund for the first five years.

Before leaving economic groupings among the French speaking territories, UMOA, l'Union Monétaire Ouest Africaine, deserves comment. UMOA is the monetary union instituted by

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1. Adebayo Adedeji, Op. Cit., p.222.

2. Ibid., p. 222. Also Peter Robson, Economic Integration in Africa. Op. Cit., p. 247.

the Paris 12 May, 1962 Treaty among six former AOF countries. These countries are: the Ivory Coast, Senegal, Dahomey, Niger, Upper Volta, and Mauritania. By the Nouakchott 27 November 1963 Convention, the Republic of Togo formally joined the Union. BCEAO, the Banque Centrale des Etats de l'Afrique de l'Ouest, is the international public organization administering the common currency, the franc CFA (Communauté Financière Africaine), which is closely tied to French franc.

Other forms of organizations have been established in the region. The famous Ghana-Guinea union, instituted in 1958 and joined in 1961 by Mali but finally liquidated in 1963, can only be cited as a first attempt at unification between French and English speaking West Africa. It has never been effective insofar as economic activities are concerned.

Within the same category of barrier-breaking organizations can be classified an attempt of first stage integration among LIberia, Sierra Leone, Guinea, and the Ivory Coast. These four states have proposed the establishment of a West African Free Trade Area embracing their national territories. An Interim West African Organization for Economic Cooperation was created by the heads of state concerned in August 1964, with headquarters in Monrovia, was instructed to study the most appropriate form of economic association among the members, and to recommend a draft convention for that purpose. Since then, no one knows for sure how much progress has been realized in that field.

In other endeavours, there exist in West Africa a lot of river basin organizations which intend not only to develop hydroelectric power from the river the member states share, but also to exploit the river basin as much as available technology permits. Mention will not be made of the Mono project which requires the collaboration of both Dahomey and Togo. These two countries have agreed to purchase power from the Akosombo dam in Ghana. The Mono river can still be exploited profitably for irrigation purposes, and even in the long run, for hydroelectricity.

The riparian states of the Senegal river, namely Senegal, Guinea, Mali, and Mauritania, have been planning the development of their common river basin for quite a long time. Since 1964, an intergovernmental committee, known as the Committee for the Improvement of the Senegal River, has been concerned with the exploitation of this river basin, building a dam at Gouina for various purposes and realizing other developments. Gouina is expected to develop into an iron manufacture centre.

The Republic of Senegal has the natural advantage of having access to another river, the Gambia. Indeed, the proposed Sene-Gambia Federation has been strongly defended on ground of the many possibilities of development the exploitation of the Gambia river offers both countries. It would, among other things, permit easy transport of Senegal peanuts. A storage dam on the Gambia river would make it possible to develop land through irrigation and at the same time to save the estuary as rice land.

Another basin, that of the Niger river, offers many prospects. There exists, since 1963, a Niger River Commission which groups Ivory Coast, Dahomey, Ghana, Guinea, Upper Volta, Mali, Niger, Nigeria and intends to improve the Niger basin.

The success of these river basin commissions depends on the confidence each state has in the other members... It is highly desirable that the geography of West Africa, particularly the nature of the river systems, promote economic and political integration, just as historically similar geographical advantages have contributed to the unification of China.

What should not be ignored while dealing with economic groupings in West Africa is the many efforts the UN Economic Commission for Africa (Un-ECA), founded in 1958, has been making in the subregion of the geographical area it is responsible for. The Secretariat of the Commission has made many studies and suggestions concerning economic integration in the West African subregion. But the ECA can only play the role of consultant. The main task should not be left to this institution.

When in October 1966 the representatives of the 14 West African countries met in Niamey, they were to discuss, as drafted by the ECA Secretariat,[1] the articles of a treaty associating them into a community. The aims of this community

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1. Adebayo Adedeji, Op. Cit., p. 223.

were to be:

i) to promote through the economic cooperation of its Member States a coordinated development of their economies, especially in industry, agriculture, transport, and communications, trade and payments, manpower, national resources;

ii) to further the maximum possible interchange of goods and services between its Member States and, to this end, to eliminate progressively customs and other barriers to the expansion of trade between them as well as restrictions on current payment transactions and on capital movements;

iii) to contribute to the orderly expansion of trade between the Member States and the rest of the world and, to this end, to take measures which render their products relatively competitive with goods imported from outside the community, and seek to obtain more favourable conditions for their products in the world market; and,

iv) by all these efforts and endeavours to make a full contribution to the economic development of the continent of Africa as a whole.

Since then resolutions have been passed and meetings held at Accra, Dakar, and Monrovia to discuss the establishment of a 14 country West African economic community. As of 4 May, 1967, that is at the conclusion of the Accra Conference (24 April - 4 May, 1967), the following countries have signed a protocol of Association into a West African Economic Community: Dahomey, Ghana, Upper Volta, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo, and the Ivory Coast.

The Accra Protocol set up an Interim Council of Ministers, article 5(3), to draft a treaty regulating the Community. This Interim Council of Ministers even examined a first draft of this treaty at its first meeting in Dakar, 21-24 November, 1967.[1] In this draft treaty, the aims of the Community are the same as those listed above.

What the author of the present study does not seem to understand is that, most of the West African states that in May 1970 signed the Bamako Protocol to decide on the establishment of CEAO, the Economic Community of West Africa, had already signed the Accra Protocol. It is well understood that the Bamako Summit was designed to put life into UDEAO. What is not yet clear is the future of the two West African Economic Communities. Does West Africa need two large communities overlapping in their membership?

Whatever be the case, the West African economies can develop better through integration. In light of all economical conditions, the 14 country West African economic community is the most viable economic institution to develop in the area. It promises economies of large scale and specialization as discussed earlier. The following section is an attempt to devise the best possible approach to integration within the region.

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1. Un-ECA, E/CN.14/WA/EC5, 30 October 1967.

B) AN APPROACH TO INTEGRATING THE WEST AFRICAN ECONOMIES

The Barriers to Integration in the Region

The foregoing discussion of West Africa's economic structure and its attempts of economic integration indicates that the major barriers to economic unit of the region include:

i) the heavy weight the customs duties have as a source of revenue;

ii) artificial barriers between French and English speaking West Africa (these will be analyzed within the framework of international affiliations);

iii) an international power struggle by national leaders to establish dominance beyond their borders; and

iv) the generally inferior transportation network of the area.

This list is not, and cannot pretend to be exhaustive. To start with, monetary problems must be eliminated from the discussion. West Africa need not adopt a single currency to start integrating. What is required is the convertibility of the different national currencies . That is to say that the Guinean franc, the Ghanian cedi, the Nigerian pounds, and the franc CFA must be mutually convertible. The non-convertibility of the national currencies can only impede trade among the states.

The adoption of a single currency can be discussed when the partners agree to proceed to an economic union. As things stand today, negotiations for a complete economic union in West Africa offer little prospect of success so that it is preferable to leave monetary discussions out of the study.

The limited amount of international trade the West African states have among themselves is, in part, a result of their infrastructure. It is not necessary to review again the state of the existing infrastructure since it has been fully explained with respect to the impact of colonialism on the region. It is however not superfluous to state some of the problems which would be solved as a result of an improvement in the infrastructure. The volume of the intraregional trade would undeniably increase if the transportation network was made to serve this purpose. Without this improvement the transport difficulties will continue to increase costs inside the region and thus discourage exchange of regional products. It should also be recalled that minerals invite exploitation once the problems of transportation are solved. Certainly, the infrastructure in West Africa has improved over recent years. But the statement by Lugard[1] that "the material development of Africa may be summed up in one word - transport", seems to have some validity. It is obvious that improved infrastructure reduces transportation costs.[2]

Statistics are given above which indicate that the

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1. Kamark, Andrew M., The Economics of African Development. Praeger 1967. p. 175.

2. A Permanent Transport Committee has been set up with Technical Subcommittees to deal with the problems of transportation. Cf. UN-ECA, E/CN.14/366, Niamey, Oct. 10-22, 1966.

small volume of the intraregional trade which occurs in West Africa is more or less concentrated among countries of similar economic systems - that is among countries that have emerged from the same colonial rulers. The division is on the basis of language. Maybe this lingual cleavage should be termed cultural. The former colonies are so attached to the culture transmitted to them by their colonial administrators that they tend to ignore their geographically closest neighbours and to deal with more distant countries having the same educational background, countries with which they seem to have more in common. Countries of different language groups feel alien to one another so that cooperation within the same language group seems to be relatively easier. The apparently more successful subregional group - the Entente - is among countries that have adopted the same working language and that have the same economic system. Ghana, which is not a member of the Entente, is completely surrounded by members of this institution.

The cleavage among these two groups is even better depicted in their international affiliations both politically and economically. Economically, Ghana and Nigeria, so it seems, deviate a little from the trend since they are said not to grant reciprocal preferences to British goods. Only Sierra Leone and Gambia in the sterling zone grant reciprocal preferences to Britain though these preferences are taken to be moderate in the case of the first country and insignificant in the case of the second one. This is the situation among the Anglophones.[1]

The Francophones, with their special relationship to France, have been associated with the European Economic Community (EEC) and grant reciprocal preferences to members of this institution of the Western World. Though the escape clauses make it possible for the Associates to form customs unions even with third countries provided the union is not "incompatible with the principles or provisions of the Convention",[2] some imprecise issues might still remain to be solved.

What would happen if a West African customs union is formed between Ghana and French-speaking nations which are affiliated with the EEC. Will Ghana automatically receive the same preferences from the Common Market? When actually is a customs union incompatible with the provisions of the Convention?

More acute than the issue above, and most detrimental to West Africa is the lack of cordial relations among the two language groups. They seem to mistrust each other. This atmosphere of non-confidence is an expression of their

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1. Onitri, H.M.A., "Towards a West African Economic Community". Op. Cit., p. 48. "None of the former British West African territories gives preferential tariff treatment to British goods and none of them now derives any significant benefit from the system of Imperial Preference. Unlike the countries of the French Community, therefore, the West African members of the British Commonwealth are not handicapped by any special commercial relationship with their former colonial masters."

2. Ibid. p. 47.

international affiliation. It seems that each group would like to keep for themselves advantages so far acquired. This is a major criticism of the existing relationship between the Francophones and the European Economic Community. The Anglophones complain that the Francophones obstruct their own association with the EEC because they do not want to share the advantages which they obtained for themselves. Wrote Adebayo Adedeji:[1]

> "...In fact, the association of these countries with the European Economic Community not only seems to have strengthened the hold of France on their economies, but another unfortunate aspect has been that some of them have opposed the admission of some other African states to associate status. Their governments have been pressing for even more exclusive advantages and are 'very reluctant to water down the very real gains they derive from trade discrimination by admitting other African competitors to the charmed circles'. Yet these same leaders have assembled in Monrovia, Lagos, Niamey, Accra, Dakar, and other capitals to agree with the anglophone countries on the need for an African Common Market, a West African Economic Community, or what-have-you."

It is quite obvious that this climate raises obstacles to the establishment of a genuine economic community in West Africa. But to admit that this obstacle exists does not necessarily imply that economic integration in the area is impossible.

Before searching ways and means to prepare the establishment of the community, a few more words should be said

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1. Adedeji, Adebayo: "Prospects of Regional Economic Cooperation in West Africa". The Journal of Modern African Studies. Vol. 8, N. 2, July 1970. p. 226.

about the problem itself. In the nineteen seventies, an apparent rapprochement seems to be taking place between the two groups. They have been expressing the desire to co-operate among themselves more than before.[1] In addition, Yaoundé II[2] encourages Africans to coordinate their efforts towards development. In that respect, regional groupings with third countries should not raise serious problems.

But it might be noted in passing that the Anglophones, to be consistent, might have to explain their quest for associate membership with the EEC. The Association has made it possible for foreign industrial powers to strengthen their hold on the economies of the Associates. Why do the critics of the associate status seek this associate membership?

Whatever be the case, the European Economic Community seems to be opening its door to the United Kingdom. If it does, the proposed West African Economic Community might be one of the beneficiaries, because the associate membership might be granted to its four British Commonwealth partners. "The entry into operation of the Convention has come at the end of a month in which an assurance was formally given to the United Kingdom that 9 Commonwealth African countries will

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1. cf. Nigeria-Senegal: "Building a Special Relationship". West Africa N. 2810 of 23 April, 1971. p. 441. Cf. also Communiqué issued at the end of General Gowon's visit to Senghor early 1971.

2. Yaoundé I and Yaoundé II refer to the Conventions of Association of the Francophones with the EEC. Yaoundé I, the first Convention of Association, was signed in Yaoundé (Cameroun).

be offered associate membership of the EEC if Britain joins ...".[1] These nine African countries include all the four West African states of the Commonwealth, namely Gambia, Ghana, Nigeria, and Sierra Leone. But should West Africans wait for European unification to develop their own viable economic community?

To end this discussion, it is the belief of the author of this thesis that a beneficial West African economic community ought to include both groups. The four most properous countries capable of spreading their positive effects all over the area are divided evenly between the two groups: Ghana and Nigeria in the sterling zone; Ivory Coast and Senegal in the franc zone. An industrial grouping of the African countries was presented in the previous chapter. Only these four states, Ghana, the Ivory Coast, Nigeria, and Senegal were the West African nations classified in the category where a modest range of industries have already been installed. Their inclusion in the eventual community would please the proponents of the view previously stated that the least developed countries should undertake integration with the sem-industrialized ones within their area. An examination of the economies of the individual states within the region under consideration has shown that, at least at the regional level, Ivory Coast, Ghana, and Nigeria can be classified as semi-industrialized.

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1. West Africa., N. 2795 January 2-8, 1971. p. 7: "Yaoundé Landmarks". The Convention refers to the 2nd Convention.

Besides, they are the major exporters of manufactured goods within the region.[1] Senegal, once the most industrialized country in French West Africa, still has her industries. In 1964, she enjoyed the third highest per capita income in the region after Ghana and the Ivory Coast.

