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## LAGOS ECONOMIC SUMMIT

For six days at the end of April, the Organisation of African Unity (OAU) held its first economic summit in Lagos, Nigeria. Forty-nine of its fifty memberstates attended (the sole exception was Liberia). Yet the OAU has a long record of interest in economic matters which must be examined before the Lagos Conference is considered.

### The OAU and Economic Co-operation

The OAU was, from the very beginning, intended to promote economic co-operation between its members: Article II, Para 1, states that one of the Organisation's functions is "to co-ordinate and intensify their co-operation and efforts to achieve a better life for the peoples of Africa", while Article II, Para 2, pledges members to engage in "economic co-operation, including transport and communications"; furthermore, Article XX made provision for an Economic and Social Commission.

At first, however, the OAU, because of lack of expert personnel and a desire to avoid unnecessary duplication of effort, left the economic field to the U N's Economic Commission for Africa (ECA). It was not until September 1967, at the Kinshasa summit, that the OAU suddenly moved towards assuming responsibility for the planning of economic policy on the continent. This move was, in fact, partly designed to allow the OAU to evade consideration of the political turbulence then occurring (including the Nigerian Civil War). And partly, the deteriorating economies of the member states made such attention prudent. As a result over half of the resolutions considered by the summit dealt with economic and social issues. The summit further passed a resolution that adopted the view that politics and economics were inseparable (in contrast with the ECA which argued that they were separable). An Africa-wide Common Market was furthermore proposed to stimulate intra-African trade.

During 1968, the interest in economic matters continued, with the OAU General

Secretariat paying careful attention to the preparations for the Second U N Conference on Trade and Development (UNCTAD II). At the Summit of that year, it was resolved that "the economic integration of the African continent constitutes an essential prerequisite for the realisation of the aspirations of the OAU."

This economic concern of the OAU had been in rivalry to the ECA, but in 1969 the African states, acting as a bloc in the UN, managed to get the ECA effectively subordinated to the OAU.

In 1970, the OAU summit drew up a list of development priorities for Africa - a list which was used as the basis for the ECA's 'Africa's strategy for development in the 1970s', and which urged member-states to develop their agriculture; increase exports and export earnings; promote trade more effectively; encourage viable labour-intensive industries using local resources; promote research and development; restructure education to meet the needs of developing countries; and bring population policies into line with national growth rates.

In 1973, the OAU, together with the ECA and African Development Bank, organised a ministerial meeting on trade development and monetary problems, which proclaimed Africa's demand for a New International Economic Order. (The New International Economic Order is an attempt to establish a new economic relationship between the rich and poor countries, which will be beneficial to the poor countries and was first proclaimed at the 6th special session of the UN General Assembly on 1 May 1974).

At the OAU Summit in Kampala in 1975, one of the resolutions adopted the view that African countries were solely responsible for their own development - and then proceeded to place the responsibility on the UN and non-aligned states in general.

This illustrates one of Africa's main problems. For all the resolutions passed by the OAU, little or nothing was done. And though the OAU has considered economic matters since 1967, and fought (and won) a battle for supremacy with the ECA over control of Africa's economic future, it was not until 1977 and the 11th Extraordinary Session of the Council of Ministers in Kinshasa, that the OAU seriously considered providing Africa with economic leadership. At the Council meeting, the assembled ministers from 44 of the then existing 49 OAU members (Angola, Malagasy, Malawi, Mauritius and Seychelles were absent), were inspired by a speech by host President Mobutu in which he suggested the creation of an

African Common Market, in stages, by means of creating functional co-operative organisations in key fields, such as energy, just as the EEC developed from the European Coal and Steel Community. As a result, the Council proposed the gradual creation over a period of 15 years of an African Common Market, based on regional co-operation, and the creation of Pan-African functional organisations, such as an Energy Commission or Data Bank.

