

Langhammer, Rolf J.

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Intereconomics

Suggested Citation: Langhammer, Rolf J. (1977) : Regional integration and cooperation in Africa: A history of disappointments?, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 12, Iss. 9/10, pp. 257-262,
<https://doi.org/10.1007/BF02928809>

This Version is available at:

<https://hdl.handle.net/10419/3364>

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Regional Integration and Cooperation in Africa: A History of Disappointments?

by Rolf J. Langhammer, Kiel *

Integration in Africa can only be a long-term attempt to solve economic problems, because of its high absorption of scarce and therefore expensive factors of production. In contrast to integration, cooperation seems to be a more useful approach to tackle the urgent employment and growth problems.

Integration and cooperation efforts in Subsaharian Africa are as numerous as their shortcomings and disappointments. In other words, no other developing region has so often applied the way of "trial and error" in integration and cooperation as Africa. This statement has a twofold historical background: Firstly, Africa took over the colonial heritage of political and economic "balkanization" which overlapped traditional interdependencies in trade and cooperation. Consequently, African political leaders tried to overcome "balkanization" by a lot of institutional arrangements in political and economic affairs¹. Secondly, Africa furthermore inherited a "colonial" pattern of integration and cooperation schemes. In economic terms, this pattern mainly consisted of monetary and customs unions which were continued after gaining independence.

Definition of Integration

However, this continuation was simply a copy of integration schemes in developed countries (DCs) by means of interstate trade liberalization resulting in improved allocation of the domestic resources already employed.

There are plausible theoretical arguments in favour of the hypothesis that this copy did not fit into African conditions of negligible interstate interdependencies in the modern sectors, idle re-

sources, natural barriers to communication, political divergences and especially considerable interstate differences in the level of industrial development².

Integration in the usual sense first of all means the elimination of interstate trade barriers. This can either be achieved while maintaining different external tariffs vis-à-vis third countries (free trade area) or by establishing a uniform (common) external tariff (customs unions).

More far-reaching steps of integration would include the free circulation of production factors (labour and capital) within a customs union (common market) and later on the harmonization of fiscal, monetary and other instruments of economic policy. In any case, integration also includes the discrimination of non-members, which is a rather important side-effect.

Theoretical Advantages of Integration among LDCs

If, however, it is argued that preconditions for successful integration in the traditional sense are not favourable for LDCs in general and African countries in particular³, consideration must be

³ The customs union theory bases primarily on an improved allocation of resources which are already employed. This can occur by means of "trade creation", i.e., the replacement of domestic production, which was sheltered by tariff walls in the pre-integration period, by imports from member countries after the elimination of tariff walls. The side-effect of discrimination against non-member countries, however, can additionally cause a replacement of non-member imports by member imports ("trade diversion"). According to the theory of a "best possible world" with free trade, "trade diversion" would be negatively evaluated under the aspects of allocation. This traditional approach is attacked by economists looking for a new theory appropriate for LDCs, in which trade diversion and particularly trade creation play a minor role as integration arguments. In this connection it is argued that "trade creation and trade diversion are misleading terms in the context of less developed countries deriving as these terms do from conventional comparative cost theory. What a customs union of the style outlined here is maximizing is development creation not trade creation, and minimizing development diversion which means diverting development potential to an already developed country". F. Andic, a.o., *A Theory of Economic Integration for Developing Countries* (London: Allen and Unwin), p. 41.

* Institute of World Economics.

¹ It must be mentioned critically that many arrangements consisted of no more than a secretariat, thus employing bureaucrats without any economic impact.

² See for these arguments for example: F. Kahnert, a.o., *Economic Integration among Developing Countries*, OECD-Development Centre, Paris 1969, Chapter II; A. J. Brown, *Should African Countries Form Economic Unions?* In: E. J. Jackson (Ed.), *Economic Development in Africa* (Oxford: Basil Blackwell, 1965), pp. 176-193; P. Robson, *Economic Integration in Africa* (London: Allen and Unwin, 1968), Chapter 3; D. Ghai, *Integration of Less Developed Areas and of Areas on Different Levels of Development*, Discussion Paper presented at the 4th World Congress of the International Economic Association, Budapest, 19 to 24 August 1974.

given whether there are other arguments apart from the traditional ones which could justify the formation of integration schemes in LDCs.

