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AFRICAN ECONOMIC UNIFICATION: SOME PERSPECTIVES PATHS AND PROBLEMS

BY REGINALD H. GREEN*

Regional economic integration as a framework for, and a means to, accelerating economic development is a topic of political economy far more than of "pure" economic analysis. Indeed, in Africa today, one is inclined to conclude that the political problems and uncertainties are far more critical than economic so far as achieving economic unification either on a continental or a sub-continental basis is concerned.

To some extent, these comments are true of all economic policy issues. However, they are especially relevant to full scale economic integration (as opposed to gestures or half measures such as the African and Malagasy Organization for Economic Cooperation (OAMCE) the West African Customs Unions or the Sahel-Benin Entente) for three reasons:

1. The range and scale of the impact of true economic unification is much wider than that of almost any other policy. As both the authors of Ghana's Seven-Year Plan¹ and of the Economic Commission for Africa's study "Coordination of Development Plans In Africa"² have pointed out, development planning must be based on clear assumptions as to the limits of the economic unit concerned. Economic unification will entail concentration on fewer selected projects of larger scale and higher efficiency; projects which, however, would be totally non-viable in a framework of continued fragmented national planning.
2. Economic integration is *not* easily or costlessly reversible. To separate a unified economy into its component territorial units (especially if the break up is less than amicable) is disruptive and potentially catastrophic for at least some of the units. The problems experienced by Senegal and Congo (Brazzaville) on the break up of French West and Equatorial African Colonial Federations, the economic crises which came at the collapse of the Mali Federation and the dim economic future for Southern Rhodesian industry facing Zambian national planning and customs barriers illustrate this point.
3. Economic integration movements—when effective—are usually part, and often a secondary part, of broader socio-political movements.³ The "European Idea" and E.E.C. are integrally related (if separable) and the connections between varying expressions of political and economic Pan-Africanism are even closer.

Programmes and institutions directed to the resolution of challenges in political economy are relevant only if they serve and *are seen to serve* the goals of governments and other groups wielding political power. A study of African national development plans and programmes suggests that the most common politico-economic objectives are:⁴

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1. Economic reconstruction in the sense of reducing dependence on any one export market or firm, increasing national production of locally used products, and creating a more national economy in terms of ability to take public economic decisions on the basis of national interests and goals rather than primarily in response to foreign economic interest group pressures;
2. Economic expansion especially in the fields of modernized agriculture and of industrialization;
3. Modernization in terms of acquiring technologically advanced capital cities, industrial plants, agricultural machinery, and transportation equipment;
4. Augmented standards of living and (although the linkage is not always clearly made) increased output per head to support them;
5. Better and more broadly available social services particularly education, health, and urban housing;
6. Lessening "economic distance" between African and industrial (capitalist or socialist) states. A somewhat lesser number of African states specifically stress lessened economic inequality between individuals and regions within African states and within Africa.

One need not take all the professions at face value or assume a high level of operational efficiency in programme implementation to attribute meaning to this set of goals. A majority of African governments actively seek them; the others either passively agree with them or feel forced to espouse them lest they follow in the paths of Abbe Youlou, President Maga, and King Farouk. In any event, a far reaching proposed economic programme will have little or no chance of serious consideration, much less acceptance, unless it serves and or appears to serve the rapid attainment of these ends.

At first glance nothing seems less relevant to African economic development, much less the politico-economic goals of African Governments, than economic integration as traditionally formulated and analysed. The theory of economic integration began in the world of Vinerian tariff and neo-Pigovian welfare economics. Even as modified, it remains predominantly concerned with alternative equilibrium states, with narrow changes in allocational efficiency, with evaluation of marginal gains and losses for member and non-member states.⁵

This is the world of the Marshallian Synthesis, of the unalterable division of primary producing and industrial nations, of "nature does not make haste." It is a world not simply alien and irrelevant to, but totally rejected by, African political decision makers because it *was* the economic world order of colonialism and *is* the world economic order in which per capita incomes continue to grow more rapidly for the rich—and not at all in much of Africa.⁶

Rapid economic development depends on radical structural (not marginal) change. By its nature, a programme of rapid economic growth *must* refute "natura non facit saltum"*; if nature will not make haste policy must. The only world of economic policy in which the

* Nature does not make haste

politico-economic goals of African governments have any chance of realization is one in which Dudley Seers' dictum "The proponents of *any* major economic policy measure in an underdeveloped economy are under an obligation to show how this measure will stimulate growth."⁷ is central.