But nothing much resulted from these proposals. The next significant date was July 1979 and the Monrovia summit. Despite its concern with political matters, the summit found time to consider economic problems as well. This was largely due to the efforts of OAU Secretary-General Edem Kodjo, a trained economist. The result of this consideration of economic problems was the production of two documents, the Monrovia Strategy and the Monrovia Declaration of Commitment, which called for Africa to adopt a strategy of self-reliance and to seek real trade and developmental co-operation among its component states. Furthermore, the Conference accepted the Nigerian leader, General Obasanjo's invitation to hold a purely economic summit in Lagos to further discuss Africa's economic problems. Originally scheduled for the end of 1979, the distractions caused in Lagos by Nigeria's return to civilian rule necessitated that the conference be rescheduled for April 1980.

#### Africa's Current Economic Situation

By the end of the eighth decade of the 20th Century, Africa's economic state is parlous. A mere 10% of its total trade is conducted within the continent; Africa accounts for only 2,7% of the total world GNP, and boasts the world's lowest average per capita income - US\$365. The continent is also plagued by the world's highest infant mortality rate (137 per 1 000), and suffers from an unemployment rate of 45%. Moreover, if no change should occur in the pattern of development in Africa, by the year 2000 the literacy rate will be a mere 40%, while agricultural production will suffice to feed only 65% of the population (as against some 90-95% in 1960).

Yet Africa possesses 30% of the globe's known mineral resources, massive potential energy sources (including hydro-electric power), and vast tracts of land suitable for agricultural production.

This, then, is the economic background to the economic deliberations at Monrovia and Lagos.

## Monrovia and Lagos

As these two conferences are closely linked, it is necessary to examine the former in further detail.

Faced by the above facts, and by the domination of the economic world by large trading units, including the USA, EEC, Japan and COMECON, while Africa is divided into 50 states (excluding South Africa and Namibia), of which only 15 are linked together in an effective economic co-operative organisation (the Economic Community of West African States - ECOWAS), which, however, is still in its relative infancy, Monrovia revived the idea of an all-African Common Market. This would, to quote the proposal placed in front of the summit, be "based on progressive co-ordination and integration, which would evolve in the form of concentric circles reflecting the economic areas that currently exist on the continent". In addition, free movement of persons and goods throughout the African continent would be permitted; the first step to the achievement of this would be the abolition of visa requirements for travel among African states. Africa should, furthermore, develop its own technological capacities, as it has been realised that even if the West was willing to permit the 'transfer of technology', practical difficulties would present an almost insurmountable barrier.

To permit the achievement of these aims, African public opinion must be stimulated to support the drive for unity. The strategy mapped out at Monrovia also broadly indicated the methods of achieving them. It was accepted that the approach must be purely indigenous, relying on African sources and resources; it requires the rejection of foreign aid and, with it, of the current aid relationship; and finally, the conference again resolved that Africa's future depended on an effective, collective, self-reliance.

The purpose of Lagos was to examine these proposals more closely, refine and detail them, and to get the OAU states to give definite commitments to implement the agreed strategy.

The conference was attended by 49 of the OAU's 50 member-states (including newly independent Zimbabwe); with only Sgt. Doe's Liberia being excluded. Nothing new should be read into this move - Idi Amin was met with similar reserve by the OAU when he carried out his coup against Obote in 1971; the annual summit, scheduled for Kampala, was switched to Addis Ababa. It should also be remembered that President Tolbert had been one of the continent's most respected statesmen, and the shock of his assassination only a few weeks before the summit had not yet worn off.

The conference took place over a period of six days, from April 23 to April 29, of which the first four were devoted to the standard ministerial meeting, and the last two days (April 28 and 29) were devoted to the meeting of Heads of State. No less than 25 of the Continent's Heads of State or Government attended.<sup>+</sup> The main result was the Lagos Plan of Action.

The central objective of the Plan of Action is the achievement of an African Economic Community by the year 2000. This would be achieved by means of two 10 year stages (1980-90, 1990-2000). The intention is to boost intra-African trade, harmonize economic policies, promote research and development and training, and develop communications infrastructures.

In the first stage (1980-90) the stress will be on the setting up of preferential trade areas at the sub-regional level (in UN terminology Africa is a region) in South (excluding South Africa), East, North and Central Africa (in West Africa ECOWAS exists as an already functioning economic organisation).

