Documentos de Trabalho nº56, CEsA, Lisboa, 1999

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THE REVIVAL OF REGIONAL INTEGRATION IN AFRICA

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The need for regional regional integration has never seemed so pressing on the African continent, yet the numerous programmes and institutions have achieved very little since independence.

Regionalisation reveals itself in Sub-Saharan Africa through complex and often conflicting trends of interaction. Commitments to regional integration in Africa have been constrained by a highly ambivalent critique of the colonial heritage. At independence, the leaders of the new independent states readily acknowledged the disastrous effects of the partition of the continent, but were reluctant, if not totally unwilling, to support policies likely to restrain state sovereignty and, consecutively, their power.

The stability of existing boundary-lines

Nearly fourty years after independence, the boundary-lines inherited from the colonial period remain unchanged despite the intractable problems which they induce. The oft mentioned issue of their forceful imposition is not so much what may matter here, since this is no less specific to Africa than to most European or Latin American boundaries. Neither should the past replacement of pre-colonial frontiers by standardised « linear-boundaries » (Foucher,1988) be considered as easily so long as the post-Wesphalian territorial state model will remain the international norm. Clearly disastrous are however the economic, social and human effects resulting from the lay out of boundary-lines. This is responsible for severe physical impediments to the unification of the territory of such states as Congo-Zaïre , Congo-Brazzaville, Senegal or Namibia; while chronic problems of landlockedness and poor access to the coast are face by Sahelian and Southern African sub-regions. Worse still, in a number of African states, resources are chronically insufficient, due to an unfavorable ecological and human environment. This combination of factors contributes to the description of African states as «*quasi*-» or « *failed* » states owing to their difficulty to meet the criteria usually associated with international sovereignty (Jackson & Rosberg,1986 ; Zartman, 1995 ; Badie, 1992 ; Le Roy, 1996).

The break-up of colonial federations at independence suddenly highlighted the negative consequences of the extreme segmentation and the intrinsically problematic viability of the political divisions and economic circuits inherited from the colonial period. Whether violent or negotiated, the dissolution processes meant the disappearance of the fiscal and excise redistribution mechanisms which had been the *raison d'être* of structures like the Afrique Occidentale Française (AOF), the Afrique Equatoriale Française (AEF), the Central African Federation or even, at a later stage, the East African Community. The continent had never been so deeply segmented when the OAU Charter then endorsed and legitimized in 1963 the territorial status quo (Kodjo, 1986 : 268).

Then came the end of the cold war, and the reduced importance which non-African powers attached to the preservation of African boundary-lines. In Sub-Saharan Africa, as in Eastern or Central Europe, superpowers could no longer be considered as unambiguous agents for boundary and regime stability (Herbst, 1992 : 107 ; Wright, 1992 : 26-27) at a time when authoritarian regimes were being confronted with renewed demands for autonomy. The intangibility principle appeared seriously undermined when, following the referendum held in May 1993, Eritrea gained independence after several decades of a national war of liberation. Six years later, this remains the only example of a formal reorganisation of the political map of the continent, despite an international environment characterised by a new sensitivity to demands for autonomy and respect for group rights as a whole. The massive transformation of the map of Africa which was predicted by some analysts predicted is still awaited.

Secessionist attempts, as witnessed in Nigeria (Biafra) , Congo-Zaïre (Katanga) or the Sudan, are the exception in Africa. Incivility, violence and even rebellion remain geared towards the achievement of « national » objectives, namely the improvement of access to the state and its resources, not least through the overthrow of the established regimes. Irridentism, as illustrated by pan-Somali nationalism, are equally atypical. The case of the Tuaregs of Niger, Mali or Mauritania is worth noting in this respect : despite ways of life which carry a strong regionalist component, they have always expressed their political demands within their respective national contexts.

The legitimacy of colonial partition-lines has grown to be much stronger than public speeches and the states'problems of territorial control would let one imagine. Demands for boundary adjustements have been on the increase since the early 1990s, but they all revolve around the clarification or re-establishment of colonial partition lines that were once erased, or transformed into internal administrative boundaries. The above mentioned case of Eritrea's independence may be interpreted as the re-establisment of the frontier-line which separated this former Italian colony from Ethiopia until it was invaded by Mussolini's troops in 1936. In the Horn, the Somali conflict has provoked a *de facto* return to the boundary which existed between the ex-British Somaliland and the Italian Somalia until they merged in 1960.The ex-post legitimation of this colonial boundary-line is especially surprising if one remembers how the Somali state was commonly described in the 1980s as a « *mono-ethnic* » state where people could « *trace their descent to a common ancestor* » with the result of « *a powerful web of kinship ties, making them a community of brothers, cousins and kinsmen* » (Samatar, 1985 : 187). Further to the south, the United Republic of Tanzania - born out of the unification of Tanganyika (a former German colony) and Zanzibar (a former British protectorate) in 1964 - has been confronted with demands for the constitution of a separate government for the mainland. In West Africa, the Saharawi independence movement has been fighting for several decades to secure the international recognition of a boundary-line which has undisputed colonial origins. Elsewhere in the sub-region, agitation in Senegal's Casamance and in the western part of Cameroon, is rooted in the assertion of identity claims which draw some of their specificity from distinct colonial and linguistic legacies - Portuguese in the first case, British in the second one.

