



West Africa and the Future of Relations between the ACP Countries and the European Union

Charles Valy Tuho

Visit the FES Web Site: <http://www-fes.de/>

EUFORIC Page

**FRIEDRICH
EBERT
STIFTUNG**

This publication should be cited as: Tuho, C.V. 1996. *West Africa and the Future of Relations between the ACP Countries and the European Union*. Bonn: Friedrich Ebert Stiftung. (Working Papers on EU Development Policy, No. 3).

The series may be ordered free of charge from the Friedrich-Ebert-Stiftung, Godesberger Allee 149, D-53170 Bonn, Germany. Tel: +49 228 88 3527, Fax: +49 228 88 3404, E-mail:

kesperc@feshq.mhs.compuserve.com

TABLE OF CONTENTS

- SUMMARY
- ACKNOWLEDGEMENTS
- ABBREVIATIONS
- 1. INTRODUCTION
- 2. LIMITATIONS AND DEVELOPMENT POTENTIAL IN THE REGION
 - 2.1 Main economic and social characteristics
 - a) Demographic and social characteristics
 - b) Economic and institutional limitations
 - 2.2 Potential of WAEMU
 - 2.3 Difficulties of ECOWAS
- 3. EXPERIENCE OF RELATIONS WITH THE EUROPEAN UNION
 - 3.1 Regional indicative programmes in West Africa
 - 3.2 Structural adjustment
 - 3.3 The private sector and other parties
- 4. TOWARDS NEW RELATIONS BETWEEN WEST AFRICA AND THE EU
 - A/ Joint interests
 - B/ Future co-operation
 - 4.1 West Africa and the future of the Lomé Convention
 - 4.2 The strategic sectors of co-operation
- 5. CONCLUSION: INSTITUTIONS FOR RENEWED CO-OPERATION
- ABOUT THE AUTHOR

SUMMARY

An analysis of limitations of the regional development potential shows that a series of social, economic

and institutional factors have hampered the progress of regional integration. A more pragmatic approach to regional integration still needs to be developed. In this context, the experience of co-operation with the EU reveals that Lomé has had an impact on a variety of areas at the regional level through the Regional Indicative Plans.

In the future, greater attention should be focused on regional programming, on establishing more extensive regional dialogue, and on a better identification of co-operation partners that can also foster regional integration. Two regional organisations are already playing a role, namely the West African Economic and Monetary Union (WAEMU) and the more successful Economic Community of West African States (ECOWAS).

Support for structural adjustment also needs to address the need for regional integration. A first conclusion is that the impact of EU co-operation on the process of regional integration has been rather negative. As such, the regional private sector is now expected to play a greater role in the process of regional integration. Still, renewed co-operation with the EU will be essential in the future. It will be based on a range of common interests, from the geopolitical to the economic and social. In order to increase its impact on regional integration, the EU will have to focus on strategic sectors of co-operation, ranging from infrastructure development to the promotion of the private sector, to better debt servicing, environmental protection and the promotion of democracy. This renewed co-operation will require new institutions better able to address the growing diversity of the region.

ACKNOWLEDGEMENTS

This paper was prepared for the seminar on „The Future of Lomé“ organised by the Friedrich-Ebert-Stiftung in Brussels on the 10-11 June 1996 and for the Conference on the „Future EU-ACP Relations beyond Lomé IV“ organised by the European Center for Development Policy Management in Maastricht on 12-14 June 1996.

We would like to thank the European Centre for Development Policy Management (ECDPM) in Maastricht for its support during the preparation of these studies and for its continuous and constructive co-operation on a wide range of development issues.

Finally, we would like to express our sincere gratitude to all those who helped move these studies through the publication process. The successful completion of this project would not have been possible without their dedication and effort.