Moreover, these four countries, Ivory Coast, Ghana, Nigeria, and Senegal contributed together more than 40 per cent to the intraregional exports over the period 1962-1965.[2] They also had the greater share in the regional exports to the outside world, over 87 per cent. In 1963, they sold over 96 per cent of the regional agricultural processed products exported to OECD. This has been discussed in the study of the West African economic structure.

For these reasons, it can be argued that a viable regional community ought to include the combined market of these four countries. The community ought to be on a regional scale and not on lines drawn by the former colonisers. Ghana and Nigeria have a sizable population (66.18 per cent of the regional population in 1967). Ivory Coast and Senegal, with their UDEAO partners, have the advantage of extending over a contiguous territory. Economies can be realized if neither group is eliminated from the eventual community. Rapprochement among the language groups seems to be underway; however

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1. UN-ECA, ST/ECA/109, La coopération et l'intégration économiques en Afrique. Op. Cit., p. 69.

2. Ibid., p. 93. Table 12.

no Anglophone attended the Bamako Conference of May 1970. Though the Conference grouped the members of UDEAO, the entire world expects the Anglophones to join.

In the pure world of politics which is beyond this study, one thing that is disturbing economic unity in West Africa is the power struggle among the leaders. International power struggle is quite a common phenomenon (it is not limited to West Africa); but when emphasized much more than economic power as it is in West Africa, it becomes harmful. In West Africa, Nkrumah would have been very pleased to see Africa politically united around him. Pierre Biarnès[1] asserts that the Federation of Mali was constituted around Dakar; that the Council of the Entente is centered around Abidjan. Political rivalry in West Africa is prejudicial to both unity and economic development. Plessz put it very well: "In principle, or rather in words, every government of the region favours economic integration, but in practice it tends to refuse arrangements in which antagonistic governments participate; and very frequently such antagonistic governments happen to be its very neighbours".[2]

On the whole then, West African politicians seem to favour economic integration. What they seem not to have understood is that an effectively integrated economy necessarily

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1. Biarnès, Pierre: "Industrialisation et unité de l'ancienne Afrique Noire Française". <u>Revue Française d'études politiques africaines</u>. N. 10 Octobre 1966. p. 48.

2. Plessz, N.G. Op. Cit., p. 24.

limits, to a certain extent, the independence of the participating countries which therefore would not be free to pursue divergent policies.

The problem of politics in West Africa goes beyond the scope of this study. It is sufficient to note that as long as the whole movement of integration is seen in terms of politics, integration will never be achieved. Economic integration in West Africa requires a coordination of economic policies. What is needed is a supranational body which sovereign member states respect but to which they are not enslaved.

It has been suggested that the moment is not yet ripe for West Africa to undertake a genuine integration at the regional level; then the right steps would consist in forming subregional unions which might, in the long run, merge into a West African economic community. This would be a very good approach if "we are 'not' all dead in the long run".

Many people, including the author of this study, strongly support the view that conditions remain to be fulfilled for the establishment of a West African economic community. This community has to be prepared through decades of hard work. This is undeniable. Perhaps, however, it is not the best strategy to form subregional groups in the hope that they will merge into a West African community. This view minimizes the negative aspects of subgroups, negative aspects which are likely to be emphasized by the international power struggle under discussion. When the subgroups are constituted, they will be around certain centres. An acute power struggle might develop between these centres. How can the consolidated centres be expected to surrender their sovereignty when their prestige will have increased through the influence they have learnt to exert in their respective subdivisions! There is no evidence that once the various subregional unions are constituted, the centres will learn to subordinate their sovereignty to a respectful supranational body. In addition, it follows from the discussion so far that West African subunions are unlikely to be as prosperous as a regional integrated economy. They do not offer many prospects except probably for the centres, if they happen to be the relatively more advanced ones.

It is quite true that unity among large number of units is harder to realize than unity among small number of units. But in West Africa, there is no evidence that unity at the most advantageous scale will be realized if subgroups are constituted. The subgroups might simply increase rivalry among the centres.

This does not mean that integration should be expected abruptly at the regional level. Integration has to be prepared. It does not mean either that subregional unions should be discouraged. Far from it! It means that efforts should be multiplied at the regional level to prevent the constitution of cells which might be hard to break afterwards. Subgroupings present positive and negative effects. If the positive effects can predominate so that a small number of large units can later on merge into a consistent whole at the regional level, then everybody would be better off. But if the negative effects predominate and unbreakable cells are constituted within the region (which is more likely in West Africa), then development will hardly be achieved. It might result in a situation worse than the present one.

It is important to add that if it were not because of the power struggle, the author of this study would have strongly favored subregional unions. And it can be seen from the type of industrialization programme described below that subregional markets are not ignored. The point is controlling subdivisions in such a way as to neutralize what is called here negative aspects of subgroups.

As far as customs duties are concerned, a nation, when it discontinues or rather restricts the production of certain commodities, loses revenue and other forms of taxes. When a community is constituted, it means that a member will import duty free from the other partners commodities that they now produce locally because customs duties might make the import of the same commodities from outside the community more expensive. This member loses the import duties which it would otherwise collect on these imports.

The case must necessarily be acute in countries practicing, before the formation of the community, transit trade. Transit trade as practiced in West Africa constitutes an important source of revenue for a modest range of countries within the region. States falling in this category can only be reluctant to enter regional economic groupings where a major source of their revenue would be extinguished unless they can be compensated otherwise.

Import and export duties can be levied for revenue or protection purposes. Import duties increase cost to the final consumer. Most of the time, heavy import duties are justified on the ground of the infant industry argument. That is to say, domestic industries, at their beginning, cannot compete effectively unless they are properly protected against foreign competitors which are already established and prosperous, against the already deep rooted foreign industries which provide goods to the domestic market. These import duties discourage import and promote domestic industries.

In West Africa, revenue from customs duties collected for revenue or protection purposes raises problems for the establishment of a regional community. All the West African states rely heavily on customs duties as the major source of their revenues. It should be clear from the economic structure depicted above that the import duties must principally come from foreign trade. If the proportion which the intraregional trade in local products contributes could be computed, it would be very slim. In fact, free trade substantially exists in West Africa. This is especially true of foodstuffs which constitute the bulk of the intraregional trade. In Africa, local produce is mostly exempted from duties. "In many English-speaking countries, the exemption is written in the tariff. In some French-speaking countries, it operates through tolerances."[1]

It is easy to conclude from this fact that, since free trade substantially exists in Africa, West Africa would have an advantage in forming a free trade area. All that is required is the extension of the exemptions to those manufactured products which are not traded freely. The author of the present thesis contends that a free trade area, as defined in the Introduction, would not be beneficial in West Africa. A genuine economic community which can pay attention to regional problems is more desirable than a free trade area. A free trade area may ruin some of the member states because of disparities in their level of development. Industries will establish themselves in the relatively more advanced countries from whence they will invade the regional market. The commodities to be taxed in accordance with the principles discussed earlier can easily be smuggled into the other partners' territory. In that respect, the borders are very permeable. This is where those principles might be ineffective, to the detriment of the small and/or poor nations. In addition, because of rivalry among the states, West Africa under a free trade area might become the theatre of a tariff war. Who will lower most the import duties! But this is not the issue at hand.

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1. UN-ECA: Standing Committee on Trade, "Infra-African Trade in Local Produce". Addis-Ababa, 12-22 September 1962. Document E/CN.14/STC/7 August 1962, p. 2 note 2.

The point of interest for the moment is that all the West African states rely heavily on customs duties as a major source of revenue. Thus for Dahomey,[1] in the 1967 budget, 43 per cent of the government revenue was produced by customs collections. In Ghana, in 1961/62, customs duties constituted over half of total revenue;[2] the percentage was 53.55. In Guinea, the percentages were in 1960 and 1961, 26.28 and 57.28 respectively. For Liberia, the 1962 revenue was estimated at $30,000,000 of which only $7,895,000 or 26.31 per cent were customs duties. But import duties alone amounted to $6,400,000; that is 21.33 per cent. Niger has seen the importance of her customs revenue increase considerably between 1958 and 1961. It jumped from a percentage of 7.21 to 20.35. Nigeria, for the fiscal year ending 31 March 1962, collected 67 per cent of her revenue in the form of customs and duties, when in Senegal in 1962/63, the percentage was 56.9 of which 45.3 was to come from import duties and 10.6 from export duties. Sierra Leone ordinarily derives 60 per cent of her revenue from customs duties especially from duties on imports. In Togo, in 1966,[3] 57 per cent of the ordinary receipts came from imports duties; that was 38.08 per cent of

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1. Verbit, Gilbert P.: Trade Agreements for Developing Countries. (c) 1969 by Columbia University Press, N.Y. p. 30.

2. All the figures in the paragraph, unless otherwise indicated are taken from Worldmark Encyclopedia of the Nations-Africa. Editor and Publisher: Moshe Y. Sachs. Edited by L. Barron (c) 1960, 1963, 1965 Worldmark Press, Inc., Harper & Row, N.Y.

3. Togo, Comptes Nationaux 1966: Ministère du Commerce, de l'Industrie, du Tourisme, et du Plan. Lomé, Togo. Juillet 1969. p. 31

total receipts. The case for import duties alone in Upper Volta presents as follows: 1959, 3.45 per cent; 1960, 10.49 per cent; and 1961, 13.41 per cent. The percentages are of totals except extraordinary receipts.

If a conclusion can be drawn from these statistics, it follows that customs duties, in those years, were more important in the coastal countries than in the landlocked ones, at least in those two (Niger and Upper Volta) for which data are accessible. It does not mean that the coastless countries will not be affected in their receipts if customs duties are collected at the regional level.

At this point it is logical to inquire how to overcome the various economic and political obstacles to the formation of a West African community, the difficulties posed by established tariff policies, by political rivalry etc. That is, not to say that all these obstacles must be completely removed at the very beginning. If West Africa expects to eliminate all these obstacles at once, it is not likely to get very far. These obstacles constitute constraints and ought to be treated as such.

First, the customs duties might be considered. If the history of today's more advanced industrial countries is relevant, reliance on customs duties as a major source of revenue seems to be typical of lower stages of economic development. As development progresses, the plague of customs duties characteristically is swept away. The somewhat peculiar case of Japan is well known. During a critical stage of Japanese economic development, land tax was the major source of government revenue.[1] Here, while the land tax was decreasing in importance in the central government taxation revenue and the weight of the income tax was increasing - this is the normal trend expected - the relative weight of customs duties increased too. Even in this case, the argument above would still hold, because even though the per cent contribution of customs duties increased, these duties were not the major source of government revenue. "The greatest defect of customs duties", says John F. Due,[2] "is their tendency to diminish in importance as a revenue source as economic development continues. Instead of facilitating their use, development tends to destroy them as a major revenue source." Therefore the problem in West Africa is how to bring about integration which will lead to development.

Insofar as the international division between Anglophones and Francophones is concerned, one might want West Africa to get rid of these barriers at the very beginning to clear the way for a relatively easier creation of the desired viable regional market. On this issue, the contention of the author of this thesis is that the creation of interdependence between the nations of the region will help solve this problem

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1. Ohkawa and Rosovsky: "The Role of Agriculture in Japan's Development". Leading Issues in Development Economics - Selected Materials and Commentary. By Gerald M. Meier. N.Y./Oxford University Press/1964. p. 310, Table v, covering 1888-1937.

2. Due, J.F.: Government Finance: Economics of the Public Sector. Fourth Edition 1968 Richard D. Irwin, Inc., Homewood, Illinois, p. 459.

more easily. It is precisely because there exists no interdependence between these new states that these language barriers persist on very solid and deep roots. As they stand today, these barriers cannot be eliminated otherwise.

The issue then is how to create that interdependence necessary to undermine the unnecessary division on language lines. To do this, measures should be devised to promote expansion of regional markets. This may involve new products and new methods of marketing that lend themselves to the development of a more progressive market economy. The creation of these products will be studied in detail below.

As for the international power struggle, it is only necessary to note that when countries provide markets for one another, the search for political hegemony would be, at least to a certain extent, minimized. Hence again, the interdependence of the national economies is the solution. An analogy can be made with the European case when it was argued that the Common Market might tend to extinguish Franco-German rivalry.

When it comes to problems with existing infrastructure, it might be argued that West Africa cannot be expected to build a regional transportation network before undertaking an integration programme. When the infrastructure starts improving, integration has started. The existing infrastructure was not constructed to serve intraregional exchange. Thus the transportation network needs to be completely rebuilt to suit intraregional trade.

But it is not enough to build roads and railroads, or whatever might be put in this category. The point is to build those that are necessary and capable of supporting increased traffic at the regional level. Developing a picturesque infrastructure throughout the region is not sufficient to generate that kind of economic activity capable of promoting and sustaining development all over the area. What is needed is appropriate links between the production centres and the markets. Moreover, the production centres themselves must be appropriately situated. The appropriate policy is to situate the industries properly so that they spread beneficial effects over the entire area.

It is true that, to a certain extent, industrialization goes hand in hand with the appropriate infrastructure and cannot progress without it. It is not true to maintain that countries should always industrialize before developing the appropriate transportation network. Industrialization by its nature calls for an adequate transportation network. They are somehow complementary. They should be developed simultaneously.

Hence, in West Africa, the development of infrastructure can be undertaken only when preliminary agreement has been reached in the field of integration. When agreement is reached on how to go about integrating, hence industrializing, the development of the infrastructure would be the second step to take.

A serious and really challenging difficulty raised here is what is to be the source of funds, the source of capital. Who is going to pay for the new transportation network? The community will not have any resources of its own. Any loans obtained for the purpose will have to be paid back. Possible sources of finance to be considered could include Yaoundé II and other possible foreign sources of funds such as long term soft loans from the World Bank. The repayment of the loans will come from the common funds described below.

