AFRICA INITIATIVE GROUP

INTEGRATION OR... DISINTEGRATION?

HOW TO REBUILD THE DYNAMICS OF
REGIONAL INTEGRATION IN AFRICA

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The fourth international conference, which led to the following recommendations, has been dedicated to the memory of our deeply regretted friends and influent members of AFRICA INITIATIVE GROUP, the late Professors Philippe HUGUON and Yoro FALL, who greatly inspired the conference through their contributions.

AFRICA INITIATIVE GROUP (GIAf) is an important independent pan-African think tank which aims at bringing together leaders from different walks of African society who are eager to initiate the real changes needed to ensure a better future for Africa.

Since its creation in 2011, GIAf held three conferences: African Youth: ''Time bomb" or Historic Opportunity? (2014); " How to Strengthen the Effectiveness of the State in Africa" (2012) and " Peace, Economic Growth and Solidarity Development: Which structural changes are needed? " (2011). Information on GIAf and conference recommendations are available at www.initiative-africa.org.).

This fourth international conference brought together in Yamoussoukro some fifty high-level individuals, from the military, the political and the business sectors, academia and civil society, including youth representatives. During two and a half days, participants provided updated discussion around current challenges facing the process of regional integration in Africa and how to revitalize it (Day One) and addressed its implementation through a concrete action plan for ECOWAS (Day Two). The following recommendations which present a cross cutting of all these different analyses are aimed at facilitating the work of public, private and civil society decision-makers for whom this document is intended.

AFRICA INITIATIVE GROUP wishes to thank its sponsors who enabled the financing of this conference and the partners who contributed to enrich its contents, especially CIAN (French Council of Investors in Africa).

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SUMMARY

Attempting **to address major problems facing** African countries **at the national level**, not only in terms of security, but also education, health, infrastructure or mobility, is becoming less and less applicable. This is even truer when considering the development of local transformation industries such as agribusiness, potentially the largest employment provider for young people. It even looks as though **the regional level is the only realistic option for the Continent to emerge.**

This change of scale, which is essential for economic transformation towards industrialization, must be accompanied by a **profound change in the economic model**. It implies moving from companies **mainly driven by a rentier system**, connected with a high level of corruption, to a model based on enterprise, investment and productive activity. This requires removing rentier-related blockages, encouraging initiatives, supporting entrepreneurs, facilitating trade and developing an endogenous economic market.

To transform the region into a real economic "force", the overall architecture of integration needs to be simplified, and related regional structures need to be strengthened. Five measures are essential to ensure their effectiveness and credibility, both internally and internationally, in order for them to play a pivoting role. Applied to ECOWAS, these measures would lead to a promising future, subject however to making five de-cisive choices, about which specific recommendations are pre-sented here.

Faced with these challenges, there are considerable opportunities for Africa. To seize them, however, implies a change of attitude with regards to how Africa's integration into the global market is negotiated.

REGIONAL INTEGRATION IN AFRICA: A SECURITY IMPERATIVE

The urgency of security is glaringly manifested through **multiple and disturbing symptoms across the continent**: civil wars, transnational organized crime, poverty, unplanned urbanization, food deficits, environmental issues, poor governance, the resurgence of religious and cultural extremisms, and ethnicity.

All of this comes with the failure to respect human rights, and the non-application of the universal rules of democracy which result into an almost permanent insecurity and absence of lasting peace.

An analysis of all these issues and the way they are dealt with reveals **the predominance of an absolute need for security in the broad sense**, including: conflict management, education, health, employment.

IN TERMS OF "CONFLICTS": INTEGRATION IS STRONGER BUT DOES NOT SOLVE ALL THE PROBLEMS

In the area of security, there is an integration process which is already well advanced, with significant results. The situation, however, remains extremely serious and the on-going deterioration of security is worrisome.

The African Union has done well in this area, but it is overwhelmed by the extent of the conflicts in the face of its modest means. **The principle of subsidiarity** based on the concentric ring theory, **supported by Regional Economic Communities** (RECs) or ad hoc groupings of countries, **has worked well** in many cases (recently Somalia and The Gambia). Africans are however struggling **to organize long-term and large-scale operations** and must therefore be able **to call on external partners**, who are also affected by **consequences that are now global in scope**.

RECOMMENDATIONS

• Setting up - as is done in Europe with NATO - an **"African strategic culture"** that better integrates the aspect of **prevention**.

• Generate strong leadership from a few countries that would be driving this strategy and facilitate the emergence of a strong, more confident Africa.

• Gradually reduce the excessive financial dependence of the AU. (Find financing solutions which are complementary to studies and research).

LESSONS FROM THE SITUATION IN MALI

The **State is the foundation** for military security and development, and its capacity to provide adequate space for civil society. This is also true for education and health.

But the State is demonstrating weak leadership and in the eyes of the population it doesn't seem to exist in the regions: "They stole my herd! Where is the State? There is no State! "

The peace agreement was to be founded on a **"national dialogue"** that did not take place. This is unfortunate because **endogenous solutions** reached through this type of process are the strongest and **must be respected by outside partners.**

This military conflict is not the classic type and the response must be adapted to an "enemy we cannot see": we need to develop a **capacity to respond** and build strong alliances especially with regards to **"intelligence".** Westerners, who use drones, **do not communicate enough information.** There is a **need for strong solidarity and shared intelligence**: in this field, there is no such thing as "useless" information!