The territorial stability of the post-colonial African states has proved greater than many imagined, yet the future of the pluri-ethnic and strongly territorialised state-model introduced by the colonial rulers remains shrouded with uncertainty. New patterns of state society interactions are already emerging, shaped by changes in the states' institutional and regulatory capacity, the configuration of ethno-regional interactions, the nature of available resources, and the patterns of territorial control. Attempts to regulate geo-ethnic interests, and ensure territorial continuity through a codification of group rights and equitable access to resources are few and not without their own problems, as illustrated by the boomerang effects of the Nigerian consociational model (Bach, 1997a) and South Africa's more recent, yet equally inovative, approach to post-apartheid reconstruction. All too often, the decline of available resources enhances the erosion of the states' monopoly over public violence to the benefit of private agents.Circumstantial pressure may then force incumbent leaders to accept compromises which result in an increasingly fragmented exercise of national sovereignty, due to its outright lease to a trusted clientèle, or capture by warlords. In Mobutu's Zaïre, « *the state has opted out and simply ignores much of what is going on* » (MacGaffey et al., 1991 : 158). One of the outcomes is the transformation of Congo-Zaire into an « *archipelago* » state where direct involvement is confined to the economically more attractive areas, (Pourtier, 1992 : 266-90).

In West Africa, it is the political and economic fragmentation resulting from the numerous boundary-lines which is being instrumentalized, and transformed into a comparative advantage. Managing frontier disparities on a rent-seeking basis has become a vital component of the policy orientations of Benin, Togo, the Gambia, Niger and, to a lesser extent, Chad. The « *warehouse-state* » syndrom, as described by Igué & Soulé in their 1992 case-study of the Benin Republic, epitomizes this extensive growth of state-backed « illegal » transactions. In Southern Africa, the limited territorial control exerted by the Angolan regime contributes to a deterritorialization of the state, further accentuated by its reliance on off-shore oil production and revenues. In Somalia, pan-somali nationalism has dissolved into particularly destructive forms of « *segmentary nationalism* »(Lewis, 1989 : 573-579), with the result of a disintegration of the state.

Max Weber's classical definition of the state cannot apply in numerous parts of the continent : in Liberia, Sierra Leone, Congo-Zaïre, Angola or Somalia, the state is no longer the sole agency which, within society, possesses the monopoly over legitimate violence. The diversification state-society relations does not involve any formal challenge to existing boundary-lines, yet goes along with the development of new patterns of regional interaction which undermine territorial control, and the efficiency of institutional attempts to promote regional integration.

Regionalisation and globalisation

The revival of regionalism during the late 1980s often had little to do with the numerous international organisations that were supposed to promote its development. The strongly institutionalised component of the regional integration process in Europe was the exception. Elsewhere, the drive towards the polarisation of international trade on a regional base was primarily associated with the behaviour of micro-actors, in a context energised by the progress of multilateralism, and the generalisation of adjustment and deregulation policies. The main outcome of this powerful trend towards the concentration of world trade and investment around three regional areas : North America, the European Union (46% of world trade in 1992) and Asia-Pacific.

Institution-building was then encouraged by fears of the re-emergence of protectionism of a regional basis. Regional agreements mushroomed, prompted by the uncertain outcome of the Uruguay Round negotiations, and apprehensions about a possible transformation of the European Union into a « fortress Europe » The collapse of the Soviet Union and the removal of the iron curtain gave a renewed impulse to the tendency to emphasise economic interactions at the expense of political and strategic preoccupations.

In a number of cases, the revival of regionalism meant reforming the so-called « first-generation » regional organisations, which were established in the 1960s to promote integration through import-substitution strategies and « delinking » from the global market. More frequently, regionalisation involved the creation of new groupings, such as the North American Free Trade Area and the MERCOSUR in the Americas ; the Asia-Pacific Economic Conference and the Free Trade Agreement of the Association of South East Asian Nations in Asia. In Europe, the expansion and deepening of EU integration prompted the formation of the European Economic Area. In Africa, the member-states of the Organisation of African Unity OAU joined the move and signed in 1991 the already mentioned Treaty of Abuja towards the establishment of a transcontinental African Economic Community.

Far from implying the formation of mutually exclusive regional integration groupings, this process was strongly outward-oriented ; regionalisation also meant the opening of discussions towards the enlargement of existing institutions, and the conclusion of interregional agreements. This kaleidoscopic interplay between institutions, identities and socio-political factors accounts for the polymorphous nature of the so-called new regionalisation process. Closely tied to the advancement of globalisation, the regionalisation process often endorsed previously existing international economic links between neighbouring states. Regionalisation represented, as in Europe or North America, an opportunity to establish a more appropriate framework for absorbing the pressures of multilateralism and globalisation. Elsewhere, as in Asia or in Africa, regionalisation was associated with the trade and invesment strategies of private agents who operated in the absence of – or, as in Africa, in opposition to –institutionalised regional structures. The specific nature of the regionalisation process in Africa results from this ambivalent relationship between regionalisation, as impulsed by private agents, and institutionalised patterns of regionalisation – a distinction which recoups that between *de jure* and *de facto* regionalism (Oman, 1996).