An UNCTAD-study⁴ mentions five arguments for integration by focussing on "dynamic" aspects, i.e., the exploitation of the development potential.

Integration can be regarded

- a) as a means which enables developing countries to achieve economies of scale;
- b) as a means of taking advantage of location and specialization;
- c) as a means which enhances efficiency in industry;
- d) as a means which reduces the external vulnerability of the developing economies; and
- e) as a means of increasing the bargaining power of the developing countries.

Briefly, a) stresses the argument of larger regional markets which reduce the total production costs per unit for existing industries and make possible the establishment of industries which would not be viable under the conditions of small national markets. Though this argument seems particularly relevant for African countries, several questions arise, for example the additional transportation costs, the administration costs in large-scale plants and the problem of reaching agreements with regard to location.

Argument b) seems to be rather essential if one defines specialization as intra-industry specialization rather than as inter-industry specialization⁵. Empirical investigations covering the Central American Common Market (CACM) and the francophone Central African Common Market (UDEAC) resulted in a considerable impact of intra-industry specialization on the expansion of interstate trade⁶. This could be an explanation for the shortcomings in the East African Common Market, since inter-industry specialization within this market exceeded intra-industry specialization by far⁷.

⁴ UNCTAD, Trade Expansion and Economic Integration among Developing Countries, TD/B/85/Rev. 1, New York 1971, pp. 6-10.

⁵ Intra-industry specialization means specialization within an industry; for example country A specializes in textiles made from synthetic fibres, whereas country B specializes in textiles made from cotton fibres. Inter-industry specialization, however, means that country A specializes for example in textiles, whereas country B specializes in metal manufacturing.

⁶ See: W. N. Willmore, Free Trade in Manufactures among Developing Countries: The Central American Experience, Economic Development and Cultural Change, Chicago, Vol. 20 (1972), pp. 659-670. — R. J. Langhammer, Results and Experiences of Industrialization Policies in the Central African Customs and Economic Union (UDEAC): Contributed Paper presented at the 4th World Congress of the International Economic Association, Budapest, August 1974, forthcoming in: Studies on Regional Integration, ed. by the Hungarian Economic Association.

⁷ See: A. Hazlewood, Economic Integration: The East African Experience, London, Nairobi 1975, p. 117.

Argument c) is complementary to argument a) insofar as the larger regional market improves the competitiveness of domestic industries because of stronger competition with other local producers. Thus monopoly profits would be eroded and the "jump" from the local market to world markets be facilitated. Here integration is understood as an intermediate stage between local and world markets.

Argument d), however, provokes some doubts as to its general validity. World division of labour in any case creates dependencies. This is true for DCs (as has been demonstrated during the oil price hausse) as well as for LDCs. By expanding interstate trade as a proportion of total trade, LDCs replace one sort of dependency by another, and it is by no means sure that dependencies within a group of LDCs create less problems than dependencies between LDCs and DCs. Dependencies are simply the price for a higher income achieved by trade. Assuming that the stabilization of export earnings, following the ACP agreement, finds worldwide acceptance after the Conference on International Economic Cooperation in Paris,

Table 1
Development of Interstate Trade as Against Total Trade in African Integration Schemes 1963-1970

(in p.c.)