We must also **be cautious with regards to communication** not to be caught up in the enemy's game whose objective is to spread terror: if poorly controlled, without sufficient consultation, communication is dangerous and weakens the actions...

Africans should value themselves more and take on the role of leadership to assert their point of view, which is often more reliable on their own ground.

G5 SAHEL

It is a very important pooling of resources, very **crucial for the security of the region.**

The delay in implementation **is dangerous**. The Islamic State is currently regrouping in the region and arms and drug trafficking is accelerating: **timing is crucial** against an enemy who integrates regionally and **takes root where the State is absent** in the regions (150 schools are currently closed!).

"**Trust" between South and North partners** must absolutely be strengthened. **A clear and flexible financial plan** has to be established with lighter disbursement mechanisms (which could later be assessed).

Improved coordination with ECOWAS is also needed to create strong enough force to regain the control of the region once and for all.

Finally, this **operation G5 Sahel has its limits**. It is not considered as a day-to-day security operation. It is not the answer to overall security problems, which would require an in-depth examination of their causes.

REGIONAL INTEGRATION IN AFRICA: AN ECONOMIC IMPERATIVE

Regional integration in Africa today is an imperative both in terms of conflict management as well as an economic necessity (these two aspects relate to security in the broad sense, covering overall education, health and employment need – which have reached explosive proportions.

THE ORIGIN OF THE CRISIS: A POLITICAL AND ECONOMIC PROBLEM

Growing dissatisfaction

Dissatisfaction of young people, created by growing urban poverty and social divide, leads those who are more prone to violence, humiliated by the fact that their parents are unable to take care of their own needs, and outraged by the prevailing profound injustice, to fall into delinquency and extremism.

Disillusionment with respect to school is widespread: basic education is of poor quality, the academic level of doctoral students is low (even in Côte d'Ivoire, 50% of the population is illiterate).

Development of the grey economy, the issue of drugs. A reality even in small towns and rural areas. To which is added a huge problem of illicit trafficking of pharmaceuticals.

But the main problem, **the main reason for the frustration**, is the lack of employment that affects 80% of youth. Thus, for the vast majority, **the emerging new dawn we are talking about is not coming**. They too would like to "emerge". Their exasperation towards an often subservient press is growing, as well as their need to rely on leaders promisers of hope with at least a minimum of credibility.

State stalemate

The fundamental issue, that on which is based the building of security, education and health, is the State. However, in most cases, **the State falls short**.

It should be noted that this is partly due to the negative impact of structural adjustment policies, which hindered the development of health and education, the nation's future!

But it is **also linked to real governance issues. The absolute enemy is corruption**, fed by the multiplication of **projects that are not part of a real strategy** – other than to drain the funds which feed the rentier system - combined with **an weak economic model** unable to finance growing needs: tax revenues which do not exceed 20% of the GNP and a rentier economy, which does not create enough jobs.

Bleak prospects

We find ourselves **in a vicious circle** where the loss of credibility and youth's exasperation reinforce each other. The elite's double discourse and an impression of betrayal experienced by the majority, leaves room for the resounding speech of Salafism, which promotes discipline and social justice while borderlining with terrorism. These create the current metastases which can be seen all the way to war. And where there is war, there is no more development!

Putting this into perspective, the situation is even more alarming: in Niger for example in 2015, 243,000 young people reached the labor market and the local Employment Agency (ANPE) was only able to satisfy 1,500... In the next 20 years, this number will grow to about 570,000! **Where will tomorrow's jobs come from?**

IN ALL THESE CASES, THE SOLUTION LAYS IN REGIONALIZATION

A model for a way out of this exists, but as was the case for the military, it needs effective development at the regional level!

The engine of this model

It is the **spreading of African enterprise,** which by nature is geared towards development and in turn reaches the regional level (in an overall environment where civil society represents a dynamic force).

The ambitions of today's African entrepreneur can be summarized as follows: "We must trade industrial products. If we transform, there will be regional integration and a natural interaction on many levels between various populations. Our company thinks regionally; I aspire to local brands with international ambitions. Once they reach the stage of being listed on the regional stock exchanges, Africans from all over the world will be the first to invest!"

There are many initiatives of this type everywhere, **many dynamics are at work**, but they are not yet well known and interconnected. Pioneers such as Dangote and Tony Elimelu, for example, with their strong personal commitment contribute to enhance a positive image as champions of this process; this needs to be amplified.

The Need for a Framework

While strengthening industrialization is essential to develop employment, the only way to reach this obvious objective is with a regional framework, capable of absorbing investments through trade of industrial products.

Hence the evident need to develop a regional market strategy, initially using **selective import-substitution** through **the development of local industry** and **eventually reaching** an important enough level of productivity to face **global markets**.

The time has come to accelerate this process because the movement is clearly in motion and the emulation effect will be exponential, making it possible for specialization to evolve on its own.

A Huge Potential Exists

The African market represents the largest potential market in the world in terms of needs to satisfy, potential natural resources and productivity gains. But it needs to be built: now here lies a convincing trustworthy project for the entire population.