Yaoundé II offers a prospect because here Africans are encouraged, incited to undertake 'inter-African regional cooperation';[1] and the EDF is prepared to give favourable attention to regional projects. It might then be possible that the eight states, signatory of the Convention, and of course located within the region under consideration, pool their efforts to negotiate the financing of part of the intra-regional infrastructure. Assuming capital can be obtained from this source, it will, undeniably, have to be supplemented. Furthermore, what will happen to territories not associated with EEC! This is why soft loans from other international sources are being suggested.

In sum, the realization of a viable industrial program for West Africa would call for the development of an adequate infrastructure. Industrialization would create goods to be exchanged and would, by instituting an atmosphere

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1. Africa Report, Feb. 1970. p. 28: "The EEC's New Deal with Africa..." by William Zartman.

of interdependence, bring the countries closer to one another. It will help diversify the sources of revenue for the states which will then be able to rely less on revenue from customs duties. Then the key to the West African dilemma is industrialization, to create more goods within the boundaries of the region. As it was stated earlier, this can be achieved more effectively through integration. The issue then is how to bring about integration, given the constraints and obstacles analyzed above.

An Approach to Integrating the West African Economies

The answer to the above question, how to bring about integration is simple. A great help in solving this problem is that, today, no single state located within the region would deny the importance of integration to their individual economies. Many political speeches show this. Each state, large or small, rich or poor, recognizes the need for a regional market. This is denoted also in the many meetings held so far to discuss the issue. As Adebayo Adedeji has already observed in his aforementioned article,[1]

> "The 14 countries have attended the regional meetings on economic cooperation in West Africa held in Niamey (October 1966), Accra (April/May, 1967), and Dakar (November 1967), as well as the Monrovia Conference of West African heads of states (April, 1968). It is the governments of these same 14 countries that have supported in principle the establishment of the Economic Community of West Africa and have been involved in negotiating a treaty under which the community will formally come into being."

Each one of these 14 countries, it should be added, recognizes

1. Adedeji, Adebayo: Op. Cit., p. 214.

the importance of the regional market and attends the regional meetings; but at the same time each one is reluctant to endanger its national economy and hesitates to take part fully in the creation of the community. No one, of course, would like to lose revenues from customs duties or subsidize industrialization in another political territory, which perhaps, is antagonistic. What is left to be done is to create that atmosphere of confidence necessary for the existence of a union. What remains to be done is a matter of procedure to have the effective participation of the nation states. The solution to the dilemma consists in devising those policies that would guarantee a proportionate gain to each prospective member of the proposed community.

How can this goal be achieved? This goal makes the strict coordination of industrial development the centre of the integration programme. The industrialization advocated here is not therefore an industrialization left at the discretion of the nation states. As has been indicated all along in this study, it is only through the channel of coordination that the interdependence required can be created. As has already been pointed out, integration among states at different stages of their development may not benefit each member equally. This is an important consideration. Without a strictly coordinated regional industrial programme for the union, the proposed community will lack that confidence indispensable for its implementation; or, put into different words, the proposed community will continue to suffer from the plague of its beginning and will remain and die on paper where it took birth. If there are no explicit agreements concerning regional balance, the richer nations are likely to develop at the expense of the poorer nations. Without these explicit agreements, it should be added, the more fortunate countries will not have the confidence of their prospective small and/or poor partners. This problem is the reason for slight progress towards integration, although integration is so much desired in the region.

As long as the institutional framework is not devised to promote development everywhere, within the national boundaries, i.e. not to increase only the regional GNP taken in its totality; as long as assurance is not given that a coordinated industrial development will be the basis, the sole justification of the common economic policies; in sum, as long as there is no evidence that each state will reap a proportionate benefit from the community, i.e. a fairly equitable distribution of the increase in total GNP to be generated, there will be reluctance on the part of the individual states to participate fully in the community. By 'taking part fully in the community' is meant adopting the common resolutions and implementing them.

On the distribution of the increase in total GNP, it might perhaps be noted in passing that the Paretian optimum does not apply during the process of integration. No nation is likely to join a union to make other nations better off just so long as it is not made worse off. There is always the possibility of other arrangements that offer better prospects. Only after it has committed itself to an economic union is a nation likely to accept policies that make partners better off without making itself worse off. The purpose of an economic union, presumably, is to promote policies that will make all participants better off in an absolute sense. Wealthy trade partners generally are profitable trade partners. This is the basis on which an economic union has to be sold to all participants.

The disparity in the level of industrialization of the West African states was mentioned while dealing with the structure of the regional economy. The problems connected with regional imbalances are well known all over the area. It has been observed that integration among nations at different stages of their development may not benefit members equally, or rather proportionately. External economies might direct or guide the benefits towards the more advanced countries at the beginning of the process of integration.

The region has already experienced the failure of UDAO - and why not, UDEAO - over the allocation of the proceeds of customs duties. In this context, perhaps the initial difficulties of the East African Economic Community on the other coast of the continent should be carefully watched. It is well known that in the East African case the initial benefits accrued to Kenya, the relatively more advanced state in that region.

To have regional specialization, it is necessary that the decision-making centres, dependent on different countries, be actually associated;[1] thus, that the decision-making power be effectively shared by the members. How are the decision-making centres to be fully associated! Here, the issue of equitable distribution of the benefits between the centres should be dealt with explicitly. In other words, the problem is not only who is undertaking integration; it is more the following question: at whose expense or for whose benefit is the integration being undertaken.[2]

It is important to make it clear that the issue is not to eliminate the disparities before any integration programme is implemented. It is rather that at the very beginning of the integration programme, the appropriate measures be devised to counteract the accentuation of these disparities.

The question now is the specification of the coordination programme itself. In what specifically consists this coordination, the foundation for a viable West African Economic community? A nation state will give up an unprofitable activity within its boundaries for a more profitable one. This is simply to say that each country, or sub-group of

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1. Wrote Henry Bourgignat, Op. Cit. pp. 264-265: "...Pour que la coproduction existe vraiment, et pour qu'elle soit davantage qu'une co-exploitation, il faut et il suffit que les centres de décision relevant de pays différents soient réellement associés, et donc, que le pouvoir de décision se trouve effectivement partagé entre parties à l'accord...".

2. cf. Perroux, François. "Intégration économique. Qui intègre? Au bénéfice de qui s'opère l'intégration?" Economie Appliquee, No. 3-4, 1966. p. 1

countries whenever required, will specialize in the production of given commodities, in the production of which it has a comparative advantage owing to resource endowment or acquired skill. It will produce this commodity for the regional market and, if possible, for export. For instance, Senegal and Togo will produce phosphorous fertilizers to be used by agriculture. These two countries, as they were described above, possess and are exploiting rich deposits of phosphate. West Africa requires considerable fertilizer. Thus Mali can be expected to join the club if her phosphate is sufficiently rich.

As another example, Nigeria produces cement in limited amount. If CIMAO is successful in achieving its objective, cement may become a considerable factor in the regional trade of West Africa. CIMAO should develop to its optimum size.

While dealing with coordinating industrial development within the boundaries of West Africa, the special case of the inland countries is to be taken seriously. The most prosperous industries in these areas would include shoe-making, and for reasons already given, agricultural processing. Their advantage in the shoe-making lies in ready access to the leather that animal husbandry provides. The production of leather over and above the domestic needs could even be exported.

As stated in the section on economic structure, these three completely landlocked countries - Mali, Niger, and Upper Volta - are producers of livestock in the region. It is a valuable resource that can be profitably exploited. These countries are already exporting live animals and meat to the rest of the region. When the transportation network is improved and the intraregional marketing made easier, thereby reducing costs, the export of meat from these countries could be expanded. These inland countries can even undertake the production and sale of perishable dairy products. These products could be extensively transported by truck or rail to the regional urban centres where they are usually imported from overseas for consumption.

Similarly the development of the infrastructure would help towards an easy distribution of the region where the largest market is. Niger for instance can process millet while Upper Volta, with the help of fertilizers, can expand her production of sorghum. With a multi-purpose dam on the Niger river near the common border of these three coastless countries, irrigation might be made possible which might enable Mali to produce more rice.

On the other hand, to leave for a while the unfortunate coastless countries, textiles, which already have spread over the entire region, can be left to the discretion of the individual states. This approach follows from the belief that this type of industry can be developed on a large or a small scale. Thus it can be developed with a regional or a national market in view. Each country can consume its own production and a portion of its partners' output. But how does this policy of the possible existence of the textiles in each member country help solve the somewhat subregional problem raised before, with regard to this activity in the description of the structure of the regional economy! Of course, no specific policy would be devised for this particular problem but it would be solved in the course of integration. In fact, when a common external tariff, sufficiently high, is established to protect the regional market, there will be an end to the present situation whereby Japanese textiles enter the region and undersell some of the regional products. In other words, textiles would be protected at the regional level against foreign competition.

West Africans can always have recourse to quotas, or other restrictive means, to set a limit for foreign competition. For a specific value of textiles exported to West Africa, the competitor might have to import a specified value of West African commodities. Thus, instead of having the domestic traders purchase domestic textiles in certain proportion to their imports, West Africa would have the overseas competitors buy some of its produce directly. This would enlarge the market for West African produce. All it amounts to is that West Africa enters into long term contracts with overseas producers for the exchange of certain commodities.

In addition, and this is not only true for textiles, it is not because other countries are more advanced than West Africa that West Africans should prefer all imported products to the local goods. Domestic consumption of the local fabric can be increased if its production is improved. Moreover, West

Africa would not develop a textile industry just to supply the domestic market with the type of materials Europe, Japan, or others are already selling within its boundaries. It is by improving the local fabric and making the best use of the local designs that West Africans can make their products appreciated by themselves and known to the rest of the world.

National pride can be a powerful force in promoting economic development. In any case, historically, new centres of vigorous economic development have generally been associated with new products and new way of doing things. The German innovation in steel technology and chemicals can be given as an example, as can the Japanese introduction of silk to world markets, and at a later date their own insights about the production of ships and electronic equipment. What will a more developed West African economy produce? It is hard to say at this point. But it is likely to be something new and different. It need not be an electronic equipment. Will it be something as seemingly trivial as Scotch Whisky or English biscuits? Why not African gin? In artcraft and design the West African originality is undeniable. If encouraged, it can promote tourism and help preserve some features of local cultures.

As for the policy of promoting the textiles in the individual countries, it follows from West African conditions whereby textile mills are already spread all over the region. The only fear is that, in East Africa, each country has its own textile mill.[1] The result is a regional overproduction which can only be harmful. This fact is well known; but it is not realistic to advise the West African countries to share two, three, or four mills when the industry is already spread over the entire area and, in any case the consumer appreciates the variety of products he is presently offered. For these reasons, textile production can hardly be restricted to a few producers within the region. The market forces would help to correct the tendencies of overproduction or underproduction if either ever prevails.

It might seem proper to let each country develop its own textile mill because it can sell on the national and eventually on the regional market; but a problem still persists. Is this economic activity very beneficial to each country in West Africa? As it seems, Senegal does not grow cotton on her territory; in addition, her textile industry appears not to be very prosperous. It has been shown that[2] the level of wages and salaries in this industry in Senegal is very high compared with the other relatively more advanced countries in the region. It was $1,195 in Senegal in 1959; $804 in Ivory Coast in 1961; and $549 in Nigeria in 1963. Such a comparison has to be carefully conducted for the general level of wages and salaries ought to be taken into consideration and the comparison made between data of the same years.

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1. Jeune Afrique, No. 504 du Mardi 1er Septembre 1970, p. 30.
2. UN-ECA: E/CN.14/INR/129. §145: "The Textile Industry in West Africa".

It is nonetheless true that the situation of the Sengalese textiles, at least in the nineteen sixties, was not very prosperous. On the whole, the industry has been operating at extremely low levels of output per machine.[1] Though the precise causes of the low level of output are unknown, it can be argued that with an enlarged market, the level might be raised. But peanut products are much more beneficial and many other industries such as chemicals would be much more advantageous to develop in Senegal than anywhere else in the region.

On the other hand, under present circumstances, it is unlikely that in Mali, a peanut undustry can be developed to the extent that it can undersell or compete effectively with the same activity in Senegal. But Mali does grow cotton.

Thus if the cotton prints for instance are left for Mali, in Senegal savings would be realized on the imports of the raw materials while in Mali, employment would be created for some hundred men presently unemployed. In the absence of information on any aspect of cost of production, the locally grown cotton in Mali is taken as an advantage. Senegal on the other hand would develop chamicals and expand her peanut industry.

This type of arrangement raises difficulties. It might imply that, since these two industries would be exchanged

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1. UN-ECA: E/CN.14/INR/129. §145: "The Textile Industry in West Africa".

bilaterally, Senegal prefers Malian cotton prints and Mali prefers Senegalese peanut products to their partners' similar products. Unless the preferences are shown, the trade off of industries on this type of basis will lead to a catastrophy. To avoid this catastrophy - which would consist in competition from the other partners on the subregional market - should restrictions be imposed on their similar products?

In this specific case of Senegal and Mali, once they can circulate duty free all over the region, the Senegalese peanut products, needless to say, will undersell other similar products on Mali's domestic market, because Senegal has already established a reputation in this activity. Moreover, Mali is just across the border, so that transportation would not be a problem when the regional network is adequately developed. So, there is no fundamental problem to be solved for the Sengalese peanut industry. The difficulty is with Malian cotton prints. It can easily be undermined by other partners on the Senegalese market. This is being assumed for sake of argument in the absence of information on production costs in Mali and elsewhere.