	East African Community ^{1,2}	Central African Customs Union ³	West African Customs Union ⁴
1963	17.2	7.0	4.9
1964	19.5	6.2	4.3
1965	20.4	6.4	5.5
1966	17.3	5.6	6.2
1967	17.4	5.4	6.1
1968	16.2	4.8	6.4
1969	16.6	3.9	6.5
1970	14.9	4.2	7.9
average annual rate of growth of total trade 1963-1970 in p.c.	8.8	16.1	9.5
average annual rate of growth of interstate trade 1963-1970 in p.c.	4.7	7.4	17.0

¹ Kenya, Uganda, Tanzania. Since 1968 trade with Zanzibar is included in interstate trade. ² Re-exports are excluded. ³ Until 1965 Chad, Gabon, P.R. Congo and Central African Republic (CAR), since 1966 including Cameroon, since 1969 excluding Chad. Only the registered exports and imports in total trade and the trade with manufactured goods (tax unique goods) in interstate trade were considered. ⁴ Ivory Coast, Senegal, Benin, Mali, Upper Volta, Mauritania, Niger. Only registered trade was considered.

Sources: East African Customs and Excise, Annual Trade Report for Kenya, Tanganyika and Uganda, Mombasa, annual; East African Customs and Excise, Trade and Revenue Report for Tanganyika, Uganda and Kenya, Mombasa, monthly; Conférence des Chefs d'Etat de l'Afrique Equatoriale, Le Commerce Extérieur de l'UDE (1960-1964), Brazzaville; Secrétariat Général de l'UDE, Le Commerce Extérieur de l'UDE (1965), Brazzaville; Le Commerce Extérieur de l'UDEAC, 1966-1970, annuel, Brazzaville; Secrétariat Général de l'UDEAC, Bulletin des Statistiques Générales de l'UDEAC, 1966-1971, Brazzaville, annuel; Statistisches Amt der Europäischen Gemeinschaften, Assoziierte, Außenhandelsstatistik für Senegal, Ivory Coast, Dahomey, Mali, Upper Volta, Mauritania and Niger, Yearbook 1959-1966, Luxemburg, 1969; Assoziierte, Außenhandelsstatistik, Yearbook 1967-1969, Vol. I and II, Luxemburg, 1970.

then argument d) is weaker than before. In this case, the argument of the possible deterioration of the terms of trade which lies behind argument d) would lose much of its impetus. Additionally, it has to be kept in mind that in the short run interstate trade cannot replace trade between LDCs and DCs. This is witnessed by the low share of interstate trade in total trade in three African integration schemes up to 1970 (Table 1).

Finally, argument e) is empirically doubtful too, especially for African countries and their combined import potential. On the other hand, an improvement of the combined supplier position, such as the formation of cartels for primary products, would be possible without integration. That means that an integration scheme is not a necessary prerequisite for a cartel, since integration in Africa refers mainly to industrial and not to primary products.

In any case, the simple fact can be observed that the higher the number of members is, the more difficult are the negotiations and agreements among the members concerning a common position vis-à-vis non-members. Hence there remain mainly the arguments a) – c) of which African countries should be aware and to which they actually have paid the greatest attention.

Some Examples of Integration Efforts in Anglophone Africa

Turning to the actual pattern of integration schemes in Subsaharian Africa, it can be generally stated that integration efforts in anglophone Africa are less numerous than in francophone Africa⁸ but they have received more attention in theoretical and empirical analyses. The outstanding example formerly often taken as a model of an advanced integration stage is the East African Community, which before 1967 was named the East African Common Market (EACM). There are two essential aspects which justify the interest of politicians and scientists in the EACM⁹. Firstly, there is its long history, which enables time-series analysis on an econometric basis, together with the relatively high degree of interstate trade during the sixties (Table 1) as compared with other groupings. Secondly, there has been discussion on the measurement of benefits and costs

which accrued from the existence of the EACM and which were alleged to be "unequally" distributed among the members. As a result of the measurement, compensation schemes were established such as the Distributable Pool, the Transfer Taxes charging mainly industrial exports from Kenya to its partners, and the preferential treatment of Tanzania and Uganda in the provisions of the East African Development Bank.