In Africa, the effects of economic unification must be structural and dynamic rather than static and marginal *if* they are to be significant.⁸ The common argument that primary product exporters cannot usefully integrate because they have nothing to trade with each other represents a failure to comprehend the structural differences between the nationally integrated, industrialised economies of modern theory and the structurally biased, trade oriented, fragmented economies of Africa, Latin America, the Middle East and Asia. However, the criticism does demonstrate why a free trade area may well have no significant impact. As in the case of the Equatorial Customs Union, there may be neither production for "home" markets nor transportation facilities among union members.⁹

The critical issues in economic integration analysis in Africa are economic size, linkages and growth poles (poles de croissance), and the creation of a radically different production pattern based on a new specialization and division of labour.¹⁰ While particularly relevant in the case of large scale industry¹¹, these considerations also effect modern agriculture, power and river basin development, transportation, external economic relations (of the integrated economic unit as a whole) both in regard to trade and to foreign capital, and to some extent research, education, and social services.

The *economic size* factor is underlined by three figures. The first is the minimum national product for a fully integrated modern economy at income levels of \$100–500 per capita. The range is \$20–30 thousand million. This need for massive economic size stems from the interaction of market sizes for individual goods and economies of scale in production, infrastructure, and research. The minimum efficient size for an industry is *not* that for a single plant but rather that size which will allow efficient production of inputs, provision of services, and undertaking of research. In general the lower the per capita national product, the larger the *total* national product required to sustain an efficient integrated industrial economy because of the smaller share spent on manufactures at lower per capita income levels.¹²

The second is the median national product of African states. It is about \$0.3 thousand million. (Only five independent African states have national products above \$1.0 thousand million while 18 have ones of less than \$0.2). Last, the total domestic product of independent Africa is between \$20 and \$25 thousand million.¹³

In other words, the typical African state—with a population of say 4,000,000, a product per head of perhaps \$100, and a market sector to total production ratio of say 6 : 10—has at best a comparable market for processed and manufactured products to a Western European town of 100–150,000. A large African economy like Ghana consumes less manufactured products (perhaps \$500 million per year including construction and investment goods) than Seattle, Osaka, or Edinburgh. The market for all products other than unprocessed food of Paris, Warsaw, or Boston is substantially larger than that of the United Arab Republic or Nigeria—economically the largest of the independent African states. (South Africa is in a rather different class in market size. The market comparison would be with Los Angeles,

Tokyo or Moscow; a fact which goes far to explain the existence and viability of a modern industrial economy in South Africa despite the economic hobbles imposed by apartheid on production as well as on demand).¹⁴

Economically viable units in many lines of production including almost all basic intermediate goods (e.g. chemicals, steel, fertilizer), consumer durables (e.g. automobiles) and capital goods (e.g. agricultural machinery) require substantially larger markets than those of most individual African states. All too typical is the West African country an official description of whose industrial sector describes it as comprising four small palm-oil expressing mills and a brewery. Listed plans for expansion total a fish cannery, a sawmill, an abattoir.