But before the analysis can proceed, it should be made clear that if Mali faces difficulties on the Senegalese market, she will face similar competition on her domestic market for each partner is allowed to develop the textile industry and distribute the products throughout the union. Therefore, restrictions of any forms cannot be imposed in Senegal on the other partners' textiles in favour of Mali. In case Mali faces difficulties on the Senegalese market for her cotton prints, the best approach would be to help the industry in Mali to compete effectively. To start with, Senegal could help in the marketing of the products. In addition, Mali as an inland poor country should have facilities to benefit from the common funds as described below. Loans without interest could be made available for financing irrigation operations to improve cotton cultivation. Restrictions under any forms would constitute an impediment to the smooth development of the communtiy. They would be contrary to the idea of an economic community

In sum, in the particular case of cotton prints discussed here, the author of this thesis believes that just as any other partner will be producing textiles and still be consuming similar products from the other members, (thus facing competition from them), Mali would be producing for two national markets, benefiting from assistance outlined above, or in any other forms, and would not need to impose restrictions on the other partners' textiles anywhere. Restrictions of any kind deviate from the goal pursued. It does not mean that the above arguments against disparities are ignored. They are being used.

The East African Community allows restrictions under the form of transfer taxes.[1] A transfer tax is that tax the

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1. UN-ECA: ST/ECA/109. Op. Cit., p. 30.

least industrial members of the community impose on the import of goods manufactured in the other partners but of which they themselves can supply at least 15 per cent of their national market requirements. The June 1967 Kampala Treaty makes provision for such a tax but let it run for eight years, and suppresses it completely after fifteen years. In addition, only those countries registering a deficit in the intra-regional trade of manufactures can apply the tax; also the importer imposes the tax on the manufactures of those countries it has deficit with. This is quite an interesting and well devised mechanism to fight against imbalances within an economic community. But what would happen once the transfer tax comes to an end? The previously protected industries would have to leave the place to the most efficient ones! Is there any evidence that under this form of protection, the beneficiary industries will produce at a lower cost? When it is being used, the transfer tax protects national markets against more advanced industries of the economic community. It could sustain high cost production. This is against the ideal community. In fact, under a system of transfer tax, (if I understand this tax properly) trade creation cannot take place. Consumers in the least industrialized countries would continue to purchase more expensive local manufactures, when these manufactures are available at a lower price on the other partners' market. The best approach would be to help the poor partners to produce at a lower cost.

The UDEAO provisions concerning restrictions on similar activities in its member countries has already been stated. The West African Customs Union,[1] in article 7 section 1 of its treaty allowed its members to impose quantitative restrictions if it were to remedy imbalances within the economy. In this case, the Council of Ministers was to be informed.

Here again, it is appropriate to make provisions for eliminating disparities. But this particular measure for instance risks a division of the union over simple issues as the determination of disparity or the degree of disparity requiring restrictions or the relative strength of the restrictions. In an economic union , promotion, subsidization of industries for regional balance is generally more manageable than is regional tariff.

In the final analysis, what is required is the distribution of the industries among the partners so that each one has its share; these industries, of course, are the large scale industries to be undertaken at the regional level. As far as the small scale industries are concerned, when the basic necessities are provided - not only roads and railroads, but also other basic facilities such as power - they can be expected to develop in appropriate areas.

An important issue arises when there are two or more

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1. UN-ECA: E/CN.14/WA/EC/2 Add. 1, 9 November 1967. pp. 2-3.

countries in the region specializing in the production of the same commodities. Textiles can be given as an example of this case. Another case will be discussed where many countries are producing the same commodities but the specialization of one or two countries in these commodities is more advantageous for the community. This issue will be raised in connection with palm produce processing.

The discussion might start with a third situation, the case where the same activity is profitable in two or more countries, and a trade off is not necessary. In this case, it should do no harm to allow two or more countries to specialize in the same activity, as for example Nigeria and Senegal in peanut products. In this particular case, it is unlikely that either one of the two states, Senegal or Nigeria alone, can supply sufficient peanut products for the regional market and, at the same time, keep the overseas markets. Thus this activity would continue if not expand in these two countries. In general, as long as the regional producers can supply both the domestic market and the outside world, there will not be anything to worry about. Under present circumstances, overproduction cannot be envisaged in peanut production. To promote peanut production in both Senegal and Nigeria is likely to produce a desirable competitive climate. Generally throughout West Africa too small-scale production is a problem. Competition among larger firms should be promoted since in larger firms it is easier to innovate and specialize.

However, this does not mean that each country should install similar industries so that competition among giants can take place. What it means is simply that, as has been argued at the beginning of this section, each country, or sub-group of countries whenever necessary, should specialize in the production of those particular commodities where it has comparative advantage, and produce those commodities in quantities sufficient for the regional market and for export.

Certain industries are such that they cannot be restricted to one, two, or three producers. In that respect, West Africa consumes a substantial amount of tobacco products. Foreign exchange would be saved if domestic manufacturing were undertaken or expanded to restrict the purchase of those tobacco products imported into the region. This can be done only if the local production is varied enough to give satisfaction to the tobacco consumers. Cigarette manufacturing is an example of industry that cannot be limited to one producer. Nigeria's tobacco seems to be for internal consumption. Nigeria already has a cigarette factory. Cannot its production be expanded to conquer the regional market! Besides, as already discussed in the description of the regional economic structure, Dahomey, Ghana, Guinea, and the Ivory Coast are the major West African tobacco growers. If they undertook the manufacturing of tobacco products - or expand it where it already exists as in the Ivory Coast and Guinea - they can easily supply the regional market at the expense of overseas producers. Cigarette importation makes the region lose a lot of foreign exchange. Unfortunately in the statistics, tobacco products are generally classified with foodstuffs so that no figure can be given here.

In other activities, forestry notably, West Africa is sufficiently rich to meet at least its domestic needs despite poor conservation under colonialism. It follows from the structure of the economy previously depicted that such countries as the Ivory Coast, Liberia, Ghana, and Nigeria, have the best chance of specializing in the forest industry. Foreign exchange would be saved if West Africa would stop exporting wood cheaply and importing in return expensive finished products made from that wood. Furniture industry offers prospects in these coastal countries where timber is a valuable resource.

It has already been noted in the discussion of the regional economic structure that Nigeria seconded by Dahomey produces a lot of palm produce. Instead of exporting to Europe the palm produce which will be processed and sold back to West Africa at high prices, these two countries could beneficially undertake to supply the region with the majority of these palm by-products. They can produce soap and candles for instance. But a certain range of West African countries are already producing soap as has already been pointed out. It can be added that the present production seems to be limited to the national markets. In other respects, it is not only the two neighbours, Dahomey and Nigeria, which produce palm products. The structure of the regional economy previously depicted shows that Dahomey does not lag far behind Nigeria. Moreover, the output of certain other small countries such as Togo and Sierra Leone is not negligible. Furthermore, palm produce processing exists, to a certain extent, in each of the producer countries. Now, the question is, even if it is true that processing is limited to the different national markets, once the manufacturing is undertaken at an advanced level at the regional scale by two countries, what would happen to these industries in the other various producing countries. It is not simply because a West African country might produce for instance soap from palm oil for the enlarged West African market that very difficult problems arise. Problems already exist because Europeans are taking palm produce and selling the products back to West Africa at high prices. West Africans should protect the regional market for the local producers against the European invaders. They can present a common front to negotiate higher prices for the extra exportable produce. The difficulties lie in getting capital to improve the quality of the commodities which are produced locally.

Nevertheless, the problem of specialization of each country in the production of a given commodity remains acute because at the present time each of the West African states has established almost similar industries. How are they to go about restricting, or rather neglecting a particular economic activity within the boundaries of a sovereign state! This poses problems especially when the industry is based on local agricultural produce. An economic activity, when intensified and officially supported in a given area, will slowly decay in certain other areas. But the agricultural sector resists changes. In addition, suppose that countries A and B trade off industries X and Y, both based on local agricultural produce. Thus for instance country A agrees not to continue to develop industry Y within its boundaries while country B agrees to do the same for industry X. It is possible that industry X in country A will not be developed in the same geographical locality where Y was in country A. This will cause problems for agriculture in that region of country A. Of course, country A will be better off (because industry X is more profitable at the national level), but what would happen to the farmers formerly producing the raw produce for industry Y? They will be made worse off unless they can export their produce. The only possible answer to the question is that these farmers will continue to produce the raw produce for the partner country now developing industry Y.

The countries will specialize in different industries according to the law of comparative advantage. The industries to be neglected would be the unprofitable ones. This is where the idea of partial free trade at the very beginning of the process of integration is valuable. As partial free trade in certain basic commodities is instituted, the present intraregional trade will take a new direction. It will help to develop the regional resources most efficiently. Industries will redistribute themselves to areas where production is cheaper. A partial free trade area, in contrast to a free trade area, is less likely to provoke problems connected with reduction of tariffs. Therefore the possibility of failure discussed above concerning the establishment of a free trade area in West Africa still holds.

To go back to palm produce more specifically, it is not possible to restrict its primary processing to any particular country. Even to talk about it would be trivial. Hence the first stages of processing would continue to exist in these countries which might then sell their semi-processed products to their regional partners who will then proceed to further stages of processing, just as the Europeans are doing at the present time. On a common front, they could negotiate higher prices for the exportable surplus.

Because of her rubber plantations, Liberia is well endowed to supply the region with rubber products. Firestone in Liberia already has a tire retread plant. Nigeria is also producing rubber goods. Over recent years, the rubber industry seems to have made considerable progress in Nigeria. But rubber production is increasing in the Ivory Coast too. The use of rubber seems to have expanded over the recent years. These countries can then expand production in this field without worrying about overproduction.

The sugar industry presents a case similar to that of the textile industry. In "Industrial Development in

West Africa: an Integrated Analysis",[1] it is recognized that the concentration of this sugar industry would make it possible for economies of scale to be exploited. However, the authors would not object to allowing this industry to develop in a number of countries because, in their own words, "the sugar industry can be decentralized into units small enough for the production to be absorbed by national or even local markets".

In the framework of the present thesis, it is believed that the gains to be derived would be much greater if this sugar industry were concentrated in Senegal, and Guinea where the sugar refinery planned in the nineteen sixties already must be well advanced. The Ivory Coast, because of the importance she attached to this activity during the same period must be added to the list. This concentration is advantageous not only because it permits economies of scale to be realized and exchange of industries to take place, but also because it makes it possible to avoid overproduction as in the case of the textile industry in East Africa. Furthermore, the sugar industry does not seem to have spread over the entire region as yet; so, it can be concentrated in these three countries.

In a manner conducive to the best possible allocation of resources, Ghana seems to have already conquered the

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1. UN-ECA: E/CN.14/INR/141: Subregional Meeting on Economic Cooperation in West Africa - Niamey, 10-22 October, 1966.

subregional market for plastics (household utensils mainly) around her. She could expand her production of these plastic goods not only for this subregional market, but also for the rest of the region. She would buy in return for instance beer from Togo whose beer has won not only domestic consumers at the expense of foreign beer, but also neighbouring consumers - Ghanaians in particular.

In other activities, an iron and steel plant easily constitutes a pole of development because of the great attraction it offers many other industries. An integrated West Africa needs an iron and steel plant. Buchanan (Liberia), and Gouina (Guinea) seem to offer the best sites for this industry because of their rich iron deposits. In light of "all technical and economical conditions",[1] the best possible location for the regional iron and steel plant is Buchanan.

Mauritania is suitable for fishing. The fish processing establishments at Port-Etienne could be expanded. Mauritania could get long term interest free loans from the common pool for the promotion of the fish processing activity. The processed fish could be distributed to the whole region and to other parts of the continent. As with the hinterland countries, Mauritania could intensify her activities in animal husbandry to increase her export of livestock to the

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1. Un-ECA:E/CN.14/INR/141: Subregional Meeting on Economic Cooperation in West Africa - Niamey, 10-22 October, 1966.

Senegalese market. With the improvement in the Senegal river basin, Mauritania would be better off in agricultural activities and hence agricultural processing, in the strip of land along the river.

Sierra Leone is mainly a mining country. Some of the existing industries could be expanded. Such could be the case for the mineral water factories, nail factories, and plants making tiles, shoes, and furniture. An enlargement of the market could permit an efficient expansion of these activities.

As for the Gambia, this small enclave in the Senegalese territory, it has already been stated that peanuts constitute her main export. Can Gambia compete effectively with Senegal in the peanut industry! It is a problem that cannot be solved without precise information on the costs of production. The improvement in the Gambia river basin would make it possible to increase rice output, which could be processed and distributed to Sierra Leone who was importing rice, the staple food, in the nineteen sixties.

To state that this or that country produces, or specializes in the production of a specific commodity and sells it to its partners overly simplifies the matter. One can possess natural resources and not be able to take advantage of them. The technically qualified labour must be available, and above all, capital must be accessible to finance industry.

First, in providing the qualified labour, the population must be trained to a certain extent. The West African economic community, of course, is expected to provide for a free movement of the factors of production. This sounds as a chimera in the context of West Africa where xenophobia is acute. Indeed, the Ghanaian government's order on 19 November, 1969, that within two weeks aliens (including West Africans) without residence permits should leave Ghana[1] is well known. Nearly a decade before then, aliens, mainly West Africans, were expelled from Abidijan (Ivory Coast).[2] Dispositions should be enacted to stop these incidents. When the community enters effective operation, the governments will be committed to not expelling fellow West Africans from their territories.

The community would provide for free movement of labour as a factor of production. Hence a certain level of education, of technical training, must be secured for each citizen of the region. The provision of education at the primary and secondary levels is obviously the responsibility of the individual governments. At the highest level, at least under present circumstances, it is not very urgent to build universities in each nation. Observation shows however that the English-speaking countries are well endowed with universities. But some of the French influenced countries

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1. cf. West Africa, n. 2742, Dec. 20, 1969.

2. Other examples of West Africans expulsion from territories in West Africa can be given.

do not have universities of their own. What is presently needed is not building universities as such; it is rather devising, in the already existing ones, programs designed specifically to promote knowledge of the region, that is to say an intensification of West African studies. It would help more toward the regional development than building campuses for very few students. It is quite true that the enrollment is increasing very rapidly in West Africa; but if each country were to have its university or universities now, very few would bring together students from the various corners of the region and regional studies would not be promoted to the extent required.