It would go too far to discuss these instruments in detail, but it can be concluded that the original frustration which arose before the serious political divergences started derived from the assumption that it was the EACM which caused balance of payments deficits in industry trade of Tanzania and Uganda and that it was the EACM again which promoted the industrial development in Kenya more than in the two other member states. Both arguments have been called into question by investigations¹⁰ which underlined the favourable "external" (i.e. non-integration-based) conditions of Kenya – such as the climate, the geographical position, its favoured institutional position within the commonwealth of the colonial period, its deliberate investment policy, the high number of expatriates who provided many skill factors, etc. – which in any case, with or without integration, would have enhanced Kenya's position as the principal producer of industrial goods in the East African subregion.

Two other integration schemes in anglophone Africa are worth being mentioned here. Most important seems to be the first attempt to combine anglophone and francophone countries within the Economic Community of West African States (ECOWAS) founded in 1975 by all states of the West African subregion. This approach is intended to be a gradual one with enforced liberalization in trade and factor mobility within 15 years. In contrast to other schemes, the ECOWAS tries to promote cooperation in primary products from the beginning. It seems, however, doubtful whether the UNCTAD argument e), i.e. the enforced collective bargaining power on the supplier side vis-à-vis DCs, is valid for the ECOWAS, because the ECOWAS states possess a potential cartel object only in cocoa (1971: 59.9 p.c. of world production). Generally, however, tropical agricultural primary products are inappropriate tools to be used as a pressure instrument against DCs¹¹.

⁸ Many of the integration groupings were found in the most balkanized African subregion, in West Africa. Since these anglophone countries are not neighbouring (with the exception of Liberia and Sierra Leone), interstate communication has been rendered more difficult in contrast to the francophone states. This may be one reason, besides the stronger institutional ties in francophone Africa, why integration schemes in anglophone Africa are less numerous.

⁹ The list of publications referring to the EACM is considerable. For a summary which also considers the recent development, see A. Hazlewood, *Economic Integration*, op. cit.

¹⁰ See, for example, A. Hazlewood, *The East African Common Market: Importance and Effects*, Bulletin of the Oxford University Institute of Economics and Statistics, Oxford, Vol. 28 (1966), pp. 1-18, especially p. 12.

¹¹ Probably this argument has already been outdated by the ACP agreement on export earnings stabilization which covers the whole group of ECOWAS states. Specific problems of ECOWAS such as the high number of members, political divergences, different tariff systems, and the outstanding position of Nigeria should be stressed but cannot be discussed here.

On the other hand there is the Mano River Union between Sierra Leone and Liberia whose target date was originally January 1, 1977, but which has been delayed in ratification. Both countries agreed to a common external customs tariff which is a compromise between the old national ones, the higher one of Sierra Leone and the lower one of Liberia. Consequently, both countries are concerned about different developments; Sierra Leone having losses in customs revenues and Liberia suffering from domestic price increases¹².

Hence the formation of the Mano River Union may serve as an example of difficulties which accrue from different national levels of protection, an experience which had not been made by the EACM or other customs unions stemming from the colonial past.

Main Problems of Integration in Africa

These experiences or problems of actual integration can be summarized as follows:

a) African political leaders worry about "equitable", "equal", or "balanced" distribution of net benefits even in the short run, whatever these adjectives, which can be found in integration agreements, mean *in praxi*. This desire tends to be the stronger, the more important interstate trade is in total trade and the more important customs revenues are in financing the budget¹³. Although these short-term considerations are politically comprehensible, they nevertheless reveal a misunderstanding of the mechanism of customs unions. At the beginning this mechanism results in more "unequal distribution", the higher the differences in the development level are. The consequences of the unification of Northern and Southern Italy in the last century bear witness to this judgement. Although this has been recognized in the context of the EACM¹⁴, the right conclusions have not yet been drawn. If, for example, "equitable distribution" is understood to be a balanced interstate trade which should be achieved — if necessary — by tariff intervention, most of the benefits mentioned above as the UNCTAD arguments a) — c) would be eliminated. Autonomous exchange rate adjustments of peripheral states (devaluation) would be more helpful for finding the "set" of industrial goods in which each member state has comparative ad-