However, as the ECA's regional and continental studies demonstrate, adequate African multinational markets exist for a limited number of efficient plants.¹² National planning will result in a large number of high cost, small plants e.g. steel mills of which Nigeria is building two while Ghana, Niger, Liberia and others are engaged in scrap rerolling, pig iron smelting and steel mill planning despite detailed evidence that for the regional market to be satisfied at the lowest cost what is required is one large coastal mill and a smaller interior one.¹⁶

The ECA-OAU West African Industrial Coordination Conference at Bamako in October, 1964, made potentially significant progress toward a rational regional iron and steel plan and some progress in regard to fertilizers, textiles, and cement. It was, however, handicapped both by incomplete background studies and the fact that there were distinctly less plants to be allocated than participants. Mauritania declined to sign the final iron and steel agreement on the first ground and Guinea, probably primarily as a result of the second.¹⁷

The autarchic development pattern has three results:

1. it raises the investment outlay required for any given increase in production as well as the unit cost of goods produced;
2. it creates future cost problems (such as Chile and other Latin American states now experience) because high cost basic and intermediate products become high cost inputs in other parts of the manufacturing sector;
3. it prevents the smaller countries from developing beyond the brewery-sawmill industrial stage because their national markets are too thin to support even high cost plants in other lines of activity.

Market unification with a limited number of efficient plants and—as a corollary—a limited number of industries in each country would have several advantages:¹⁸

1. the number of potentially viable industries would be vastly increased and the average cost of basic and intermediate production including steel, cement, fertilizer, chemicals sharply reduced;
2. investment costs per unit of output would be substantially lowered;
3. linkage effects to related industries—supplies, services, users—would become quantitatively large enough to create growth pole impact. That is, self-expanding industrial complexes rather than economically isolated plants could be achieved;

4. All African states could develop more diversified and flexible economies if production were substantially directed to continental or sub-continental markets.

The basic objectives of allocation and division of labour to raise efficiency via technical scale and external economy effects are not in principle different from standard trade and regional integration theory.¹⁹ The differences centre on the use of a dynamic rather than a static context:

1. the goal of a flexible economy with greater intersectoral flows and lower dependence on primary product exports is taken as *given* and the efficiency of alternative patterns of attaining this goal (autarchy or regional integration) compared;
2. in the absence of any large industrial sectors the question is not one of current complementarity or competitiveness but of *creating* a complementary pattern of production. For example, by 1980 African industrial production could increase ten fold, a third through import substitution for existing consumer manufactures already technically well within African productive capacity a third through substitution for existing imports of construction and intermediate goods imports and refined fuels, and a third through African production to meet increased demand in these sectors:²⁰
3. trade substitution or trade augmentation arguments become somewhat unreal. African extra-continental imports will grow at a rate determined basically by primary product and semi-processed export growth, foreign investment, and international transfers. Rapid internal market growth will, if anything, tend to raise the level of the latter two components. Import substitution will result in a substantial restructuring of extra-African imports *not* a reduction in total value;²¹
4. specialization and market unification are not marginal reallocative or growth stimulative devices but major tools for facilitating the creation of an economic structure including sectors e.g. industry, raw materials for domestic use, with high income elasticities of demand and levels of productivity to replace the current structure which is unsatisfactory on both counts.²²

The urgency of making serious attempts to attain the advantages of economic unification is increased by two further factors. *First* the rate of growth of demand for African exports is unlikely to exceed 3–5 per cent a year over the next decade.²³ However, to sustain a five per cent rate of growth of national product without massive changes in the productive structure would require an eight per cent rate of increase of imports.²⁴ *Second* the longer industrial planning, and economic modernization in general, is carried on national lines the more inefficient units of production will be created. Not only would this raise the costs of dislocation and lower the net gains from unification, it would create vested economic interest groups (public and private) bitterly opposed to it. To take an example: if Nigeria once has two steel mills and Ghana, Niger, Cote d'Ivoire, Guinea, Mali, Liberia and the Cameroons one each it will *not* be possible to create a rational West African steel industry. Further, because of divergent national costs, both the steel producing units *and* producers of goods using steel (whose costs are then tied to those of the national steel mill) of countries with highest cost mills will oppose economic unification.