Of course we need to "work", but it is an exciting horizon, especially for young people.
It will take due time to achieve this because **it is a process**: it must be accelerated as quickly as possible and requires vigilance to ensure its realization.

The State Must Reform Itself, in its Own Interest

These endogenous regional company dynamics (future champions who bring in their wake a whole set of SMEs) must be clearly identified, because they represent the future of employment. They must **be encouraged and supported by public policies**, with synergetic components n terms of investments and infrastructures, because "as soon as a road is built, dynamics are created!"

Tax reforms will have to accompany the shift from a primary and mostly import-based economy to one more oriented towards local production and processing. This involves taxing the rentier incomes (mainly real estate).

States will have an important role to play **in protecting certain nascent industries "for a while"** and, on the other hand, in pushing those industrialists who content themselves with receiving rentier benefits into **a constant quest for competitiveness and export markets**.

This will require, in addition to political will, the strengthening of technical and economic capacities aiming at transforming economic bureaucracies into centers of excellence. (See recommendations of the 2012 conference: "How to strengthen the effectiveness of the State".)

The regional level will also help getting rid of the existing "vicious circle" by **judiciously pooling resources** in order to **lighten the financial weight** and by strengthening the **necessary effectiveness** of policies, particularly in areas of education and health.
It will be necessary to overcome the national sovereignty reflexes and convince the decision-makers and the public opinion that

without industrialization we will not be able to reach the new dawn and that, without sufficient space, there will be no new dawn. And finally, we need to develop and concretize the feeling that "while being Malian, Ivorian, Nigerian, Congolese ... above all, one must be proud to be African!"

HOW TO STRENGTHEN THE CREDIBILITY OF AFRICAN INTEGRATION MECHANISMS?

1 - LONG OVERDUE ECONOMIC RESULTS

Regional integration is a political and economic program built on the dual principle of solidarity and security, with a holistic approach which includes collective security, education, health and employment.

It is not an end in itself, but a "strategy" to better integrate Africa into the world. It has a **stated economic objective: to lift Africa out of poverty**. The proposed "modus operandi" implies the development of a sufficient internal market, witin regional blocks and then progressively at the continental level; all to allow for a better integration in global value chains.

However, we can see that the abundance of regional institutions that exist today on the Continent (160) have had **little effect on the development of inter-African formal trade** which caps at around **16% of total trade** (as opposed to an equivalent of 70% in Europe).

2 - BOTTLENECKS WHICH NEED TO BE CAREFULLY ANALYSED

In order to re-establish a regional integration dynamic, it is necessary to begin with an **in-depth analysis of existing bottlenecks**.

Their mechanisms may be **different in nature**: lack of information, misunderstanding, indiscipline, conflict of interest...

At the level of Heads of State, there is complete agreement on the principles identified by the African Union, but **the zeal in the implementation depends** on the individual appreciation of expected economic benefits and its supposed implications on loss of sovereignty.

Since these perceptions vary from one country **to another, it is best to lean on the most receptive leading countries** and move forward and create a dynamic that will attract others.

At the level of governments and administrations, the problem is usually their weakness and **the difficulty they have imposing discipline**. Torn as they are by so many constraints, it will take time for them to realize that integration is necessary.

The most important problem, **corruption**, is actually **development's major threat**. Not only is it taking away very large sums of money from optimal economic use in favor of the community, but it distracts from constructive work and uses up considerable energy. Consequently, it **prevents the execution of many projects**. Currently it feeds off the rentier system.

Shortcut driven enrichment is also **a threat to peace**, bearing in mind, the increasing frustration of those excluded from the profits and the fact that the implementation of reforms is compromised. It should also be expected that the **transition** towards a new production model **will increase tensions** as it impacts interests associated to the rentier based economy.

A majority of the population is equally concerned by **"ordinary" corruption** which relates to a private arrangement system (see www.initiative-afrique.org, 2012 recommendations). It co-exists alongside a mix of skepticism vis-à-vis integration and prejudices against neighboring countries.

Fortunately, these obstacles are not insurmountable. Despite territorial, historical and intellectual divisions inherited from the West, **that which links Africans together in the region is in fact much stronger than that which differentiates them**. In addition, positive myths on Pan-Africanism, spiritual aspects as well as solidarity, remain ingrained in the culture and their influence cannot be overlooked.

3 - FIVE MEASURES FOR CREATING A NEW DYNAMIC

The objective is to win the battle of economic efficiency through five key measures:

1ST MEASURE:
Simplify the architecture of integration

In order to meet the set objectives, it is necessary to **reduce the number of overlapping regional institutions** and to concentrate on the ones that are functional. Shutting down some regional structures will **provide further investments on the REC defined by the AU**, the corner stone of regional architecture.

2nd MEASURE
Develop an endogenous and realistic strategic "vision"

- Construct a **strategic vision** which transforms the region into a political and economic power. The regional institution becoming the **"pole of the organization"** and the guardian warrant of its coherence, complementarity and coordination of national strategies.

- Rely above all on the dynamics of **the private sector.** This will facilitate a more efficient integration through **"projects"**. Indeed, if **the private sector** doesn't have a place at the table, in an atmosphere of complicity (rather than mistrust) there will be no industrialization! We must create a new deal through **public-private dialogue**, establish country and regional level concertation between representatives from the private and public sector, in small numbers, easily monitored and **followed through**.