vantages than building up tariff walls within the Union. Therefore monetary unions such as in the francophone countries or in the EACM up to 1966 are inappropriate "integration" instruments in customs unions with explicit differences in the development level. In other words, trade liberalization enhances the demand for clearing or payment arrangements so that disintegration can be avoided. Generally, it seems more useful for an improved allocation of resources not to begin with interstate trade liberalization if it is foreseeable that trade liberalization will be soon followed by *ad hoc* disintegration measures as a consequence of too euphoric ideas of integration¹⁵.

b) Another problem which relates to the distribution aspect is the financing of compensation schemes. Despite the illusory assumption¹⁶ that an agreement on the amount of net benefits for certain member states has been achieved, it seems nevertheless difficult to transfer compensation payments from the "centre" country to the "peripheric" states, because all members are poor in absolute terms. *In praxi* all agreements on compensation in African integration schemes have failed to endure for longer periods, thus creating new frustration when one partner revoked the agreement.

c) Furthermore the success of integration measured by increased specialization and improved absorption of idle resources depends on the minimization of natural barriers such as transportation costs. Although in the old EACM this problem was less obvious than in other African customs unions because of the Common Services, the overcoming of transportation problems is a costly and unproductive investment which absorbs a high amount of the scarce resources. In other words, the establishment of communication facilities, which is a prerequisite of interstate trade expansion, has to be evaluated with the high alternative costs of capital being incorporated in the communication systems. Normally African countries are not able to pay these costs. On the other hand, official aid from DCs is mostly bilaterally granted and determined for national, not regional projects.

d) Another shortcoming seems to be the most crucial one, because it cannot be changed in the short run. This is the low degree of intra-industrial trade which is a consequence of low income

¹² See Africa Research Bulletin, London, Vol. 14 (1977), pp. 4193 to 4194.

¹³ Generally costs are easier to estimate than benefits, and among the costs the losses in customs revenues which stem from trade diversion are the components to be estimated first.

¹⁴ "Secondly... real and equal economic integration under a capitalist way of development is impossible." K. Guruli, Towards an Independent and Equal East African Common Market, East Africa Journal, Nairobi, Vol. 8 (1971), p. 28.

¹⁵ That disappointments are foreseeable in Africa is rather obvious, because the so-called spread effects, i.e. an increased demand of the "centre" country in favour of products from "peripheric" states as a consequence of an integration-induced income increase in the "centre" country "... tend to be weaker, the poorer the country is". G. Myrdal, Development and Under-Development, National Bank of Egypt, Fiftieth Anniversary Commemoration Lectures, Cairo 1956, p. 32.

¹⁶ This assumption is illusory, because it seems to be the quadrature of the circle to fix the amount of integration-induced net benefits.

level¹⁷ as well as of competing import substitution strategies. This leads to a further problem resulting from the political priorities of national industrialization. African states generally follow similar patterns of industrialization beginning with import substitution in light consumer industries (food, tobacco, beverages, and textiles) within highly protected domestic markets. Competition either from DCs or from neighbouring countries which are members of the same community would condemn a lot of import substitution industries to failure. In other words, the regional market would reveal that some industries which are oriented towards the domestic market are non-viable and wasteful parallel investments. Hence there is an obvious conflict between two targets, the one to foster industrialization via import substitution on a national scale, the other to liberalize interstate trade in industrial goods. This is the reason why African integration groupings installed a "set" of border and excise taxes which discriminate against intra-regional imports and in favour of existing or potential domestic producers¹⁸, in addition to legal escape or safeguard clauses.

e) The last point which should be discussed under the aspect of shortcomings is the location of large-scale industries, i.e. industries in which one plant satisfies the total demand of the union. There are at least two outstanding examples for the difficulties in agreeing on the location of such industries. The first one concerns the East African Industries which were scheduled under the Industrial Licensing Acts and planned in the Kampala/Mbale Agreement of 1964/65. Later on the members could not agree to extend the number of industries to be scheduled (Art. 23 of the Treaty on the East African Community of 1967). The second example is the common oil refinery of the UDEAC which was installed at the location with the highest rate of return in Gabon only after disputes lasting for years between the P.R. Congo and Gabon. In 1973, however, the equity capital shares of the other member states were taken over by the production state. At the same time Cameroon began to establish a refinery of its own.

