The Anguish of Dependent Regionalism in Africa

by R. I. Onwuka

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International Relations is a field of study that is steadily passing through a process of re-definition and reformation. It is an unfenced area of discipline in social science. Originally, International Relations produced an emphasis on state-centric inquiry, as seen in its emphasis on the sovereignty and equality of entities in international system. During the classical days of Europe and North America and to some extent, in post-independence Africa, the maintenance of peace and promotion of trade were the primary focus of diplomacy. With the expanding characteristics and perceptions of States, the study of International Relations has acquired a wider outfit. Processes, actors and outcome of national politics are easily influenced and conditioned by events in the international economic system, that way you cannot divorce International Economics from International Relations. The boundary problem was promoted by the orthodox intellectuals who saw the study of International Relations as separate and distinct from Economics, History or Philosophy. The problem still persists. Some have argued that the domestication of International Politics or internalisation of national politics might be the solution to the border or demarcation problem. Jean Spero has vigorously argued that students and masters of International Politics have neglected the “economic issues in relations among states”. The same could be said of the study of International Economics in its compartmentalised fashion. The solution to the issue area problem could be found in the international political economy approach to the study of International Relations.

The International Political Economy approach is enriched with the theoretical openness that gives one a wide opportunity to deal with correct substantive issues in an analyti-
cal framework. This is so because it does not only ask “questions about the relationship between politics and economics at international level” but also “about the link between domestic policies and processes” concepts such as “hegemony and imperialism” link politics and economics, and require an examination of the precise nature of the relationship”.3

Robert Gilpin and R. J. Barray-Jones have embarked on a three-fold classification of perspectives of international political economy - “liberal neo-classical”, “Mercantilist neo-Mercantilist”, and “Marxist/Radical”.4 Roger Tooze in Susan Stranges Paths to International Political Economy5 added two inter-connected perspectives, namely the “structurist and “world system” approaches.

In Africa, there are three dominant intellectual groups of International Political Economy. In the first, are the liberal orthodox-neoclassical scholars. The proponents of this perspective believe in the status quo in the present international economic order and in the doctrines of the institutions of the Bretton Woods that sustain the system that promotes the order. In Africa, against competing needs for scarce resources, the neo-classicals would prefer trade liberalisation, free enterprise system and a continued link with the Western imperialism. African international civil servants, particularly, in the International Monetary Fund (IMF) World Bank, the General Agreement on Tariff and Trade (GATT) and the major decision-making personnel in the continent are the pronounced adherents to the laisser-faire doctrine. Two great national debates in Nigeria on the Structural Adjustment Programme and The IMF Loan brought the supporters into greater recognition. Led by the then Minister of Finance, Kalu Idika Kalu,6 and some agents and sympathizers of the subsidiaries of the multinationals, they betrayed a pro-Bretton Wood position, marked mainly by trade liberalisation; currency devaluation, and removal of subsidies. Little regard is given to social effects of market forces that are so worshipped by the bearers of this perspective.

The second group of scholars are in constant conflict with the first. African neo-Marxist scholars regard the components of the liberal formulation as a disappointment to Pan-African cause and as stooges of capitalist exploitation of the African continent. These critics belong to the popular perspective of the Marxist/radical School. These small but vigorous group of intellectuals derived their perspective from classical Marxist concepts, based on historical materialism. They are not state-centric but class-conscious. Their emphasis is on the use and misuses of productive forces, and the attendant relations of production at any material and historical period. Presently in Africa, they are concerned with the political, legal and institutional components of the superstructure as they relate to the development of productive forces. In this regard, colonialism and neo-colonialism are closely related with the Western capitalist system. This perspective is more interdisciplinary than any other approach, as its analysis goes beyond the explication of the interaction of politics and economics at the international plane but encompasses virtually all disciplines including, of course history, philosophy, and sociology. Class struggle between the proletariat and the bourgeoisie in the continent and how they are promoted by international factors, is a prime pre-occupation of the neo-Marxist international political economists. Consistent intellectuals promoting this perspective in Africa include Claude Ake, O. Nnoli, Samir Amin, Segun Osoba, E. Madunagu, Bade Onimode, and Eskor Tuoyo. Their commitments to ethnocentric and neo-Marxist fanaticism vary in degrees and depth.

A good many of us at the Ife School of International Relations belong to the third group – the structurists, whose members bear the radical components of the Marxist standpoint, but more than the latter, look at International Political Economy from global view-point. The structurist rejects both the ideological purity of both the liberals and the neo-Marxists. To the structurist, like the neo-Marxist Scholars, the entire world is a constituency and its delineation is based and adjudged by the prevailing asymmetry between the rich and the poor and analyses on e.g. Centre-Periphery,
dependent - inter-dependent relationships. The relative imbalance and the structural relationships between the developed and developing countries are globally analysed. Also analysed in this context include how actions and policies at the Centre/Periphery would promote or transcend dependence/inter-dependence at the Periphery.

In my previous works, I have placed Africa's frustration as a resource exporting continent within the context of Western imperialism,8 analysed the failed hopes and expectations of the continent within the realism of the deluded New International Economic Order,9 examined the political economy of the future of regionalism in Africa,10 and much more recently understudied the resilience of dependence as a necessary but inadequate negative factor in African integration development.

I have chosen as my topic for this inaugural lecture, The Anguish of Dependent Regionalism in Africa in order to situate under one roof, an anatomy of the elusive nature of regionalism in Africa since independence, to attribute the cleavage between rhetorics and actions, hopes and disappointments, to the factor of dependence on the world capitalism, and to find out whether dependence is necessary for transcending underdevelopment via regionalism.

(B) DIALECTIVES OF DEPENDENT REGIONALISM

The crisis of modernisation gave rise to the dependency theory first in Latin America and later in Europe and North America.11 The theory rebutted the key tenets of the modernisation theory on the grounds that it believed that the diffusion of capital and Western values will automatically result in the development of the Third World. The modernisation theory for this and many reasons is regarded as a bourgeois theory propounded in the West and applied in its undiluted sense to the developing countries in the Development Science.

Africa's dependent regionalism analyses how Africa's relations with the metropolis of the world brought about the failure, in some aspects, of the economic integration schemes in Africa. The historical linkage between the Western industrialised countries and the African States contributed to the prevailing semi-peripheral development in Africa, despite the theoretical allegiance to a collective self-reliance strategy. Thus, in spite of the internal endorsement and external encouragement given to the processes of regionalism in Africa, the hegemonic input and dominant influence of the North has conditioned and determined the outcome of integration arrangements.

The study adopts a dependency theory as the one that lucidly explains the relationships and structures of the interests of the industrial bourgeoisie "dominated by imperialism and subordinated to the agrarian interests".12 The theory is employed in the explanation of the dangers embodied in over capitalisation of integration schemes and the consequent imposition of transplanted market conditions into African continent to serve foreign ends. Certain forces examples of which are the IMF conditionalities, the debt traps, food aid, and the distortions by the Transnational Corporations, are continually reviewed in different combinations and at varying levels in reproducing conditions of dependence. That collective self-reliance, a generally approved development strategy, has turned into a ruse for dependent development with its ominous consequences particularly the "chain-type - metropolis/satellite relations" presents a crisis for African regionalism.13

Regionalism, in both orthodox and radical parlance and praxis, is a strategy for collective self-reliant development in the Third World. The choice of self-reliance in Africa is self-imposed though first externally encouraged and now externally exploited. The nature and strategy of regionalism in Africa is limited by the available internal resources and conditioned by the forces of world capitalism. As evidence has confirmed, Africa, though an easily recognisable subsystem in territorial size and sheer number of states, is also "the least industrialised and the one characterised by the most inequality".14 And in the imaginative
sense of Richard Sandrock, most of the African countries are “fictitious states” that exist in the “minimal sense”.15

I. Zartman is equally convinced about the very gloomy prospects for Africa’s development in an absence of a power or resource credibility:

African states have little with which to threaten and little to share, and they are not in a position to win or enforce long-term commitments. At best, they can command temporary advantages, since most African States resources are meagre.16

Sandbrock, Shaw, and Zartman are not alone in portraying Africa as a hopeless and helpless case. Ali Mazrui, Andre-Gundar, Julius Ihonvbere, Toyin Falola, Segun Osoba and many others have at various times and diverse levels of analyses expressed disappointments at Africa’s socio-economic strategies. The most depressing and orthodox pictures of the political economy of Africa are the ones that emanate from the World Bank and the International Monetary Fund (IMF) as demonstrated by the Berg Report of 1981. Attempts were made, through the joint effort of the OAU and ECA to restate Africa’s present condition and hope for the future in the Lagos Plan of Action. Other such related studies are the ECA and Africa’s Development 1983-2008: A Preliminary Study; ECA Conference of Ministers, Special Memorandum on Africa’s Economic and Social Crisis; and the relatively recent addition; APPER and APPAERD arising from the 1986 UN Special Session on Africa. These Reports seem to isolate Professor Zartman on one issue - that Africa is endowed with resources which could on the contrary command long-term confidence and commitment.