This, the plan forecasts, would be achieved by 1984; certainly the African states are meant to initiate negotiations on the reduction (and eventual elimination) of sub-regional trade barriers before the end of 1985. Furthermore, the policies and programmes of financial and monetary institutions should be restructured in order to integrate them more effectively into the development strategies of each country. It is intended to establish institutional clearing and payments arrangements within each sub-region, allowing the creation of an African Payments Union before the end of the 1980s. The African Development Bank will also be strengthened, while the agricultural, food, transport and communications, industry and energy sectors will be more closely integrated.

Not surprisingly, plans for the second decade are less definite, but stress will be laid upon closer sectoral integration, on the establishment of joint projects, and on the harmonisation of financial and monetary policies. It is intended that these policies will make an African Common Market a realistic proposition by the year 2000.

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<sup>+</sup> The Heads of State were Presidents Kerekou of Benin, Ahidjo of Cameroon, Pereira of Cape Verde, Dacko of Central African Republic, Oueddei of Chad, Abdallah of Comoros, Gouled of Djibouti, Obiang Nguema of Equatorial Guinea, Limann of Ghana, Touré of Guinea, Cabral of Guinea-Bissau, Houphouet-Boigny of Ivory Coast, Moi of Kenya, Traore of Mali, Kountche of Niger, Shagari of Nigeria, Senghor of Senegal, Rene of Seychelles, Stevens of Sierra Leone, Barre of Somalia, Nimeiry of Sudan, Nyerere of Tanzania, Eyadema of Togo, Binaisa of Uganda, Kuanda of Zambia.

## POTENTIAL PROBLEMS

African leaders have often proposed plans for economic co-operation for the mutual benefit of their countries. But even at a sub-regional level, little has come of these. Even initially promising organisations- most famously the East African Community - have failed. The first major problem the Lagos strategy must therefore overcome is the inertia of practical apathy (which has easily co-existed with theoretical enthusiasm in modern African history to date).

The policy of building on sub-regional organisations raises further dangers. Firstly, at present only one such organisation exists, and only one other is planned. The existing organisation is ECOWAS and Nigeria, the Community's leading member, has already expressed concern about the role of ECOWAS in the strategy. Fears that geographically wider integration might harm successful local integrative projects could lead to the effective torpedoing of the planned African Common Market by concerned states. Moreover, as previously stated, there is only one other definitely planned sub-regional co-operative organisation. This has been dubbed the 'Counter-constellation' of Southern Africa, to comprise Angola, Zambia, Tanzania, Mozambique, Zimbabwe, Botswana, Swaziland, Lesotho and when it achieves independence (provided it does so under SWAPO rule), Namibia. The intention here is to free the Black States from their economic and communications dependence on South Africa, while simultaneously promoting their development and so achieving economic liberation. This group would only be strengthened - in political terms - by involvement in a wider African community, but as yet no other regions have shown this kind of enthusiasm. Successful Pan-African integration requires that all sub-regions show the necessary enthusiasm for local co-operation. Failure in any one sub-region will mean the failure of the whole scheme.

Even if co-operation is achieved in all sub-regions, there is no guarantee that it will endure. It was somewhat ironic that the sub-regional stepping-stone approach adopted as the Lagos strategy should have been proposed by President Nyerere, who was deeply involved in the break-up of the East African Community. A break-down in just one sub-region would ruin the whole plan. Then there are political problems. States that are extremely hostile are meant to co-operate in establishing the sub-regional groups. For example, Morocco and Algeria, bitter enemies because of the Western Sahara disputes, are meant, according to the strategy, to co-operate in establishing the North African economic community.

At a continental level, the same threat of a break-down in organisational functions exists, for the plan totally ignores the dangers of personal and political

factors. ECOWAS, generally successful, was nearly destroyed because of a personality clash between two of its leading officials - the Secretary-General, Dr Ouattara, and Director of the ECOWAS Fund, Dr Horton. Furthermore, African countries encompass politico-economic systems ranging all the way from capitalistic democracies to marxist-leninist states - yet these diametrically opposed systems are meant, according to the strategy, to effectively harmonise their economic policies.

Obviously, the difficulties facing the strategy are immense. But, though it has become a cliché, it is nevertheless true that a failure to implement the strategy would have serious consequences for Africa.

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