III

The case for economic integration in Africa is sound both in terms of analysis of possibilities and in terms of its relevance to the goals listed in the first section. An increase in the rate of growth of national product based on a more flexible economy with a significant and growing modern industrial sector is desired. Economic unification *can* contribute to that result. Thus the increasing interest shown in various African (as opposed to Eurafican schemes which are becoming distinctly less popular as their limitations, especially in regard to structural change and economic inter-dependence, as opposed to dependence, become clearer)^{25*} economic coordination or unification schemes is easy to explain. The interest of political leaders and economic civil servants as well as of economists is both significant in quantity and serious in nature.

Why, then, has very little real progress been made? What are the obstacles in the way of significant steps to African economic coordination and unification either on the continental or the sub-continental level? Five major categories appear.

The *first* is lack of adequate knowledge. If one is to develop Africa—or West Africa, or the Mahgreb—as a single economy or a highly coordinated complex of economies, detailed data on possible patterns of development and project location on a continental and regional (not simply a national) basis are required.** Similarly plans for structures of economic coordination, control, and policy making have to be drawn up. In Europe and Latin America the time lag between a high level of serious interest and major concrete results was a decade. Since 1960 ECA²⁶—and other bodies including the University of East Africa²⁷ and University of Ghana²⁸—have been making substantial progress on the data collection and analytical formulation front and since 1963 the O.A.U. and national governments have begun to work on the institutional arrangement front with increased if uneven seriousness.

The *second* problem is the division of benefits. This has been most ably stated by Vice President Rashidi Kawawa of Tanzania in noting each nation's fears it would become a backward, exploited region while others profited.²⁹ Only comprehensive plans with specific project allocation, and fiscal transfer provisions can meet this fear. A simple common market—vide those in East and Central Africa—will *not* significantly benefit and may injure the poorer territories.^{30***} On the other hand, sub-continental industrialization, transport, and river basin studies do show that economically viable plans benefitting each participating state as well as all states as a group can be formulated.³¹

Third the massive interdependence involved in full-scale integration requires very broad joint determination of policies and firm assurance that the structure will be lasting. The stresses in East Africa over industrial location, foreign trade, and tax policy (and the equally serious monetary policy ones which prevented the automatic currency Board's replacement by a

* True, Nigeria has applied and Sierra Leone and East Africa are considering applying for special standing similar to that granted Associates in regard to their primary product exports to the Common Market. They are notably *not* applying for Associate status and their limited proposals are based not on any enthusiasm for EEC's discriminatory trade and aid policy but on fears that this policy will severely injure their exports unless they come to terms with it. Thus these applications are evidence not of the benefits EEC Association gives participants but the damage it does to outsiders.

** This problem as noted earlier bulked large at the Bamako Conference. The non-adherence of Guinea and Mauritania to the iron and steel agreement and the absence of definitive results on other industries could, in all probability, have been averted by more complete studies on more products.

*** Calculations by Professor W. T. Newlyn suggest that Tanganyika has lost marginally (3%) through Common Market membership, at least in static terms. Certainly Zambia was a major and Malawi a marginal loser from Rhodesias-Nyasaland economic union.

single Central Bank with one nationally controlled currency) underline the first aspect and the difficulty of coping with them in the context of weak central institutions and politically generated uncertainty as to the future of economic union, the second³². Free market forces cannot be utilized for allocating industry because they will lead to overconcentration in a few countries (cities for that matter) with initial advantages. This centralizing tendency will clearly be unacceptable to the "peripheral" states.³³

The *fourth* problem stems from the third. If significant integration in the economic sense requires joint planning, reasonable certainty of each nation's fulfilment of its segments of the joint plan and coordinated overall economic policy, then it cannot be achieved without a very high level of political unification or federation. The need for reasonable certainty of each state meeting national targets is often overlooked but is critical because failure in this regard will result in failure of input supplies and markets for the other member states even if they fulfil their plan segments. For example, if a West African iron and steel agreement calls for Nigerian production of basic steel forms and Ghanaian fabrication of certain metal products then a Nigerian output lag will hold back Ghanaian production and regional exports directly and also indirectly injure planned imports of Ghanaian metal goods.³⁴ It is not accidental that Presidents Nyerere, Bourguiba, and Nkrumah—the most active supporters of significant economic union, albeit on somewhat different bases and time schedules—all state that political unity in some form is a pre-condition for economic unity.