The poverty level in Africa is no-doubt alarming. According to the experts from the 26 Least Developed Countries in Africa, between 1981 and 1985, the 26 LDCs saw their GDP grow by an average of only 0.7%. If growth is an index for measuring development, only Botswana, Malawi and Lesotho managed to attain the higher growth threshold on 7.2%, recommended by the United Nations Conference on the New Substantial Action Programme (NSAP).17 In addition there are dynamic differences between the per capita GNP of different African countries. In 1984 these ranged from $100 with Ethiopia to Libya’s $8230. In the same period, eight countries (Algeria, Congo, Gabon, Libya, Mauritius, Namibia, Seychelles and Tunisia) exceeded $1000 per capita GNP while it was less than $500 in almost two thirds of African countries. For the period 1973-83, 25 of the 45 African countries had positive growth rate in per capita GNP as opposed to 20 with negative or zero growth.18

Three quarters of the UN Fourth World Countries (the most deprived group) reside in Africa.

This was confirmed by Sharoa Camp and Joseph Speidel’s International Human Suffering Index19 which showed that 24 of 50 worst countries in “human suffering” terms are in Africa. These African States classified as existing under conditions of “extreme human suffering” roughly overlap with the members of the Fourth World Proletariat. Nigeria which is ranked the 19th worst country on the human suffering index, is not a member of the Fourth World. This revealed that although some African countries belong to the World’s Middle Income Group, yet the human suffering of their citizenry related and measured in terms of energy, employment, health, education and governance may present a more deplorable picture.

There are certain major issues one easily observes in most analyses of Africa’s political economy. Most of the studies from the West are ethnocentrally analysed and subjectively debated. According to Segun Osoba, the analysis on which most of these Reports are based is as

almost totally lacking in any causal explanation and is largely a vacuous description of a here and now that is divorced from its antecedent conditions, and therefore can have no real organic link with the future.20

Sometimes these Reports obscure the real issues of Africa’s underdevelopment. It is evident that the West cannot be
completely exonerated from Africa’s under-development. Nevertheless, the present political economy of Africa bemused with “dualism”, “Inequality”, “corruption” and so on, was principally a colonial legacy. Thus, Africa’s mixed performances could be traced partly to its colonial heritage and partly to its neo-colonial linkages as portrayed by the continued crisis of dependence. Most studies have constantly placed total emphasis on the endogenous issues and manifestations of African underdevelopment.

This lecture is doing justice to a readily neglected issue of international inequality and regional poverty, and how the former is a contributory determinant of the level of the latter. Precisely put, Africa’s potential for regional self-reliance is limited more by externally infused and maintained dependence profiles than by wrong internal habits and strategy.

A case like “Food Aid” in Africa is harped on to demonstrate how Africa cannot feed itself. In 1988, FAO estimated that more than half of Africa’s total food aid would go to Angola and Mozambique which were engaged in civil wars. But hardly would there have been any wars in those places without the logistic, financial and open diplomatic support of the Western world, particularly the US. The advocates of dependent regionalism are the OECD countries western-based institution and the MNCs with the globe as their constituency. In promoting their self interests, they encouraged capitalist mode of production and neo-colonial relations with African States. The survival of integration schemes are based on trade, technology, capital, and strategic issues. These have also become tools of dependent integration processes. However, African regionalism could be realised through gradual disengagement (after periodic review) from Western system and emphasis on Pan-African resources and capabilities. Let us examine the political economy of Africa’s integration schemes under study.

(C) INTEGRATION SCHEMES IN AFRICA

Africa’s integration schemes are numerically on the constant rise. These economic integration arrangements are not only a symbol of hope for a better future, but of an aspiration for a developed continent. In Africa, they range from joint implementation of projects to a Free Trade Area, Customs Union and Common External Tariff, and Economic Community. By 1984, the Communaute Economique des Etats de l’Afrique Centrale (CEEAC) was added to the large stock of economic integration schemes numbering over thirty five in West Africa alone. The result of this is a multiplicity of focus and membership. I have nonetheless chosen nine of these as shown on Table I for analysis.

The ten members of the CEEAC, a Customs Union, are Cameroon, Chad, Central Africa Republic, Gabon, Equatorial Guinea, Congo, Zaire, Rwanda, Burundi, and Sao Tome and Principe. Two of these uniting States, (Rwanda and Burundi) from East Africa, belong to the Preferential Trade Area (PTA) and to the Economic Community Great Lakes (CEPGL) with Zaire. CEEAC also envelopes all the member-states of (UDEAC), the Central African Customs Union namely Cameroon, Chad, Congo, Central African Republic, and Equatorial Guinea. UDEAC is ironically regarded as an economic arm of CEEAC, the way CEAO is to ECOWAS. ECOWAS is thus a parallel organisation in the West African sub-region with “Groupings within a grouping problem.”

Micro-groupings could be regarded as an inevitable background condition if only they “do not derogate from the provisions” of a larger community, like ECOWAS. Two Customs Unions - Mano River Union membered by Sierra Leone, Liberia and Guinea, and the CEAO, (Burkino Faso, Ivory Coast, Mali, Mauritania, Niger and Senegal) are part of the sixteen member ECOWAS. The Southern African Development Coordination Conference (SADCC) does not share memberships with either CEFA or ECOWAS mainly for geographical reasons. But, nevertheless, Tanzania, (a member-state of the defunct East African Community)
Table 1: Population and GNP of Selected African Economic Groupings

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>ECOWAS</td>
<td>(16) Benin, Burkina Faso, Cape Verde, Ivory Coast, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Nigeria, Senegal, Sierra Leone, and Togo</td>
<td>169.0</td>
<td>108.6</td>
</tr>
<tr>
<td>CEAO</td>
<td>(7) Benin, Burkina Faso, Cape Verde, Mali, Mauritania, Niger, and Senegal</td>
<td>42.0</td>
<td>13.57</td>
</tr>
<tr>
<td>CILSS</td>
<td>(9) Burkina Faso, Cape Verde, Chad, Gambia, Guinea-Bissau, Mali, Mauritania, Niger, and Senegal</td>
<td>44.56</td>
<td>6.22 (1)</td>
</tr>
<tr>
<td>CEEAC</td>
<td>(10) Burundi, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Rwanda, Sao Tome, and Principe and Zaire</td>
<td>61.46</td>
<td>20.44</td>
</tr>
<tr>
<td>UDEAC</td>
<td>(6) Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, and Gabon</td>
<td>24.43</td>
<td>15.38 (1)</td>
</tr>
<tr>
<td>MRU</td>
<td>(3) Liberia, Guinea and Sierra Leone</td>
<td>11.74</td>
<td>3.92</td>
</tr>
<tr>
<td>SADCC</td>
<td>(9) Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Tanzania, Zambia, Zimbabwe</td>
<td>68.47</td>
<td>17.17</td>
</tr>
<tr>
<td>SACU</td>
<td>(4) Botswana, Lesotho, Swaziland, and South Africa</td>
<td>3.25</td>
<td>6.19</td>
</tr>
<tr>
<td>PTA</td>
<td>(15) Burundi, Cameroon, Djibouti, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Rwanda, Somalia, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe</td>
<td>138.237</td>
<td>31.972</td>
</tr>
</tbody>
</table>


Notes:
1. excluding Equitorial Guinea and Chad
2. excluding Djibouti and Comoros

The membership of the integration schemes is influenced by geographical contiguity in both “proximity and compactness”. This is particularly true with ECOWAS, CEEAC, CEAO, SACU and MRU. Some of these are restricted to territorial neighbours of the micro-regional areas as in the cases of most Customs Unions and Economic Community, or are loosely membered by States in the micro-region without strictly being territorial neighbours. Geographical contiguity of States is necessary in Customs Union or Common Market organisations, for the purposes of reducing the “effective distance not the linear distance” and thus reducing the communication cost between the integrating states. It is generally believed that the greater the communication flow between the states, the brighter the prospects for the success and survival of the integration scheme.

Another set of micro-regional organisations are those that aim mainly at exploiting water basins or and implementing various joint developmental schemes. In this group are the River Niger Commission or Niger Basin Authority; the Lake Chad Basin Commission; the Organisation des Etats Riverains du Senegal (OERS), which from 1972 was renamed Organisation Pour la Mise en Valeur du Fleuve Senegal (OMVS) following the withdrawal of Guinea. Their major focus is “to ensure in the most efficient way possible, the use of the waters and other resources of the basin and to formulate requests for financial and technical assistance”. Others in this group but with diverse foci are the Inter-State Committee to Combat Drought in the Sahel (CILSS), International Governmental Authority on Drought and Development (IGADD) and the Indian Ocean Commission (IOC) membered by Mauritius, Seychelles and Madagascar.