The proposals for overcoming these problems mainly aim at the way of granting and the distri-

bution of foreign official aid. One suggestion could be to strengthen the community institutions by providing them with official aid to finance projects of supranational importance, for example projects which could reduce natural barriers to integration. Up to now it is still a negligible amount which is transferred from bilateral and multilateral institutions in DCs to multilateral institutions in LDCs such as customs unions¹⁹. The next step could be the financing of compensation schemes either directly by compensating "backward" partners for losses in customs revenues or indirectly by increasing aid to them while holding the aid for advanced member countries to a constant level²⁰. The latter problem is still unsolved as can be witnessed by the amount of bilateral aid transferred to the EACM members. During the period 1960–1970 the annual average bilateral aid per capita amounted to US \$ 5.13 in Kenya, whereas the corresponding figures for Uganda and Tanzania amounted to only US \$ 2.77 and 2.85, respectively. The next proposal concerns more flexibility in exchange rates of "backward" partners vis-à-vis more advanced member states. This could ensure that the external²¹ value of domestic resources in each country adjusts smoothly to changes in factor endowment. Since, for example, "backward" partners usually have comparative advantages in labour-intensive products, gradual devaluation steps would lower the external value of domestic labour and thus increase the competitiveness of labour-intensive products on the markets of more advanced member states. Obviously this would enhance specialization and the expansion of interstate trade²². Additionally, more attention should be dedicated to trade expansion and specialization in local agricultural products, because in this sector the potential of trade and specialization seems to be considerable due to the general "backwardness" of the agricultural sector in political priority during the sixties.

Definition of Cooperation

With the exception of the latter sector, integration in general and in industry in particular should be evaluated from a highly realistic viewpoint. In the short run the scope for trade expansion in industry is limited, due to the shortcomings discussed

¹⁷ It has been argued that similar demand structures and income levels – as it is the case in Africa – promote interstate trade. This is based on the hypothesis that the costs of exploring a market are small if the domestic producer who wants to export is faced with conditions on the export market which are similar to those on the domestic market. However, this theory has not yet been proved for countries with a very low income level. See: S. B. Linder, *An Essay on Trade and Transformation*, Dissertation of the Handelshögskolan Stockholm, Uppsala 1961.

¹⁸ See, for example, the Transfer Taxes in the EACM and the "taxe unique" System in the UDEAC.

¹⁹ See, for example, L. K. Mytelka, *Foreign Aid and Regional Integration: The UDEAC-Case*, *Journal of Common Market Studies*, Oxford, Vol. 12 (1973), pp. 138–158.

²⁰ For a general discussion of foreign assistance and integration schemes see F. Kahnert, *op. cit.*, pp. 135–137.

²¹ "External" in this context means the value of domestic resources in the currency of the more advanced member state.

²² The precondition, however, is that the members eliminate existing trade barriers and do not erect trade barriers in the future.

above²³. Consequently, the world market for industrial goods is likely to promise more success in solving African employment problems than the African regional markets. If this is so, cooperation can contribute to the creation of the preconditions for a later successful integration. Cooperation in this context means the sharing of burden and benefits in projects of supranational importance.

