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THE ATLANTIC DIALOGUES

ATLANTIC CURRENTS

AN ANNUAL REPORT ON WIDER ATLANTIC PERSPECTIVES AND PATTERNS

DECEMBER 2017

4th Edition

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About OCP Policy Center

The OCP Policy Center is a Moroccan policy-oriented think tank based in Rabat, Morocco, striving to promote knowledge sharing and to contribute to an enriched reflection on key economic and international relations issues. By offering a southern perspective on major regional and global strategic challenges facing developing and emerging countries, the OCP Policy Center aims to provide a meaningful policy-making contribution through its four research programs: Agriculture, Environment and Food Security, Economic and Social Development, Commodity Economics and Finance, Geopolitics and International Relations.

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Summary

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List of Abbreviations

AACB	Association of African Central Banks
ACIRC	African Capacity for Immediate Response to Crises
ACSRT	African Centre for the Study and Research on Terrorism
AFDB	African Development Bank
AFRICOM	United States Africa Command
AIM	Africa's Integrated Maritime Strategy
ALG	Liptako Gourma Authority
AMIS	African Union Mission in Sudan
APSA	African Peace and Security Architecture
AQLIM	Al-Qa'ida in the Lands of the Islamic Maghreb
ASEAN	Association of Southeast Asian Nations
ASF	African Standby Force
AU	African Union
AUCISS	African Union Commission of Inquiry on South Sudan
AUHIP	African Union High-Level Implementation Panel
BRICS	Brazil, Russia, India, China and South Africa
CADSP	Common African Defense and Security Policy
CEMOC	Comité d'Etat-Major Opérationnel Conjoint
CEMZA	Combined Exclusive Maritime Zone of Africa
CEWS	Continental Early Warning System
CNRS	National Center for Scientific Research
COMESA	Common Market for Eastern and Southern Africa
CPI	Consumer Price Index
EAC	East African Community
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EU	European Union

FAO	Food and Agriculture Organization of the United Nations
FAZOI	Forces in the Southern Zone of the Indian Ocean
FDI	Foreign Direct Investment
FRONTEX	From French: "Frontières extérieures" for external borders
FTF	Foreign Terrorist Fighters
G-20	Group of 20
GCTF	The Global Counter-Terrorism Forum
GDP	Gross Domestic Product
ICJ	The International Court of Justice
ICT	Information and Communication Technology
IFC	Irving Fisher Committee on Central Bank Statistics
IMB	International Maritime Bureau
IMF	International Monetary Fund
ISIL	Islamic State of Iraq and the Levant
ITC	International Trade Center
ITLOS	International Tribunal for the Law of the Sea
MERCOSUR	Southern Common Market
MINUSCA	United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic
MINUSMA	United Nations Multidimensional Integrated Stabilization Mission in Mali
MNJTF	Multinational Joint Task Force
MNLA	National Movement for the Liberation of Azawad
MONUSCO	United Nations Organization Stabilization Mission in the Democratic Republic of the Congo
MUJAO	Movement for Oneness and Jihad in West Africa
NATO	North Atlantic Treaty Organization
OAS	Organization of American States
OAU	Organisation of African Unity
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OEF-HOA	Operation Enduring Freedom – Horn of Africa
OEF-TS	Operation Enduring Freedom – Trans Sahara
PKO	Peacekeeping Operations
PREACT	Partnership for Regional East African Counterterrorism

PSC	Peace and Security Council
PSI	USA's Pan-Sahel Initiative
REC	Regional Economic Communities
RM	Regional Mechanisms
SACU	Southern African Customs Union
SADC	Southern African Development Community
SARB	South African Reserve Bank
SSR	Security Sector Reform
TFP	Total Factor Productivity
TSCTP	Trans-Sahara Counterterrorism Partnership
UDEAC	Central African customs and economic union
UN	United Nations
UNAMID	United Nations and African Union Mission in Darfur
UNCLOS	United Nations Convention on the Law of the Sea
UNCTAD	United Nations Conference on Trade and Development
UNISFA	United Nations Interim Security Force for Abyei
UNMIL	United Nations Mission in Liberia
UNOWAS	United Nations Office for West Africa
UNPKO	United Nations Peacekeeping Operations
UNSC	United Nations Security Council
UNSC	United Nations Security Council
USA	United States of America
USD	United States Dollar
WAEMU	West African Economic and Monetary Union
WB	World Bank