But it is not only education at the university level which is needed. More efforts should be made to create more technical schools. This would allow better exploitation of local resources. For instance, if a carpenter school existed to train qualified carpenters, less wood cut in West Africa would go to Europe in the form of timber and come back as expensive finished products. It would be transformed on the spot, making the products cheaper for West Africans.

Now the discussion must turn to the financing of the operations. All the sectors of the economy, including education, require capital. Capital requirements have not been explicitly discussed in this paper up to this point. As the situation was presented, the size of the national markets was considered one of the limitations to industrialization in the region. The non-availability of capital was not explicitly discussed except in connection with the transportation network.

Now, let us suppose, the market is enlarged. The nations concerned have agreed to combine their resources for the best possible industrial development at the regional level. Where is each state going to get the necessary funds to undertake that portion of industrial production which it is expected to provide for the regional economy. Here again, as in the case of the infrastructure, foreign capital is a possible source of financing.

On obtaining loans from abroad, a common agency would have to be created. This common agency, perhaps an Investmet Bank, would be supported by all the member countries. Contributions to this common fund would be unequally made but it would guarantee borrowings to finance the regional industries. The contributions would be made according to the capacity of individual countries to make contributions. A predetermined percentage of each individual national budget would be paid in. The rich coastal countries, having much more considerable budgets, would necessarily contribute more. But when it comes to the use of these funds, preference would be given to projects involving inland poor countries over all other projects; second would come porjects involving inland poor and coastal small and/or poor states. For instance the Investment Bank could finance entirely a multi-purpose dam on the Niger river near the common border to the coastless countries, allowing irrigation in each of these poor territories. This can be done through long term interest free loans. But the Investment Bank cannot afford to finance in this way a road connecting for instance Ghana and the Ivory Coast.

More specifically then, the purpose of the Investment Bank would be to secure funds with very low interest whenever possible, for the financing of projects for the less fortunate countries of the community, at least in the very first years, and to guarantee borrowings abroad for other regional projects.

But the resources of the Investment Bank are coming directly from the national governments. What happens to revenue collected collectively at the common customs? If export duties are collected, they would be allocated to the government of the exporter. This sounds very easy, but in West Africa it might raise problems. A farmer might reside in country A and grow cocoa in country B. This is quite possible. The duties, if this case arises, would be allocated to the country of residence of the farmer because of the importance of the human factor in production.

As far as the import duties are concerned, they would be collected by the common customs services. Their proceeds constitute common revenue and should be allocated to the Investment Bank. But under the circumstances analyzed above, this is impossible. Customs duties, one should remember, constitute the bulk of public revenue for the states in the region. Thus revenue from import duties would have to be redistributed to the individual sovereign states. The division of this revenue among the partners is a very serious, if not the most serious problem, for the community. UDEAC, the Central African Customs and Economic Union, at the present time redistributes the proceed of the customs duties and taxes among its members in accordance with the proportion of the imported goods consumed in each individual country. This system of division of the common revenue inevitably requires an extensive statistical control and a really complex customs administration. This is so because the phenomenon of re-export from one member country to another member country can hardly be kept up without a systematic internal border control; and the refund, if refund there is, would not be made if the statistics are not kept up-to-date.

Unless the appropriate measures are taken to control the phenomenon of re-export, the former territories which used to practice transit trade would continue to profit from this activity and the union would be beneficial to them alone. Indeed, they would keep all the revenue from import duties.

However, insofar as this phenomenon of re-export is concerned, there is a tendency to overestimate the natural disadvantage of the inland coastless countries. In UDEAC once again, because of a possible underevaluation of re-exports from the coastal countries, the two inland partners, namely the Central African Republic and Tchad, benefit more than the coastal countries from the Fonds commun de solidarité. The Fonds commun de solidarité is that organism of UDEAC set up to redistribute equitably common revenue as for instance revenue from customs duties.[1]

Even if making inland countries benefit more from the Fonds commun de Solidarité can be judged fair in Central Africa, in West Africa, it can be unfair to some of the coastal countries. It is true that it had been maintained in this thesis that inland coastless countries of West Africa benefit more from the resources of the Investment Bank. This is not to be justified on ground of re-exports. The type of re-export that can affect the landlocked countries negatively can be determined as explained below. They benefit more from the common fund simply because they happen to be among the less developed countries of the region. If it is argued that the analysis of the intraregional trade had

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1. Biarnès, Pierre, in his already cited article: "Industrialisation et unité de l'ancienne Afrique Noire Française" (cf. Revue Française d'études politiques africaines, 10, Octobre 1966) wrote:
   "Le Fonds commun de solidarité permet de répartir équitablement entre les Etats membres le produit des droits et taxes perçus sur les marchandises importées. En principe, ce produit, perçu par les bureaux de douanes communs, est réparti entre les Etats au prorata de la consommation dans chacun d'eux des marchandises de l'espèce. Mais cela nécessite un contrôle statistique difficile à réaliser parfaitement et il est donc nécessaire de compenser l'inévitable sous-évaluation des marchandises réexportées des Etats côtiers vers ceux de l'intérieur. Il est juste aussi de tenir compte des avantages retirés des activités de transit par les premiers. Ce sont là les raisons pour lesquelles, tandis que le Fonds est alimenté par l'ensemble des cinq membres de l'Union, la République Centrafricaine et le Tchad en sont pratiquement les seuls bénéficiares. Un climat de confiance réciproque est ainsi créé, favorable au renforcement de l'Union, notamment à l'élaboration d'une politique industrielle commune".

revealed that they exchange more with the rest of the region and that the negative effects of the phenomenon of re-export would be more acute for them, attention should be brought to the fact that the same analysis of the intraregional trade has shown that a class of coastal countries trade too heavily with the region. Then all countries affected by re-export should be granted the same advantages.

The whole point is that the negative effects of re-export cannot affect solely the coastless countries. In West Africa, it might be possible to distinguish two types of re-export or rather resale. It might come from an organized export-import agency. It might also be under the form of re-sale practiced by individual retail traders. This second type of resale is difficult to control; but it can be detrimental to certain unfortunate coastal countries as well as to the inland ones.

There is one way to deal with the retailers. The interstate customs services will not be required to tax, but to ascertain only the direction of all foreign goods circulating within the community. The refund can then be made as in the case of the organized re-exports.

The organized consignment presents no problem of control. And there exists no other effective means of dealing with this case than through inspection. A mechanism has to be devised through which the distribution, inside the region, of goods originating in third countries can be determined. In this sense, the founders of UDEAO were very perceptive when they provided that "The said products shall be admitted into the state of consignment only on presentation of a customs document...This document must be accompanied,...by an invoice showing directly the amount of duties and taxes previously paid in the member state reconsigning the goods..."

The author of the present thesis thinks the arrangement of UDEAO are not very adequate. The duties and taxes collected on entry of products originating in third countries instead of being repaid to the consignor by the state of origin, could be redistributed at the level of member states The state of consignment, when it presents all the customs documents required, receives from the state of origin, all the duties and taxes collected on the first entry of the said goods.

In the system under discussion, goods originating in third countries and imported to the community are taxed only once at their first port of entry. They then can circulate within the community so long as their re-export within the territorial boundaries of the union is being reported so that the state where they are finally consumed gets the refund. It is conceivable that import duties, once imposed on these goods, would be passed on to the second purchaser so that the residents of the country of first entry are not made worse off.

It is possible to argue that, as a result of the improvement in the transportation network, the import trade might increase because it might become cheaper to transport imported goods inside the region. Thus the import duties might continue to be important as a source of revenue. This is quite possible; but if it does happen, then the community has failed. The transportation network to be developed is not to link the sea to the consumption centres but rather these consumption areas to the local production centres so that if any trade is to increase as a result of a better transportation network, it is the intraregional trade.

In the final analysis, the system of refund helps restrain re-exports. The refund at the level of the nation states makes it possible for the consignors not to go through slow, complex administrative procedures to get reimbursed. However, the system does not eliminate the difficult problem of customs administration. The personnel must be trained for the services. It is at the level of the customs services that the refund is allocated.

When development proceeds and in the long run the states cease to rely heavily on customs duties, all revenue from these duties might be given to the Investment Bank.

Other common revenue to be distributed would come from taxes on the regional industries. These taxes would be collected in the form of sales taxes at factory exit. The rate would be negotiated industry by industry, but would be uniform throughout the community. The revenue from these taxes would be distributed among the partners on the basis of consumption without any further distinction. Low tax rates should apply to the processing industries.

These taxes on the whole would not discourage production because the market would be guaranteed and the taxes would not be exhorbitant. Furthermore, these taxes would be passed on to the consumers, a practice which would justify the distribution of their proceed according to the residence of the consumers.

It is only through this kind of coordination that integration can come about in West Africa. It follows that if this integration is to be effective, the institutional framework must be devised for it. Thus, the most vital institution of the community should be a coordinating commission which would always work in close collaboration with all other common institutions, whatever be their rank. The coordinating commission, composed of experienced technicians rather than politicians, should be the heart of the envisaged community.

This, however, does not mean that the coordinating organism would literally lie above the whole organization; it can play the role of a supervisory committee; and efficiency requires that it does so. But no one can ignore the importance of politicians in implementing decisions, and their eagerness to do so need not be discussed. Thus, within the structure of the community, the politicians might inevitably occupy the highest rank. Hence, the policies recommended by the coordination commission will, without any doubt, require the approval of the Council of heads of states or of responsible ministers, depending upon the provisions of the treaty instituting the community. Nevertheless, and here lies the issue, the coordinating committee would have to be as free as possible. It would have to be free as much as possible from any kind of social, economic, or political affiliation, internal as well as external. Within the framework of the community, no decision shall be implemented before its comments, as objective as possible, are known and carefully studied. This means that at the level of the community, the coordinating commission must always be fully informed of the economic and social policies which affect the regional economy. It would probably be wise to state that any other institution of the community, whatever be its rank, would have to work in very close consultation, or collaboration, with the coordination commission.

The objectivity of the recommendations of the commission raises the issue of its composition. It is agreed that the members would be qualified and experienced technicians in various fields. For instance, a dam on the Niger river which would be designed to serve the coastless countries would require advice from experts in many disciplines. It is commonly observed that there are not enough technically qualified citizens to fill these kinds of positions. But West Africans should be employed as much as possible.

The coordinating commission functioning properly, no policy would be undertaken for the benefit of a particular state or group of states which is eager to influence the community. In other words, this commission would guarantee harmonious development of the area.

It then follows that the main task, the main responsibility of the coordinating commission is the problem of diversifying the regional economy and coordinating the industrial development for the rational solution of the region's problems. In essence, this commission gives technical supervision to the community.

Before proceeding, it might be necessary to emphasize once again the point that what this thesis stresses is the risk of accentuating the disparities existing in the levels of development of the prospective members of the community.

The merit of this approach, centered around coordinated industrialization, is that it would not only avoid the difficulties analyzed above, but it would also, and above all, help promote agriculture, vital for the survival of West Africa.

It might be argued that West Africa has a comparative advantage in agriculture and that in consequence the best approach to its development lies in concentrating all efforts on agriculture first. The answer to this is that the industries advocated in this thesis would, while propelling a manufacturing sector, help bring necessary cultural changes into the region, and simultaneously would develop the agricultural sector. Almost all the industries advocated here are agricultural based. The local farmer would necessarily be made better off. In other words, agriculture is developed as basis for the industries.

The economic structure of the region calls for this approach. Coordination, it can be easily seen, is the central theme of the approach. The issue then is how to overcome nationalism in economic matters not by transferring national sovereignty rights to a supranational body, but by renouncing the use of these sovereign rights in industrial development and intraregional trade.[1] This is not different from the conclusion about the political aspect of West African unity. It was stated that the sovereign states were not being requested to become slaves to a supranational body, but just be respectful to it.

The answer is that the sovereign states would not renounce the use of their sovereign rights in industrial development and intraregional trade unless interdependence is created among them. This interdependence can come about only if these countries develop each large scale industry for the regional integrated market, which can be done only if certain conditions are met: i.e., a strict coordination of industrial development. Each state in the region is willing to adhere to the regionally enlarged market. What is left to be done, is the elaboration of the industrial development programme that suits each sovereign state. Equally important is an institutional framework capable of

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1. R. Sannwald, and J. Stohler, Economic Integration - Theoretical Assumptions and Consequences of European Unification. Translated by H.F. Karreman. Foreward by A. Coppe. Princeton, New Jersey. Princeton University Press, 1959. pp. 86-87. The issue is "How to overcome nationalism in economic matters, not by transferring national sovereignty rights to a supranational body, but by renouncing the use of these sovereign rights in foreign trade policy..."

realizing this programme, and which the states can trust. Political unity without economic power leads nowhere.

It must be clear that this thesis is not advocating a West African 'industrial revolution'. What has been argued is simply that West Africans should understand that they bear the major responsibility for the development of West Africa. As long as the States in West Africa do not reconsider their present miserable conditions and pool their efforts, their raw products will continue to sustain expansion in Europe at their own expense, and West Africa will remain undeveloped. The manufactures in view are those that the West African states are capable of undertaking. Diversification in the composition of agricultural output and broadening the market for raw produce surely constitutes progress. But it is not enough.

For development to really take place, more products must necessarily be produced in West Africa and be largely traded within its boundaries and with the rest of Africa. It is the only condition whereby West Africa can secure a better standard of living for its population.

The previous discussion of the concept of a customs union pointed out that the rationale of a customs union lies in its ability to develop a certain number of industries capable of growing and capable of resisting foreign competition. Industrial development is necessary for a viable, integrated, regional economy in West Africa.

