ISSUES PAPER
ON
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1. INTRODUCTION

Discussions on issues of cooperation and integration among independent African countries have been dogged by questions of appropriate strategy. Some African governments and international institutions favoured the so-called incremental “functionalist” approach, while others preferred the comprehensive “structuralist” approach. Each approach contains a different strategy for fostering cooperation in intra-African trade and production. Advocates of the incremental approach believe that the removal of infrastructural impediments would enlarge trade among African countries; while the proponents of the structuralist approach argue that the relatively low volume of intra Africa trade stems from weak production base in individual countries, which can only be enlarged through increased or joint production in various countries.

The Lagos Plan of Action for the economic development of Africa (LPA) and the Final Act of Lagos (FAL) represent a pragmatic reconciliation of both views. The LPA recognizes that increased trade and joint production should and could be pursued simultaneously, while the FAL develops a framework for phased regional economic integration. Hence, LPA sets out specific measures to promote intra-Africa cooperation and integration by improving transport and communication as well as trade and finance arrangements while at the same time, advocating increased and joint production in various fields.

(a) Links between LPA and CSSDCA

The LPA’s perspective should guide the cooperation and integration “calabash” of the SSDCA process. The CSSDCA process, by linking cooperation and development to security and stability, recognizes that without external security and domestic stability there can be no enabling environment for sustained inter-country cooperation. On the other hand, ties of economic, social and cultural cooperation and integration reinforce mutually shared interests in inter-state security and stability.

(b) Tiers of Cooperation and Related Problems

The Cooperation and integration “Calabash” of the CSSDCA process should seek to promote cooperation at three levels, while recognizing the various problems associated with each. Indeed, the cooperation “calabash” should devise practical measures for addressing the various problems associated with cooperation at each level, even as intra-African cooperation and integration must occupy the centre stage. The three levels are intra Africa (among African Countries) 1; Intra
South or South-South (between African and other developing countries) and North-South (Africa and the industrialized countries)

The problems that beset each level of cooperation include, but are not limited to:

**Among African Countries**

- Lack of political will
- Lack of adequate financial arrangements
- Absence of key sub-regional promoters
- Weak inter-country infrastructural facilities
- Emergence of economic crises in the 1980s.
- Political instability
- Inter state border disputes and wars

**South-South (African-other developing Countries)**

- Lack of inter-regional payments arrangements.
- Hostile international economic environment (debt crisis, falling commodity prices, etc.).
- Lack of sufficient information on projects for cooperative ventures.
- Marked preference to promote trade with, and seek investments from, industrialized countries.
- Myriad of problems relating to existing institutional frameworks for collaboration. The existing frameworks are Caracas Programme of Action (CPA) for G. 77; Action Programme for Economic Cooperation (APEC) for Non-Aligned Movement; and the U.N-sponsored Buenos Aires Plan for Technical Cooperation among developing countries (TCDC). The Global System of Trade Preferences (GSTP) among developing countries can be added to this list, as is the newly formed G. 15 developing countries, which has set for itself the promotion of certain projects, among other objectives.

**North-South (African and Industrialized Countries)**

- Hostile international economic environment (debt crisis, falling commodity prices, declining foreign investments etc)
- New preoccupations by industrialized nations. (EEC is inclined to assist Eastern Europe; U.S.A. is keen on forming the North American Free Trade Area and Japan is preoccupied with the Pacific Rim of Asia).
- Perception of Africa as an unstable polity.
- Use of SAPs as a discriminating factor for financial assistance, investments and debt relief.
- So-called fatigue in helping the “basket case” of Africa.

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1 Intra African Cooperation itself is at three levels, namely: between two or more countries within or outside the same sub regional economic group; within the sub region economic group; and between various sub regional economic groupings.
II. POLICY ISSUES AND MEASURES

The cooperation and integration “calabash” of the SSDCA should identify specific issues and policy measures for promoting cooperation and integration in Africa. In doing so, the process should be guided by two considerations. Firstly, it has to build upon, rather than replace what is contained in LPA, APPER and AAFSAP.

Given that the policy measures articulated in LPA as well as APPER remain largely implemented, and the policy prescriptions of AAF-SAP also largely not adopted by many African countries, the objectives set out in these blueprints should form the basis for the programmes of cooperation and integration in the CSSDCA, though they may be supplemented as deemed necessary.

Secondly, the CSSDCA process should benefit from and be a catalyst to the existing sub regional economic groupings and the proposed African Economic Community.

The following are some key policy issues and measures to be included in the cooperation “calabash”:

* TRADE AND PRODUCTION: Intra-African trade is at an abysmally low level, estimated generally at about 5-6%. These figures are sometimes described as not capturing the exact volume and value of trade activities among African Countries in so far as they relate only to recorded trade. However, even if the figures were adjusted to include the unrecorded volume; Intra-African trade may barely exceed 10-12%. The need to promote intra-Africa trade cannot be overemphasized. However, trade is unlikely to increase unless the fragmented production capacities are substantially improved and harmonized. Increased intra-African trade and production have to go in tandem.