There is another group of economic schemes that are macro-regional in that the integration schemes encompass, or are open to all African States. These are utilitarian in their confrontation of one or multiple regional develop-
ment problems. These may be directed towards promoting intra-African trade through the removal of tariff and non-tariff barriers, easing of transit trade and the establishment of clearing and payments arrangements among member states as in PTA. They may also be a form of primary producers club, for protecting producers interests as in Inter African Coffee Organisation (IACO), African Groundnut Oil (AGC) and the Cocoa Producers Council (CPA). These and many others are most times involved in various running battles between themselves and the consumers of their primary products in the producers attempts to stabilise their earning potentials in international trade.

Truly macro-regional organisations include the United Nations Economic Commission for Africa (UNECA), the African Development Bank (ADB) and its Fund (ADF) and the African Timber Organisation (ATO). In organisation, mission and focus, the entire continent of Africa is their constituency. They are also the viable centres for experimenting and indeed fostering African regional cooperation as they constitute and possess some of the internal machineries for an autocentric regionalism in Africa.

The only group in a class of its own is the one purposely designed to reduce or promote the level of dependence of the economies of African states on South Africa. This is SADCC grouping which includes five Frontline States of Botswana, Tanzania, Zambia, Mozambique and Angola. In view of their vulnerability to South Africa’s economic and military hegemonic influences and intrigues, the SADCC reflects the desires of its member States to “achieve economic liberation and reduce (their) economic dependence on South Africa”.

On the contrary, South Africa is employing all available strategies, to enhance the dependence of the SADCC States on her. In this respect she exploits the limited earning potentials of her neighbours and emphasizes her strategic importance to the survival of Western democracy and capitalism. It has already integrated the economies of the three fragile and fictitious states of Botswana, Lesotho and Swaziland (BLS) with her dominantly rich economy into a Southern African Customs Union. Two of the three BLS states, Lesotho and Swaziland (the most dependent on South Africa) are members of the Triparite Monetary Agreement (TMA), controlled and manipulated by South Africa. The currencies of the two states are as a consequence effectively fixed at parity with the South African Rand and common exchange control measures apply to the flow of funds outside the TMA. The three non-racist African States (BLS) are understandably anxious members of SADCC.

Southern Africa is definitely the cockpit of the deepening dependence of African regionalism on the West and its Multinational Corporations. The dilemma and delusion of sanctions against South Africa from OAU to the Commonwealth through the UN are partly explained in the persistent and deepening dependence profiles and structures of the independent Southern African countries. These have continuously negated the collective self-reliant effort symbolised and embodied in SADCC. Nevertheless the persisting dependent integration in Africa has various and varying sources, modes and methods of self-reproduction and nationalisation. I have for the purposes of this lecture chosen for analysis only three compressed issue areas, namely, Technology Dependence; Trade and Capital Dependence; and Geopolitical and Strategic Dependence.

Dr. TECHNOLOGY DEPENDENCE

In Africa, the presence of the Transnational Corporations (TNCs) cannot be ignored in an integration process. TNCs as planetary business enterprises easily integrate “inputs such as technology, intermediaries, managerial and marketing capabilities and financial capital”. Specifically, TNCs control such assets as land mines, factories, industrial or business enterprises and also finance sales and establishments in two or more countries. Most of these are inter or intra firm activities. The subsidiaries in Africa receive some
of the above components from their parent firms based in the Western world in a package dubbed Foreign Direct Investment. Unlike the EEC, the developing integration arrangements in Africa, were initiated under a background of an absence of indigenous TNCs. The consequence is that the integration process is wholly dependent on local subsidiaries of foreign firms for successful development integration. The TNCs, therefore, indirectly control the degree, conduct, shape and outcome of regional integration as manifested in the net-benefits of integration arrangement. This was more so in such micro-regional organisations as UDEAC, CEAO, ECOWAS and MRU. It was in the early eighties that indigenous corporations started to emerge in a significant manner as to constitute a noticeable force in the integration process although their presence was much faster in the manufacturing and mining sectors. Even with this seemingly positive development, the TNCs were likely to be invited or attracted to joint-venture arrangements in order to acquire the foreign direct investment components. The foreign TNCs ended up being the dominant partner in view of these components, particularly capital and technology which are maximised in time and space.

It could be argued therefore, that these African integration processes depend largely on TNCs because of their paucity of scientific and technological infrastructure. In 1980 the largest 380 TNCs in the world had foreign sales worth about US $1,000 billion at the average of almost US $3 billion a firm. Most of these activities were located in Africa. Direct investment in Africa originated mainly from the United States of America (USA), United Kingdom, Federal Republic of Germany, France and Japan. Based on their individual assessment of investment conditions or political risk analysis, the investors tend to favour one country/region against another. For example, the USA invests mainly in Latin America’s Andean Group, LAFTA, and CARICOM; Japan in ASEAN, United Kingdom in the Commonwealth countries; and France in CEAO, CEEAC, and UDEAC member states. The Southern African minerals and cheap labour attracts conglomerates from every part of the Western world with the US and UK in clear lead. Sectoral spread of the investing TNCs showed that the UK and West German-based TNCs concentrate in manufacturing, particularly in transportation, while the USA and Japanese investments were evenly spread, with slight bias in manufacturing and primary industries. Generally the TNCs in Africa operate in the following nine major areas of business:

(i) Mining and Extractive Industries
(ii) Agricultural and Raw Material Processing
(iii) Energy Oil and Petro-Chemicals
(iv) Transport and Telecommunications
(v) Electronics and Manufacturing
(vi) Banking and Financing Institutions
(vii) Import and Export
(viii) Hotels and Tourism
(ix) Pharmaceuticals and Cosmetics

The vastness in the TNCs’ acquisition and manipulation of every means and mode of production, and their interconnectedness in diverse business activities mean that they could easily determine the success or failure of integration schemes in Africa. Activities of Lonrho Group and the Unilever Brothers are very outstanding in their involvement in Africa’s sectoral economic and political activities. Lonrho Conglomerate operates business in over nine African countries. It made a profit of over US $117 million in Africa in 1986 alone. Its activities in Southern and West Africa, particularly in mining sectors are responsible for the employment of many Africans. In Zimbabwe, Lonho was the largest single employer in 1987. Before then, in 1976, Lonho had over 500 subsidiaries and affiliated companies in diverse sectors including mining, sugar-cane plantation, shipping lines and property, breweries and newspapers. Hence the success or failure of such integration experiments like PTA, SADCC, SACU etc. could hardly neglect the input of the Lonho conglomerate.
The Unilever is similar to the Lomho Group in many respects particularly in operational strategy. The Unilever in 1982 had 86 operating subsidiaries and affiliates located all over the continent. The conglomerates principal subsidiaries and investments were nevertheless located in Cameroon, Chad, Kenya, Malawi, Niger, Nigeria, Sierra Leone, South Africa, Uganda, Zaire, and Zimbabwe. Nigeria and South Africa host the largest activities of the Unilever. In South Africa over twenty four wholly owned subsidiaries operate businesses in a wide range of manufacturing, service and distribution network. In Nigeria, Corporations with one form of Unilever connection or the other include the following:

1. Lever Brothers Nigeria 40%
2. Lipton of Nigeria Limited 40%
3. NAG Limited 100%
4. Pamol (Nigeria) Limited 60%
5. UAC of Nigeria Limited 40%
6. Industrial Investment Limited 40%
7. Vitafoam Nigeria Limited 20%
8. Vono Products Limited 18%
9. Nigerian Breweries Limited 14%
10. Guinness (Nigeria) Limited 14%

Equity 1984

There are fourteen other companies operating through the above companies or as separate legal business entities for example, the African Timber and Plywood Limited and the Gottschalch and Company, and Rand. The Unilever whose initial interest in Africa 300 years ago was in a groundnut scheme, has extended activities that influence the mode of life of virtually every African.31

Africa's technological dependence on particularly the Western world and its TNCs, manifests itself very clearly in the economic arrangements pursuing self-reliance strategy. These schemes are externally controlled and determined by the technology bearers. The TNCs as the powerful bearers of technology are therefore the major beneficiaries of the integration process in Africa.

Africa's unilateral technology dependence on the Centres of the developed world is the function of the relative low level of science and technology programmes and infrastructures in the continent of Africa.32 There is a linear relationship between the R & D expenditures of Africa States and the low number of scientists and engineers in the continent as shown in Table 2. It is also demonstrated by the dwindling nature of R & D expenditures as a percentage of Gross National Product of African countries. The percentage fell by .03% between 1970 and 1980. The Table also reveals that the developed countries spent about seven times as much as

<table>
<thead>
<tr>
<th>Year</th>
<th>African Countries</th>
<th>Developed Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>0.33</td>
<td>2.31</td>
</tr>
<tr>
<td>1975</td>
<td>0.35</td>
<td>2.25</td>
</tr>
<tr>
<td>1980</td>
<td>0.30</td>
<td>2.25</td>
</tr>
</tbody>
</table>

Table 2

R & D Expenditures as % of GNP


the African countries on R & D during in same period. Thus, of a total of over 3.7 million scientists and engineers in the world in 1985, African countries' share was 0.4% which is a negligible percentage of the total share for the developing countries of 10.6% and by no means comparable to the
89.4% share of the developed world. These are shown on Table 3. The evidence on the same Table also demonstrates that Africa's share of the total scientists and engineers from developing countries is infinitesimal. Table 4 further explains that over twenty-four African countries engage less than 50 scientists and engineers in R & D activities per million of population, and about twenty of these states spent less than 0.2% of GNP on R & D expenditure. This confirms the thesis that Africa, as an area of least R & D activities, consequently bears the lowest number of scientists and engineers in the world and thus the most dependent technologically. The correlation is clearly depressing.