A Concise and More Comprehensive Statement of the Approach

This paper calls for a method of planning that aims to avoid regional disparities: in any case, regional disparities should not be made worse. This is seen as a guarantee for the small and/or less prosperous nations. They do not want to risk absorption or domination by their more wealthy and more powerful neighbours. Also a program that aims to solve problems of regional disparity is necessary for the relatively rich states to get the effective cooperation of the smaller and/or poor states.

This is why a coordinating organization should be set up at the very beginning of the preparatory stage. The problem of coordinated industrialization, the problem of economic diversification is, it has been said, the responsibility of this body.

As preliminary agreement is reached in this field the construction and improvement of the transportation network can be undertaken. As has been argued, intraregional trade would increase if appropriate infrastructure is built to serve it.

But, and here lies the dilemma, the states are not likely to put their resources in the improvement of this transportation network if there is no evidence for success of the community in the near future. Therefore, as the infrastructure is improving, agreement should be reached on free trade in certain basic commodities which are produced and traded within the region. This is designed specifically to increase trade among the participating nations, and would build the foundations for a better distribution of regional industries.

But here too arises a serious problem. To promote exchange within the region is the aim of the proposed diversification programme. In what sense then is the trade to increase at the very first stage of the integration process? If success is to be had, the increase in domestic exchange must be undertaken at the very beginning. Free trade in a few commodities, not all commodities, might be an appropriate start.

When a stage is reached where the infrastructure is prepared for an adequate distribution of the goods throughout the region, and when partial free trade in certain basic commodities has operated towards a reorientation and an increase in the regional trade, then West Africa can proceed to further advanced stages of integration.

For underdeveloped nations that want more rapid economic development, expansion of the public sector is often an attractive option. In West Africa, development of infrastructure, particularly traansportation, is likely to be made a government responsibility. Moreover, in some West African states, new industries are often established under government ownership. One might expect these tendencies to continue. This need not mean that a full-fledged socialism is bound to develop in West Africa. But certainly, government encouragement and financing of specific industries seems necessary to establish a momentum for development. It might be argued that once a few modernized industries become established on a good footing, conditions will be generated that will be favorable for the establishment of new, modernized industries in the private sector.

It has been argued in this thesis that an economic community will promote economic development in West Africa. It is not easy to provide a completely detailed program for a perfect West African Economic union. A complete economic union in West Africa involves many complex problems. The Francophones need to free themselves of the pressure from Paris. As is the case with most successful organizations, details of organizations are the result of a protracted process of trial and error.

To end the discussion, it might be added that the coordination advocated requires integration at a level between a common market and an economic union as defined earlier.

CHAPTER IV

CONCLUSIONS

An appropriate solution then to the West African problem of underdevelopment lies in the creation of a regional market for which each individual sovereign state would be producing given industrial goods on a large scale. It follows from the regional economic structure and problems analyzed above that as long as interdependence is not created among the West African states - that is as long as they do not produce for one another - the West Africans would remain divided and economic development would be hard to achieve within the boundaries of the region.

By the end of the first development decade, the principle of a West African economic community was adopted. What is left is devising an adequate coordinated industrial development programme, and a well structured and trusted institution to carry it out. It is time West Africa realizes that development cannot be achieved through words alone. Words are mere expressions of desire whereas deeds are expressions of actual involvement in actions leading to the fulfillment of the desire. Eloquent speeches and protocols alone cannot produce an integrated West African economy. The most urgent and indispensable step is the elaboration and adoption of a programme of integrated industrial development. It is also time the very ambitious political leaders understand that proposals for integration or cooperation on their terms alone cannot win the effective collaboration of their neighbours.

There are many possibilities for producing import substitutes and products for export. An integrated West Africa would be able to negotiate, on a common front, higher prices for the products it has a significant share of in the world markets. This is a path for a more rapid economic development of the West African region.

APPENDIX

STATISTICAL TABLES

TABLE 1

Population, Rate of Increase, Birth and Death Rates, Area and Density for Africa, Major Areas: Selected Years

Major Regions	Estimates of Midyear Population (Millions)							Annual Rate of Population Increase		Birth Rate	Death Rate	Area km^2	Density
	1930	1940	1950	1960	1963	1967	1968	1960/8	1963/8	1960/8	1960/8	1968	1968
Africa	164	191	222	278	297	328	336	2.4	2.4	45	21	30313	11
West Africa	48	58	67	88	94	104	106	2.4	2.4	50	26	6143	17
Eastern Africa	46	54	63	77	82	90	93	2.4	2.4	42	18	6331	15
Northern Africa	39	44	53	66	71	79	81	2.6	2.7	45	19	8525	9
Middle Africa	21	23	25	29	31	34	34	1.9	2.0	42	23	6613	5
Southern Africa	10	12	14	18	19	21	22	2.4	2.4	40	16	2701	8

Source: UN Domographic Yearbook 1968 - 20th Issue
U.N. New York, 1969, p. 83.

TABLE 2

West Africa - Some Selected Indicators (by country)

Country	Area 000 km^2	Population (million) Midyear estimates 1964	Population Density (inhabitants by km^2)	Gross Domestic Product(a) (mill.US $)	Per Head GDP US %
Ivory Coast	322	3750	11.6	1010	269
Dahomey	113	2300	20.4	177	77
Gambia	11	324	29.5	26	80
Ghana	239	7537	31.5	1901	252
Guinea	246	3420	13.9	275	80
Upper Volta	274	4750	17.3	229	48
Liberia	111	1041	9.4	280	269
Mali	1202	4485	3.7	305	68
Mauritania	1031	1030	1.0	111	123
Niger	1267	3250	2.6	263	81
Nigeria	924	56400	61.0	4307	76
Senegal	196	3400	17.3	674	198
Sierra Leone	72	2240	31.1	343	156
Togo	56	1603	28.6	156	97
West African Economic Community	6064	95500	15.7	10104	107
Italy	301	51090	170	49520	969

Source: Annuaire Statisque, 1965; Annuaire de Statistiques des Comptabilités nationales, 1965. Publications des Nations Unies, (no. de vente: 66.xvii, 1 et 66.xvii, 2); sources nationales.

(a) GDP: at market prices - 1964; 1963 for Mauritania.

TABLE 2a

Economically Active Population and Activity Rates by Age: Each Census, 1955 - 1964

(Percentages are the numbers economically active in each age group per 100 total population in the same age group)

Continent Country Census Date and Age (in years)	Age	Total	Economically Active Number	Economically Active Percent
Ghana: 20 III 1960[2]				
All ages	15	6,726,820	2,724,850	40.5
15 and over		3,730,680	2,724,850	73.0
Guinea: African population 15 I-31 V 1955[3,4,5]				
All ages	14	2,570,219	1,315,900[6]	51.2
14 and over		1,527,041	1,315,900[6]	86.2
Niger: African population X 1959 - III 1960[7,8]				
All ages	14	2,611,473	1,443,072	55.3
14 and over		1,506,486	1,443,072	95.8
Senegal: IV 1960-VIII 1961[9,10,11]				
All ages	14	3,109,840	1,317,580	42.4
15 and over		1,789,160	...	...
Togo: XI 1958-XII 1960[12]				
All ages	...	1,439,800	631,790	43.9[12]

Source: UN - Demographic Yearbook 1964 - New York, 1965, pp.190-99

1. Lower age limit (in years) of economically active population tabulations.
2. Data are based on a 10 per cent sample of census returns.
3. Data are estimates, based on results of sample survey.
4. Irregularities in age distribution partly due to overcompensation by enumerators in correcting for tendency of persons to round their age to numbers ending 0 or 5.
5. Data for economically active population and for total population 14-15 years, are rounded.
6. Excluding persons of unknown age.
7. The economically active population is here confined mainly to persons reporting a classifiable gainful occupation.
8. Data are estimates of de jure population based on results of sample survey; data exclude population of Niamey city (numbering 30,030 at census of April 1959), and also an estimate of 234,300 persons for the cercle of Agades, the nomad Subdivision of Tahoua and the northern part of the cercles of Maradi, Goure, Zinder, and N'Guigmi, not covered by survey.
9. Because of rounding, totals are not in all cases the sum of the parts.
10. Data are estimates of de jure population based on results of sample survey.
11. Activity rates for females, except for total rate (34.4), are for Africans only, and have not been computed by the Statistical Office of the United Nations.
12. Economically active population excludes 14,130 apprentices and 2,630 unemployed persons. If these are included the per cent economically active for both sexes becomes 45.0

TABLE 3

West Africa: Population, Area, and Gross Domestic Product

Country	Population (millions)	Area (thous. sq. km)	Density per sq. km.	GDP ($m)	Income per capita $
Dahomey	2.41	113	20	112.8	80
Gambia	0.34	10	32	30.6	90
Ghana	7.96	239	31	1830.8	230
Guinea	3.61	246	14	288.8	80
Ivory Coast	3.91	322	11	862.4	220
Liberia	1.09	111	9	228.9	210
Mali	4.65	1202	4	279.0	60
Mauritania	1.07	1086	1	137.1	130
Niger	3.43	1267	2	274.4	80
Nigeria	56.70	924	61	4532.0	80
Senegal	3.58	196	17	751.8	210
Sierra Leone	2.40	72	31	310.0	150
Togo	1.68	57	28	168.0	100
Upper Volta	4.96	274	17	248.0	50
Total	97.70	6119	-	10056.6	-
Average	6.98	437	15	718.3	103

Sources: U.N., Year Book of National Accounts Statistics, 1967 (New York, 1968), p. 824.

The Journal of Modern Africa Studies, Vol. VIII, No. 2, July 1970, p. 215.

TABLE 3a

Africa: Percentage Distribution of GDP at 1960 factor cost by Industrial Origin for 1966.

	North Africa	Central Africa	Eastern Africa	West Africa	Other Africa excl South Africa	South Africa	All Africa
Agriculture	23.7	38.5	41.2	53.9	23.9	9.9	30.1
Mining	11.2	5.8	6.7	4.1	1.3	12.0	8.6
Manufacturing	15.6	14.1	10.6	6.7	7.6	24.1	14.8
Construction	5.2	3.4	3.5	4.4	0.8	3.6	4.0
Commerce	11.1	14.8	13.0	12.7	15.1	17.8	13.7
Transport	7.2	4.0	6.8	5.3	2.4	9.2	6.9
Public Administration	11.1	12.3	7.4	7.3	9.0	9.3	9.3
Other Services	14.9	7.1	10.8	5.6	39.9[a]	14.1	12.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Economic Commission for Africa (ECA) Research and Statistics Division. cf. Journal of Development Planning, Vol. 1, 1969. p. 111.

(a) In view of the Portuguese classification great caution should be taken in interpreting the GDP structure.

TABLE 4

West Africa: Estimates of Total and Per Capita National Income and Gross Domestic Product at Factor Cost (US million $)

Country	(a)	Type of Estimate	1958	1963	1965	1966	1967	1968
Dahomey	N1	B	122	143				
	GDP		126	154				
Gambia	N1		20	22	26			
	GDP		20	23	27			
Ghana	N1	B	898	1380	1801	2104	1703	1661
	GDP	A	979	1521	1983	2298	1870	1838
Ivory Coast	N1	A	379	596	735	803	851	-
			406	654	816	874	928	-
Liberia	N1	B	95	150	161	168		
	GDP		140	245	278	296		
Mali	N1	B	224	280	328			
	GDP		235	295	345			
Mauritania	N1	B	46	93	108			
	GDP		50[b]	102	116			
Niger	N1	B	174	234	268	282		
	GDP	A	183	247	284	298		
Nigeria[c]	N1	B	2453	3677	3945	4060		
	GDP	A	2589	3931	4315	4496		
Senegal	N1	B	475	559	617	648	630	676
	GDP	A	517	609	668	700	682	727
Sierra Leone	N1	A	134[b]	255	300	314	317	-
	GDP		140[b]	282	337	347	354	-
Togo	N1	A	87	114	142	179		
	GDP		96	135	161	199		
Upper Volta	N1	B	138	189	195	206		
	GDP		146	200	206	216		

Source: UN - Statistical Yearbook 1969, New York, 1970

(a) GDP refers to Gross Domestic Product and N1 to National Income

(b) Data not strictly comparable with those for subsequent years.

(c) Twelve months beginning 1 April of year stated.

TABLE 4
(cont.)

Country	(a)	1958	Per 1963	Capita 1965	1966	1967	1968
Dahomey	N1	63	64				
	GDP	65	69				
Gambia	N1	68	70	80			
	GDP	68	72	83			
Ghana	N1	140	188	233	265	209	198
	GDP	152	207	256	289	230	219
Ivory Coast	N1	123	163	192	205	212	
		131	179	213	223	231	
Liberia	N1	99	146	150	154		
	GDP	146	238	260	272		
Mali	N1	57	64	72			
	GDP	60	68	76			
Mauritania	N1	49[b]	92	103			
	GDP	53	100	111			
Niger	N1	65	70	76	78		
	GDP	69	74	81	83		
Nigeria[c]	N1	49	66	68	68		
	GDP	52	71	74	75		
Senegal	N1	160	168	177	182	174	183
	GDP	174	183	192	197	188	197
Sierra Leone	N1	61[b]	111	127	131	130	-
	GDP	64[b]	123	142	144	145	-
Togo	N1	64	72	87	107		
	GDP	70	86	98	118		
Upper Volta	N1	34	41	40	42		
	GDP	36	43	42	44		

Source: UN - Statistical Yearbook 1969, New York, 1970

(a) GDP refers to Gross Domestic Product and N1 to National Income

(b) Data not strictly comparable with those for subsequent years.

(c) Twelve months beginning 1 April of year stated.