POLICY MEASURES: improvement of a variety of trade-related facilities such as transport, communication, and payments arrangement are key to enhanced intra African trade. At the same time, there is need for African countries to deliberately seek and promote trade opportunities among themselves. Some products such as meat, cocoa, sugar, oil etc can be readily obtained from one African country rather than importing them from outside Africa. The process of seeking trade opportunities should be complemented by certain joint production arrangements discussed in the next section.

* JOINT VENTURES: The focus of joint ventures should be increased production. However, the joint ventures should build on the comparative endowments of African countries. The advanced industrialized nations, despite their relative economic and technological capability of each of them, still engage in joint production or so-called multinational investments. Any suggestion, therefore, that African countries should avoid joint production, in favour of market (trade) integration, is unhelpful. Few African countries, individually, have the resources and the

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2 This should not be confused with transnational corporations, which may or may not be multinational in ownership and control.
markets to support major consumer-intermediate and capital goods industries needed for Africa’s economic transformation. However, great care should be exercised in the choice and location of such joint production facilities. Cost minimization as well as international price and quality competitiveness should be the key considerations. One important approach that can be explored is the joint use of existing national facilities, which may not have been formed by a joint venture. Thus, a country with high or surplus supply of a good for example electric power or gas can transmit to neighbouring countries.

**POLICY MEASURES:** SSDCA process should promote cooperation in joint production by matching countries that have natural resource endowments with those that have financial capital and other inputs. This formula may be applied both with respect to intra-African cooperation as well as cooperation between African and other developing countries. However, one of the shortcomings of previous joint venture arrangements has to be avoided, namely; the over-reliance on the public sector to finance joint ventures. The private sector, to the extent that it exists in the individual countries, should play the lead role in financing the ventures while the public sector promotes and facilitates the process.

* **FINANCING REGIONAL COOPERATION:** There are an estimated 200 regional organizations in Sub-Saharan Africa dedicated to promoting cooperation. This may be indicative of the deep commitment to cooperation. Yet, such a large number has led to duplication and heavy financial obligations for participating states. Africa can do more with fewer organizations. In particular, the rationalization of these organizations can by itself release a lot of resources for financing regional or sub-regional cooperation programmes and projects.

**POLICY MEASURES:** Savings to be realized from the rationalization of the many regional organizations may not be enough to finance regional programmes. Innovative ways of raising more resources would thus have to be found. One frequently canvassed approach is that African countries should set up a Fund financed with certain percentages of surcharges from individual country imports. In addition, the African Development Bank need to substantially increase its lending to multinational projects which now average only 2.3% of its cumulative lending commitments.

* **SELECTING LEAD COUNTRIES TO PROMOTE COOPERATION**

**PROJECTS:** An important element in accelerating cooperation process is the identification, development and management of cooperation projects. Quite often, however, these cooperation projects hardly materialize after they have been identified and feasibility studies completed.

**POLICY MEASURES:** Pending the time that cooperation projects are fully established and independent management installed, a lead country should be designated for promoting the project. That way, the other member states can have a recognized focal point to which all issues pertaining to the project may be directed. The lead country, then, becomes a catalyst for bringing a project to fruition.
PROMOTING INTEGRATION AMONG AFRICAN COUNTRIES

The Final Act of Lagos, as has been noted earlier, endorsed the approach of establishing an African Economic Community on the basis of phased creation of sub-regional economic groups. All the sub-regional groups in Africa now have an economic group. These are namely ECCAS (Central Africa); PTA (East and South Africa); ECOWAS (West Africa); and Maghreb Arab Union (North Africa except Egypt).

These sub-regional economic groups would form the building blocks of the AEC. Therefore, they need to be strengthened, with respect to finance and management so as to enable them attain their goals. Integration process should be imbued with sufficient political will. There should be a reasonable symmetry between objectives set out in economic groupings and resources with which they are endowed.

POLICY MEASURES: It is essential that member states of the various sub-regional economic groupings show their commitments by paying up their contributions and rendering all necessary support. Member states of the various sub-regional economic groupings need to insist that the management (secretariat) of the economic groupings show results. Success of these sub-regional economic groupings would depend crucially on the support of governments as well as the effectiveness of the secretariats. Equally important is the need to encourage and promote active involvement in the integration process of various socio-economic actors such as trade unions, chambers of commerce, academics, women, youths and other professional associations. The process of integration is too important to be left to governments alone!