The disappointing achievements of regional institutions

The results achieved by the numerous Inter-Governmental Organisations (IGOs) meant to promote regional co-operation or integration are a far cry from the objectives assigned to them in their founding charters. Seven years after the adoption of the Abuja Plan (OAU, 1991), there is no evidence its programme towards the establishment of a continental common market by 2025 has the slightest chance of being implemented.

The break-up of the colonial federations (Nigeria is perhaps the only exception) has had a lasting effect on moves to revive regional cooperation and integration. In West Africa, it was not until 1972 that the presidents of Côte d'Ivoire and Senegal were able to overcome their past opposition over the preservation of the French West Africa Federation, dissolved in 1959 with France's tacit encouragement. Joint concern at Nigeria's growing influence in the sub-region eventually prompted their reconciliation and decision to establish the purely francophone Economic Community of West Africa. In Southern and Eastern Africa, regional co-operation was also adversely affected by bitter memories of the Federation of Rhodesia and Nyassaland and, later, the experience of the East African Community (EAC). It took the pressure generated by South Africa's Constellation of South African States (CONSAS) project for the Southern African Development Coordination Conference (SADCC) to be established in 1981. SADCC's major concern was initially how to attract international aid towards projects with a regional component, so as to reduce the member-states dependency on South Africa. Hence, the organisation paid lip service to the objective of regional integration until political change in South Africa and the pressure of donors imposed a change of perspective. This resulted in the adoption of the 1992 Windhoek Treaty, whereby the Southern African Development *Coordination Conference* was transformed into a Development *Community* (SADC). Two years later, in November 1994, Uganda, Kenya and Tanzania agreed to revive the common services which were in operation until the dissolution of the EAC in 1977.

The overall trend towards a transformation of the ambitious regional integration schemes into more modest functional co-operation programmes is a direct consequence of the member-states' reluctance to undertake transfers of sovereignty. The states'lack of political and financial internalization of regional integration commitments has been often denounced, but should not be considered really surprising in a context where a good number of states are confronted domestically with severe « national » integration problems.

The most tangible achievements of regional co-operation are often to be seen in the sectors of infrastructures and telecommunications. In this as in other areas of functional co-operation, programmes have been largely donor-driven due to limited financial commitments by member-states. Well known examples of such institutions are the *Comité permanent inter-Etats de lutte contre la sécheresse au Sahel* (CILSS), the ex-SADCC the *Organisation de la mise en valeur du fleuve Sénégal* (OMVS), the Kagera Basin Organisation (KBO) or, more modestly, the *Agence pour la sécurité de la navigation en Afrique et à Madagascar* (ASECNA), the *Conseil africain et malgache de l'enseignement supérieur*(CAMES) or the *African Postal Union* (AFP). The inter-governemental, technocratic and explicitly outward-looking nature of these organisations has often become the very basis for their success. The clearly delimitated commitments required for the schemes identified appeal far more to member-states and external donors than the open-ended integration projects launched within broader institutions. It should be added that sectoral cooperation has proved most effective when capable to prompt a regionally-focussed co-ordination of the commitments of the different regional actors, as exemplified by by CILSS and the ex-SADCC.

The Southern African Customs Union (SACU) and the Franc Zone are the only African regional institutions where integration does exist, as a result of a centralised management of tariffs and revenue distribution, in the first case, and due to joint monetary policies in the second. These two organisations yet represent another illustration of the weak internalisation of the constraints of regional integration by the member-states of regional IGOs. Integration within the SACU proceeds from the perpetuation of arrangements that date back to the colonial period.

The SACU involves a common external tariff, a formula for the redistribution of customs and excise revenue and the free movement of goods and services (though not of labour) between South African and the BLSN (Botswana, Lesotho, Swaziland and Namibia) states. Implementation of the SACU's redistribution formula is tied to the use of the South African rand as a common currency. SACU arrangements can be traced back to 1889 and were renegotiated in 1969 to account for the independence of the BLS states.

Monetary integration within the Franc Zone also proceeds from the adaptation of institutional arrangements which existed before independence between France and its colonies before independence. The 14 member-states of the zone are regrouped within two monetary unions, the UMOA (Union monétaire de l'ouest africain) and the UMAC (Union monétaire de l'Afrique centrale) which form the world's largest "complete" monetary union (Medhora, 1997): member-states share a fully convertible currency issued by a supranational bank which also oversees the operations of an operations account (*compte d'opération*) maintained with the French treasury in Paris. The fixed parity of the CFA to the French franc and the CFA's free (until 1 August 1993) and unlimited convertibility form the two pilars of a relationship stabilized and dominated, though not fully controled, by France. Indeed, patterns of interaction which initially were deeply influenced by the colonial period's institutional arrangements, have been supersed since 1972-1973 by reforms which reduced the unions' dependency on France and increased the member-states borrowing capacities (Coussy, 1993).