Finally, many foreign economic interests in Africa are opposed to economic (or political!) unification.³⁵ The reasons are not always the same but the sum of the difficulties this opposition poses—particularly to the "Associated Territories"—is substantial. However, not *all* foreign interests are opposed. As in Latin America, those firms (and their home states) interested in industrial investment and capital goods exports look with some favour on larger markets and industrial expansion.

IV

In evaluating lines of action toward economic unification three criteria appear paramount. *First*, the steps and the structures to which they lead should be significant enough to have a substantial impact on growth. Joint services, transit rights for landlocked states, limited bilateral trade agreements, e.g. Senegalese palm-oil and cigarettes for Guinea fruit, and customs unions without joint project citing are peripherally useful in some contexts but do *not* lead to economic integration *nor* make a substantial contribution to structural change and more rapid development.

Economically, the most effective institutional—policy framework would be continental and include:

1. a continental plan formulation and coordination body;
2. a series of major multi-national projects, e.g. in coordinated river basin power-water-industrial development and in the creation of coordinated sub-regional transport systems;

3. a continental central bank for the coordination of monetary policy to work in conjunction with the African Development Bank;
4. substantial member state initiative in project proposal, small scale development project initiation, and major programme implementation.

To be effective these institutions must have substantial decision making authority. Such authority will be granted only if they have supra-national policy making assemblies and if they exist in a context of close socio-political cooperation.³⁶

Sub-regional units—as implicitly advocated by ECA—could be an intermediate stage if they were economic regions. A genuine East African Economic Union and a Mahgreb industrial plan are evident cases under active discussion. The institutional frames needed would be similar to those on a continental level. The economic case for such regional units is the same as—but weaker than—that for continental integration. Their lesser complexity of institutional and policy formulation make them potentially easier to establish, at least technically. On the other hand, sub-regional planning may—if uncoordinated with other sub-regions—create new barriers to wider economic integration. From the point of view of obtaining an optimal African economic pattern of production and trade, sub-regional groupings or agreements should be seen by all concerned as transitional and operated with a view to fairly rapid merger.

The East African experience casts grave doubt on how much easier it is to organize agreements among small groups of countries. The April, 1964 Kampala Agreement³⁷ and the January, 1965 East African Heads of State ratification of the Agreement as a treaty with allocations of additional regional market industries to each state, do appear to represent a major advance toward joint planning at least in the industrial sector. However, the collapse of Regional Central Bank plans largely as a result of Kenyan conservatism in regard to exchange control and fiduciary issue limits threatens the entire fabric of cooperation.

The very loose or very small regional schemes e.g. the current Cote d'Ivoire—Sierra Leone Liberia-Guinean and (alternatively) Senegal-Mauritania-Mali-Guinea common market proposals seem unlikely to have sufficient size or impact to be very useful. The OAMCE (formerly Afro-Malagasy Union, formerly Brazzaville Group)* is simply *not* a rational economic grouping and tends to hinder serious regional initiatives. The Sahel-Benin Entente is a scheme for tying three poorer states to the Cote de Ivoire in return for rather low fiscal transfers and—were it to lead to a joint economy—could hardly help but concentrate growth in Abidjan to the detriment of Niger, Dahomey and Upper Volta.

The *second* criterion for evaluation is speed of possible implementation. Passage of time and development on national lines create costs and barriers to economic union. The more rapidly steps to halt and reverse economic neo-autarchy can be taken, the higher the chances of success and the greater the potential gains.

The decision which *could* be taken in the next year is to proceed immediately toward the creation of an integrated, jointly planned, interdependent African economy. Four initial institutional developments would be required. All, at least technically, are possible within two years:

* Now (July 1965) joint Afro-Malagasy Organization with the addition of Congo (Leopoldville), possible loss of Cameroon, Congo (Brazzaville), Mauritania, Central African Republic and Rwanda, and a political not economic focus.