Forward

We are delighted to present this year's edition of the Atlantic Currents, an annual report charting the wider Atlantic patterns and perspectives. This report, the fourth edition of its kind, opens up the Atlantic Dialogues conference, an annual high-level conference gathering nearly four hundred experts, policy makers, business leaders, and government officials from around the World. This conference is an opportunity for policy shaping conversations focused on the restructuring of the Atlantic space while also promoting dialogue and analysis of key issues affecting the wider Atlantic — Africa, Latin America, the Caribbean, Europe, and North America.

As a significant complement to the Atlantic Dialogues conference, the following publication allows for in-depth analyzes of the potential contributions from the above-mentioned "Dialogues". The objective being to broaden the discussions pertaining to social, economic, political, and security dimensions within the wider Atlantic space, always favoring the elaboration of new and contextualized geopolitical strategies. OCP Policy Center is proud of the role it has played in extending the transatlantic debate, which embraces both Northern and Southern regions of the Atlantic Basin. The year's Atlantic Dialogues will focus on the need for wider and more effective action within the African continent.

The 2017 editions of both the "Dialogues" and "Currents" have dedicated special attention to Africa and its various perspectives and roles in the Atlantic and global contexts. Indeed, Africa's past and present development approaches bring hope for a promising future that should benefit from the continent's diverse regions and economies. Such recent progress will also allow for shared benefits in the Atlantic region in terms of growth, governance and international relations. Furthermore, this year's edition also attempts to bring new meaning to the potential role that a united and effective civil society could trigger in terms of development. In this context, a special thank you goes out to the various authors and experts that have contributed to the fourth edition of the Atlantic Currents and the dedicated staff at OCP Policy Center who made its timely publication possible. Comments on Atlantic Currents are most welcome, and may be addressed to the editors at OCP Policy Center.

Dr. Karim El Aynaoui
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Introduction

Wider Atlantic Perspectives: Views from the South

The Atlantic Ocean has been, and remains, a privileged development space for the riverside countries. In recent decade, along with the important transatlantic trade in the north, there is an unprecedented increase in south-south and south-north ties. These include goods, services, labor, but also values, ideas, projects and programs. This dynamism means, in such circumstances, that it is, maybe, time to rethink the Atlantic cooperation and its borders. In fact, growth, trade, and investment prospects in the Atlantic Basin are fueling optimism about the increasing potential and contributions of the southern Atlantic to the global economy.

Beyond the Atlantic identity, several factors come together to motivate and encourage the Atlantic basin countries to reconsider the possibilities of development of the transatlantic relations in terms of their type and degree of intensity. We firstly highlight the succession of the financial crisis and subsequently banking and economic ones, which have destabilized many countries of the globe, since 2008, including the Atlantic basin countries. The key strategic challenge here – for the Atlantic basin countries — is to establish a convenient cooperative environment that is able to contain the pressures associated with this situation. There is also a need for implementing and putting in place some cooperation guidelines in order to encounter tensions, and ensure medium and long-term prosperity for the Atlantic populations. Secondly, the abundance of resources, the remarkable economic and social dynamics in the south is increasingly attracting the attention of many weighty global economic players, including China and Russia, but also the United States of America and the European Union. Thirdly, the leaders of the north Atlantic countries realize that cooperation with the south is much needed in a context where the security situation is challenging, and threatening, with a terrorism that continues to invade more and more lands in the southern hemisphere of the Atlantic. In fact, many areas previously considered as being immune to terrorism turn out to be the target of terrorism. In addition, international migration has made its way to the forefront of the security agendas of the Atlantic in recent years.

In light of these challenges and other global ones, it appears that a transatlantic alliance is vital. Cooperation in the Atlantic basin can take several aspects (multidimensional cooperation) integrating trade agreements, treaties of security and defense...