Within the Franc Zone, a programme of reforms was launched, in 1991, with the initial ambition to avoid a devaluation of the CFA through regionally-based adjustement policies. This resulted in the creation of the *Conférence Interafricaine des Marchés d'Assurance* (CIMA) in 1992, followed a year later by the *Conférence Interafricaine de Prévoyance Sociale* (CIPRES) and the *Organisation pour l'Harmonisation du Droit des Affaires en Afrique* (OHADA). These ambitious programmes were launched so as to promote integration through the harmonisation of legal regulations in the fields of insurance, social welfare and business law.

Theses programmes proved unable to avoid the devaluation of the CFA in January 1994, but may well have contributed to avoid the break-up of the Franc Zone. Indeed, the devaluation of the CFA went along with the replacement of existing francophone regional institutions (CEAO in West Africa, and UDEAC in Central Africa) by the francophone West African Economic and Monetary Union (UEMOA) and the Central African Economic and Monetary Community (CEMAC). Tehir treaties were both signed in 1994, yet UEMOA is the only one which has been so far ratified. Even in this case, the implementation of the UEMOA Treaty has encountered a number of setbacks. The reluctance of member-states to internalise integration constraints (including through the convergence of financial and budgetary policicies) is one reason ; another is the flawed conception of the CEMAC and UEMOA treaties, both of them born out of an explicit attempt to replicate the dispositions of the Single European Act and the Maastricht Treaty on economic and monetary integration (Lelart, 1997).

As they currently stand, the Franc Zone and the SACU do offer unparalleled examples of integration but this results from the continuation of colonial arrangements through uncompleted transfers of sovereigny at the time of independence. Furthermore, specific national state powers are not entrusted to a supranational body but to a core state. Integration neither involved a qualitative jump nor proceeded from any "communautarisation" of pre-existing national policies. The disciplin required to pursue pre-existing integrative arrangements has never been fully internalised. It remains externally-driven as a result of its control by core states, e.g. France and South Africa. France's leading role within the Franc Zone is the counterpart for the Treasury's guarantee to the CFA. It is statutorily organised and codified with the result of clearly defined regulatory procedures.

South Africa's control over the definition of tariff policy and over the redistribution of customs revenues within the SACU was totally unrestrained and secretive before 1994. The management of the SACU took place oustide any specific institutional framework, as part of the activities of the South African administration. A S*ecret Memorandum of Understanding* attached to the 1969 agreement provided, and still provides, the legal basis for such a relationship. It stipulates that higher compensation is established for the price-raising effects of South African tariffs and other imports restrictive policies, in exchange for the loss of fiscal discretion resulting from the BLS acceptance of the South African tariffs and excise duty codes and provisions.

Negotiations to reform the SACU arrangements were launched in late 1994, in the aftermath of the South African general election. The financial, economic and political stakes involved in the negotiations quickly appeared more complex than anticipated. South Africa and the BLS chose against the dissolution of their union into the far more ambitious, yet uncertain, SADC programmes (Leistner, 1997 : 118). The negotiations were intially expected to last but a few months ; three years and a half later, their conclusions were still being expected.

The Franc Zone, CEMAC, UEMOA, SACU and SADC have so far preserved a strong identity within the four sub-regional organisations which are expected to spearhead progress towards a continental common market. These overlapping affiliations is a source of tensions and partly contributes to the mixed results achieved by the larger regional IGOs. In the Maghreb and Central African sub-regions, the Arab Maghreb Union (UMA) and the Economic Community of Central African States (CEEAC) have not achieved any tangible results. The Economic Community of West African States (Bach, 1997b), and the Common Market for Eastern and Southern Africa (Leistner, 1997) - previous known as the Preferential Trade Agreement of Eastern and Southern Africa – have managed to identify and implement several important sectoral co-operation programmes. The two organisations have achieved little progress towards market integration through sub-regional trade liberalisation, but this is not surprising.

All too often, assessments of *de jure* integration refuse to part away from the rhetorics of institution-building and so-called nascent implementation. This is not to deny that progress may have been achieved in the field of functional cooperation The simple truth is that one simply cannot see in these evolutions any precursory sign of the qualitative jump which would differentiate their activity from the mere promotion of sectoral co-operation. This legacy of unfulfilled pledges cannot be minimized at a time when the Abuja treaty towards the establishment of a Pan-African Economic Community by the year 2025 treats as a preliminary step the revitalisation of the regional communities for integration. The goals to be achieved and the strategy for their implementation have been left unchanged since the adoption of the Lagos plan of Action which never went beyong the stage of institution-building. Owing to its total lack of impact on the deterioration of African economies, the LPA came to be assessed by its own conceptors as a failure in 1990:

> *"There is no sub-regional integration process under way at this time. Sub-regional economic groupings in Africa…have not been able to make their impact felt. Where they have had an impact, it has been on balance negative [as a result], member-startes are providing financial support to agencies that make no significant contribution in terms of improving Africa's economic situation"*(ECA, 1990: 6)

Among the reasons for this state of affair features proeminently the unquestioned endorsement of the assumption that African boundary-lines are arbitrary (due to their colonial origins) and costly impediments to the circulation of market factors. On this basis, regional integration organisations have sought to promote market integration through trade liberalisation programmes which overlook the crucial importance of survival and accumulation strategies associated with cross-border trade and more generally the management of frontier disparities. African boundaries delineate and separate communities, but also and paradoxically stimulate the development of cross-frontier transactions (Nugent and Asiwaju, 1996). Large groups of population and at times whole states, owe their capacity to survive to the semi-official or clandestine flows which thrive accross boundaries. Simultaneous attempts at prioritizing outward-oriented adjustment policies have not achieved any substantive results either.