ABBREVIATIONS

ACP Africa, the Caribbean and the Pacific

ADB African Development Bank

CDF Community Development Fund

CFAO Compagnie française de l'Afrique occidentale

CIRES Ivory Coast Centre for Economic and Social Research

CMA Global Coalition for Africa

ECOWAS Economic Community of West African States

EDF European Development Fund

EEC European Economic Community

b) Economic and institutional limitations

West Africa as a joint economic area is characterised by the following:

- The importance of the historical factors of integration, particularly between land-locked and coastal countries. These channels exist in the form of informal trading despite formal trade barriers which have been implemented by the states. This historical development has resulted in the creation of sub-areas for trade within the region. The Sahel Club and the ICDCS have identified three main sub-areas in West Africa:
- western sub-area: Senegal, Gambia, Mauritania, western Mali;
- central sub-area: eastern Mali, Burkina Faso, Ivory Coast, Ghana;
- eastern sub-area: Nigeria and neighbouring countries, in particular Benin, Togo and Niger.

The other characteristics of the West African economic area are well-known, i.e.:

- the huge inequality in economic development particularly between land-locked and coastal countries and also between Nigeria and the other countries in the region;
- the restrictions in the national markets aside from Nigeria, but also the importance of commercial links between these countries and the northern countries, especially Europe, in relation to inter-regional links, which remain relatively weak;
- the lack of specialisation. In many cases there is a multiplication of the same investments (textiles, sugar refineries, oil refineries and cement works) and consequently production is small scale.

From an institutional aspect there are a host of organisations with a regional mission, but the most important are the organisations for harnessing rivers, the Senegal (OMVS - Organisation for the Development of the Senegal River), the Gambia and the Mano.

The counterpart of this group is the group concerned with the Sahel, the Interstate Committee for Drought Control in the Sahel (ICDCS).

There are basically two supranational organisations that highlight the prospects of integration and regional co-operation in West Africa. These are: the West African Economic Community (WAEC), which after some modifications became the West African Economic and Monetary Union (WAEMU), and the Economic Community of West African States (ECOWAS). Although ECOWAS faces numerous obstacles, WAEMU has fewer difficulties.

2.2 Potential of WAEMU

The West African Economic Community (WAEC) emerged from its colonial legacy. It was formed in 1966 and its aim was and is to join together most of the former territories of ex-French West Africa: Benin, Burkina Faso, Ivory Coast, Mauritania, Niger and Senegal.

These countries aim to promote „faster and more balanced growth“, and the means of regional co-operation is based on three main mechanisms:

- **RCT** (regional co-operation tax). This is a preferential tariff concerning registered products. There is a differentiation between three types of products: local products and traditional handicrafts, which are not subject to customs duties, industrial products registered for RCT and non-registered products.

- **CDF** (Community Development Fund). The aim of this fund is to redistribute the fruit of integration. It functions as a financial and commercial clearing mechanism between the exporting country and the importing country.
- **FOSIDEC** (Fund for Solidarity and Economic Development of the West African Economic Community). This is a solidarity fund established in 1978. Its allocations grew from 5 billion CFA in 1979 to 13.5 billion CFA in 1984. It has paid out 37.4 billion in loans and 26.3 billion in subsidies.

WAEC has stepped up intra-community trade, which increased from 5.1% in 1965, to 6.2% in 1980 and 7% in 1985. However, it has experienced a crisis: financial difficulties have multiplied the dysfunctions and have prevented funding of compensation mechanisms. The RCT scheme has been replaced by a community solidarity levy.

As of 1994, the WAEC was replaced by the West African Economic and Monetary Union (WAEMU), which included not only Mauritania but also Togo and Mali. This also incorporates the monetary aspect (WAMU).

2.3 Difficulties of ECOWAS

ECOWAS was established in 1975 and comprises 16 countries. However, there are marked differences in development between these countries. There are also three different groups with regard to the implementation and time-scale for lifting customs barriers. The first group comprises the richest and most industrialised countries, i.e. Nigeria, Ivory Coast, Ghana and Senegal. The second group comprises the other 12 countries. However, an intermediate group has been identified comprising Guinea-Conakry, Sierra Leone, Liberia, Togo and Benin.

According to the ECOWAS treaty, „the aim of the community is to promote co-operation and development in all fields of economic activity, the purpose of which is to increase the standard of living of its people, to enhance and maintain economic stability, to strengthen relations between its members and to contribute to progress and development on the African continent“ (Art. 2).

There is therefore a very ambitious aim. However, the treaty does not impose monetary union on the member states, but rather it provides for harmonisation of monetary policy, which is needed to ensure that the community functions smoothly. A West African Clearing House (WACH) was set up in 1975 by the central banks of the ECOWAS states. Likewise a co-operation, compensation and development fund was provided for, the aim of which is to provide an even distribution of the costs and advantages of integration between the different member states of the community.