- Keep a **close connection to the market** which is fundamental: eliminate local market obstacles and remove bottlenecks on both sides of the borders for regional markets. We should not accept total open access by international markets yet..

- Build a regional strategy that is not rigid but follows the current dynamics. There is a need to concentrate on sectors and investments which favor integration, not only big priority projects (such as electrical interconnection) but also modest projects (such as student exchange programmes, for example).

- **Size objectives against existing resources**. Encourage endogenous innovative thought processes, seeking new, more inclusive and equitable models, while drawing from good practices from everywhere, without only focusing on Europe.

- Provide **sectoral policies with concrete content** (transport, water, electricity, communication, research and development…,) which will attract national savings and foreign investments. We must establish action programmes that have realistic objectives, not too broad and "feasible".

- Finally, we must set **an objective for the integration of exchanges** (Reminder: the 2063 Agenda: 30% between now and 2025?) with step by step **evaluation systems**.

3rd MEASURE
Encourage a "democratic appropriation" of this strategy:
- By including civil society,

1) Lessons learned from NEPAD show the need to reverse the traditional historical top down" approach to a **bottom to top approach**. The desire for integration must be **political** in the broad sense, **social, economic and consensual**. Giving it a political horizon is important because there is no easy way towards integration and buy-in from the people is essential.

2) There is need to generate **"a desire for integration"** and its **"democratic ownership"** through **a pre-debated policy. Demonstrate that integration is a must**; increase awareness through media, culture and education. Stimulate **interest on what is going on in neighboring countries**. Provoke **democratic public debates** on important investment choices (for example, the choice of railway or road between Abidjan and Lagos). **Communicate on concrete advantages** regional projects will have on health, higher education, networking training centers of excellence, etc.

3) Develop a vision that engages youth

This new model which is more just and realistic provides the credible horizon which youth really need today. **Youth are effectively at the heart of this socioeconomic analysis,** designed to create more jobs, increase opportunities and equitably redistribute revenue.

It is necessary **to build their capacities** using new technologies. Youth must be given **responsibilities**, consider them as the main "protagonist" of the horizon ahead.

With the State no longer able to employ them, youth needs to **develop a new vision with regards to agricultural and industrial entrepreneurship**. To this end, it is important to widely share successful experiences and create an operational framework for them.

Invest in key areas which youth can relate to, namely **Culture** which builds **self-confidence and confidence in others**.

Youth, by definition, are **more open** to this integration, if properly sensitized **they could become the best advocates for regional integration**! If they are convinced and engaged they can be the **guardians of integration** and preserve it from electoral fluctuations **over time**.

Invest right now in the future generation
Changing mentalities will take time. Children need to be trained to "think regional" at a young age, through academic programmes designed for **the primary level**.

4th MEASURE:
Working towards social justice and solidarity

The economic project must be accompanied by a **political and ethical project** which also call for for "moral" restructuring.

Above all, deal with **corruption** th the new model's **ethical components** such as the fight against poverty and a more equal distribution of resources. We should not hesitate to bring on board traditional and religious authority for this.

Engage in **a fiscal reform** which favors production and taxes rentier-based income, including real estate, and the informal sector, in an adapted manner.

Fight against inequalities which are huge at the regional level (as shown by the unacceptable difference in mortality rates) by encouraging political decisions opting for **redistribution, compensation and incentive** in small countries or those who would, in the short term, be the biggest losers.

5th MEASURE:
Ensuring the credibility of the regional Institution, using 3 conditions

1) Qualified human resources

The capacity to implement integration **will first and foremost depend on the quality of human resources**. This is the common attribute of countries which have succeeded. (See 2012 conference recommendations on How to Strengthen the State's Efficiency in Africa)

It is necessary to develop a **recognized competent leadership** at the regional level.

2) Sound marketing of actions already carried out

Many achievements (such as the regional passport for example) are not well enough known. Advocacy is needed. Communication is needed to widely promote existing concrete measures and related legal texts.

- **Broad financial independence** of regional institutions.

Improved mastery over expenses and access to new sustainable resources.

APPLIANCE TO ECOWAS: RECOMMENDATIONS FOR A PLAN OF ACTION

ECOWAS is a region with enormous potential (15 countries, 340 million inhabitants, with a relatively homogenous cultural and linguistic environment (three major languages). It is therefore **a CER as defined by African Union standards, very relevant and extremely important** in terms of economic and security challenges.

It is a region that has a **well established institutional apparatus** designed after European institutions: A Commission with executive implementing power and a solid mechanism to convey proposals to the Conference of Heads of States, the keystone of the institution.

1 - ECOWAS: A REGION TAKING ACTION AND MOVING FORWARD

- **At the political and security level,** it has shown real efficiency recently in the resolution of the Gambian problem. Yet, the situation remains very worrisome in the region (3 terrorist attacks per day!).

- Its **economic development strategy** focuses on **short and medium term realistic priorities** aiming for a **progressive industrialization** in 4 areas: agro-industry, pharmaceuticals, building materials and the automobile industry.