The assumption that boundary-lines are costly impediments to the free circulation of factors of production, ignores the crucial importance of survival and accumulation strategies associated with the management of frontier disparities in Africa. Large groups of the population - at times whole states – owe their survival to semi-clandestine transactions across boundaries. It is our contention that due to their failure to address such an issue, Africa's sub-regional trade liberalisation schemes have been doomed to failure.

Trans-State Regionalisation

Regionalisation it at work on the African continent, but this is mostly taking place independently from state-centrered politics of regional integration programmes. In Sub-Saharan Africa, the regionalisation process results far more than in the case of the Asian economies from the exploitation of boundary disparities and distorsions on a rent-seeking basis. Transactions are, depending on authors and circumstances, described as « informal » or « unrecorded trade » ; as the « underground », « second » or even the « real economy » ; and of course as « smuggling » or « re-exportation ». This proliferation of loosely overalapping notions reflects the kaleidoscopic morphology of trans-state regionalisation (*régionalisation transétatique*). The concept refers to processes of cross-border interaction which have their own distinctive features although they combine elements of inter-state and transnational regionalisation. Trans-state regionalisation cannot be associated with an institutionalised process(Grégoire & Labazée, 1993), although it is totally dependent on state policies and owes its prosperity to the involvement of state agents. The diversion of official circuits towards trans-state networks may result in decriminalising their attitude towards certain sectors of cross-border trade, but this never leads to their public endorsement since the profits are realised at the expense of the state(s) on the other side of the boundary-line : the rent-taking government must avoid at alll costs a strict enforcement of its neighbours' border. Unlike « regular » cross-border trade, trans-state trade is not based on ecological complementarities and comparative advantages. Trans-state trade is dependent on opportunities created by tariff, fiscal and monetary discrepancies between neighbouring economies. This may result in transactions on basic commodities as much as on sophisticated high tech products or narcotics.

Access to foreign currency has become an essential component of trans-state regionalisation under the combined pressure of the states' deepening financial difficulties and the purely national dimension of most structural adjustment programmes. Curtailing the costs incurred by trans-state flows between Franc Zone and such countries as Nigeria, Ghana or Congo-Zaïre was an essentiel component of the decision to suspend, on 2 August 1993, the convertibility of CFA banknotes outside the Franc Zone banking network. The leverage effect of the convertibility factor should not be exclusively tied to currency. Trans-state regional flows may equally develop, though on a lesser scale, on the exclusive basis of tariff and fiscal discrepancies as witnessed between the member-states of the Central (CEMAC) and West African (UEMOA) components of the Franc Zone. Poorer transport facilities through the national outlets, as in Congo-Zaïre, or political uncertaintly, may also stimulate cross-border transactions.

Pre-colonial linkages are frequently held responsible for the vitality of trans-state regionalisation owing to its heavy reliance on « primordial » ties, and a high visibility in the borderland. This perception requires a brief presentation of the circumstances which prompted the development of trans-state flows during the colonial period. As the colonised territories were progressively integrated into the metropolitan economies, competing communication systems and market centers developed. Distinct currency zones also emerged while restrictive tariff policies attempted to discourage the entry of goods from rival colonial blocs. During the early phase of the partition process, European rulers also competed fiercely to establish their territorial claims, with the resulting effect that the populations established on the fringes of the imperial spheres of influence were particularly prone to intimidation and reprisal measures. Once the boundary-lines were demarcated, the colonial administrations tried to restrict contacts, including with respect to rotating pasture or cultivation habits. Caravan trade underwent an irresistible decline as a result of the imposition of new trade routes, and the introduction of tariff policies designed to promote integration among the various component parts of the empire.

Real as it was, the segregative and alienating impact of the partition had strong inbuilt limitations. The colonial rulers soon discovered that patrolling and ensuring the effective enforcement of inter-imperial boundary-lines was impossible due to their sheer length. Competition and mutual suspicion among colonial powers presented the adoption of harmonized policies against « illega » cross-border trade and migrations. As a result, boundary-lines never proved much of a physical obstacle. Whenever attempts to control cross-border trade and migrations were made, they remained limited in duration, due to their cost as much as to their ineffectiveness.

Inter-imperial partition-lines were porous, but they also materialised distinct administrative systems, with different pricing, monetary and tariff regimes. This prompted the development of « illicit » trade which came to represent « *large profits...or at least small profits by quite a large number of people* » living in the borderland (Southall, 1985: 99).

Illicit transactions developed to the extent that, on each side of the boundary line between Nigeria and former Benin/Dahomey, entire villages came to abandon traditional agriculture. Pre-existing patterns of social interaction underwent significant changes as profits drawn from transfrontier trade dwarfed previous sources of income. By 1945 « … *nearly all young men living in frontier villages were in the business* [of smuggling] *and in both areas smuggling had given rise to a class of wealthy men and women whose position could no longer be ignored in the affairs of their localities* »(Asiwaju, 1976 : 199).