SOUTH-SOUTH COOPERATION

Regardless of the existing constraints – institutional and financial – to South-South cooperation, there is considerable scope for promoting cooperation between Africa and other developing countries. To be sure, the enthusiasm and vigour that imbued South-South process in the heyday of the 1970s have waned. Yet, African countries need to tap whatever opportunities there might be in South-South relations to foster their economic development and transformation.

POLICY MEASURES: The GSTP already serves as a framework for accelerating South-South trade. However, Africa would benefit less from this arrangement given the structural economic weaknesses of the region, the narrow range of exportable goods and the virtually non-existent production base for manufactured goods.

Africa’s preoccupation, then, should be to encourage foreign investments from other developing nations that can contribute to enhancing Africa’s production and, earn export income at the same time. Given the financial resources crunch in many other developing regions and countries, the strategy should revolve around obtaining industrial capital, (machinery etc) rather than financial capital. This is no invitation to counter trade practices. Investments should also be targeted at producing not only consumer goods but also certain capital and intermediate goods.
COOPERATION BETWEEN AFRICAN AND INDUSTRIALIZED COUNTRIES

On present trends, the possibility of major cooperation arrangements involving Africa as a group and one or many industrialized nations appears remote except in such existing frameworks as ACP-EEC, and the fragmented arrangements in the U.N. system. The marked preference of industrialized countries for using SAPs as bases for debt relief, investment flows and ODA support suggests that the scope for cooperation with industrialized countries would remain limited. Even so, African countries, either as a group or individually, cannot foreclose the option of promoting cooperation with the industrialized countries.

POLICY MEASURES: Emphasis should be placed on structural economic transformation in the economic policy reforms being implemented by many African countries. Cooperation arrangements with the industrialized countries would have to be assessed by the extent to which they remove basic structural weaknesses of African countries. In this regard, measures designed to elevate Africa from its status, as exporter of raw materials, to producer of manufactured and other processed products should be key consideration. The approach of installing costly assembly plants is no longer suitable for Africa. Stress should be placed on manufacturing key components of medium and high technology goods as well as developing core consumer and intermediate goods industries. South East Asian countries are pursuing this policy with good results. As such, African strategy towards foreign investments in manufacturing should be adjusted.

The issues of cooperation and integration examined in this paper may not be exhaustive. However, they are illustrative of the scope and range of policy issues and measures that governments may consider in the cooperation “calabash” within the framework of the CSSDCA.

THE AFRICAN REGION IN THE POST-COLD WAR GLOBAL SYSTEM

Introduction:

In precise historical context, the Cold War is that period of uneasy peace and tension, with nuclear-stratified military, ideological and economic blocs, which the International Community lived through from the end of the Second World War in 1945 until very recently. The dramatic political events in Eastern Europe in 1989/, 1990, which culminated in the collapse of the Berlin Wall and the eventful re-unification of the two Germanies, symbolically, marked the end of the cold war era.

The Cold War was also characterized by political, ideological and strategic confrontation between the Super Powers. The main fissure was between the East and the West, that is between the Soviet Union and the United States. In the West, allied with the United States were the industrialized capitalist countries of Europe as well as Canada and Japan. In the East, all the countries of Eastern Europe, except perhaps Yugoslavia, were polarized on the side of the Soviet
Union. Most characteristic of this period was Super Power hegemony and rivalry structured on opposing political ideologies, threats of military confrontation, the arms race and strategic balance of terror. The existence of the North Atlantic Treaty Organization (NATO) grouping the Western Alliance and of the Warsaw Pact encamping the Eastern bloc dramatized the global confrontation of that period.

Economically, while the Soviet Union and the socialist bloc vigorously promoted socialism, the United States and its Western allies developed capitalism and the market economy. But, as the Cold War years advanced, growing inequalities between the industrialized nations of Europe and America, on the one hand, and the under-developed countries of the Third World, on the other, introduced new tensions, new fears and added another dimension to the already tense international atmosphere of the Cold War.

Ironically, however, the crumbling of the Cold War order came about as a result of the crisis of one of its ideological pillars, that is, the crisis of communism.

In the analysis that follows, I will examine briefly the place of Africa in the Cold War global setting and the influence of ideological politics on the region. The implications of recent political changes in Europe and of the emerging new world order for the African region will be the main focus of this presentation.

Africa in the Cold War Era:

Of all the regions of the world, Africa fared worst in the political and economic arrangements that characterized the Cold War era. Most of the countries of Africa attained their independence in the 1960s, a phenomenon aided by post-World War universal recognition of the right of independence for all colonized peoples. By the 1970s, the euphoria of independence had yielded place to disillusion, despondency and sense of inadequate performance on the part of the new nations. The 1980s were the worst for the continent, with chronic manifestations of political instability and insecurity, crushing debt burdens and virtual economic collapse, falling and degrading standard of living, and endangered environment.