1. A "designated product"³⁸ common market and project location policy to "allocate" new industries and to protect existing intra-African trade plans (which at least in the short run are critical for perhaps a dozen states).³⁹ With a potential ten fold increase in the industrial sector in a decade—if adequate unified markets are created—such a plan need lead to no insuperable conflicts of interest.

The great advantage of a designated product common market-planned development approach is that it allows a start on a limited array of products *and* with less than all the African states. This would serve both to allow concentration on those cases in which mutual benefits were most obvious and to allow substantial action before complete enough data on other sectors was available for total plan consolidation. The minimums in terms of participating states and products are: (a) the attainment of a market adequate to support efficient production and (b) simultaneous initial negotiation on at least as many products as participating states so that there will be a concrete addition to productive possibilities for each country.

2. A series of multi-national projects. The Senegal, Niger, and Gambia River and Chad Lake Basin development proposals are examples of areas virtually requiring such multi-national action for effectuation. Another is the creation of a transportation system linking and allowing unified development of the heavily populated area around the line running from Lusaka through the Great Lakes basin to the Southern Sudan (whether on a Zambia-Tanzania route or on the other side of the lakes through the Eastern Congo and Uganda to Kampala with lake links to Tanzania and connections with the East African, Congolese, and Sudan systems). Preliminary consultations and or agreements have in fact, taken place on each of these programmes.

Multi-national projects, like designated product market-planning unification, allow speedy and substantive initial steps strengthening the support for fuller unification. Again, they provide clear benefits for each participant while providing experience in substantive problems and procedures of making economic union work.

3. A payments union to allow free intra-continental and partial extra-continental convertibility of all African currencies is needed. While current trade is largely settled in convertible currency (or illicit reexports of imported manufactures) this method is clearly *not* suitable to optimizing trade within a region short of foreign exchange. The early European Payments Union rationale and the device of internal full convertibility of balances combined with their limited availability for external use are of relevance here.
4. A central economic body capable of handling the analytical and technical questions of the other three bodies and of developing into a continental planning board would be required. The ECA is not suited to this role because its structure inherently prevents taking economic policy and planning decisions binding on member states. ECA is highly useful as a data gathering, analysis presenting, advice providing, and discussion stimulating body and can thus complement the planning body.

Finally, any proposals must be considered in terms of *political realism*. From the point of view of political economy a programme is of little interest—no matter what would happen were it implemented—if it is clearly impossible to secure its adoption.

Total economic integration of Africa without a far higher degree of political unity than a majority of present African governments will accept is *not* practicable. The more limited initial programme outlined above is potentially political acceptable at least on a sub-continental level. Its adoption would tend to strengthen the forces supporting fuller political and economic Pan-Africanism.

However, even this programme requires a substantial degree of political harmony and coordination. To be effective the institutions created—especially the “common market” and central economic body—must be given power to take binding decisions. In a context of continental economic interdependence, these decisions will critically effect national economic growth and thus ability to achieve basic socio-political goals. Power to make them will—and indeed can responsibly—only be transferred to bodies with policy making assemblies representative of and enjoying the confidence of member states.

Prognostications as to what *will* happen leave the realm of political economy and enter that of political sooth-saying. A few guide posts do seem to exist:

1. Unifying forces are—by and large—gaining strength in Africa today, especially in the economic sphere;
2. On the other hand, the obstacles to Pan-Africanism (including the solidifying of national states with both public and private economic vested interests) are also growing;
3. Unless substantial break-throughs creating a tangible forward momentum to both political and economic unity are achieved within a decade, Africa will enter a period in which unification will be distinctly unlikely—somewhat as in Latin America after the failure of its initial post-liberation unification efforts;
4. A failure to attain unity on the continental level might not prevent the emergence of sub-continental unified economies in the Mahgreb and East-Central Africa. West African sub-continental union (political or economic) except within a continental whole seems much less likely. In part this stems from the greater number of states and their smaller median economic size, in part from the greater diversity of colonial inheritances. In addition, West Africa has a far wider spectrum of state socio-political systems and goals than does East-Central or North Africa.