The composition and direction of this emerging trans-state trade varied in accordance with such factors as import-duties on manufactured goods, transport costs or cash crop producer prices. By the late 1950s, a fairly stable pattern existed in West Africa: the *surprix* (higher-than-world-market-prices) system implemented in the French colonies prompted farmers and middlemen from the Gambia, Ghana or Nigeria to sell their cash crops across the boundary-line ; in the British colonies, the imperial preference system meant cheaper imports of manufactured products and this created an incentive to clandestine re-exportation towards the French and Belgian neighbouring territories. Accordingly, industrial and electronic equipment, liquor, tobacco and petroleum lamps were imported into Senegal through the frontier with Gambia, while French wines, agricultural implements and fertilisers were clandestinely exported to the neighbouring British territory (Renner, 1985 : 79-80). Similarly, alcoholic drinks, tobacco and printed cloths stood foremost among the goods smuggled from Dahomey into Nigeria, while guns and gunpowder, as well as British-manufactured bicycles were acquired from Nigeria (Mondjannagni, 1963)

With the end of colonial rule, trans-state trade entered a new phase. The dissolution of colonial federations gave birth to an unprecedented array of customs, fiscal and monetary regimes. Pre-existing customs or monetary arrangements sometimes survived (eg SACU and the Franc Zone), but more often disappeared under the pressure of emerging national interests. This meant increasingly diverging tariff, fiscal and monetary politicies which created a fertile ground for trans-state regionalisation when the financial difficulties encountered by a growing number of African states, following the oil boom of 1973, meant a collapse of official circuits in large parts of the continent. Population groups who had come to rely on state circuits for health, housing, education, transport and marketing,...were compelled to seek alternatives . Entire sectors of the society redeployed into the parallel economy, with the effect of an unprecedented boost to trans-state regionalisation.

Today, the so-called parallel and « illegal » cross-border transactions contribute to a vital diversification of urban income sources and exert a buffer function when salaries undergo a sharp decline in real terms or, as in the public sector, remain unpaid during substantial periods. The parallel circuits supply consumers with food, fuel and manufactured goods, while creating earning opportunities for women who make up their husbands' salaries to a living wage through unlicensed trade. Farmers living in areas where the state circuits are no longer operational can also find in the « *second economy* » vital outlets for their production, as well as pre-harvest cash advances essential to the maintenance of their families and the purchase of tools, seeds and other inputs(McGaffey et al., 1991 : 31).

The second economy and its trans-state regional networks are also vectors of a disposession of the weaker to the benefit of the stronger, of the poorer to that of the richer, of internal actors to the benefit of international networks.The expansion of trans-state networks beyond the borland areas is associated with the the capacity of powerful patrons, motivated by accumulation strategies, to take advantage of farmers and urban dwellers confronted with severe situations of disposession or hardship.The thesis of a « communal redistribution » through trans-state regional flows and the « second economy » relies on a populist myth ((Meagher, 1997 : 168 ff). Access to the resources necessary to participate to the networks is extremely uneven and intensely competitive : « *the rich and powerful, and those who have jobs, have greater access than do the unemployed, the urban poor, and rural producers* »(McGaffey, 1991 : 154). Most importantly, farmers participate in the second economy « out of desperation rather than choice ». If there is an element of « *social security* » in the patron-client relationship between traders and producers, concludes McGaffey with respect to Congo-Zaïre, it is a very crude one.

The deleterious impact of rans-state regionalisation

Far from being an incentive to the disappearance of existing boundary-lines, trans-state regionalisation contributes to their preservation. Trans-state regional lobbies have a strong interest in the preservation of good relations between neighbouring states, but are equally active in preventing the implementation of sub-regional programmes towards the liberalisation of customs and tariff barriers .

This paradox is clearly illustrated by the circumstances which surrounded the dissolution of the Senegambian Confederation (1982-1989), Africa's only post-independence political integration experiment. The decision to establish the Confederation was based on an agreement whereby Senegal was to guarantee the security of the Gambian regime (recently threatened by a coup d'Etat), in exchange for their progressive evolution towards an economic union. Since the 1970s, the Gambian government actively encouraged the development of imports were «illegally » re-exported into Senegal and Guinea. Trans-state trade as it was, took advantage of fiscal, excise and customs disparities which the rent-seeking policy of the Gambian government carfully preserved. From Dakar's point of view, the Senegambian Confederation opened a perfect opportunity for the disappearance of these « illegal » transactions. For that very reason, during the subsequent negotiations, no compensation was planned for the loss of revenue which Gambia could anticipate due to its loss of autonomy with respect to tariff and fiscal policy (Sall, 1992). Since « re-exporation » was based on illegal cross-border trade with Senegal, the Gambian authorities were themselves in no real position to raise the issue of compensation. It is at this stage that strong representations were made by the Gambian trade lobby which pointed out the economic and financial costs which the customs union would carry. These appeared overwhelmingly high since Gambia resources were scarce, and substantial employment opportunities in Banjul were tied to the harbour's activity. The Gambian government therefore rejected the first set of trade liberalisation measures in August 1989, and this led to the break-up of the Confederation. By the early 1990s, 85% of Gambia's imports were still « illegally » re-exported (Sall & Sallah, 1994 : 117-141) . From this experience, it should not be considered surprising that similar trade liberalisation programmes face severe implementation problems within the larger regional IGOs.