It actively focuses its mission to **create an area without borders,** working towards: Free movement of people and goods (single passport and visa-free circulation); **freedom of residence and establishment,; freedom of intra-zone trade** (sensitization of Heads of States on roadblocks and a proposed task force to eliminate them),; **the establishment of an ECOWAS CET** (common external tariff) adopted by practically all countries (but **non-tariff barriers remain**),; a regional (non-repressive) **Court of Justice; free movement of services and professions** (but problems related to the recognition of certificates); **free movement of capital and** the proposed **creation of a single currency**.

The latter is the most difficult to implement: planned in principle for 2020, considering that the convergence criteria required is far from being achieved (e.g. 15% inflation in Nigeria and close to 0% in the CFA zone), it might still take **7 to 10 years**.

Finally, **important institutional reforms** are underway to **keep under control the current heavy costs** of the Institution: a reduction in the number of statutory members (27 to 17) and commissioners (15 to 9) and a reduction in the number of representatives and members of the Court of Justice.

2 - INSUFFICIENT ECONOMIC RESULTS TO REVERSE THE POVERTY LINE

With regards to **interregional trade, the level is still highly insufficient** in comparison to the objectives set at the time of its creation in 1975: **15% of total trade** (trade with Europe is 4 times greater than at the regional level).

One important reason is the **acute lack of infrastructure** connecting the countries within the region. The other aspect is the difficulty of **implementing a regional policy** to which national policies would really adhere to.

This results in a growth rate which is too low compared to exceptionally high demographics (5/6 children per woman) and **the poverty rate is increasing**. States are struggling with **tax revenues of about 15% of the budgets and operating expenses of 31%**.

The economic objective that is the foundation of RECs is therefore far from having been reached. It is important to create more wealth, and this requires **the acceleration of regional economic integration** through the application of the above recommendations. However, within the specific context of ECOWAS which is currently facing important strategic choices, **more specific recommendations are in order**.

3 - ECOWAS FACES 5 DECISIVE STRATEGIC CHOICES:

1ST STRATEGIC CHOICE

BUILDING A REAL COMMON AGRICULTURAL POLICY

Given the level of unemployment (60% of the population lives in rural areas) and the region's potential, **agriculture and agro-industry sectors** are evidently **the main strategic priority**.

The **objective of an import-substitution policy** in the field of agriculture is realistic because the **region can produce almost everything**, while today it imports about 50% of what it consumes and **80% of transformed agricultural products**.

In addition, **the growth of the sector will continue**: the expected 2.5 billion people, combined with the expected enrichment of 3 billion Asians, will cause **an explosive demand**.

Considering the **importance of available arable land reserves,** ECOWAS has designed a **food sovereignty policy**, ECOWAP, which is confronted with **many problems: land tenure, poverty of yields** (cotton for example: 1t per hectare as opposed to 7t per hectare in China!), **low quality seeds, funding difficulties, shortfalls in R & D**, etc.

This agricultural policy is far from what is needed: a Common Agricultural Policy (CAP), similar to that of the early days of the European Union, which was both **attractive and protectionist**.

Its historic success could be repeated. From the 1960s to the turn of the century, **modernization** of the production of cotton in 6 ECOWAS countries **led to a major reduction of poverty**: yield multiplied by three over the period, fiber exports reaching **2.5 million tons with $4 billion in sales!**

Unfortunately, **this was brutally interrupted in the 2000s**, due to a change towards political liberalization taken by **the World Bank** and U**S and European subsidies** (in favor of a few thousand of their farmers, against 15 million concerned African farmers!).

This shows that ambitious large scale agricultural modernization processes are possible in the region and that **a green revolution can be realized**.

A decisive role could be played by ECOWAS to make this a reality.

Taking advantage of this enormous potential involves **structuring the agro-industrial** sector by **connecting constructively all the stakeholders** involved. ECOWAS as the "**central pillar**" has a key role to play (as did the EU), which requires 6 reforms:

▮ 1st REFORM
To develop a sound long-term vision :

This is necessary to **define policies which are adapted to the different sectors** and also to **adapt national agricultural policies** to the regional level.

It will examine **the possible use of subsidies or price stabilization systems**, which are realistic and temporary measures, allowing time for the sector to become sufficiently structured.

It will ensure **consistency and coherence of value chains**, mixing SMEs and large companies, offering substantial content which attracts investments.

It will be **geared to anticipate climate change** through climate-smart reforms. It will include nutrition, food security and agricultural insurance.

It will make it a **priority to unify** overly diverse agricultural policies designed by technical and financial partners (NASAN, G7 US, Feed Africa, etc.).

▮ 2nd REFORM
To strengthen ECOWAS' steering team

The **number and quality of human resources** actually at work should match the scope of the task at hand (currently the comprises about fifteen people, in comparison to one thousand working for the EU Agri Directorate!).

It will for sure be necessary to strengthen the team by adding **qualified external resources**, the support of **AfDB** and the expertise of some development partners (**AFD or Gates Foundation**).

▌3rd REFORM :
Ensure that the States are effectively committed to this strategy

The agro-industrial sector relies on an essential public service policy which implies that **states must play a crucial role**, especially in territorial planning and in selecting **investments that have an orientation** (that also contribute to improve the quality of life of the provinces in a way that will **retain young people in the countryside**).