TABLE 5

West Africa: Estimates of Total and per Capita Gross National Product at Market Prices - in million U.S. $

Country	Type of estimate 1963	GNP at Market Prices 1958	1963	1965	1966	1967	1968	Per Capita National Product at Market Prices 1958	1963	1965	1966	1967	1968
Dahomey	B	136	167					70	75				
Gambia	B	22	26	31				77	81	94			
Ghana	A	1087	1667	2225	2492	2038	1995	169	227	288	314	250	238
Guinea	B	258	333					89	99				
Ivory Coast	A	439	764	924	1005	1079	1248	142	208	241	256	269	304
Liberia	B	120	192	216	229			125	186	202	210		
Mali	B	247	321	376				63	74	83			
Mauritania	B	53	108	127				57	107	121			
Niger	B	192	260	300	319			72	78	85	88		
Nigeria	B	2770	4120	4467	4559			55	75	77	76		
Senegal	B	600	707	775	808	784	830	202	213	222	227	217	225
Sierra Leone	A	148	295	353	373	373		68	128	149	155	153	
Togo	A	103	135	169	209			76	87	103	124		
Upper Volta	B	166	227	236	245			41	49	49	49		
Total		6341	9322	10199	10239								

Source: U.N. - Statistical Yearbook 1969, New York 1970. Twenty first issue.

TABLE 6

West Africa: Estimates of National Income and
Gross Domestic Product - Selected Years
A = National Income
B = Gross Domestic Product at Market Prices

Country and Currency units	Code	Thousand millions of national currency units 1958	1960	1963	1966	1967	1968
Dahomey (CFA	B	35.0	36.6	41.8	48.0		
franc)	A			35.2	41.2		
Gambia (pound)[c]	B[a]		9.29	9.16			
Ghana (new cedi)[c]	A[f]	695	856	1076	1627	1591	1836
	B	780	956	1208	1793	1778	2074
Ivory Coast	A		114.7	147.1	196.8	206.0	
(cfa franc)	B		140.7	195.9	257.7	276.0	
Liberia (US $)	A		138.6		168.3	174.2	183.5
	B		221.1		317.2	329.8	351.8
Mauritania (cfa franc)	B	14.5	19.0	27.5			
Niger (cfa franc)		46.5	50.1	66.2			
Nigeria (pound)[c]	B	971	1189	1488	1703		
Senegal (cfa franc)	B	142.3	145.8	174.9	200.2	194.2	205.6
Sierra Leone (leone)[e]	A			182.	223		
	B			216	271		
Togo	A			27.9	44.2		
(cfa franc)	B			33.1	53.1		
Upper Volta	A				50.8		
(cfa franc)	B	39.7	42.6		58.2		

Source: UN - Statistical Yearbook, 1969 - Twenty-first issue, New York, 1970.

(a) Gross National Product at Market prices.

(b) Million Currency units.

(d) Data not strictly comparable with those of previous years

(e) 1959

(f) Gross National Product at Factor Cost.

TABLE 7

West Africa: Share of Agricultural Production in Gross Domestic Product - (Shares in percentages)

Country[a]	Year[c]	Share of Agricultural production in GDP[b]	Proportion of non-commercialised agricultural production
Senegal	1964	28.9	44.3
Ivory Coast	1964	38.4	48.4
Togo	1963	54.5	51.2
Mauritania	1961	48.1	60.5
Dahomey	1959	52.2	64.4
Mali	1962	51.0	72.5
Niger	1962	60.7	76.8
Upper Volta	1964	51.8	84.4

Source: National Sources
La Coopération et l'intégration économiques en Afrique. Trois études régionales - Nations Unies. ST/ECA/109 N.Y. 1969. p. 62.

(a) The classification follows an increasing percentage of the proportion of non-commercialised agricultural production.

(b) Agriculture includes also breeding, fishing, and sylriculture.

(c) The classification as indicated in (a) is misleading since different years are considered.

TABLE 7a

West Africa: Annual Growth Rates of Total Agricultural Production - (percentages per year)

Country	1957-65	Country	1961-65
Ivory Coast	8.1	Ivory Coast	9.7
Ghana	7.0	Liberia	4.8
Togo	3.4	Ghana	4.8
Senegal	3.2	Togo	4.3
Upper Volta	3.1	Senegal	3.9
Mali	2.9	Upper Volta	2.5
Nigeria	2.8	Niger	2.3
Sierra Leone	2.8	Nigeria	2.2
Niger	2.5	Sierra Leone	1.4
Guinea	1.7	Dahomey	0.9
Dahomey	1.4	Mali	0.3
Liberia	0.8	Guinea	(-0.2)

Source: Calculated by Jack Dalton from 'Indices of Agricultural Production in 29 African Countries', USDA Economic Research Service, December 1965, Washington, D.C.
cf. A.F. Ewing: Industry in Africa - Oxford University Press 1968, p. 6.

TABLE 8

West Africa: Percentage Distribution of GDP by Industrial Origin in 1964 for Certain Countries

Country	Primary Sector	Secondary Sector				Tertiary Sector				
		Total	Extractive Industries	Manu-facturing	con-struction	Total	Commerce	Trans-port	Public ser-vices	Other ser-vices
Ivory Coast[c]	42.3	16.1	0.5	10.9	4.7	42.3	15.7	8.4	5.7	11.8
Ghana	51.4	14.4	2.5	7.5	4.4	34.2	...	...	...	...
Guinea[d]	53.8	24.8	8.9	2.6	13.3	21.4	3.0	3.0	7.8	13.6
Upper Volta	52.0	13.0	1.0	9.0	3.0	35.0	...	...	...	...
Liberia	28.0	36.0	26.0	4.0	6.0	36.0	11.0	6.0	...	...
Mali[e]	54.0	12.0	1.0	6.0	5.0	34.0	17.0	6.0	2.0	9.0
Niger[f]	61.0	11.1	0.4	4.6	6.1	27.9	...	...	...	...
Nigeria[e]	62.6	11.3	1.9	5.4	4.0	26.1	11.8	4.9	5.7	3.7
Senegal[e]	29.4	13.0	1.8	7.4	3.8	57.6	30.2	3.8	8.6	15.0
Sierra Leone[g]	30.2	26.3	17.7	5.5	3.1	43.5	14.0	7.1	17.5	4.9
Togo	54.0	15.2	4.9	6.6	3.7	30.8	11.2	6.3	4.9	8.4

Source: Nations Unies, Annuaire de statistiques des complabilités nationales, and national sources.

(a) Includes agriculture, breeding, fishing, and sylviculture
(b) In the French speaking countries, services of non-lucrative private institutions are included.
(c) 1965.
(d) 1964-65 estimates.
(e) 1962.
(f) 1963.
(g) 1964-65.

TABLE 9

West Africa: Output of Principal Minerals (Average 1955-57)
(Thousands of Tons)

Countries	Bauxite	Iron Ore	Gold	Manganese	Tin concentrate	Diamonds Gems	Diamonds Industrial	Phosphate Rock	Columbium
French West Africa	437.1					129.3	207	4.9	
Ghana	149.0		21.9	292		203	2372		
Liberia		1302							
Nigeria					9123				2615.6
Sierra Leone		817				213	397		4.1

Source: U.N., Economic Survey of Africa since 1950. pp. 33-34.

TABLE 10

West Africa:[a] Imports by Products[b] (average 1962-65)

Product	Composition of Imports by Origin from World	Composition of Imports by Origin from West Africa	Share of intra-Regional imports in Total Imports
Total	100	100	2.7
Foodstuffs, beverages and tobacco	19.4	49.1	6.9
Non-comestible raw materials, fats	2.1	14.2	18.3
Fuel (mineral)	6.2	9.3	4.0
Machines and Transport materials	26.4	1.9	0.2
Other Manufactured goods	45.8	25.5	1.5

Source: Nations Unies, Commodity Trade Statistics, Series 2, 1962-1966; Nations Unies, Yearbook of International Trade Statistics, 1965; Commission Economique pour l'Afrique, Statistiques Africaines du Commerce extérieur, Serie B 1962 et 1963; Communauté économique europeénne, Associés et Outre - Mer, Statistiques du Commerce exterieur 1967, No. 1; Communauté économique européenne, Associés d'Outre - Mer, Annuaire de Statistiques générales, 1967.

(a) Data do not include the statistics for Gambia, Guinea, and Liberia.

(b) Following the U.N. classification for international trade.

TABLE 10b

West Africa[c]: Origin and Destination of Exports, 1962, 1965 Average
(thousands of US $)

Origin ↓ / Exports Destination →	Ivory Coast	Dahomey	Upper Volta	Mali	Mauri-tania	Niger	Senegal	Guinea	Togo	Gambia	Ghana	Nigeria	Sierra Leone	Liberia	West Africa	Exports to West Africa as % of Total Exports	Share of each country in the Regional Exports to West Africa	Share of each country in the Regional Exports to Rest of the world
Ivory Coast	148	-	1594	1033	35	191	3670	25	94	-	39	69	-	89	6987	2.6	15.8	19.0
Dahomey	-	120	-	-	-	110	204	-	420	-	320	-	-	-	1174	9.2	2.6	0.9
Upper Volta[a]	194	2622	-	389	-	160	65	-	-	-	3270	-	-	-	6700	71.3	15.1	0.7
Mali	-	4426	950	-	90	111	1600	118	-	-	1583	-	-	157	9035	60.8	20.4	0.9
Mauritania	-	-	-	-	-	-	-	-	-	-	21	-	-	51	72	0.4	0.2	1.2
Niger	365	106	159	211	-	-	274	-	-	-	597	4728	-	-	6440	32.1	14.5	1.4
Senegal	98	235	-	-	-	41	-	370	452	-	-	59	-	-	1255	1.0	2.8	9.1
Togo	420	42	-	-	-	-	-	-	-	-	156	-	-	-	618	2.7	1.4	1.6
Gambia	-	-	-	-	-	-	7	-	-	-	5	11	94	-	117	1.4	0.3	0.7
Ghana	-	8	1300	15	-	8	-	33	-	13	-	1694	215	46	3332	1.2	7.5	19.7
Nigeria	100	870	1	1	30	52	133	10	164	17	5887	-	836	137	8238	1.4	18.6	39.7
Sierra Leone	-	5	-	24	-	-	6	10	-	281	8	35	-	15	384	0.5	0.9	5.1
Total	1325	8434	4004	1673	155	673	5989	566	1130	311	11886	6596	1145	495	44352[b]	2.9	100	100

Sources: Nations Unies: Yearbook of International Trade Statistics; National Sources.
UN-ST/ECA/109, p. 93. Tableau 12.

(a) 1962-64.
(b) Does not include Guinea and Liberia
(c) The countries are classified by the following groups: UDEAO (The West African Customs Union); Other French speaking West African Countries; the British Commonwealth Countries; and others.

TABLE 10c

West Africa: Origin of Imports and Destination of Exports by Subregional Groups
1962-65 Average
(Per Cent)

Sub Groups	UDEAO[a]	Ex-British West Africa[b]	Other West African Countries[c]	West Africa	France	Other members of EEC	United Kingdom	U.S.A.	World
				Exports					
UDAO[a]	3,8	2,4	0,4	6,6	50,8	14,8	2,1	8,9	100
Ex-British West Africa[b]	0,3	0,9	-	1,2	4,0	25,4	33,2	14,0	100
West Africa	1,4	1,3	0,1	2,8	18,9	22,1	23,2	12,3	100
				Imports					
UDAO[a]	3,9	1,0	-	4,9	57,6	8,3	1,9	5,2	100
Ex-British West Africa[b]	1,0	0,7	0,1	1,8	3,4	17,4	31,3	11,0	100
West Africa	1,9	0,8	0,2	2,9	20,3	14,4	22,2	9,1	100

Sources: Nations Unies, Commodity Trade Statistics, Series D for the Years 1962-1966; Yearbook of International Trade Statistics, 1965 (Publication des Nations Unies, No. de vente: 67.xvii.2); Foreign Trade Statistics of Africa: Trade by Commodity, Series B, 1962 et 1963; Communauté économique européenne, Overseas Associates: Foreign Trade Statistics, 1967, No. 1; Overseas Associates: Yearbook of General Statistics, 1967 (Paris). cf. NU: ST/ECA/109. p. 67.

(a) UDEAO: West African Customs Union; includes Dahomey, Ivory Coast, Mali, Mauritania, Niger, Senegal, and Upper Volta.

(b) Gambia, Ghana, Nigeria, and Sierra Leone.

(c) Guinea, Liberia, and Togo (hardly have similar economic systems)

TABLE 11

West Africa: Imports (Average 1965-1966)

Country	Percantage of Total Imports Purchased from: West Africa	Africa
Dahomey	10.4	12.5
Gambia	5.0	5.8
Ghana	3.3	4.0
Guinea	-	-
Ivory Coast	2.3	8.9
Liberia	-	-
Mali	10.2	18.1
Mauritania	2.4	2.7
Niger	11.5	14.0
Nigeria	0.3	1.1
Senegal	4.3	10.4
Sierra Leone	1.5	2.7
Togo	7.4	8.7
Upper Volta	32.0	33.3
Weighted Average	3.3	5.5

Source: UN-ECA: Foreign Trade Statistics of Africa 1965 and 1966 (Addis Ababa, 1966 and 1967).