Gambia also illustrates how attempts to rehabilite depleted or unviable national economies through the « domestication » of trans-state flows carry debilitating boomerang effects for state policies Throughout the 1970s, managing frontier-disparities on a rent-seeking basis was a vital component of the policy orientations of Benin, Togo, the Gambia, Niger and, to a lesser extent, Chad. State revenues as well as the prosperity of the population came to depend on the states' capacity to derive resources from the articulation between formal import-trade and « illicit » re-exportation. For the national administration, boosting trans-state trade became considered as a development strategy. In Benin, customs and fiscal legislation as well as infrastructure developments were conceived so as to maximise the development of trans-state import and transit activities.Trans-state regionalisation, far from being seen as antagonistic to state interests, was treated as as an external shock-absorber and an agent of social regulation.

Such attempts to graft the economic prosperity of Benin, Togo or Niger on trans-state flows with Nigeria carry their own limitations. From 1982 onwards, the benefits drawn from trans-state trade patterns were increasingly eroded by a phase of recession linked to the decline of Nigeria's oil revenues and, after 1986, the implementation of a structural ajustment policy. Nigerian initiatives towards a reduction of macro-economic imbalances induced a steady reduction of the scope for manoeuvre left to the Beninois administration. For the state, the loss of fiscal and tariff resources generated by the decline of « legal » (re-export) trade towards Nigeria went along with the unwanted growth of « illegal » (e.g. disruptive) imports of manufactured goods, petroleum products and staple food from Nigeria. Benin's years of prosperity, as Igué & Soulé reflected afterwards, neither favoured « *the consolidation of public institutions* » nor enabled « *to set lasting economic bases. On the contrary, the 17 years concerned witnessed the establishment of mechanisms of economic and societal destruction* »(Igué & Soulé, 1992 : 44). In the early 1990s, the attitude of beninois officials towards trans-state regionalisation had clearly become ambivalent due to its deleterious impact on the country's overall economic situation. Yet, in Benin as elsewhere, the state remains largely powerless to implement any policy of borderland control due to the flows' powerful impact on interest groups and state revenues.

The swift progress of trans-state regionalisation may be considered as a byproduct of the decline of the postcolonial states' financial capacities and territorial control. The prosperity of trans-state networks also depends on their capacity to evade state control or negociate support from its functionaries. Trans-state regionalisation contributes for this very reason to accentuate the de-institutionalisation (*désinstitutionalisation*) and the (formal and informal) privatisation of state agencies (Médard, 1992 : 355-366).

Trans-state regionalisation expands far beyond the original borderland areas to cover entire regions. Since the mid-1980s, trans-state regionalisation has adapted to the spread and reinforcement of structural adjustment programmes which tend to reduce the fiscal, excise and monetary disparities among African states. The re-exportation of consumer goods is supplemented by transactions on gold, diamond, ivory, arms and narcotics as shown by Bazenguissa, Labrousse, MacGaffey and Stary in Bach (1999). These transactions provide a highly lucrative access to the world market. They also reflect a new and important reality : trans-state regionalisation no longer thrives exclusively from the exploitation of intra-continent frontier disparities : strategies also, and perhaps increasingly, relate to opportunities offered by internationalised circuits geared towards the economically more prosperous European, Asian and American economies. The reduction of the opportunities associated with the exploitation of intra-African border resources is being increasingly compensated by the internationalisation, and at times criminalisation (Bayart, Ellis & Hibou, 1997), of the transactions.

In several regions of the world, the regionalisation process goes hand in hand with institutional strategies which constitute a political response of the member-states to the globalisation of economies (Boas & Hveem, 1997). In Sub-Saharan Africa, regionalisation proceeds from interactions initiated by non-state actors and inter-personal networks, faced with decaying states, unable or unwilling to assert their sovereignty. The continentalisation of trade and financial flows is happening, but as a paradoxical outcome of the preservation of market segmentation and inter-state disparities. Trans-state integration is stimulated by market distorsions as opposed to trade liberalisation, a situation which accounts for the overall failure of the IGO's programmes towards market integration. Globalisation becomes a source of renewed opportunities for inter-personal networks which contribute to the deconstruction of state affiliations without seeking to promote the emergence of alternative territorial arrangements

Conclusion : a dual mandate for regional institutions

The contrast between the accelerated globalisation of markets and the resurgence of ethnic, cultural or religious particularisms is not specific to subsaharan Africa. Neither is the pervasive development of trans-state regional flows at the expense of official circuits. Subsaharan Africa owes its specificity to the widespread and highly destructive effects of such antagonistic trends.