Nevertheless, many reports and studies on ECOWAS confirm the inefficiency of this organisation. Therefore, „with no political resources and only limited financial resources, the wish to tackle everything only means that nothing is done“ (1990). For its part, the African Development Bank (ADB) states in its report on the problems of integration in Africa (1989): „However, implementation of a system of co-operation and the achievements of ECOWAS have been relatively insubstantial. Trade within the community has not been stimulated, it has even shown a tendency to decrease“.

The obstacles to greater progress in regional co-operation and integration within ECOWAS are evident: difficulties of an economic nature, such as obstacles to intensifying trade and monetary problems. Political obstacles are significant, showing the weakness and even the lack of political will of member states. There is also a certain amount of fear of Nigeria, not only due to its economic strength but also due to a certain cultural and psychological attitude. Did a Nigerian humorist not examine the difficulty of being Nigerian in „How to be a Nigerian“?

Nevertheless, if integration is to be a major contribution to the development of West Africa, it will

The relations between the EU and West Africa are mainly determined by the scope of the policies defined by the member states of the EU, especially the European Commission level. Nevertheless, other parties are featured, i.e. on the private sector level. Trading companies, mining companies, major agro-industrial units or large industries in the EU thus play a part in these relations.

In the West African context, regional strategies have been adopted on the level of large trading companies such as Bolloré, CFAO, SCOA. These companies are setting up in various West African countries and are contributing to the regional integration of these countries. Likewise, several industrial groups have adopted similar strategies.

Of course, these companies are trying to reduce transaction costs, to compensate for the failures of the market and to reduce the uncertainties of the environment. They are also trying to gain from imbalances in economic policies by taking advantage of competition or national complementarities. They are thus contributing to strengthening the process of integration. The same is true of networks of entrepreneurs and professional organisations.

In addition to the private sector, other initiatives can be noted in relations between the EU and West Africa. This is particularly true in the case of relations within the framework of decentralised co-operation, between districts in the EU and West Africa or between universities and research centres. Universities in the Netherlands are working together with universities in Burkina Faso, Ivory Coast, Ghana, Mali and Togo under the SADAOC programme (Sustainable Food Security in Central West Africa).

4. TOWARDS NEW RELATIONS BETWEEN WEST AFRICA AND THE EU

In order to be relevant and lasting, new relations between West Africa and the EU have to be based both on explicit motivation, especially on joint interests, and also on a definition of new priorities within the framework of new institutions for co-operation.

A/ Joint interests

Both geography and history have woven such close links between West Africa and the EU that these regions need each other. Despite the fact that global development has tended to move away from such traditional relations, present and potential joint interests remain important. In this article, we limit ourselves to some general aspects of these interests to provoke discussion. These aspects are basically fourfold:

First of all, the geo-political aspect is seen in security research by Europe regarding stability for Africa. Since the decline of communism one of the threats that the EU seems to fear is religious fundamentalism. A strategy to avoid this danger would include West Africa.

From the African side it is evident that assured relations with Europe can contribute to stabilising African countries and to making them more efficient. In the same way such assured relations would allow expansion of democracy in Africa.

As far as reciprocal economic interests are concerned, these are apparent. Even if technological progress tends to reduce demand for commodities, the EU still needs products from West Africa to meet its needs, e.g. bauxite, petroleum, coffee, cocoa beans, etc. For its part, in addition to capital goods, West Africa should benefit from Europe as a market for export and food aid and also as a source for the means needed to combat poverty and famine which have a destabilising effect on the region.

With regard to social aspects, joint interests can be sketched out on two main levels:

- On the one hand, the demographic situation in West Africa is well known. This is seen in a

population explosion driving internal and external migratory fluctuations, which Europe is trying to contain, especially uncontrolled emigration.

- On the other hand, health problems are acute, requiring endeavours to combat various epidemics, in particular AIDS which has reached pandemic proportions.

Finally, with regard to the environment, joint interests were highlighted at the Rio conference, and programmes to defend the environment within the scope of the „global village" were adopted.