1. Accra, 1964, pp. 15-17

2. *Economic Bulletin for Africa*, No. 1, 1964, E/CN. 14/239 B. Addis Ababa, 1964.

3. cf. A. Etzioni “A Paradigm for the Study of Political Unification,” *World Politics*, October, 1962 and “The Dialectics of Supra national Unification” *American Political Science Review*, December, 1962

4. “Social Aspects of African Development Planning: Patterns and Trends” in *Economic Bulletin for Africa*, No. 1, 1964; *Outlines and Selected Indicators of African Development Plans*, E/CN. 14/336, Addis Ababa, 1965

5. cf. R. G. Lipsey “The Theory of Customs Unions: a General Survey” *Economic Journal*, Sept., 1960 and H. H. Liesner “Regional Free Trade: Trade-Creating and Trade Diverting Effects of Political, Commercial and Monetary Areas” in Harrod and Hague (Editors) *International Trade Theory In A Developing World*, MacMillan, London, 1963 for a brief resume and exposition illustrating this point.

6. cf. R. Prebisch, *Towards A New Trade Policy For Development*, United Nations, New York, 1964 E/Conf. 46/3. R. H. Green, *Stages In Economic Development: Changes In The Structure of Production, Demand and International Trade*, Bank of the Sudan, Khartoum, 1965, Pts. I, II.