Despite two decades of outward-oriented structural adjustment policies, African states find it increasingly difficult *"...to face international competition and implement "erga omnes" liberalization programmes without threatening to distroy their production capabilities*"(Hugon,1991: 10). As suggested by the same author, "*The constitution of sub-regional spaces could be conceived as an internationalisation phase; regional integration would be a transitionary process hopefully leading to broader international openness"*. Such a perspective would also meet the dual mandate which ought to be ascribed to institutional integration schemes: the accomodation of geo-ethnic demands and the constitution of larger economic and political entitities so as to overcome the unviability of a number of Africa's present states.

Side-tracking the destabilizing potentials of trans-state regionalisation requires first and formost a sensitivity to the regulatory functions which such flows perform. To this effect the coordination of macro-economic policies on a regional basis should be targeted as an intermediate objective on the road towards improved global insertion. The establishment, consolidation and geographical extension of areas of monetary stability should be treated as a strategic imperative given the three following effects which would derive from its successful implementation: (i) the reduction of incentives to the development of trans-state flows between member-states, as illustrated by the case of the Franc Zone; (ii) a more systematic appraisal of the regional impact of national macro-economic policies; (iii) the creation of an enabling environment for the coordination of structural adjustment programmes on a regional basis; (iv) the coordination of donor support on a sub-regional basis, in liaison with a broad range of actors.

Establishing stable sub-regional currency areas will not succeed in quelling the deleterious effects of trans-state regional flows unless this process does not fit into an outward-oriented adjustment process. Unless this were the case, trans-state flows would be induced to redeploy along the external frontiers of the newly formed monetary groupings, as witnessed in the case of the Franc Zone due to the lack of any coordination between its SAP and those of the neighbouring states.

Monetary integration can provide the basis for a more efficient monitoring and coordination of the social and regional impact of structural adjustment programmes. Operating SAP on a national basis reduces the capacity to assess social responses to the policies' impact, a situation which favours the reproduction of trans-state networks on an ever broadening basis. Monitoring the regional impact of SAP as a first step, coordinating their implementation on a regional basis at a later stage, would improved the capacity to assess their social and economic impact. It would also disentangle the policies implemented from the perverse effects of the plunder-thy-neighbour strategies which feed the development of trans-state regionalisation.

An improved regional coordination and commitment of donor policies would be equally decisive for the success of such an approach. This would be justified on two grounds. Firstly it would alleviate the social cost of adjustment policies and facilitate the reconversion of trans-state networks into non-criminalized linkages based on real comparative advantages. Secondly, it would create an enabling environment to overcome the current political on of the continent; facilitate the incorporation of unviable states within broader communities.

Current macro-economic policies towards a rehabilitation of African economies carry the implicit assumption that the small fragmented economies of African states can improve their integration into the world economy on an individual basis. An additional effect of the coordination of structural adjustment policies on a regional basis would be the formation of an enabling environment for the peaceful redefinition of existing political boundaries. The experience of the South East Asian NICs is a useful remainder that comparative advantages and competitiveness, far from being defined in static terms, can deteriorate or dramatically improve through adequately-defined policy-orientations(Chaponnière and Judet, 1993: 163). Such achievements should not become a way of condoning the current difficulties of several African states which owe their survival to international aid.

Regional integration schemes should be assigned the second mandate to promote a peaceful response to domestic challenges to existing states by enabling their incorporation into a broader entities. Convinced panafricanists have unsuccessfully argued for a long time that:

> *"...our leaders, governments and people should have undertaken a fundamental restructuring of the post-colonial states. We would then have today, instead of 51 states with varying degrees of internal strife, border disputes, unviable economies*

> *and political independence, some one or two dozen capable of standing up and being counted economically and politically"*(Adedeji, 1993: 55).

Over the past three decades, the context in which such ambitious scenarii are formulated has been radically transformed. For a growing number of states, preserving the territorial *status quo* is no longer an option. With the end of the cold war period, regional integration is emerging as the sole alternative to the tidal waves of political disintegration and loss of territorial control. The African continent is already one of the politically most segmented regions of the world. It would be dramatic if it were left drifting towards the constitution of smaller and increasingly unstable political entitities on the basis of temporary ethnic or religious coalitions.

The experience of Belgium may be meditated in this respect. The country's so called "*dissociative federalism*" involves a growing regional autonomy granted to the Flemish and Wallon communities. This process is taking place peacefully and does not involve any disruption of the country's global economic insertion. Indeed, it goes along with an outward-looking approach which ensures through other channels the preservation of state- related functions and expectations: areas of traditional state intervention are being transfered to the European union as part of a communitarisation process which is endorsed by the 14 other European states: by the time of the debate over the ratification of the Maastricht treaty in the early 1990s, it was estimated that EU legislation amounted to as much as 80% of the rules which applied in France. European integration provides its member-states with a capacity to accomodate domestic pressure for regional autonomy while responding to the global economic imperative of incorporation into larger supranational entities. This makes a crucial difference with such a situation as that created by the dissolution of the former czechoslovaquian Federation which merely led to the formation of two smaller states.

In Africa too, a concomittant regionalisation and transfer of state functions to supranational regional institutions should be envisaged. This dual-track approach to sub-regional integration would enable to meet both the domestic demands for autonomy with the the need to promote the emergence of meso levels of gouvernance so as to resist and adjust to the pressure of globalisation.

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