Under these conditions, one is bound to wonder whether the 1990s would usher African countries into a more politically stable and economically viable twenty-first century. But as political analysts have warned, although the change from the cold war psyche to a relaxed international environment promises a welcome alternative to the tension and confrontation of the past, it should not give room for unnecessary euphoria because of the many uncertainties and unpredictability inherent in present developments. In fact, it appears that the future harbours many unanswered questions.

The influence of the cold war on Africa, Asia and Latin America was pervasive and in some cases profound. In spite of the emergence of the idea of the Non-Aligned Movement in the 1950s, most of the countries of the Third World did not escape the contagion of superpower ideological polarization. Many of the non-aligned countries even had military cooperation pacts with the super powers or their allies and they were consequently involved in the arms race.
Like the other parts of the Third World, Africa too became a victim of the ideological divide between East and West. Although the Soviet Union was not a colonial power in the classical sense of it and consequently had no colonies in Africa, it succeeded to a very large extent in carving for itself areas of influence in Africa by virtue of the preponderant role it played ideologically and militarily in Africa’s liberation struggles in the 1950s and the 1960s. The continued economic and military assistance of the Soviet Union to the newly independent countries helped to strengthen the ideological position of the East in Africa.

The effects of cold war politics on Africa are mixed, and, in the main, negative. In a positive sense, however, cold war politics encouraged and assisted the course of political emancipation from what was perceived as Western colonial domination. Apart from the fact that the declarations of the United Nations Charter accorded legitimacy to the right of colonized peoples to independence, liberation struggles in Africa received considerable military and moral support from the Eastern bloc. Secondly, the factor of cold war rivalry impelled the super powers and their allies into some competitive economic assistance to the newly independent African states in the 1960s.

On the other hand, the involvement of the new states in super power ideological politics aggravated their internal conflicts and encouraged instability. Besides, the readiness of the super powers and their allies to supply arms to Africa encouraged unnecessary arms build-up in the new states and diverted resources meant for development to unproductive and wasteful ends.

At the continental level, every issue was seen within the prism of the Cold War. Consequently, African states could not take objective decisions or reach consensus on issues vital to their interests. The division of African states into Casablanca and Monrovia groups in the early 1960s for instance, was in response to the ideological polarization of African leaders at that time. Even when the OAU was eventually created in 1963, this congenital discord among the two groups hindered the successful pursuit of such objectives as common and collective security, economic and political union of the continent, etc. To cite another vivid example, the crisis of the Congo in the 1960s and the tragic aftermaths were externalised as the unfortunate consequences of the Cold War in Africa.

If, at the political level, the above represents examples of the effects of Cold War politics on the continent, the picture is more depressing on the social and economic platforms.

By the 1970s, the euphoria that accompanied Africa’s political independence had virtually disappeared. The 1980s were worse years in economic and social terms and were rightly referred to as the lost decade. The list of Africa’s social, economic, and human problems was long. In a lecture which I delivered in June this year, entitled “De-marginalising Africa”, I gave socio-economic indicators to show that Africa is in crisis, and that it is being marginalized on all fronts by the international community and sadly enough by itself. Whatever statistics we choose to use, the picture is one of a continent that can be described as derelict, despondent, disillusioned and detached from the main stream of the rest of the world. Most socio-economic indicators depict the continent as losing its shares in world trade and manufacturing.
It is equally increasing its relative global proportions of such negative indices as poverty, infant and maternal mortality and illiteracy. The most visible indices of Africa’s increasing marginalisation are its sharply declining shares in world’s exports, imports, foreign direct investment and official development assistance. The persistent deterioration of Africa’s terms of trade is also an index of relative regional deterioration. Unbearable external debt burden is another graphic measure of Africa’s deteriorating global position. This is indeed a hapless picture and represents the situation on the continent as the Cold War world order changes. It will be appropriate to now examine what the observable implications of the changing international order are for the African region. What is the place of Africa in a post-cold war global system?

**Africa and the New World Order:**

The political and economic restructuring that took place in the Soviet Union and the subsequent changes that swept through Eastern Europe have produced far-reaching political implications worldwide. The most significant of these changes, as we have noted, include the end of the cold war, the end of superpower ideological and strategic confrontation, the dissolution of the socialist bloc of Eastern Europe, the drastic slowing down of the arms race, and the high tide of pro-democracy and liberalization movements globally. For the continent of Africa, the implications are manifest in the domain of conflict resolution, renewed surge of pro-democracy agitations and the general effects on the economic relations and prospects of African countries in the emerging world order.

The decision of the Soviet Union to re-order its global priorities and re-define its commitments to its allies also affected its satellite socialist states in Africa. In practical terms, this re-definition involved the withdrawal of both economic and military assistance to these countries which had hitherto heavily relied on the Soviet Union for support.