This desire to develop the sector must be **in line with allocated budgets**, which is far from being the case (60% of the European budget is allocated to the CAP).
At a time when the World Bank was prioritizing rural areas, the allocated budget was 30% - **compared to the current 4 to 5%**.

▌4th REFORM
Changing the existing attitude towards the private sector

The real driving force of a construction of this proportion is the private sector, particularly local capital, be it through large companies or SMEs. It must be **strongly supported** and backed with strategic decision-making. Private stakeholders are often underestimated. We must change this tendency. **The State should not be ashamed to help the private sector** (see the example of Europe and currently, the Green Morocco Plan!).

The State must be able **to focus** on its own responsibilities (infrastructure, grants, regulation, standardization, steering operations, research, teaching) and provide the private sector with **the best possible development framework**. And **privatize** the rest.

The issue of **long-term financing** specifically in agriculture must be considered as well as the need for additional **Development Banks** and an increase in the use of **PPPs**.

▌5ème REFORM
Fundamentally alter the education system

LTeaching is hardly oriented towards practical and manual jobs especially in Francophone areas. Only about 3% of students are now moving towards the agricultural sector, the consequence is a serious lack of young people with adequate knowledge of the field.

There is an **urgent need to change the current orientation** by bringing schools and business closer together and by further integrating the private sector to vocational training.

It is also necessary to encourage **start-up policy in the agricultural sector** and adapt taxation, which is currently dissuasive and not compatible with the long and fluctuating practices in the field of agriculture.

▮ 6ème REFORM
Targeting competitiveness in the agricultural sector

Whichever model - agribusiness or family farms – **agriculture must become more professional** if it is to be part of the market..

Agriculture, like agribusiness, is a **highly structured profession** that involves permanent **R & D**. The issue of standards is crucial for developing trade, as is the control of the supply chain and packaging.

We must welcome foreign investment by **focusing on co-investment options** and **transfer of technology**.

Nevertheless, starting from current levels, there is **considerable opportunity for productivity improvement**. Reinforcing regional integration will offer many opportunities for co-operation: reduction in transportation and electricity costs, lessons learned and economy of scale... This development will be further boosted by the **tremendous technological developments** which are very quickly being acquired (weather forecast by mobile phone, drones, small solar power plants, etc.).

By gradually bringing all these factors together, **the ECOWAS zone** has everything to eventually become **one of the most competitive and most powerful agro-industrial sector in the world!**

2ND STRATEGIC CHOICE

"AUDACIOUS" EVOLUTION OF THE CFA FRANC

Money is a complex area that should not however be taboo. "Daring" to free the CFA from the Euro has become a less risky option than that of maintaining a system which historically has had its advantages, but deters progress.

It should be noted that **the CFA has not favored regional integration** (11% of intra-regional trade – compared with: EAC 23%, SADC 15%, EU 70%) and has not made it possible to evolve from primary economic specialization, which mainly benefits the local rentier elite.

The new model, oriented towards a growing economy based on production and industrialization, implies action in all areas of competitiveness. Exchange rate flexibility, that reflects the real state of the economy, is one of them. **This conversion has become** urgent and conditions for its implementation are more realistic today than in 1994 (the elasticity of local production is increasing), **we must start this process as soon as possible**.

The monetary policy must be part of this general policy which involves **setting all the dynamics in motion at the same time** (simplifying internal trades, improving the business environment, infrastructures, currency), reinforcing competitiveness of production and wage issues.

A new monetary policy, better adapted to the realities of a region focusing on diversifying its economy, **currency must play its symbolic and structuring role without / delay:**

- **"symbolic":** we must keep in mind the strong resentment of youth and highlight the desire to change the way we produce: **change of denomination and manufacturing in Africa**. Foreign exchange reserves held somewhere other than the **French Treasury (BIS?)**.

- **"structuring":** in the sense of improving production output competitiveness by breaking away from the Euro and having regulated flexibility within the context of a monetary structure in line with a **relevant basket of currencies.**

The terms for a **"gradual" implementation** are important. Some form of desirable depreciation is to be expected (far less important than that of the 1994 devaluation) and assessments of its impact should be carried out. It should also facilitate an expected rapprochement with the Naira zone and the arrival oECOWAS single currency.

The implementation of this worthy reform should be carried out smoothly with the assistance of France and the international community that have every interest in Africa's success.

3RD STRATEGIC CHOICE

CAUTION WITH REGARDS TO THE POSSIBLE ENTRY OF MOROCCO!

Morocco has once again become a full member of the African Union. It is one of the most economically dynamic countries, and a very important part of security in the sub-region. It is undeniably one of the engines of Africa's economic development and integration.

However, **the African Union has defined the steps towards regional integration**, based on the passage of the 6 RECs, geographically and culturally coherent.

This method is wise as it sets a **way to progress in the global construction** based on the consolidation of relatively **homogeneous geographical and cultural entities**. It is a token of the peoples' engagement and the success of a process that we have come to realize is easier said than done.

It is also **one of the lessons to be learned from the European experience**, where the Union's rapid expansion was detrimental to its fortification, creating problems for which solutions have not yet really been found.

Furthermore, for the sake of much needed efficiency, it is recommended to simplify the entanglement of regional institutions using the six RECs established by the AU and to **fully stabilize these founding regions** in order to improve their integration.