Table 3

<table>
<thead>
<tr>
<th>Year</th>
<th>Scientist &amp; Engineers Total</th>
<th>% Share Developed Countries</th>
<th>% Share Developing Countries</th>
<th>% Share African Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>2,608,100</td>
<td>92.1</td>
<td>7.9</td>
<td>0.3</td>
</tr>
<tr>
<td>1980</td>
<td>3,236,100</td>
<td>91.1</td>
<td>8.3</td>
<td>0.4</td>
</tr>
<tr>
<td>1985</td>
<td>3,756,100</td>
<td>89.4</td>
<td>10.6</td>
<td>0.4</td>
</tr>
</tbody>
</table>


Africa is also marginalised technologically because the technological knowledge to select and respond to its needs in the world technology market is lacking. Frances Stewart has distinguished the attitudes of India and Japan towards imported technology. Whereas India often provides local substitutes to foreign technology imports, Japan controls and regulates technology imports to protect local technology. In this respect, until very recently no African countries had adopted deliberate policies towards imported technology...
forms, or on internally generating technology as India has done.

Technology dependence is reproduced in Africa through many exploitative devices. One of which is by pricing technology out of the reach of the host countries. This is most obvious in the mining sector. The activities of the Kaiser Aluminium and Chemical Corporation, Reynolds Metals Companies and Lonrho Ghana; the Anglo-American Corporation and Roan Selection Trust in Zambia, the Sierra-Leone Selection Trust (SLST); and many foreign petroleum companies in Nigeria have shown this. In these and others too many to mention, the issues involved are those of over-pricing of the direct investment, particularly their capital and technology thus inviting host Governments reflective responses of economic nationalism. Some aspects of the ever prevailing unequal business relations between the foreign investors and their African host countries are constructed by the former's dominant supply push conditions - vis-a-vis the buyers weak demand pull conditions. In the international technology market, the weaker partner is easily the inevitable victim of the manipulations of the TNCs.

Let us examine transfer pricing, for example. By “transfer pricing” we mean “the prices set for goods and services in transactions between related parties.” This arises from the control exercised by the dominant party over the other - e.g. the parent TNCs over the subsidiaries or affiliates when artificial prices are forced on the latter by the former. Therefore transfer pricing takes many forms including variations in the quality and quantity of goods as noticed in the very many manufactured household products of the vast Unilever subsidiaries in Africa. Other techniques of transfer pricing include:

- reducing over-all tax burden by transferring profits from high tax to low or no tax sectors or regions.
- manipulating foreign exchange regulations or eroding the value of the local currency.
- circumventing price control regulations in Africa and boosting claims for price increase.
- reducing the profits of the subsidiary or joint venture to give an erroneous impression of low activity and profitability.

Another vile aspect of the above is what is termed “technological lock-ins” - where the African importer could be locked in a position of a forced purchaser. This is where the original manufacture of the production designs are sold in a way that only inputs or spare-parts from the parent manufacturer can be used. Another variation of the “technological lock-in” system occurs when the manufacturers of the machinery sell the original equipment very cheaply fully determined and aware that they will recover whatever previous losses through subsequent sale of spare parts. It seems plausible to reason along with Sanjaya Lall and Paul Streeten that the overall inducements to TNC lock-in systems arises from “the desire to increase global post-tax profit” and “to reduce risks and uncertainty over long term” period particularly in risk entrophied regions. The African countries have variously been concerned with minimizing the effects of transfer pricing system practices by TNCs on their national economies. In Kenya’s tea and coffee industries where transfer pricing was rampant, it was suggested that specialised price monitoring units be established. Of course, virtually every African State is ill-equiped administratively or otherwise to regulate the sophistication and complexities of transfer pricing.

Patents are equally abused by TNCs operating in Africa. Nigeria’s case is worthy of note. By 1983, a number of patent transactions registered at the National Office of Industrial Property in Nigeria, bore various exploitative characteristics. These restrictive business practices are usually an important component of the monopoly power of the TNCs in the areas of production, transferability, sales, research and development, and distribution. The most rampant in the abuse of technology transfers to Africa are
the many cases of TNCs transacting inappropriate technology to African countries. This abuse is worsened by the absence of any adoptive infrastructure for such imported technology in Africa. A few examples of such abuse occur when the technology transferors,

(a) sell capital intensive devices in an area of high unemployment with capital deficiency e.g. (i) when expensive farming equipment are used in rural areas and (ii) textile mill— in Tanzania;
(b) import raw materials when there are local substitutes (e.g. wheat flour used instead of easily available maize flour in confectionaries in Nigeria);
(c) adopt production measures that will worsen the prevailing uneven distribution of income e.g. various manufacturing subsidiaries in Nigeria, Kenya and Cote D'Ivoire;
(d) use techniques that are beyond local skills or that entail long learning periods e.g. (i) automation of car assembly plants, (ii) micro-electronics and biotechnology in rural Africa);
(e) adopt machines or techniques that have no local spare parts or maintenance facilities - various assembly plants and manufacturing units in Africa.
(f) adopt equipments and products that increase environmental pollution of chemical industries.
(g) employ over priced expatriates for the training of local staff as in the case of the Nordic experts in Kenya in the 1960s.

The TNCs and their subsidiaries in Africa have at different times transferred technologies which are inappropriate in that they are not suitable for the production environment or economic conditions as shown above. The problem here is that the importation of inappropriate technology is in most cases done in collaboration with the officials of the host governments.

At national level, a few African states are waking up from the slumber of technological delusion. Some have made efforts at popularising science and technology by endeavouring to improve traditional techniques particularly in agriculture and medicine, and have set national institutions for these purposes. Most African countries e.g. (Cameroon, Egypt, Ghana, Kenya, Liberia, Libya, Mauritius, Nigeria, Senegal, Zambia, and Zaire), have either offices for the protection of industrial property or/and established a national patent system. These notwithstanding, only a few have legislation to regulate imported technology, machineries for linking research and development with industrial output, units for the evaluation of effectiveness and efficiency of research output. These are but a few of the numerous deficiencies derailing technological independence in Africa.

At intra-African co-operation level, the problems are complicated by lack of collective support and planning. In East and West Africa, most of S & T structures have colonial origin. After independence, the desire to protect national activities outweighed the urge for sub-regional technological co-operation. Nevertheless few efforts at micro-regional levels are noticeable more in the West than in East Africa. ECOWAS, CEAO, and the Inter-State Committee for Drought Control in the Sahel (CILSS) "have projects and programmes for scientific and technological co-operation."37 while ECOWAS in collaboration with UNESCO, is establishing an information network on energy. The Customs Union of the Central Africa sub-region — (CEEAC, CEPGL and UDEAC) have made statutory provisions related to co-operation in S & T. While CEEAC and UDEAC have moved a step beyond CEPGL. CEEAC has provided for technological co-operation among member-states, while UDEAC has a scientific and technological research department, that organises seminars, and symposia and a sub-regional multisectoral Institute of Applied Technology, Planning and Project Evaluation (ISTA). The economic groupings of East and Southern African origin have made little progress particularly since the collapse
of the East African Community (EAC). Relatively, SADCC, PTA or SACU are handicapped in many respects and thus diverted away from technological co-operation. There are nevertheless a number of macro-regional institutions directly or indirectly related to S & T development with which the East and Southern African countries co-operate.

E. TRADE AND CAPITAL DEPENDENCE

1. Unequal Trade Relations

Technology and trade are co-determinants of Africa’s (under) development process. This relationship has been an object of serious discussion in Heckscher-Ohlin’s production theory. High technology generation in the North has contributed to the hemisphere’s control of world trade. At the other end of the globe are goods determined by natural conditions giving rise to the “Ricardo goods trade”.

Dominating in primary goods trade are the developing countries (including African States) of the South, and the major customers are the developed countries of the North led by the USA, Japan and EEC. The products from the North exchanged with “Ricardo goods” are capital intensive products derived from high R & D and capital industries. International trade is thus characterised by unequal exchange arising from the trade contents and components resulting in a capital and trade dependence of the South on the North. Africa being the periphery of the world periphery is not just the most dependent and vulnerable of the Third World proletariat but is also reliant on its fellow members of the South for procurement of certain items.