The withdrawal of Soviet military aid coupled with the spirit of cooperation and understanding between the super powers facilitated the resolution of a number of conflict situations in Africa. For instance, the withdrawal of military aid and the evacuation of Cuban soldiers from Angola speeded up the independence process in Namibia. Of course, this process was also encouraged by the political acumen and foresight of Namibia’s leading political figures who had opted for the adoption for the country of a constitution which embodied, among others, the principles of multi-party system, justifiable bill of rights, free press, limited presidential tenure, etc. A favourable international and domestic environment was thus provided for Namibia’s independence.

Even in South Africa itself, the wind of change blowing through the apartheid enclave and the near resolution of the problems there are also partly attributable to the withdrawal of the Soviet threat in that region. The “Mandela Factor” which has now become a living reality is as a result of a new thinking in South Africa, a fact reflecting the global liberalization mood of the times and emanating from the events in the Soviet Union and Eastern Europe.

The experience in Ethiopia also is indicative of the hollow base on which many dictatorial regimes in Africa rest. The end of the protracted armed conflict in that country was abruptly
brought about by the withdrawal of Soviet aid to the defeated Marxist dictatorial government of Ethiopia by the rebel forces. The undisputable conclusion from these examples is that the end of the Cold War encouraged the process of conflict resolution in Africa.

One other significant implication of recent world events on developments in Africa is the encouragement given to pro-democracy movements on the continent. The winds that swept off corrupt dictatorships and autocratic one-party systems and state structures, inefficient systems and unresponsive social institutions in Eastern Europe are not unfamiliar to Africa. But their success provided moral encouragement to their counterparts in Africa which were smouldering or dormant. Hitherto, pro-democracy movements in Africa were either suppressed or tagged as subversive in the eyes of the outside world. The withdrawal of Soviet support from those regimes in Africa which camouflaged their dictatorship under the banner of socialism strengthened the ranks of existing pro-democracy movements on the continent and increased their chances of success.

Furthermore, the demise of communism helped to expose those right-wing dictators in Africa who firmed up their repressive rule on the premise of curtailing the spread of communism, and made their further existence unjustifiable. In both of these cases, one invariably finds in Africa today that both the left-wing and the right-wing dictators are being forced by popular pressure to accept a policy of democratisation based on pluralism.

The factor of conflict resolution and political liberalization in Africa described above is indeed a welcome trend on the continent. It is a phenomenon that relates to governance and political leadership in Africa. We may be entering a new era on the continent in which the leaders will no longer choose to ignore the voices and the votes of their people and suppress their fundamental human rights. The present situation, if managed and harnessed properly, may open the way to security and stability which are indispensable for social and economic development.

Attractive as this trend may be, the vacuum created by the collapse of communism and consequently of Soviet influence in Africa predicates inherent dangers for future developments in the region. On ideological and developmental grounds, the doubt continues to linger as to the superiority or efficacy of capitalism as a model in solving the chronic problem of social inequality, distributive injustice and of extreme wealth and extreme poverty germane to capitalist development. With the socio-economic inequalities characteristic of the capitalist system, the question arises whether, in the long term, a democratic welfarist model would not provide a better and more sustainable solution to the development problems of Africa.

An obvious unease in the region is what is seen in some quarters as an attempt to impose Western democratic models lock, stock and barrel on African countries as a condition for economic assistance for development. For democracy to endure, it must be home induced, home-grown and home-sustained. Africa has a modicum of tradition of some forms of democracy which should not be completely discarded but be allowed to evolve and develop, and that a single model of democracy may not be applicable to all societies. Moreover, the democratisation process might take more time in some countries than in others. To make democracy grow and
flourish, it will be necessary to exercise patience and tolerance and make allowance for African cultural peculiarities. It should also be realized that, under the present African situation, “while good government is a necessary condition for development, it will not be sufficient by itself, in the light of crushing debt burdens, falling commodity prices, inadequate flow of resources, to meet the social demands that will invariably accompany free speech and pluralist democracy”.

In other words, how durable will the resolution of conflicts on the continent be or how will popular democratic process endure, if the chronic developmental problems are not tackled and solved? The swapping of ideologies is not just sufficient to provide relief for Africa. Democracy and poverty are strange bedfellows. Conflict resolution and democratic reform will be fragile and inconclusive unless they are matched by resources to accelerate economic growth and enhance human development in Africa.

Africa’s Economic Prospects in a New World Order:

Present socio-economic indicators underscore the marginalized status to which Africa has been reduced, particularly within the last decade. The non-democratic and autocratic nature of most regimes in Africa has, more than any other factor, undermined the continent’s potentials and opportunity for sustainable economic development and growth.