With reference to trade, we are witnessing a commercial phenomenon marked by the multiplication of negotiated trade agreements, or in negotiation, inside the Atlantic space. The key goal is to encourage forms of transatlantic partnership, and/or association, to forge valuable links of cooperation between the two shores of the Atlantic, and to promote trade and investment flows in a favorable atmosphere to all the stakeholders. In fact, the strengthening of trade, and investment flows, is conveyed by a set of motivations ranging from looking for opportunities until the consolidation of infrastructures, the encouragement of development initiatives, and the irradiation of unemployment and poverty.

The regional integration process is often seen as a privileged way to promote trade and investment flows and to achieve economic and social development. Economic theories show how number of advantages can be offered to countries that decide to participate in this process. For example, regional integration tends to have a positive effect on trade volume due to the lower prices of imported goods, by dint of the reduction or removal of customs barriers. Trade development should enable the countries involved to become more efficient through economies of scale, which should in turn lead to increased production and employment (Krugman and Obstfeld 2001). Two conditions - necessary but not sufficient - may enable African countries to accelerate the process of regional integration, i.e. convergence of both their levels of development and their respective macroeconomic frameworks.

At the general economic level, over the last fifteen years, various African economies have experienced sustained growth accompanied by a rise in average per capita income. Adjusted to the cost of living, per capita incomes in African countries increased by almost half between 2000 and 2009 thanks to an average annual growth rate around 5% in all Africa and 6.3% in Sub-Saharan Africa during this decade. This rate is 3 percentage points higher than the rate observed in OECD countries. Because of this difference, and despite the significant increase in the African population, the average gap between the per capita income of developed countries and that of African countries has decreased. However, not all African countries will converge at the same time, but the "catching-up" process will be at different speeds. At present, North, South and West Africa seem to be at the top of the pack, followed by East Africa, and finally Central Africa, which still has some big challenges ahead.

Economic convergence is essential for a continental economic and monetary union realization and hence, of a pan-African parliament establishment. Indeed, achieving real sustainable convergence is important to support the economic and social cohesion of African regions and the continent as a whole. In addition, the sustainability of real convergence is important because it allows a harmonization of macroeconomic policies, which is one of the different manifestations of a monetary and economic union. This is particularly the case since the concept of macroeconomic convergence is becoming more and more widespread amongst economists in developing regions, particularly in Africa. This growing popularity, encouraged by the experience of the European Monetary Union, reflects the strategic importance of macroeconomic convergence which is the foundation of all efforts aimed at regional and continental integration.

Regarding issues related to migration, we know that migration flows have a remarkable impact on the host countries as well as on countries of origin in political, cultural, social and economic layers. In this regard, a transatlantic cooperation in matter of migratory flows control may reverse the equation and make of these migration flows a resource, a capital, for the hosting communities rather than a problem. In addition to the enhancement of the transatlantic migration phenomenon, some parallel cooperation agreements (matching to those dealing with migration flows problems, including the agreements about trade and investment flows) can contribute intensively to the reduction, and the depreciation, of the pressures produced by the migration phenomenon. However, a control of the demographic variable within the countries of origin is a crucial step in the process of the migration flows control.

The current demographic revolution in Africa and the resulted migration could translate on positive economic and social development in both host and origin countries. In this context, security and defense may have a great importance in the transatlantic cooperation calendars.

Apart from this set of factors, the Atlantic – especially south– cooperation faces today numerous problems that reduce the opportunities and the possibilities of its expansion. These include gaps in terms of GDP, GDP per capita which makes it hard for south countries to integrate as well as divergence of the foreign policies of many countries within the Atlantic basin, which constraints the elaboration and the adoption of coherent agendas.