In all these areas of joint interest, the problem that arises is that of balance and the need to show interaction between the two groups of countries. Moreover, in countries such as those in West Africa where traditional organisation is still present, the link between traditional and modern methods is a key issue implying decentralised management.

B/ Future co-operation

The importance and diversity of forces for change in relations between the EU and the ACP countries are apparent. These include, in particular, globalisation of the economy, development and expansion of the EU, formation of the World Trade Organisation (WTO) or technological innovations.

All these changes give rise to a new global context necessitating autonomous examination of prospects at the level of each of the ACP regions. The aim of co-operation is to make the ACP countries more autonomous by setting them on the path of endogenous development. As such, real independence can only be effective within a regional context. Renewed co-operation has to adopt a regional strategy.

On the West African level, this regional strategy should stress certain strategic sectors and the problem of institutions. We must therefore recall:

- West Africa and the future of the Lomé Conventions;
- the strategic sectors to be covered;
- the institutions of future co-operation.

4.1 West Africa and the future of the Lomé Convention

The Maastricht Conference set up the Global Coalition for Africa (CMA) in July 1990. This produced a consensus to give the EU a major part in strengthening regional integration in Africa and in defining the process for analysing African problems in a long-term study of its prospects.

In this context, a workshop on West Africa and the future of the Lomé Convention is planned at the Ivory Coast Centre for Economic and Social Research (CIRES). It is necessary to define the problems involved in these developments:

- on the one hand, by identifying the wishes of the population of this region - i.e. their aspirations in relations with EU countries;
- on the other hand, by drawing up strategic diagnostics with regard to such relations. These diagnostics should be concerned with integration and regional development in their relations with the EU.

To this end, we will create three or four contrasting scenarios of the development of these relations within the scope of integration in West Africa. Then we will have to conclude from these scenarios the main subjects of research which will enable us to provide an appropriate response to the main aspects post-Lomé IV in West Africa.

Country	Population (thousands)	GDP (market price) millions \$	Exports (goods & services)	Imports (goods & services) millions \$	Foreign Debt millions \$	Debt Service millions \$	
1. Benin	5246	1289	367	378	1555	71	289
2. Burkina Faso	10046	1967	291	498	1304	56	470
3. Cap Verde	381	225	47	166	178	14	115
4. Ivory Coast	13780	6811	3555	1705	20156	549	766
5. Gambia	1081	279	75	104	415	27	90
6. Ghana	16944	6792	1427	2470	4817	196	621
7. Guinea	6501	3805	1145	894	3097	115	413
8. Guinea-Bissau	1050	353	78	164	822	3	98
9. Liberia	2941	1019	527	206	1936	20	126
10. Mali	10462	1630	345	515	2820	24	374
11. Mauritania	2217	882	348	496	2295	97	338
12. Niger	8846	1703	367	268	1801	35	347
13. Nigeria	108467	117304	12493	5097	33436	1979	280
14. Senegal	8102	3091	1053	1148	3885	280	497
15. Sierra Leone	4402	1102	148	195	1508	26	204
16. Togo	4010	836	374	448	1303	78	100
Total	204.476	149.088	22.640	14.752	81.328	3.570	5.128

Source: „Rapport sur le Développement en Afrique"

ABOUT THE AUTHOR

Professor Charles Valy Tuho is currently a researcher at the Centre for Economic and Social Research (CIRES) in Abidjan, the Ivory Coast. From 1983 to 1993, he was the Ambassador from the Ivory Coast to the European Community and the Benelux countries. He has also had a distinguished career at the University of Abidjan, as a professor of Economic Science (1970-1972), as dean of the Economic Science faculty (1972-1974), and as rector of the University of Abidjan (1974-1983). Professor Tuho is

a member of the council of the U.V.I. in Geneva. From 1986 to 1992, he was a member of the board of the International Food Policy Research Institute in Washington, D.C. He was also a member of the council of the University of the United Nations in Tokyo (1980-1985). In 1970, he earned an Agregation of Economic Science in Paris; in 1965 his doctoral thesis in Economic Science in Paris; in 1962, D.E.S. in Economic Science in Paris.

Updated on April 4, 1997

Developer's Note: These pages were developed for use on the Netscape browser. Please address comments on content or style to [Peter Ballantyne](#), Information Programme, ECDFM