Right now, the global economic prospects of Africa do not appear quite bright under the emerging world order. From the 1990s right to the opening decades of the twenty-first century, the world economy is going to become more and more competitive, with the emergence of economic blocs and trade zones. The European Community from 1992 promises to provide added opportunities for increased trade between Africa and Europe. The whole of Europe is going to become a great economic market and exchanges between East and West will increase considerably.

But, the opportunities are not going to be offered to Africa on a platter of gold. African states must brace up to face the challenges because the competition is not going to be easy. To be able to partake in the expanding trade environment emerging in the world and in Europe most especially, African states must carry out radical reforms in their economy in tune with the politico-economic mood of the times. The new political thinking whose objective is the complete dismantling of all authoritarian regimes in Africa must be accompanied by a similar thorough-going restructuring of the economy. The released energies from the political and economic renewal process on the continent must be channelled into productive forces at all levels in order to revive and sustain the present tottering economy.

To appreciate the enormity of the challenges which African states face under the emerging world economic system, it must be realized that for a number of reasons, internal and external, the dynamics of global economic permutations tend to operate negatively against Africa’s development calculations. This situation is by no means improved by currents political events in Europe.

The impact of the Soviet Union’s policy of global disengagement and the subsequent political changes in Eastern Europe had far-reaching political, military and economic effects in the Third
World, and in Africa in particular. Apart from the cessation of military aid, this policy brought about a drastic reduction in the volume of economic assistance from the Soviet bloc to African countries. Right now, it is hoped that the evolution of events in Eastern Europe will not diminish or erode from the understanding and cooperation which have developed between these countries and Africa for over thirty years.

The dissolution of Eastern Europe as a socialist bloc and the attendant radical political transformation that has taken place there has attracted the attention and the economic interest of the West and has opened the way for massive investment opportunities in those countries, seemingly at the expense of the poorer and more needy countries of Africa. It is true that Eastern European countries provide a better and a more conducive investment environment for the West than Africa, in terms of infrastructure, proximity, cultural affinity, etc. It is equally true that these countries have put forward a host of incentives to attract foreign investors, the type of which African states are not in a position to offer. Besides, from the point of view of political sympathy and self-interest, massive resource flow from the West could be justified on the grounds of rescuing Eastern Europe from communist domination.

However, it is common knowledge that the marginalisation and the precarious socio-economic conditions of Africa predate events in Europe. Yet Africa has never enjoyed similar relief package from the West.

Not only is the near-spontaneous increase of resource flow from the West to Eastern Europe remarkable and almost unprecedented, the magnitude of it is unparalleled since the Marshall Plan. The establishment of the European Reconstruction and Development Bank (ERDB) for the rapid modernization of Eastern European economies institutionalised and crowned the appropriation of development finance. Eastern Europe must receive attention and assistance from the West because an economically improved and politically stable Eastern Europe is an advantage to the economy of the world from which Africa should eventually benefit. That is in the long run. Between Africa and Eastern Europe there should be feeling of sympathy, understanding and accommodation and not recrimination, fear, suspicion and antagonism. There is enough for both regions to have adequate resources and attention to make a difference to their economic situations and consequently leading to the revitalization and improved health of the world economy. Both regions should be calling for adequacy of resources and attention to them separately and collectively.

For Africa, resource diversion has now become a naked and troublesome fear. Hitherto, resource flow to Africa only came in trickles. With developments in Europe, the inevitable question is whether this meagre flow will continue. Will direct foreign investment and ODA not decline further for Africa, now that most OECD members are paying more attention to Eastern Europe? For instance, there are proposals recently among donor-countries to set ODA targets for Eastern European countries almost at double the level meant for the least developed countries, which are of course mainly African countries. Direct foreign investment in Africa which stood at $2.4 billion in 1982 fell to $0.8 billion in 1987, and this is likely to fall further in view of the present requirements of the Eastern European countries. Can these be justified and substantiated in absorptive capacities alone?
Although we would like to remain optimistic that Europe 1992 will provide wider trading opportunities for Africa, attendant developments of the European community may deflate this optimism. The emerging Europe, even without the expansion of the twelve to admit the newly democratic Eastern European countries, will forge closer economic relations, closer security cooperation and closely harmonized foreign policy. In other words, Europe will speak more with one voice. That should, normally, augur well for global action in areas of concern to Africa.

The march towards the full integration of the European Community itself by 1992 embracing the enormous economic potentials of united Germany risks diverting from Africa the attention of big investors from North America, Europe and Asia to Europe which promises to be the biggest market yet. What is more, an enlarged, strong and integrated Europe could give rise to a Euro-centric phenomenon and lead to a protectionist Europe which, in terms of trade relations, may create problems and prove unhelpful for the ACP countries. Even right now, the ACP countries face declining trade possibilities as a result of ad hoc preferences granted to products from Eastern European countries irrespective of any preferences that may have been accomplished in the context of the Lome agreements between the European Community and ACP countries. To compete successfully in the market of the emerging Europe, the ACP countries, particularly Africa, will have to put their house in order, understand the rule of the game and give aggressive pursuit.