7. "A Theory of Inflation and Growth In Under-Developed Economies," *Oxford Economic Papers*, June, 1962 p. 192.
8. cf. R. Mikesell "The Theory of Common Markets As Applied To Regional Groupings, Among Developing Countries" in Harrod and Hague *op. cit.*; J. S. Nye "East African Economic Integration," in *Journal of Modern African Studies*, December, 1963.
9. cf. ECA, *Economic Bulletin for Africa Vol. 2, No. 2, 1962*.
10. cf. M. Bye "Internal Structural Changes Required By Growth and Changes In International Trade" in Harrod and Hague *op. cit.*; F. Perroux *L'economie des jeunes nations*, Presse Universitaire de France, Paris, 1962.
11. cf. J. L. La Croix "Principes Pour Une Strategie du Development Industriel" *Problemes Socio-Economiques Actuels du Congo*, J.R.E.S. Universite Lovanium, Leopoldville, 1964; Reports of ECA Regional Industrial Study Missions to West, East and Central, and North Africa, E/CN.14/246 (1964), E/CN.14/247 (1963), E/CN.14/248 (1964).
12. cf. Austin Robinson (ed) *The Economic Consequences of the Size of Nations*, St. Martin's, New York, 1960 especially the Introduction by Robinson and sections by Kuznets, Vakil and Brahmananda, Triffin, and Skitovsky; H. B. Chenery "Patterns of Industrial Growth," *American Economic Review*, September 1960; Gustavo Lagos, *International Stratification and Underdeveloped Countries*, University of North Carolina, Chapel Hill, 1963, especially Chapters I and VI for fuller development of this analysis.
13. Computed from ECA and National Sources.
14. cf. ECA *Economic and Social Consequences of Racial Discriminatory Practices*, E/CN.14/132, 1962; *Government Expenditure and Racial Discrimination*, E/CN.14/189, 1963; F. P. Spooner, *South Africa Predicament: The Economics of Apartheid*, Praeger, New York 1961.
15. E/CN.14/246, 247, 248, *op. cit.*
16. E/CN.14/246; ECA *Iron and Steel in West Africa*, E/CN.14/15/2, 1963.
17. cf. ECA, *Report of the Conference On Industrial Coordination in West Africa*, E/CN.14/324. The Ivory Coast was noticeable by its failure to participate at all.
18. cf. "Coordination of Development Plans In Africa" *op. cit.* and Nye "East African Economic Integration" *op. cit.*
19. cf. B. Balassa *The Theory of Economic Integration*, Irwin, Homewood III, 1961.
20. cf. H. Kitamura "Economic Theory and Regional Economic Integration of Asia" and Lim Tay Boh "Regional Trade Cooperation Among Asian Countries" in *Pakistan Development Review*, Winter 1962, for a parallel discussion of the Asian context.
21. cf. Mikesell "The Theory of Common Markets." *op. cit.*
22. cf. Kitamura, *op. cit.*; Hla Myint "Infant Industry Arguments For Assistance To Industries In the Setting Of Dynamic Trade Theory" in Harrod and Hague *op. cit.*; D. Seers "The Stages Of Economic Development of a Primary Producer In The Middle Of The Twentieth Century" *This Journal* 3, 1963.
23. cf. A. Maizels "Recent Trends In World Trade" in Harrod and Hague *op. cit.*; D. Seers "International Trade And Development: The Special Interests Of Africa," mimeographed, 1964,
24. cf. R. Prebisch, *Towards A New Trade Policy For Development*, *op. cit.*; D. Seers "A Model of Comparative Rates Of Growth In The World Economy," *Economic Journal*, March, 1962.
25. cf. EEC "European Fund" Allocations zero per cent to non-processing industry, *European Economic Community Bulletin*: African delegates' views expressed at 1963 ECA meeting, *Provisional Summary Record of the Eleventh Meeting*, E/CN.14/C.1/SR 11 (V), 1963.
26. e.g. E/CN.14/239 B, 246, 247, 248, 324, *op. cit.*
27. e.g. University of East African Conference On Public Policy: II East African Federation, Nairobi, November, 1963. *Papers and Proceedings* to be published, Oxford University Press, Nairobi, 1965; P. Clark "Next Steps For Industrialisation In East Africa" Paper. 12, Economic Development Research Project, East African Institute for Social and Economic Research, Kampala, 1963; P. W. Bell, "Position Paper On East African Customs Union" mimeographed, Kampala, 1964.
28. e.g. J. Drewnowski, R. H. Green, A. Siedman, P. van der Wel, J. E. A. Manu, *Economics of African Political Unity*, Accra, 1964 and R. H. Green and A. Seidman, *The Economics of African Unification* (in press).
29. *Evening News*, Accra, March, 4, 1964.
30. cf. Nye, "East African Economic Integration" *op. cit.*
31. ECA *op. cit.*; *Integrated Agricultural Development in the Gambia River Basin*, F.A.O., Rome, 1964; Senegal and Niger River and Lake Chad Basin Joint development Agreements have been signed but basic studies on implementation are barely starting.
32. Nye, *op. cit.*; discussions with officials and civil servants in Tanzania, Kenya, Uganda and at EACSO.
33. cf. J. R. Hicks "National Economic Development In The International Setting" and "The Factor Price Equalization Theorem" in *Essays In World Economics*, Oxford University Press, 1959 for a more detailed discussion of centralizing effects.
34. cf. Robert Triffin "The Size of the Nation and Its Vulnerability to Economic Nationalism" in Robinson, *Economic Consequences*, *op. cit.*
35. cf. D. Seers "Big Companies and Small Countries: A Practical Proposal," *Kyklos* Ch.4, 1963 and "The Stages of Economic Development." *op. cit.* pp. 64, 66 for some of the economic reasons involved and economic tactics likely to be used.
36. cf. Triffin, *op. cit.*; Nye, *op. cit.*
37. *Kampala Agreement*, Tanzania Information Service, Dar-es-Salaam, 1964.
38. cf. J. Helt "Designated Product Common Markets" *East African Economics Review*, December, 1962.
39. cf. ECA *Intra-African Trade*, E/CN.14/STC/20/Add.1/1963; *African Statistics* E/CN.14/171/Annex 1; East African Common Services Organisation, *Statistical Review*, June, 1964.