From this perspective, Morocco is clearly part of the AMU region and belongs much less, in terms of history, geography and culture, to the ECOWAS region. Distorting this principle, which goes against the notion of geographical balance and step-by-step evolution requested by the AU, could risk complicating at the same time the consolidation of the ECOWAS process as well as ultimately compromising the realization of the Arab Maghreb Union (AMU) ...

More importantly, the process of building an ECOWAS interior market through the development of West African companies has barely been initiated. These "budding Africans start-ups " should be given time to grow and become strong enough to face foreign competition. **The common sense rule should be: no expansion before reinforcement.**

This is also a position firmly taken today by **several African employers' unions** in countries that are already in the industrial development phase, such as Nigeria, Senegal, Côte d'Ivoire, ...

Thus during this transitional period of construction, **current customs barriers should not be dismantled**. Especially in certain priority areas such as agriculture and agribusiness where Morocco's power fueled by its "Green Morocco" plan and agricultural subsidies, would recreate asymmetrical conditions of competition.

This should not compromise the growth of economic relations with Morocco – which have already been spectacular these past years under current conditions - and it would even be advantageous **to accelerate this trend within the framework of a partnership** promoting **co-investments** with local partners, to **associate Marocco to the acceleration of local production**, with **a focus on transferring technology.**

This should not upset Morocco if it takes into consideration how important it is for West Africa to get out of the "poverty trap" it is in and to develop its own indigenous economic operators. This will increase the size of the "cake" to be shared at the continental level eventually, in full compliance with the plans of the AU.

The above perspective also concerns **the institutional aspect**.
ECOWAS is currently undergoing a full fledge reform which takes time and energy. The institution has yet to become stable and it is **important not to weaken it, the priority is rather to strengthen** it before expanding it. All efforts and the existing limited human resources must be **focused** on this goal.

Finally, the people's ECOWAS cannot be accomplished without consulting the people...

4TH STRATEGIC CHOICE

STRENGTHENING THE INTEGRATION WITH NIGERIA

- **Nigeria's asset**

There are **some false prejudices about Nigeria** that need to be overcome. Nigerian universities are opening up to the sub-region and French language learning is now mandatory.

Nigeria is ahead on this new model of business and on the objective of diversification of economies (for example, in the food sector, imported Nutella exists side by side with a multitude of locally processed products!).

In fact, there would be no sub-region without Nigeria! The proof is the weakening of ECOWAS (for which Nigeria provides 60% of funding) when Nigeria is in crisis.

Nigeria is also an access to **cheaper energy** within arms length. Fuel, among other resources, can be transported by roads, already under construction.

This giant of 150 million inhabitants will be **the third country in the world in 2050** with 450 million inhabitants. It will enable the **development of an internal market** and really drive **competitiveness**. With good roads, surrounding countries will further benefit from this giant. Their lower standard of living will profit from it, and this will be facilitated by the future common currency.

The integration of Nigeria is therefore imperative. It may seem stressful in the eyes of some populations and some leaders, but they have to step outside of their current comfort zone because confrontation can be very fruitful. It is the integration of the people, **the well informed civil society, who will have to push for this evolution**, essential for the emergence of this new model.

Everyone will ultimately benefit from it, provided of course that it is carried out within **a democratic framework:**

- **3 priorities are needed to create real integration:**

Roads (and/or rail)
"Where there are roads, there is development!" Roads will initiate a huge **transformation in the region's development.** They will promote decentralization and the empowerment as they will be less dependent on governments. **New activities will be created**. Industrial plants will be better mass throughout the territory and people will be less concentrated in the cities. This concentration of territorial development will attract interest on the part of large groups; not to mention the possibility of finally exploiting the many riches buried under the ground of many countries...

Corridors and "border countries"
Current borders, which somewhat artificially separate communities with very old socioeconomic and cultural ties, will become **new economic and social poles**, based on concrete projects involving local actors.

Major regional universities, with country specializations, pooling their resources together will **improve their standards as well as forge links between students**.

5TH STRATEGIC CHOICE:

WE MUST RENEGOTIATE EPAS WITHOUT QUALMS

EPAs, that have not been signed by any region, should be considered with the following observations:

- The allegedly "new" **benefits** by accessing to the European market, in exchange for the dismantling of African customs barriers, **are very small** because today's Europe, in compliance with WTO rules, is already considerably disarmed. On the other hand, at this time, a drop in customs revenue, which still is for the time being the most important part of the States' resources, would be highly disadvantageous for the already weakened States.

- The subsidy "lure" proposed by an **EPA Development grant** is actually part of the same European envelope that would be spent in any case. On the other hand, it is necessary to get out of this aid logic which is basically what keeps the rentier system going.

- **Bitter negotiations conducted painstakingly with each individual country** with a few partial agreements **have split the regions' unity** (5 external tariff regimes!), which is not without serious inconvenience and goes against the objective of a common policy. Here again, we need to be careful that the "partnership" spirit of the agreement, rather than building endogenous development, ultimately contributes to its disintegration!

Moreover, the EPAs will not work because, beyond the few benefits offered, it seems obvious that Nigeria will never accept.

RECOMMENDATIONS TO STRENGTHEN THE INTEGRATION OF AFRICA IN GLOBALIZATION

Considering the many hesitations surrounding choices which are crucially important, a minimum of introspection is recommended to highlight potential mistakes that should be avoided in future international relations.