Advantages of Cooperation Vis-à-vis Integration

There are several reasons why cooperation fits into actual African conditions better than integration:

a) The targets of cooperation are less far-reaching and more specific than those of integration. The evaluation of targets under the criteria of private and social net benefits is therefore easier and less controversial than the evaluation of integration benefits.

b) Since cooperation is limited in time and scope, its success is perceivable over a period of time and thus creates less political frustration than evaluation of the annual interstate trade statistics.

c) The costs of withdrawal from cooperation projects are less than the costs of disintegration measures (after a period of trade liberalization) which distort factor allocation in the short run and the production structure in the long run to the detriment of all partners.

d) Cooperation is a more appropriate tool in the short run to overcome the colonial-induced distinction between anglophone and francophone countries than integration. Although this distinction can by no means be justified economically, it had wide implications on tax systems, protection levels and trade relations to DCs as well as among the African countries. Integration would have to overcome this distinction, but this seems to be impossible in the short run²⁴.

e) International aid institutions obviously are more willing to finance concrete cooperation projects which they can evaluate than for example compensation schemes based on vague estimates of net integration benefits²⁵.

There are already a lot of examples of cooperation which, however, relate more to the franco-

phone than to the anglophone countries²⁶. Apart from the best-known model of the past, the East African Common Services (Railway, Airway, Harbour, and Communications) two other organizations are worth being mentioned, because they include an anglophone country, Nigeria, in addition to a group of francophone African states: the River Niger Commission founded in October 1963²⁷ and the Lake Chad Basin Commission²⁸ established in May 1964. Both commissions launch projects which in general are to improve the exploitation of natural resources, and both succeeded in attracting bilateral as well as multilateral aid mainly allocated for hydrological studies. Two other successful examples of cooperation in the francophone area, the Organization of the Senegal River States²⁹ and especially the Council of the Entente³⁰ are perhaps more characteristic approaches to cooperation. Whereas the former received World-Bank- and EEC-aid for dam building, the latter established a common guarantee fund which attracts foreign capital and backs loans by guarantees granted in favour of development projects. Additionally, there is an element of compensation included in the common fund, since projects in the "backward" partner states of Ivory Coast are preferred.

Particularly the latter cooperation scheme seems to be very promising because of its supranational transmission role between foreign suppliers of capital and the local demand for capital.

Conclusion

As a brief summary it can be concluded that economic integration in Africa can only be a long-term attempt to solve economic problems, because of its high absorption of scarce and therefore expensive factors of production. In the short run it seems to be a more useful approach to tackle the urgent employment and growth problems by moving towards cooperation³¹. Simultaneously the necessary preconditions for a later (more successful) economic integration could be achieved.

²⁵ See, for example, Art. 47 (2) of the ACP agreement reserving ten per cent of total EEC aid for "regional purposes". According to Art. 8 of the annexed protocol No. 2, these regional purposes are easy to identify as cooperation projects.

²⁶ For an exhaustive list see B. W. T. Mutharika, *Toward Multinational Economic Cooperation in Africa* (New York, London: Praeger, 1973).

²⁷ The founder states are Cameroon, Ivory Coast, Benin, Guinea, Upper Volta, Mali, Niger, Nigeria, and Chad.

²⁸ Cameroon, Niger, Nigeria, and Chad.

²⁹ Mali, Mauritania, and Senegal.

³⁰ Benin, Ivory Coast, Niger, Togo, and Upper Volta.

³¹ In contrast to integration, cooperation will always be interpreted as a tool for solving concrete economic problems and not as an ultimate political aim. Many of the disappointments in African economic integration derive from the attempt to achieve both economic and political targets by means of customs unions, whereas in reality both are often incompatible.

²³ One may agree with Hazlewood's statement that "customs unions must not be thought of as a *deus ex machina* of industrial development. Even in broadly favourable circumstances the investment in infrastructure needed to make an African customs union effective is likely to be extremely large". A. Hazlewood, *Problems of Integration among African States*, in: A. Hazlewood (Ed.), *African Integration and Disintegration* (London, New York, Toronto: Oxford University Press, 1967), p. 11.

²⁴ One major argument supporting this judgement is that the degree of national control of the money supply is different in anglophone and francophone countries, because within the Franc-Zone the former metropolitan state still occupies the key role in monetary affairs.