Other likely areas of diversions of resources from Africa to Eastern Europe include: the inability to increase future ODA flows commensurate to the challenges of Africa; increased claims by Eastern Europe on the resources of international financial and development institutions, inevitably at the expense of the Third World; reduced resource volume available for debt rescheduling, reduction or outright debt forgiveness for African countries. It is observed that donor countries, in recent times, have given more favourable debt rescheduling facilities and better relief package to Eastern European countries than they have to the poorer African countries and so have they assigned the best brains or talents in government, multinational and medium-sized corporations and banks in the West to programmes and projects in Eastern Europe. The other highpoint of it all is the diversion of political and media attention and concern from the Third World, particularly Africa, to Eastern Europe.

Even at the global level, African countries face the threat of economic isolation. The emergence of regional economic blocs in many parts of the world risks leaving Africa isolated in the present emerging global economic configuration. The following groupings have already emerged or are likely to emerge: Europe – 1992; North and South America zone; North America zone to embrace the US, Canada and Mexico; Japan and South East Asia; Pacific economic cooperation zone; the Middle East region because of its oil and strategic location. Under the circumstances, self-reliance, rapid physical and economic integration of the African continent are indispensable for Africa’s economic survival in the 1990s for socio-economic transformation and competitiveness with the rest of the world.

Viewed against the near-spontaneous reaction of the West to the situation and developments in Eastern Europe, the attitude of the major international economic actors to the present human and economic problems of Africa does not call for enthusiasm. At their meeting in London in July, the seven major industrial democracies and the representatives of the European Community
noted the progress by African governments towards sound economic policies, democracy and accountability, which, they felt, was improving prospects for economic growth on the continent. They then promised continued support to Africa, “focused on stimulating development of the private sector, encouraging regional integration, providing concessional flows and reducing the debt burdens”.

Although they declared that Africa deserved their special attention, it was evident that they were not by any means disposed to encourage and support democracy and current developments in Africa with the same spontaneity and similar magnitude of resource flows that they put at the disposal of Eastern Europe.

It is conclusive from the scenario presented above that the international economic environment which has hitherto not been favourably disposed towards African initiatives at development and survival has not changed, even with the euphoria of a new world order.

In fact, it appears that African countries are finding themselves pushed more and more by evolving world events to the periphery. The whole experience of African states for the past three decades is a cheerless picture.

But, should we raise up our hands in despair? Of course, not! The trend is reversible. We should note that history is replete with the rise and fall of peoples, of nations, of kingdoms, of empires. What Africa needs is to make conscious efforts to redress the distressing and depressing situation of the present and outlive its inabilities. New initiatives are needed to achieve effective political and economic restructuring of the society. Responsive and effective governance is required to motivate economic growth, promote human development and, at the same time, re-attract and revive the dwindling interest of the international community for Africa’s development efforts. This can only be achieved, in sum, in an atmosphere of peace, security, stability, cooperation and development.

Prospects of Solution:

In search for a meaningful solution to their problems, African states now fortunately have at their disposal a set of interrelated pre-conditions that must be instituted and institutionalised to meet the aspirations of their people for responsive governance and for development, and which would at the same time elicit the cooperation and support of the international community.

In May this year, participants from Africa converged in Kampala, Uganda, to deliberate on the issue of security, stability, development and cooperation in Africa. This was the CSSDA process modelled on the Helsinki process but with African realism. The Kampala Document, which was the outcome of the deliberations, stipulated that peace, security and stability are the pre-conditions and the basis for development and cooperation in Africa. The security, stability and development of African states are inseparably interlinked, as the erosion of security and stability is one of the major causes of the continuing crises and one of the principal impediments to economic growth and human development on the continent.
The Kampala Document further noted that peace constitutes the basis of all human wholesome interaction and with peace should go security as the causes of insecurity are the lack of democracy, denial of personal liberty, abuse of human rights etc. The concept of security therefore transcends military considerations. On the one hand, it includes conflict prevention, containment and resolution, and derives from common and collective continental security. On the other hand, it embraces all aspects of the society, including economic, political and social dimensions of the individual, family, the community, local and national life. By this, it is understood that the security of a nation must be construed in terms of the security of the individual citizen not only to live in peace but also to have access to the basic necessities of life, participate in freedom in the affairs of society and enjoy fundamental human rights.

The issue of stability is equally important to development. Promoting political and social stability in individual African countries is, therefore, a key component of the CSSDA process. Under the stability guidelines, all African states are to be guided by strict adherence to the rule of law, popular participation in governance, respect for human rights and fundamental freedoms. Furthermore, political organizations should not be based on religious, ethnic, regional or racial considerations; there should be transparency in public policy making; and absence of fundamentalism in religious practice.