1 - LESSONS LEARNED: LACK OF CONSULTATION AND SELF-CONFIDENCE

The observed hesitations and numerous trial and errors reveal a certain number of **strategic and negotiation shortcomings that need to be carefully analyzed:**

• States in the region are weak with regards to international relations: Many state leaders are slow at really understanding existing economic mechanisms there are few experienced negotiators available in each country.

• **We tend to follow “trendy” ideas** which are not necessarily adapted to our level of development. In fact, "we are not ready", but we dare not say.

• We are still basically stuck **in a logic of aid**. But even if aid remains useful, it should no longer be the foundation of our development: this belongs to the past.

• Concerning EPAs, Morocco…, a check book diplomacy, that offers short term advantages in rentier income, **goes against what we are trying to achieve: endogenous development.** We are going in the opposite direction of our pursued objective.

• There is a **denial of democracy**: there are no informative public debates on these matters. There is no consultation, while it is the future of the region that is at stake!

• The **Continent lacks in strategy.** We don’t see ahead. We do not put our advantages to work, our strong points; such as the size and real potential of this Continent. .

2 - WE MUST REGAIN CONFIDENCE IN THE DYNAMICS OF THE INTEGRATION MODEL

• **The fundamentals of the integration process** and their leverage effects are real and need to be further internalized through effective advocacy.

• **The private sector is really at work** today, and it has the necessary will. It will not be subservient: it will be ingenious and able to offer more and more quality products. **It first and foremost asks for no interference**. The same goes with civil society and youth; a strong movement is underway.

• There is no African fatality: Africa follows the same path followed by others! It is necessary **to integrate the notion of time and to adopt the dynamics** (20 years ago in most French-speaking countries, there were practically only civil servants among the nationals!)

• We are in the right direction, but **we must be given time** to build our comparative benefits and it is up to us to do so, nobody will do it for us.

• **The time to act is now**, in terms of "opportunity" (as well as "risk" for security), we have to "dare". It is during difficult times that new solutions are found!
Integration is a **process**, which now needs to resolutelybe accelerated.

3 - A CHANGE OF ATTITUDE IS NECESSARY

• **Let us design our model resolutely** by stabilizing and deepening the economic integration of our AU-defined regions, within the existing framework, in line with Agenda 2063, **without destabilizing them**.

• **Let us optimize our resources**. We should not allow ourselves to be distracted from our priority objectives (no monetary taboo, no EPA), avoiding the risk of division and moving forward.

• **Let us implement integration with pragmatism** establishing an operational framework. What can be addressed now, and in the future…, etc.

• **Let us develop an equal level of understanding among member countries based on a set of principles**, in order to avoid the risk of discontinuity, regardless of which government takes power.

• **Let us transcend our myths of national sovereignt**y, because instead of strengthening our global presence, they weaken it. We have seen that no country has the means to send competent people to each negotiation (today there are 1800 negotiators for Brexit!)... Pooling resources is essential; we need joint task forces, coordinated by ECOWAS.

• **Let us devote a maximum of energy, rigor and work** to this humongous task and should they be agreed upon, to the effective implementation of these recommendations.

• **Let us closely associate youth** and help them to deepen their economic understanding and analysis.

4 - TOWARDS A NEW APPROACH TO INTERNATIONAL NEGOTIATIONS

• **We must not be naive**. In international negotiations nobody will do our job for us. Imitation is not the right strategy. Concerted African solutions are needed at the regional level.

• We must **resist pressure** and avoid taking poorly informed decisions (i.e. the Chinese: they advance cautiously within the framework of an already well conceived strategy. When they notice a flaw, they do not hesitate to question it.

• We need to go from a "reactive" to a **"prospective" strategy**, to seize opportunities at the right moment.

• **Multilateralism is in decline and bilateral agreements are soaring**. Everyone is negotiating all the time. We must select **our partners**, based on what and how they can contribute to our strategy.

• **Europe** is our naturally privileged partner, but the interaction is two-fold and it should be understood that the emergence of a new competitor in in its interest.

• It is necessary to **re-examine the notion of risk** in Africa, the current perception is exaggerated.

• We must **have confidence in ourselves**, because fundamentally everyone realizes that there is no interest in letting Africa sink and that the Continent is the market of the future.

• **The question of on-site transformation/processing must become the rule**, because Africa is rich in raw materials and will soon reach an impressive critical population of 2 billion inhabitants! We must use this reality to encourage foreign investors to get involved in processing, rather than in the exploitation of raw materials.

CONCLUSION

From now on, our bottom line strategy with our partners is :

• **You, private entrepreneurs, come to us and « produce » (co-produce)!**

• **You, together, regional foreigners** – in particular those closer to us such as Europe - accept some catching-up asymmetry for a while by truly **making our access to your markets easier** and by privileging "trade" to "aid"!

• **You, technical and financial partners (TFP) unify your support in a direction wanted by Africans**, through their regional institutions!

Africa is the geographical location of the future and everyone has an interest in its development.

For that reason, **the best way is to support its regional integration**.

If we allow what exists to fall apart, Africa's "disintegration", which is still possible, will affect the whole world.