Africa is the periphery of the world periphery for two major factors. First, its participation in world trade is on the decline mainly because the Continent exports primary products, agricultural and mineral commodities which are subjected to unpredictable natural conditions, and are controlled and manipulated by Western investors and consumers. Secondly, the economies of the African states are mostly monocultural in that they rely heavily on one, or at best, two primary products for over 50% of their respective export revenue. This is vividly demonstrated by Table 5. Between 1970-75, twenty-one African states relied on one or two agricultural products, while five depended on metal products (tin, bauxite, iron ore etc.) for over 50% of their export earnings. Table 6 shows the negative and deplorable position of sub-Saharan Africa vis-a-vis other

---

Table 5

<table>
<thead>
<tr>
<th>Country</th>
<th>Commodities and level of Dependence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Guinea-Bissau</td>
<td>Vegetable Oil (95%)</td>
</tr>
<tr>
<td>2. Sao Tome</td>
<td>Cocoa (81%)</td>
</tr>
<tr>
<td>3. Uganda</td>
<td>Coffee (66%), Cotton (16%) Copper 6%</td>
</tr>
<tr>
<td>4. Zambia</td>
<td>Copper (93%)</td>
</tr>
<tr>
<td>5. Liberia</td>
<td>Iron Ore (69%), Rubber 14%</td>
</tr>
<tr>
<td>6. Gabon</td>
<td>Vegetable Oils (89%)</td>
</tr>
<tr>
<td>7. Togo</td>
<td>Phosphates (52%), Cocoa (22%), Coffee (9%)</td>
</tr>
<tr>
<td>8. Mauritania</td>
<td>Iron-Ore (77%)</td>
</tr>
<tr>
<td>9. Burundi</td>
<td>Coffee (79%)</td>
</tr>
<tr>
<td>10. Mauritius</td>
<td>Sugar (82%)</td>
</tr>
<tr>
<td>11. Zaire</td>
<td>Copper (64%), Coffee (7%) Petroleum (85%)</td>
</tr>
<tr>
<td>12. Nigeria</td>
<td>Cotton (68%)</td>
</tr>
<tr>
<td>13. Chad</td>
<td>Cocoa (60%)</td>
</tr>
<tr>
<td>14. Guinea</td>
<td>Coffee (56%)</td>
</tr>
<tr>
<td>15. Rwanda</td>
<td>Cotton (53%)</td>
</tr>
<tr>
<td>16. Sudan</td>
<td>Cocoa (50%)</td>
</tr>
<tr>
<td>17. Equatorial Guinea</td>
<td>Petroleum (65%)</td>
</tr>
<tr>
<td>18. Libya</td>
<td></td>
</tr>
</tbody>
</table>

Table 6

Changes in trade volumes, terms of trade and purchasing power of exports by regions and economic groupings, 1973—1985
(Percentage change per annum)

<table>
<thead>
<tr>
<th>Regions and economic groupings</th>
<th>Period</th>
<th>Export volume</th>
<th>Terms of trade</th>
<th>Purchasing power of exports</th>
<th>Import volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed market-economy countries</td>
<td>1973–1980</td>
<td>5.0</td>
<td>-2.8</td>
<td>2.0</td>
<td>3.1</td>
</tr>
<tr>
<td></td>
<td>1980–1985</td>
<td>3.2</td>
<td>0.2</td>
<td>3.4</td>
<td>2.7</td>
</tr>
<tr>
<td>Developing countries by region:</td>
<td>1973–1980</td>
<td>-3.8</td>
<td>12.0</td>
<td>8.1</td>
<td>6.6</td>
</tr>
<tr>
<td></td>
<td>1980–1985</td>
<td>-1.0</td>
<td>-1.0</td>
<td>-1.9</td>
<td>0.2</td>
</tr>
<tr>
<td>Latin American and the Caribbean</td>
<td>1973–1980</td>
<td>0.4</td>
<td>2.9</td>
<td>2.7</td>
<td>3.4</td>
</tr>
<tr>
<td></td>
<td>1980–1985</td>
<td>3.5</td>
<td>-2.1</td>
<td>1.0</td>
<td>5.8</td>
</tr>
<tr>
<td>North Africa</td>
<td>1973–1980</td>
<td>-5.4</td>
<td>16.6</td>
<td>11.1</td>
<td>8.1</td>
</tr>
<tr>
<td></td>
<td>1980–1985</td>
<td>-5.3</td>
<td>-0.4</td>
<td>-5.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>1973–1980</td>
<td>-4.3</td>
<td>8.6</td>
<td>4.0</td>
<td>4.6</td>
</tr>
<tr>
<td></td>
<td>1980–1985</td>
<td>1.9</td>
<td>-1.9</td>
<td>-5.6</td>
<td>-4.1</td>
</tr>
<tr>
<td>West Asia</td>
<td>1973–1980</td>
<td>-6.4</td>
<td>26.8</td>
<td>13.8</td>
<td>7.2</td>
</tr>
<tr>
<td></td>
<td>1980–1985</td>
<td>-11.6</td>
<td>1.0</td>
<td>10.6</td>
<td>1.4</td>
</tr>
<tr>
<td>South and South East Asia</td>
<td>1973–1980</td>
<td>3.6</td>
<td>1.8</td>
<td>6.1</td>
<td>5.9</td>
</tr>
<tr>
<td></td>
<td>1980–1985</td>
<td>7.9</td>
<td>-1.2</td>
<td>6.5</td>
<td>4.4</td>
</tr>
<tr>
<td>by economic grouping:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major petroleum exporters</td>
<td>1973–1980</td>
<td>-4.4</td>
<td>23.4</td>
<td>17.2</td>
<td>14.0</td>
</tr>
<tr>
<td></td>
<td>1980–1985</td>
<td>-8.5</td>
<td>0.2</td>
<td>-8.5</td>
<td>-1.2</td>
</tr>
<tr>
<td>Non-oil exporting developing countries</td>
<td>1973–1980</td>
<td>3.8</td>
<td>-2.6</td>
<td>1.7</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>1980–1981</td>
<td>7.7</td>
<td>-2.3</td>
<td>5.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Major exporters of manufacturers</td>
<td>1973–1980</td>
<td>9.5</td>
<td>-6.9</td>
<td>3.2</td>
<td>4.4</td>
</tr>
<tr>
<td></td>
<td>1980–1985</td>
<td>9.7</td>
<td>-0.8</td>
<td>8.7</td>
<td>1.2</td>
</tr>
<tr>
<td>Least developed countries</td>
<td>1973–1980</td>
<td>1.2</td>
<td>-1.2</td>
<td>-0.3</td>
<td>4.6</td>
</tr>
<tr>
<td></td>
<td>1980–1985</td>
<td>1.9</td>
<td>-0.6</td>
<td>1.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Other developing countries</td>
<td>1973–1980</td>
<td>0.6</td>
<td>-1.9</td>
<td>-0.3</td>
<td>2.7</td>
</tr>
<tr>
<td></td>
<td>1980–1985</td>
<td>4.6</td>
<td>-3.4</td>
<td>1.2</td>
<td>0.6</td>
</tr>
</tbody>
</table>


One could therefore maintain that Africa's gains from world trade are the least in regional comparison. There are various reasons for this. First, Africa's natural resources so widely publicised, are not in the hands of the owners despite the various UN declarations including The UN Charter of Economic Rights and Duties of States. So, foreign direct investors determine the composition of production which is usually in response to relative prices and Western industrial demand. Other than this, the fluctuating demand for African commodities is partly explained by the problem presented by Western protectionism. This is a major obstacle to Africa's trade expansion. An aspect of the Western protectionist policy is aimed at certain competitive imports in direct assistance to domestic production. Another set of the trade obstacles "relates to border measures (tariffs, quantitative restrictions and other non-tariff measures), which are used as instruments of protection to prevent competitive imports from negating the effect of internal production measures of support for domestic production". The introduction of new technologies and designs has increased the number of Western products competing against tropical goods. For example, tropical beverages face "strong competition from carbohydrate drinks". Also, metals, including steel, copper, and aluminium which are some of Africa's mineral exports face similar competition from substitutes in form of such synthetic materials as plastics, ceramics, composites and optical fibres."
Table 7
Debt service and food and fuel imports compared to export earnings of developing countries, 1975, 1983