In like manner, for the purpose of economic development, African states are to subscribe to certain fundamental principles under the CSSDA process. Development based on self-reliance is the only viable basis for Africa’s self-sustaining economic development and growth. Rapid physical and economic integration of the continent is indispensable for Africa’s socio-economic transformation and survival, and for her competitiveness with the rest of the world in the 21st century.

One of the major causes of its present economic crisis is Africa’s absolute reliance and dependence on commodity production solely for export. A time has come for effective diversification both horizontally in terms of broadening the production base and, vertically, in terms of processing and marketing for rapid social and economic transformation.

Popular participation and equal opportunity and access must be promoted and sustained as a crucial basis for the realization of Africa’s development objectives. Domestic partnership in development should be promoted. The Leaders and the governed should assume responsibilities for various aspects of development. Leaders should provide the vision that guides development. This development process is to create a truly people-centered development. Out of pragmatic necessity, the CSSDA process addresses limited but key development issues to ensure a realistic chance of success.

The Kampala Document also provides a framework for collective action and for cooperation on continental, regional and international bases. It provided for the following: cooperation among African states, between South and South and between North and South; economic integration of African states in the African Economic Community; joint development of common natural resources; inter-dependence based on beneficial cooperative relations with other developing and industrialized nations; supranationality based on the need to devolve certain key responsibilities to continental institutions.
The CSSDA process has thus charted an invaluable course and framework for Africa’s development based on self-reliance, effective and responsive governance, regional integration and international cooperation.

Integration and cooperation are to be guided by some basic common policy measures. If orthodox technical cooperation has not yielded satisfactory results for both donors and recipients, and if projects like the UN programme of action for Africa’s economic recovery and development has made very little impact due to lack of support for Africa’s reform efforts, a new attitude and a new approach to technical cooperation is therefore needed. This should be on the basis of a compact that can challenge and satisfy both sides through target and objective setting, and through results that could be monitored, involving donor agencies and the private sector in the donor-countries as well as the NGOs and the government in the recipient-countries. At the same time, efforts should be made to enhance indigenous institutional capacity beginning with cooperation in ensuring communal efforts, peace and security within the locality, the nation, at sub-regional and regional levels, while also motivating incentives for development and increased assistance.

I should like to conclude by stressing that African countries cannot successfully embark on the road to economic recovery and sustainable development unless the chronic problems of the debt burden is resolved in Africa’s favour. Unbearable external debt burden is another indicator of Africa’s deteriorating global position. Africa’s debt multiplies at an average annual growth rate of 10 per cent. Estimated at $48.3 billion in 1978, it rose to $230 billion by 1988 and $250 billion by 1989. Unfavourable lending conditions have aggravated the burden of debts. With interest rates rising from about 6 per cent in the 1970s to over 10 per cent in the 1980s, rising interest rates now constitute about $75 billion of the total stock of debt.

With the outbreak of the debt crisis, and the result that a number of countries are no longer able to make repayments when due, series of measures have been proposed in the recent past to deal with the situation, but none has proved adequate or satisfactory so far. Measures such as the Baker Plan, the Brady Plan, the Toronto Guideline and the Trinidad Approach all have their inadequacies. While accepting the principle of joint responsibility and joint solution by creditors and debtors, each of these measures does not provide modalities to ensure discipline with development and growth in the debtor-nations. At the same time, while creditor-nations are worried about the danger of a one-year debt write-off, they want to see a genuine change of attitude, improved discipline, accountability, adoption of market economy and democratisation by the debtor-countries.

However, to take care of these anxieties on both sides of the debt divide, I would like to proffer a new solution, which would take cognisance of the fears and aspirations of creditor-nations without sacrificing the developmental aspirations and capacity of debtor-nations. In the first place, the debtor-nations should embark on a policy of self-induced or self-imposed sacrifice or “conditionality”, such as would elicit relief from creditor-nations and institutions. These self-imposed conditions would be based, among others, on political reform, economic discipline, social equity, commitment to the rule of law, limitation of military expenditure, and environmental development.
As a second step, and with these self-imposed conditions as guarantees, the terms of a new debt relief package should be based on the freezing of the debt principal for a period of twenty years or more; and also the cancellation on an annual basis of their debt interest, thus relieving debtor-nations of current debt servicing burdens.

This should be a compact between the debtor-nation and the creditor-nation on the basis of agreed programme and openness. A default on agreed programmes should lead to a one-year period of grace to change, failing which the payment of interest should be re-imposed. The IMF should assist, supervise the programme and monitor defaults on commitments.

There is no doubt that sincere commitment to and the execution of this strategy based on these contractual programmes would encourage creditor-countries and multi-national agencies, and at the same time-release local resources for high-priority development programmes in the Third World and in Africa in particular.