The Atlantic Current 2017 focuses on the African continent and highlights the continent's performance regarding economic, security, social and governance strata. The first chapter looks closely at how the construction of a partnership between the two continents could prove to be mutually beneficial and lays the foundations of a genuine strategic partnership. The human, emotional and cultural ties that unite the people of the two continents, their economic potential and the contribution they are capable of making, were at the center of narrative. Africa is moving forward and, in the future, it could meet the needs of its people, ensuring that they remain settled. The stronger the integration of the continent, the more free movement and the more intra-African migration will prevail over migration out of Africa. African migration and, to a large extent, its underpinning narrative are central ideas presented in the second chapter that attempts to examine the nature of African migration, its causes and consequences. It is a trial to correct misconceptions or even to adjust some stereotypical thoughts. The chapter will address issues and figures that have been circulated on African migration, and will place them in their appropriate context and rid them of magnifying slogans turning them into a scourge. Africa is accused of being the source of other scourges such as terrorism, arms, and drugs traffic. In the five past years, terrorist attacks have killed nearly 20,000 people across Africa, in addition to damages on basic infrastructures, and on economic and political performance of affected countries. Given this background, the third chapter discusses possibilities to face new generation of terrorism and the opportunities for common continental responses capabilities. Migration, security conditions and terrorist threats in Africa as well as the acceleration of Africa's move towards globalization opens up new strategic challenges and prospects for a number of maritime countries. Given these challenges and prospects, chapter four tracks the maritime-route strategies adopted by some African countries. Chapter 5 will discuss regional integration patterns in Africa and other developing countries. It focuses on the economic and macroeconomic convergence concepts in Africa. Several relevant questions are analyzed. This includes both the verification of the presence of real convergence in African regions and the discussion of the reasons for its absence, as well as the definition of the macroeconomic convergence criteria and their evolution at the level of different African regions countries. This work draws on the work of several institutions, such as the African Development Bank, as well as other African regional organizations, the European Union and international financial institutions. Finally, chapter 6 will present some selected indicators for integration process assessment within the Atlantic space.

Chapitre 1

The Africa-Latin America Partnership: Between Sentimentalism and Realism

Mohammed LOULICHKI

I. Introduction

If there is one partnership that seems most natural among those involving Africa, it is the Afro-Latin American partnership: both continents underwent the same types of colonialism and were able to emancipate themselves thanks to solidarity. Both are made up of developing countries, including emerging economies, and both are committed to the virtues of multilateralism and promoting South-South cooperation. These common points and assets are arguments in favor of establishing a mutually beneficial partnership between the two shores of the Atlantic Basin.

It is true that the distance separating the two continents may constitute a hindrance and an objective obstacle to a substantial increase in trade and economic flows, notably in terms of cost. In addition, there are also barriers to collaboration such as geography, remnants of history and commercial realities that explain strong interactions of these two continents and regions with their immediate neighbors - be it with the United States and Canada in one case, or the European Union in the other.

Nevertheless, in an increasingly globalized world where new means of transportation and communication shrink distances, and where the necessity to diversify market opportunities is rising for both Africa and Latin America's vibrant economies, the patient and resolute construction of a partnership between the two continents could prove to be mutually beneficial and lay the foundations of a genuine strategic partnership. This prospect is further supported by the human, emotional and cultural ties that unite the peoples of the two continents, their economic potential and the contribution they are capable of bringing to this new and more representative and equitable world order.