<table>
<thead>
<tr>
<th></th>
<th>Debt Service</th>
<th>Food Imports a</th>
<th>Fuel Imports b</th>
<th>Combined ratio of debt service, food and fuel imports to export earnings (1 + 2 + 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>10.8</td>
<td>20.7</td>
<td>-9.5</td>
<td>41.0</td>
</tr>
<tr>
<td>1983</td>
<td>31.5</td>
<td>23.9</td>
<td>11.3</td>
<td>68.7</td>
</tr>
<tr>
<td>1984</td>
<td>30.9&lt;sup&gt;c&lt;/sup&gt;</td>
<td>23.9</td>
<td>11.0&lt;sup&gt;c&lt;/sup&gt;</td>
<td>65.8</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>5.7</td>
<td>11.7</td>
<td>10.8</td>
<td>28.3</td>
</tr>
<tr>
<td>1983</td>
<td>11.5</td>
<td>10.8</td>
<td>17.9</td>
<td>40.9</td>
</tr>
<tr>
<td>1984</td>
<td>11.3&lt;sup&gt;c&lt;/sup&gt;</td>
<td>11.2</td>
<td>18.4&lt;sup&gt;c&lt;/sup&gt;</td>
<td>40.9</td>
</tr>
<tr>
<td>Latin America</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>23.1</td>
<td>13.0</td>
<td>31.3</td>
<td>67.4</td>
</tr>
<tr>
<td>1983</td>
<td>41.0</td>
<td>10.0</td>
<td>28.2</td>
<td>80.1</td>
</tr>
<tr>
<td>1984</td>
<td>34.0&lt;sup&gt;c&lt;/sup&gt;</td>
<td>10.4</td>
<td>28.0&lt;sup&gt;c&lt;/sup&gt;</td>
<td>72.4</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>10.5</td>
<td>13.5</td>
<td>15.2</td>
<td>39.2</td>
</tr>
<tr>
<td>1983</td>
<td>21.3</td>
<td>12.6</td>
<td>19.7</td>
<td>53.6</td>
</tr>
<tr>
<td>1984</td>
<td>19.6</td>
<td>12.7</td>
<td>19.8</td>
<td>59.2</td>
</tr>
</tbody>
</table>


b. SITC 3.
c. Preliminary figures.

African countries are more than hard hit by these restrictive measures aimed particularly at the potential and actual agricultural and mineral exporters. The Lome Conventions, the 1986 Multifibre Arrangement, the ritualistic gestures of GATT and rounds of multilateral tariff reductions have not helped the case of the up-coming manufacturers and exporters in Africa.

Although USA leads the others in the revival of protectionism in the West, the EEC has followed by competitive subsidization of agriculture. Japan has maintained a low formal protectionism in areas other than agriculture. The cost of West’s subsidization runs into billions of US dollars. For example, from 1982 to 1985 “the US and the EEC spent about US $60 billion on farm and agricultural support programmes while Japan spent approximately $51.2 billion for the period 1980-1983”. These expenses according to UNCTAD Bulletin do not show the entire picture as they excluded “the income transferred from consumers to producers through higher domestic supported prices”. A feature of this and other protectionist policies is that the rate of tariff is radically linked to the state and stage of processing of the product while non-tariff measures are directed largely at commodities in processed form. Even the UNCTAD’s General Systems of Industrial Preferences intended to accord the products of the developing countries free entry into the West, are by similar token, stultified by safeguards and quota restriction clauses. Also, under bilateral agreements, voluntary export restrictions (VER) are forced on weak trading partners. The non-tariff measures include a long range of qualitative restrictions with “distorting effects”. The range and complexity are vast and their effects on Africa’s exports vary in both location and commodity. Everybody agrees that Non-Tariff barriers are inconsistent with GATT rules - at least the barriers circumvent the rules, and yet before the Uruguay Round of September 1986, the eighth in the series of negotiations in the 40 years of GATT, the Secretariat listed 116 NTBs to that GATT multilateral
Treaty. It is estimated that 20% of OECD imports are subjected to NTBs, while 30% of the imports from 16 industrialised countries face NTBs. The figure for the entire developing countries that account for two thirds of GATTs membership is 15%. In contrast, Africa’s NTB activities are certainly negligible.43

Free trade and market forces are generally regarded as beneficial to the trading parties of the world. Africa is quick in adopting liberalization policies as usually recommended by multilateral institutions - (e.g. World Bank, IMF), and the Western trade partners. But Western protectionism reduces Africa’s gains emanating from the continent’s liberal trade policies. This is the paradox of Africa’s trade dependence. What seems staggering and incomprehensive is what Western scholars call a moralistic argument. The liberalisation of the world trade is adulated and adorned in order to allow market forces to operate to the benefit of mankind-developed and developing countries alike. But the West lacks the will to adhere to their prescriptions to which most African countries enthusiastically and dutifully abide by.

Part of Africa’s trade burden is self-assigned if not determined by natural forces. These factors have led to the reduction of the levels of both intra- and extra-African trade. The low growth of exportable products is a function of the continent’s perennial difficulty in adjusting the supply of primary commodities to the short-run changing demand conditions. Others are the negative impact of fluctuating prices of their primary goods on balance of payments, and increased burden of both food imports and debt-servicing. The financial burden these have bestowed on Africa is well-known. In 1986 for example, the value of Africa’s exports dropped by $150 billion and $200 billion, accounting for half the continent’s entire gross domestic earnings.44 Net resource flows, export credits, and other private lendings, decreased accordingly in plummeting African economy and thereby reproducing capital dependence of the continent on the West and its institutions.

2. Capital Dependence

No project evaluation meeting of any of the organisations under scrutiny was hardly concluded without direct or indirect reference to a dire need to seek external financial resources for programme implementation. In this way, capital dependence on donors is constantly reproduced. ECOWAS is a good example. An Evaluation and Reflection Commission set up in 1984 which reported to The Authority of Heads of State in Abuja in 1987, called for an ECOWAS Economic Recovery programme. This led to the launching of “a programme proposal for 136 projects valued initially at US $926 million and later reviewed downwards to US $1.6 billion. Of this amount, 70% was expected from the international community while 30% would be from ECOWAS’ own resources.”45

The fact that most member-states of the micro/macro organisations discussed are constantly in arrears of their contributions and have difficulties maintaining and financing their secretariats is an evidence of the seriousness of the prevailing great financial burden on the African economy. Take ECOWAS for example, the funding of the building of its new headquarters in Abuja, - Nigeria’s new Federal Capital, led to the Community’s search for 60% of the estimated cost of US $10 million from outside the continent.46 This is amidst the inability of the member-states to pay up their dues. By 1987, the Executive Secretary of ECOWAS had cause to loudly report the non-payment of the contributions of over ten member-states led by Liberia ($19.6m), Nigeria ($9,340,892) and Ghana ($8,043,013).47 Mano River Union, like ECOWAS, had its members in arrears of their contributions to a tune of US $6 million with Guinea owing US $2.5 million while Sierra-Leone and Liberia owed US $2 million and US $1.5 million respectively, in 1985.48 MRU also has the problem of financing its ever-increasing staff. This is not peculiar to the two organisations. CEAO, UDEAC, and CEPGL have had reasons to seek financial help for the maintenance of their secretariats and the running of
primary and current bills, while virtually all depend on outside financing for the credible sustenance of their respective financial organs for development, compensation, and co-ordination facilities.

Where the financial dependence on USA, Europe, and international institutions is quite grave and deep is in project implementation. No single project has ever been studied, surveyed and implemented without the financial input of the Western and multinational donors or commercial creditors.

SADCC's projects have more than those in any other organisation seen a diversified form of financial dependence on the West. The donors of SADCC's many projects have constituted themselves into a club for organised patronage. By 1983 competitive pledges came virtually for all projects of the Co-ordination Conference. Prominent among the projects are those on Mining, Transport, and Food, Industry and Energy designed primarily to transcend SADCC states' dependence on South Africa. Multinational institutions that have pledged assistance or financed some of the projects include the Commonwealth Fund for Technical Co-operation, the European Economic Commission and the United Nations Industrial Development Organisation (UNIDO). These have collectively and variously involved themselves in SADCCs five-year programme on mining strategy which covered manpower survey, small-scale mining, inventory of geology and minerals, foundry, fabrication, iron and steel industry and mining chemicals. Bilaterally, countries that have shown either theoretical or practical concern for SADCCs programmes include USA, Italy, Finland, Denmark, the Netherlands, UK, Sweden, France, Greece, Brazil, India and Venezuela.

The other aspect of financial dependence is that rooted in colonial linkages. Those trapped in this are the integration schemes of independent Francophone African States. The CEAO, UDEAC, CEEAC are some of them. The member-states of these groupings are intricately tied to various monetary and fiscal institutions whose mode and method of operation are determined and linked with French economy. The financing of most of their projects is therefore, prominently French-based. Significant among these neo-colonial institutions are the Central Bank of West African States (BCEAO), Solidarity and Intervention Fund for Community Development (Fosidec), the African Guarantee and Economic Co-operation Fund (AGECF), which in 1985 was replaced with the Guarantee and Co-operation Fund of the African, Maunfanian Common Organisation (OCAM), and the Monetary Union (UMOA). These institutions under the close eye of France, and with the CFA as a common medium of exchange of almost all, help in promoting trade, financing programmes and in adjusting monetary and fiscal differences between member states. In these ways France reproduces the financial dependence of Francophone Africa on her. Also, the Francophone Summit usually held between France, Canada and mainly Francophone African States under the aegis of the Francophone Co-operation Agency (ACCT), is designed to reinforce the unequal "Solidarity" between the Francophone entities in the Centre, and those at the Periphery. These, sometimes have provoked the displeasure and suspicion of some non-French speaking African States.