Table 12

Intra-West African Trade Matrix, 1966[1]

($000)

FROM EXPORTING COUNTRIES	TO IMPORTING COUNTRIES											
	Mauritania[2]	Senegal[2]	Mali[2]	Ivory Coast[2]	Upper Volta[2]	Dahomey[2]	Niger[2]	Sierra Leone	Ghana	Togo	Nigeria	Total
Mauritania	—	6[3]	82[3]	1	—	—	—	—	8	—	—	97
Senegal	264[3]	—	1,110	5,320	1,336	1,471	1,560	470	219	535	112	12,397
Mali	—[3]	571	—	402[3]	2,882	—	2	—	3,177	4	21	7,059
Ivory Coast	8[3]	6,884	2,870	—	8,463	418[3]	1,941[3]	—	571	249	553	21,957
Upper Volta	—	9[3]	165	412	—	58[3]	151[3]	—	3,921	83	—[3]	4,799
Dahomey	—	57[3]	190	244	3	—	298[3]	—	3	825	23	1,603
Niger	—	1	67	353	216	47	—	—	1,246	116	75[3]	2,121
Guinea	—	27	191[3]	4	—	—	1	—	—	3	62	288
Sierra Leone	—	5	82	—	—	—	—	—	61	—	137	285
Liberia	597	2	62	175	—	—	—	—	34	4	168	1,040
Ghana	—	26	429	9[3]	476[3]	6[3]	401[3]	190	—	1,735[3]	687	3,961
Togo	—	8	1	10[3]	5	732	19[3]	375	179	—	26	1,355
Nigeria	—	85	5	940[3]	28	695[3]	665[3]	683	3,307	318	—	6,726
Gambia	—	134[3]	—	57	—	—	—	99	—	—	2	292
Total	869	7,815	5,254	7,885	13,409	3,427	5,038	1,819	12,726	3,872	1,866	63,480

[1] The table is based on import figures (c.i.f.) from U.N. E.C.A., Foreign Trade Statistics of Africa, Series C, 1966 (Addis Ababa, mimeo.) and *Commerce extérieur des pays associés d'outre-mer* (Paris), 1967. Import figures were not available for Guinea, Liberia, or Gambia.

[2] Part of the trade between these countries of the West African Customs Union is not recorded as foreign trade.

[3] Significant unrecorded trade flows exist.

TABLE 13

West Africa: Trade Matrix 1963
(thousands of US $ and million US $)

Importing countries / Exporting countries	Mauritania	Senegal	Mali	Ivory Coast	Upper Volta	Dahomey	Niger	Gambia	Guinea	Sierra Leone	Liberia	Ghana	Togo	Nigeria	Total West Africa	Other African Countries	Total Africa	World
						thousands US $										million $		
Mauritania		-	31	-	35	-	-	-	-	-	-	21	-	-	87	1121	1208	5.1
Senegal	-		147	6320	1707	1770	1313	215	952	29	79	126	731	25	13414	10099	23513	110.5
Mali	-	163		16	1658	-	73	-	91	-	-	3389	2	2	5304	387	5691	10.6
Ivory Coast	-	1	3396		6919	472	1028	-	19	-	461	220	137	236	12889	16722	29611	280.3
Upper Volta	-	-	113	7		-	64	-	-	-	1	6664	3	-	6852	201	7053	9.3
Dahomey	-	-	55	147	13		546	-	72	-	-	40	607	157	1637	188	1825	12.8
Niger	-	-	197	4	810	2		-	-	-		1573	111	106	2803	592	3395	19.7
Gambia	-	-	-	-	-	-	-	-	-	109	-	-	-	36	145	-	145	8.7
Guinea	-	93	177	12	2	1	1	-		26	151	-	3	3	469	8511	8980	55
Sierra Leone	-	1	183	2	-	-	-	192	18		233	5	-	24	568	29	687	81.0
Liberia	-	10	152	10	1	-	-	-	31	-		1	-	58	263	86	349	81.1
Ghana	-	29	349	25	1426	-	14	86	5	290	120		1376	711	4431	371	4802	304.8
Togo	-	17	-	2	21	687	3	-	1	-	-	1228		4	1963	473	2436	18.3
Nigeria	-	105	1	638	48	1506	1683	33	-	562	77	6375	161		11189	2093	13282	531.2
Total West Africa	-	419	4801	7188	12550	4437	4725	526	1189	1016	1122	19642	3131	1362	62104	40873	102977	1478.5
Other African Countries	30	9543	2876	7900	540	867	443	152	3737	929	677	5068	532	3417	36712	472432	509144	6071.5
Total Africa[a]	30	9962	7677	15088	13090	5306	5168	678	4926	1945	1799	24710	3663	4779	98816	513305	612121	7550.0
World (million $)	30.6	156.1	34.2	169.7	37.1	33.4	22.7	11.8	65.6	83.6	131.6	364.9	29.0	580.9	1750.8	5952.2	7710.0	

Source: Nations Unies, International Trade Yearbook, 1963; CEA, Bulletin de Statistique pour l'Afrique, No. 1 1ère partie, 1965.

(a) Continental Africa and neighbouring islands.

TABLE 14

West Africa: Share of Imports and Exports in the GDP
Average 1963-64 - (Percentages)

Countries	Exports	Imports
Liberia[a]	45	40
Gambia	34	46
Ivory Coast	29	22
Sierra Leone	27	28
Mauritania	26	20
Senegal	18	25
Togo	16	24
Nigeria	14	15
Ghana	13	16
Guinea[b]	11	22
Dahomey	8	19
Niger	8	11
Mali	4	12
Upper Volta	4	17

Source: Fonds Monétaire International, International Financial Statistics (Washington, D.C.), Janvier 1968; Yearbook of International Trade Statistics, 1965 Publication des Nations Unies, No. de vente 67.XVII.2). UN: ST/ECA/109.

(a) Only 1964.

(b) 1964-65.

TABLE 15

UMOA[a]: Trade with Major Industrial Countries
Millions of U.S. $ and %

	October 1st - September 30th									
	1963/64	%	1964/65	%	1965/66	%	1966/67	%	1967/68	%
European Economic Community:										
Imports from UMOA	438,2	82.46	447,6	82.86	493,3	82.46	515,8	79.87	550,4	80.17
Exports to UMOA	365,7	88.38	381,1	89.61	367,9	85.68	399,5	88.96	427,7	88.70
United Kingdom:										
Imports from UMOA	30,6	5.76	35,8	6.63	37,0	6.19	33,8	5.23	43,7	6.37
Exports to UMOA	13,9	3.56	13,1	3.08	14,2	3.31	13,0	2.89	15,9	3.30
United States of America:										
Imports from UMOA	56,1	10.56	46,8	8.66	52,7	8.81	70,8	10.96	65,4	9.53
Exports to UMOA	27,7	6.69	23,6	5.55	37,6	8.76	25,6	5.70	26,4	5.47
Japan:										
Imports from UMOA	6,5	1.22	10,0	1.85	15,2	2.54	25,4	3.93	27,0	3.93
Exports to UMOA	6,5	1.57	7,5	1.73	9,7	2.26	11,0	2.45	12,2	2.53

(cont.)

TABLE 15
(cont.)

	October 1st - September 30th									
	1963/64	%	1964/65	%	1965/66	%	1966/67	%	1967/68	%
Total:										
Imports from UMOA	531,4	100	540,2	100	598,2	100	645,8	100	686,5	100
Exports to UMOA	413,8	100	425,3	100	429,4	100	449,1	100	482,2	100
Balance[b]: (E-I)	-117,6		-114,9		-168,8		-196,7		-204,3	

Source: Statistiques des pays industriels selon le Fonds Monetaire International ("Direction of Trade") et l'Office de statistiques des Communeute's Europeennes. cf. BCEAO 1968, p. 34.

(a) UMOA: Union Monetaire Ouen Africaine, established by the Treaty of May 12, 1962 merges Dahomey, Ivory Coast, Mauritania, Niger, Senegal, Upper Volta, and Togo.

(b) The apparently positive balance for the UMOA should be interpreted with care for the value of imports, except for the U.S.A., are CAF values. cf. BECAO 1968, pp 33 and 34.

TABLE 16

West Africa: Destination of Exports, 1965
(by percentage shares)

Destination / Source	E.E.C.	U.K.	E.F.T.A.	U.S.	Sino Soviet Bloc	Japan	Australia and South Africa	Other
(A) Associated Overseas States of the European Economic Community								
Dahomey	80.3	1.5	1.5	2.9	-	1.5	-	12.4
Ivory Coast	61.2	3.4	0.9	15.6	2.1	0.9	0.1	15.8
Mali	5.8	1.3	-	-	3.9	-	-	89.0
Mauritania	69.0	25.0	-	3.4	-	-	-	2.6
Niger	58.3	1.6	-	0.8	-	-	-	39.3
Senegal	85.7	1.4	3.3	2.0	0.4	1.9	1.2	5.8
Togo	80.3	1.9	0.4	0.7	2.2	4.5	4.1	5.9
Upper Volta	26.9	-	7.5	-	-	1.5	-	64.1
(B) Commonwealth Countries								
Gambia	35.2	42.9	1.1	-	-	-	-	20.8
Ghana	27.8	20.8	3.3	15.6	18.2	2.3	1.9	10.1
Nigeria	36.1	38.0	4.5	9.8	2.9	1.2	0.1	7.3
Sierra Leone	21.6	66.9	0.1	1.1	-	0.1	-	0.7
(D) Non-Associated Countries								
Guinea	16.7	4.1	29.9	23.3	-	0.2	-	25.9
Liberia	53.7	11.0	0.8	25.4	-	7.8	-	0.6

Source: Direction of Trade Annual, No. 4, IMF/IBRD (Washington, 1967)
African Affairs Vol. 68, No. 270 January 1966, p. 30: David Wall: "Export Prospects for Africa South of the Sahara".

TABLE 17

Production of Some Resources

A - Crude Petroleum Production

Country	Sp. Gr.	1953	1960	1961	1962	1963	1964	1965	1966	1967	1968
		Thousand metric tons									
World	.	657700	1053600	1122200	1217200	1305800	1409700	1510700	1641600	1760100	1923800
Nigeria	0.85	-	850	2271	3328	3772	5953	13538	21000	15588	7298

B - Phosphate Rock Production

		1953	1960	1961	1962	1963	1964	1965	1966	1967	1968
World		25700	40690	43600	46030	48870	56820	63190	75110	78390	84550
Senegal		46	198	546	638	596	798	1038	1135	1276	1270
Togo		-	-	118	197	476	759	974	1152	1139	1375

C - Diamonds Production

Country	Code[1]	1953	1960	1961	1962	1963	1964	1965	1966	1967	1968
World	A	20730	28400	38250	33100	36670	38000	37120	38630	39590	43490
Ghana	A	2181	3273	3213	3210	2682	2668	2273	2819	2537	2447
Guinea	A	78	1117[2]	1220	42	54	72	72	72	70	111
Ivory Coast	A	102	119	549	284	180	200	198	183	176	187
Liberia	A[2]	125[3]	976	1096	855	747	571	539	555	569	730
Sierra Leone	A	482	1909	2295	1637	1388	1463	1462	1462	1400	560[4]

1. A: Gem and industrial diamonds.
2. Exports (Guinea beginning 1960)
3. 1954.
4. Gem diamonds only.

TABLE 17 (cont.)

D - Iron Ore (Fe content) Production

Country	1953	1960	1961	1962	1963	1964	1965	1966	1967	1968
	Thousand metric tons									
World	158600	256600	246100	252300	266700	301100	326400	339900	337800	368100
Guinea	199	388	271	350	279	454	378	800	...	...
Liberia	893	2192	2139	2653	4963	8843	10985	11538	12575	13292
Mauritania (exports)	...	...	198	656	841	3239	3875	4638	4846	5006
Sierra Leone	848	881	1029	1186	1147	1196	1286	1382	1259	1800

E - Bauxite Production Thousand metric tons

Country	1953	1960	1961	1962	1963	1964	1965	1966	1967	1968
World	15280	28950	30280	32280	31690	34600	39250	41310	45390	47700
Ghana	117[1]	194	204	243	314	250	309	352	351	285
Guinea	327	1378	1767	1468	1664	1678	1870	1609	1639	2118
Sierra Leone	-	-	-	-	42	153	207	272	342	470

1. Exports.

F - Gold Production Kilogrammes

Country	1953	1960	1961	1962	1963	1964	1965	1966	1967	1968
World[1]	751000	1044000	1080000	1152000	1202000	1247000	1278000	1278000	1239000	1250000
Ghana	22736	27340	25934	27641	28654	26902	23490	21287	23720	22616
Liberia	27	32	65	68	61	57	53	135	159	100
Nigeria	21	24	21	12	10	8	2	2	1	7
Upper Volta	...	320	482	1237	1393	1034	1011	500	...	...

1. Excluding U.S.S.R. and China (Mainland)

TABLE 17 (cont.)

G - Forestry - Natural Rubber Production

	Thousand metric tons									
Country	1953	1960	1961	1962	1963	1964	1965	1966	1967	1968
World	1755	2015	2125	2155	2100	2270	2380	2435	2490	2645
Ivory Coast[a]	-	-	0.1	0.2	0.4	1.6	2.8	5.5	5.8	6.7
Liberia[a]	36.8	48.4	41.2	45.4	41.3	42.6	49.2	52.9	62.3	59.1
Nigeria[a]	21.6	59.5	55.7	60.1	64.2	72.2	69.0	71.0	47.9	52.8

Source of Tables A through G: UN: Statistical Yearbook 1969. Twenty-First Issue. New York, 1970.

(a) Net exports.

TABLE 18

Forestry: Roundwood Production

Million cubic metres (Solid volume of roundwood without bark)

Country	1953 Total	1964 Total	1965 Total	1966 Coniferous	1966 Broad-Leaved	1967 Coniferous	1967 Broad-Leaved	1968 Coniferous	1968 Broad-Leaved
World	1668	2031	2054	993	1085	1008	1097	1024	1099
Africa	165.7	222.9	230.2	7.8	228.0	7.9	233.9	7.9	237.2
Ghana	7.9	9.7	9.8	-	7.2	-	8.6	-	8.7
Ivory Coast	4.6	7.8	8.2	-	8.3	-	8.8	-	-
Mali	1.9	2.4	2.4	-	2.5	-	2.5	-	2.6
Nigeria	26.3	48.0	49.4	-	50.8	-	52.2	-	53.8
Senegal	1.8	2.2	2.2	-	2.2	-	2.2	-	2.2
Upper Volta	2.6	3.4	3.5	-	3.5	-	3.6	-	3.7

Source: UN: Statistical Yearbook 1969. Twenty First Issue. New York 1970. p. 134.

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