One feature of the capital flows from the West to either the individual African States or to multilateral African organisations, is that the donors' interests are dominant. Thus although a welcome gesture, Canada, a bilingual country, in 1987 Francophone Solidarity Summit, pledged a sum of $20m in special aid to Francophone Africa, after writing off some $151 million debts owed by the seven Francophone states of Senegal, Zaire, Madagascar, Cameroon, Cote d'Ivoire and Gabon. Those who expected this magnanimous gesture to be extended to the English speaking African states were disappointed. The device to maintain areas of trade influence is equally responsible for the EEC's liberal presence in the promotion of integration efforts in Africa. For maintaining vital interests through loans, the USA has objected to its aid to SADCCs being used in Angola's railway project in a way that that country's vulnerability to South Africa will be
diminished. In the same vein, Lesotho's links with Israel meant the notable absence of Arab funds or commitment at the (SADCC) donors Conference at Maseru in 1980.

F. GEOPOLITICAL AND STRATEGIC DEPENDENCE

The geopolitical and strategic dependence hypothesis is premised on US fear of a possibility of a breakdown in democracy, in this case in Southern Africa, which will lead to the flourishing of leftist forces in an area that is militarily and economically dependent on US and strategically important to the West. Henry Kissinger, the former US Secretary of State once said that, “where the world goes, depends mostly on the United States”. This is more so in Africa, for it is the strategic and economic interests of the West, particularly the US that determine the nature and outcome of regionalism in Africa. In this section we will concentrate on the strategic importance of Africa to the US in particular and the West in general and in the process, examine to what extent the pursuit of the West’s vital and hegemonic interests has conflicted or collaborated with the development objectives of Africa’s economic organisations, particularly in Southern Africa. We will also examine the crisis of apartheid in Southern Africa, and relate it to the vital interests of the West and then confront it with the integration schemes in Southern Africa. The US dependence on Africa for the maintenance of its strategic interests cannot be conceived within a continent that does not have an independent posture of choice and decisions. Thus, South Africa's apartheid is disposed and used by the West to maintain the area as its geopolitical preserve in order to guarantee both the West’s strategic and security materials against non-Western including the Soviet intervention. This is basically why regionalism in Southern Africa is under the spell of South Africa, the proxy of the West.

By strategic resources, we refer to all tangible and intangible materials that are significant in determining national or regional power-position. Thus, raw materials including vital minerals, are one aspect of strategic resources. The other is the geopolitical location of Africa, particularly Southern Africa seen in the context of East-West cold war relations.

In the Lagos Plan of Action, OAU members were proud in enumerating Africa’s various natural resources despite the continent’s underdevelopment. Africa’s underdevelopment is not inevitable, the document strongly maintains that the African continent has

- 95% world reserve of chrome
- 85% world reserve of platinum
- 64% world reserve of manganese
- 25% world reserve of uranium
- 13% world reserve of copper
- 20% world reserve of hydroelectrical potentials
- 20% of oil trade in the world.

US’s dependence on raw materials from Africa is most significant in such materials as chromium, cobalt, manganese, bauxite, antimony, columbium, vanadium, platinum, gold, petroleum, and uranium. According to Gordon Bertolin, “US must rely on the imports of these for more than 35% of consumption and for which African nations are major suppliers”. Table 8 shows the US import dependence on certain raw materials from Africa. Although a relatively old Table the trend remains the same. One noticeable feature of US dependence profile is the strategic importance of South Africa’s economy to the West.

1. Interruption of vital materials and fear of Communist Control

The natural concern of the West arises from two major reasons. The first is the possible interruption of the supply of vital materials to their industries, due to an unexpected rise in price as in the quadrupling of oil prices of 1973-4 or due
Table 8
U.S. Import Dependence on Certain Raw Materials from Africa

<table>
<thead>
<tr>
<th>Mineral</th>
<th>Percentage Imported</th>
<th>Major African Sources b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbiun</td>
<td>100</td>
<td>Nigeria (10%)</td>
</tr>
<tr>
<td>Manganese</td>
<td>99</td>
<td>Gabon (32%); South Africa (12%)</td>
</tr>
<tr>
<td>Cobalt</td>
<td>98</td>
<td>Zaire (37%);e</td>
</tr>
<tr>
<td>Chromium</td>
<td>91</td>
<td>South Africa (24%);</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rhodesia (12%);</td>
</tr>
<tr>
<td>Bauxite</td>
<td>85</td>
<td>Guinea (16%);</td>
</tr>
<tr>
<td>Platinum group metals</td>
<td>80</td>
<td>South Africa (68%);</td>
</tr>
<tr>
<td>Antimony</td>
<td>56</td>
<td>South Africa (22%);</td>
</tr>
<tr>
<td>Gold</td>
<td>45</td>
<td>NA</td>
</tr>
<tr>
<td>Vanadium</td>
<td>36</td>
<td>South Africa (59%);</td>
</tr>
<tr>
<td>Petroleum</td>
<td>35</td>
<td>Nigeria (17%);</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Algeria (7%);</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Libya (6%);</td>
</tr>
</tbody>
</table>


b. Source: U.S. Imports for consumption and General Imports; U.S. Department of Commerce; 1975 figures. “Major” is defined as greater than 5%.

c. Another 22% comes from Belgium, the major original source of which is Zaire.

d. Another 27% comes from Great Britain, the major original source of which is South Africa.

NA—Not available.

It is clear that the Central and Southern Africa cannot be excluded from the American transoceanic alliance system if that system is to have global outreach and international credibility. All of the oceans of the world are one body of water, and American security and economic strength as well as self-respect require us to protect our transoceanic links to key allies in the Eurasian rimlands and outer circle regions of the globe. The sea lanes linking the all important oil sources of the Persian Arabian Gulf with the industries of Western Europe and North America pass also Indian Ocean and South Atlantic Coasts of Africa, and around the Cape of Good Hope.66
The countries comprising the US strategic zone, account for an infinitesimal percentage of the total world power thus the Western financial boost and military support given to South Africa, a willing protegee of the West. The roots and sustenance of apartheid policy in South Africa, the militarisation of the country as a regional power and its legitimisation and consequent incorporation into Western Capitalist system are founded and forged on US geopolitical and strategic interests as perceived particularly by US and NATO.

Although international politics and economics are interwoven strands in the fabric of international economic relations, it would seem, in the case of US policy towards Africa, that US economic considerations and its desire to recreate dependency relations, supersede political or human rights calculations. This is eminently demonstrated in US uncompromising support for both Apartheid South Africa and the UNITA rebels of Angola in the heydays of Angola’s struggle for independence which coincided with Nigeria’s oil boom period, in 1970s.

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2. SOUTHERN AFRICA’S DEPENDENCE ON SOUTH AFRICA:

SADCC, BLS, GLCU and PTA have graduated dependence thresholds on South Africa. Singling out SADCC, from the others, one sees the Organisation’s vulnerability to South Africa. SADCC’s four point objectives are hinged on securing economic independence:

(i) the reduction of economic dependence on South Africa.
(ii) the forging of links to create genuine and equitable regional integration;
(iii) the mobilisation of resources to promote the implementation of national, inter-state and regional policies;
(iv) concerted action to secure international co-operation within the framework of SADCC’s strategy for economic liberation.57

SADCC’s effort is directed towards sectoral development of e.g. transport, communications, regional food security and in promoting productive forces. These are hardly implemented independent of external sources for technological/financial input, and of the interlocking economic and financial linkages between the dominant South Africa and the weak SADCC--states that include South Africa’s vulnerable neighbours. The economic foundations and linkages are glaring. The GDP of the SADCC states was in 1975, only a third of that of South Africa and the latter’s per capita income in six times greater than SADCCs combined GDP per capita. According to the Briefing Paper of the London based Overseas Development Institute:

Not only does South Africa have an economy far larger than that of all the SADCC economies combined, it is also the major trading partner and a crucial transport conduit for most SADCC countries. For some, it is a significant employer of labour, a major supplier of power and fuel, the dominant source of foreign investment and an important collector of customs revenue, through a customs union arrangement.58

On trade and institutional relations, the SADCC states operate a high import dependence on such imports as inter-
mediate products, machinery and essential spare parts not
easily available in SADCC states. In 1984, 30% of SADCC
imports from South Africa were exchanged with only 7% of
their exports to South Africa. In value terms, South
Africa - SADCC trade is four times as great as intra-SADCC
trade. The figure is worse for trade between South Africa and
such immediate neighbours as Botswana, Lesotho, Swaziland
(BLS), Malawi, Zambia and Zimbabwe.

The BLS states who together with South Africa belong to
SACU, constitute the inner circle of the concentric depen-
dence relationship between SADCC countries and South
Africa. The SACU as a customs union, provides for facili-
ties of common external tariff and sharing of “revenue from
customs union pool based on the level of imports from all sources”.
South Africa with Lesotho and Swaziland as parties to a Tripartite Monetary Agreement (TMA),
also operate common exchange control measures against
third parties. This institutional relationship is remarkable
because parts of BLS governments’ revenue are realised
from the receipts accruing from the Customs Union. Also,
the BLS States are 100% dependent on South Africa for
their petroleum products.

Trade is determined and facilitated by the transport
and communication infrastructures. Thus, the use of South
African rail and road routes by SADCC and some PTA
States compound the dependence problems of these
Southern and East African States. 80% of the trade of the
six land-locked states of the region pass through South
Africa, and for Botswana, Lesotho, Malawi and Zimbabwe,
the percentage is over 90. Other than Tanzania and Angola,
all SADCC States have direct air link with South Africa.

The Great Lakes Economic Community member-states
are equally in similar anguish of trade dependence trap.
In 1985, 45% of Zaire’s copper exports went through South
Africa to the outside world while 75% of exports came by
way of Zimbabwe or South Africa. Zaire is certainly the
greatest force in the Community as copper is in its economy.

In employment dependence, Lesotho, Mozambique and
Botswana are most vulnerable. In 1983, over 300,000 SADCC
workers were employed legally in South Africa. For Mozam-
bique alone, the home remittance were valued at US $57
million which was an equivalent of that country’s total
foreign currency earnings in 1985. Our discourse implicates
the enormous power of trade, destabilisation and divi-
sion, and unlimited financial resources at the service of
South Africa in determining the fate of any of the sub-
region’s economic arrangements. A single economic action
e.g. increase in transport costs between South Africa and
SADCC states can easily lead to unwelcomed ruptures in
these integration schemes. In this respect, SACU is a hostage
in the apartheid system, while SADCC has hardly secured full
external support to transcend dependence on South Africa
which continues to serve the interests of Western capitalism.

D. RECOMMENDATIONS

As an alternative to the prevailing dependent regionalism,
I recommend autocentric regionalism in Africa. Autocentric
regionalism is one that overcomes and transcends the distor-
tions, economic, social and political that accompany depen-
dent regionalism. Four major policy actions and issues need
thorough and further investigation to disengage Africa from
the burden of Western connection.

Major Pre-requisites of Autocentric Regionalism in Africa

1. Collective Agricultural Plan for Increased Productivity

There is the basic need to satisfy the food demand of the
African population, and the supply of agricultural raw mate-
rials for the growing African industries. This is neglected by
most micro-organisations discussed. These organisations
should integrate individual national planning with those of
the sub-regional and regional communities in degrees of
“intra-sectoral and inter-sectoral inter-meshing” e.g.
between agricultural sectors, and between agriculture and industry. A yearly review of food-raw material production should be conducted with the view of identifying bottlenecks. The aim is to gradually eliminate food imports into the continent.

2. Dynamically Promoted Intra-African Trade

The Preferential Trade Area (PTA) should be embraced by all the African States as a way of boosting intra-African trade, particularly in manufactured, semi-manufactured and semi-processed areas. Orthodox policies of liberalisation should not be pursued at the expense of intra-African trade or indigenous industries. The Rules of Origin adopted by the different economic groupings should be harmonised under the PTA, while the PTA Development Bank is fully operationalised through continental participation. A common African effort will be desired in making sure that only goods that wholly or partly originate from Africa, depending on agreed "percentage criterion" benefit from tariff reduction.

3. Regional Policy on Technology Urgently Needed

Regional effort to transcend technology dependence is needed on two fronts. First, there is the urgent need and necessity for a regional policy aimed at the harmonisation of the diverse national and sub-regional technology plans and policies. The second involves the control of TNCs. This should not be purely a national issue in order to lessen the abuse of oligopoly privileges of the TNCs and subsidiaries, and to ensure that African countries do not unnecessarily accord competitive concessions (e.g. tax free holidays, duty free imports) to the TNCs. African countries should through integration effort, make sure that domestic entrepreneurs are not accorded inferior investment treatment than those accorded their foreign counterparts. LAFTA, and the Andean Pact have varying administrative and legal facilities for disciplining and controlling TNCs without presenting an anti-foreign investment image.

4. Fundamental Issue of National and Regional Leadership Resources

A good leadership seems to be a necessary precondition for the preservation of national interests and values, otherwise, national interest could quickly glide into elite interests. In the 1976 Kwame Nkrumah Memorial Lecture, Obafemi Awolowo attributed the failure of African leaders to the following four reasons:

(i) their failure to make the best out of the good parts of Africa's colonial heritage;
(ii) their failure to recognise "the compulsive role which heredity and environment play in man's unconscious motivations, tendencies and habits";
(iii) their failure to restore to their people the freedoms denied them by the white people;
(iv) their failure to appreciate the full import and impact of their "affluent and extravagant living" on their people and on the international community.

It is therefore clear that the quality of both national and regional leadership resources is a major contributory factor to the continuous dependent development process in Africa. I therefore submit that autocentric regionalism will be difficult to implement without the right leadership. The African leaders commitment to personal or group interests has in most cases conflicted and compromised the objective requirements of autonomous development. The crisis of development as seen through dependent regionalism is premised mainly on the continued anarchy of leadership production and succession in Africa occasioned by military, "ethnic and dynastic tendencies of privatisation".

42
NOTES


4. His view was visibly pro-IMF evidenced in various IMF debates and interviews - too numerous to mention. Dr. Kalo is (1988) now a Nigerian Minister for Transport.


12. Ibid., p. 9.

13. Ibid., p. 11.


18. CASTAFRICA II Regional Intra-Africa and Inter-Scientific and Technological Cooperation–SC87/CAS Conference of Ministers Responsible for the Application of Science and Technology to Development in Africa - Arusha - Tanzania 6-15 July 1987, p. 8.


24. Article 59 of ECOWAS Treaty


30. Foreign Private Investment in Developing Countries, IMF Occasional Papers 33, p. 6.
39. Ibid., p. 77.
41. Ibid, p. 3.
42. Ibid, p. 4.
49. Ibid., 30 June, 1986 p. 8228.
50. Ibid., 30 September, 1985 p. 7869.
58. Ibid.
59. Ibid., p. 2.
60. Ibid.
63. Ibid.
<table>
<thead>
<tr>
<th>No.</th>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>1.</td>
<td>ADB</td>
<td>African Development Bank.</td>
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<tr>
<td>2.</td>
<td>ADF</td>
<td>African Development Fund.</td>
</tr>
<tr>
<td>5.</td>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations.</td>
</tr>
<tr>
<td>7.</td>
<td>BCEAO</td>
<td>The Central Bank of West African States.</td>
</tr>
<tr>
<td>8.</td>
<td>BLS</td>
<td>Botswana, Lesotho and Swaziland.</td>
</tr>
<tr>
<td>10.</td>
<td>CEEAO</td>
<td>West African Economic Community.</td>
</tr>
<tr>
<td>12.</td>
<td>CEPGL</td>
<td>Economic Community of the Great Lakes Countries.</td>
</tr>
<tr>
<td>13.</td>
<td>CILSS</td>
<td>Inter-State Committee to Combat Drought and Development.</td>
</tr>
<tr>
<td>14.</td>
<td>CPA</td>
<td>Cocoa Producers’ Council.</td>
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<tr>
<td>15.</td>
<td>ECOWAS</td>
<td>Economic Community of West African States.</td>
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<td>16.</td>
<td>FAO</td>
<td>Food and Agriculture Organisation.</td>
</tr>
<tr>
<td>17.</td>
<td>IACO</td>
<td>Inter-African Coffee Organisation.</td>
</tr>
<tr>
<td>18.</td>
<td>IGADD</td>
<td>International Governmental Authority on Drought and Development.</td>
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<tr>
<td>19.</td>
<td>IMF</td>
<td>International Monetary Fund.</td>
</tr>
<tr>
<td>20.</td>
<td>IOC</td>
<td>Indian Ocean Commission.</td>
</tr>
<tr>
<td>22.</td>
<td>MRU</td>
<td>Mano River Union.</td>
</tr>
<tr>
<td>25.</td>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development.</td>
</tr>
<tr>
<td>27.</td>
<td>OMVS</td>
<td>Organisation Pour la Mise en Valeur du Fleuve Senegal.</td>
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<tr>
<td>28.</td>
<td>PTA</td>
<td>Preferential Trade Area.</td>
</tr>
<tr>
<td>29.</td>
<td>SACU</td>
<td>Southern African Development Coordination Conference.</td>
</tr>
<tr>
<td>30.</td>
<td>TMA</td>
<td>Tripartite Monetary Agreement.</td>
</tr>
<tr>
<td>31.</td>
<td>UDEAC</td>
<td>Central African Customs and Economic Union.</td>
</tr>
<tr>
<td>32.</td>
<td>UNECA</td>
<td>United Nations Economic Commission for Africa.</td>
</tr>
<tr>
<td>33.</td>
<td>UNITA</td>
<td>National Union for the Total Independence of Angola.</td>
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