II. Underpinnings and Advantages of an Afro-LatAm Partnership (ALP)

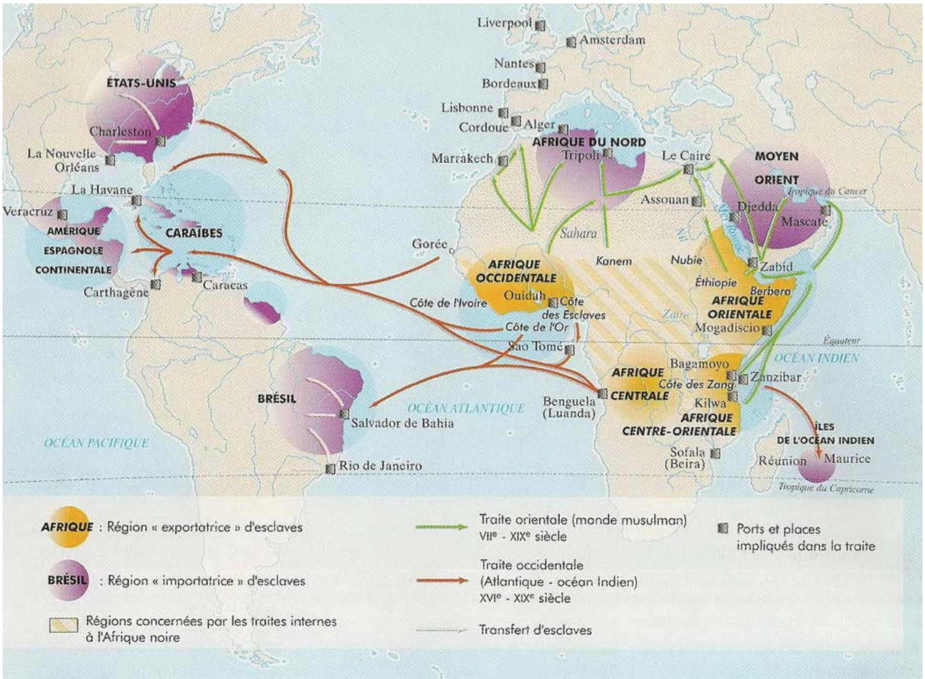
Two factors have contributed to the creation of intercontinental solidarity between Africa and Latin America: the presence of an important population of African descent in some South American countries and the Caribbean coupled with a complex anti-colonial solidarity.

1. The Human Level

The demographic and cultural proximity between the two continents goes back to the massive influx of African slaves in Latin America, extracted from their land of origin by Spanish and Portuguese colonizers in order to be exploited at will in the agriculture and mining sectors. This full-fledged deportation organized between 1500 and 1867 is characterized by its sheer magnitude (12.5 million slaves), depriving Africa of considerable demographic potential and irreplaceable labor force. The exploitation of this population gave rise to a feeling of "historical and moral debt" in the words of the former Brazilian President Luiz Inâcio Lula da Silva.

The size of the Latin American population of African origin exceeds 100 million, the equivalent of Nigeria's population.

Figure 1: The "Slave Trade" Treaties, VIIe - XIXe Century



Source: www.mrugala.net

This human proximity between the African and Latin American people and societies has been the bedrock of solidarity and commitment to the liberation of the African continent from the colonial yoke. Indeed, having themselves experienced colonialism during the previous century, Latin American States were fervent defenders of the African continent's independence initiatives and its countries' attempts at overthrowing apartheid.

2. The Diplomatic Level

As part and parcel of their diplomatic engagement, both blocs endeavored to strengthen their bargaining power by forming two influence groups linked to the multilateral system: the Non-Aligned Movement, as a tool to defend and safeguard their political independence and sovereignty; and the Group of 77, as a framework for concerted action to influence international economic and trade negotiations.

This commitment to multilateralism on the part of both the African and Latin American groups is illustrated in two crucial areas: the preservation and consolidation of African States' independence and the sovereign right of coastal States over their maritime areas and the natural resources therein.

Indeed, shortly after Africa's decolonization, the issue of borders inherited from colonialism gave rise to controversy at the highest level between those in favor of a clean slate policy and proponents of continuity and consolidation of gains.

The Latin American practice of "uti possidetis" (explain?) offered Africans a precedent to follow so as to avoid the outbreak of inter-African border conflicts that would have destabilized the entire continent. This precedent, applied at the beginning of the 19th century by young Latin American States freed from Spanish and Portuguese rule, consisted of a transitional acceptance of the maintenance of border status quo, pending a final settlement negotiated between the countries concerned.

Africa's adoption of the approach referred to as "intangibility of borders," which was implicit in the OAU Charter of 1963, was endorsed and spelled out in the Cairo Resolution of July 1964. It made it possible to ease relations between young African States and ensure a minimum of stability and security. Unlike the transitional and transactional approach adopted by Latin American States, Africa raised "intangibility" to the level of dogma, condemning African borders to permanent freeze and immutability.

Another area in which solidarity-and even complicity- between the two continents was demonstrated relates to the claims of coastal States on large maritime areas to be placed under their sovereign jurisdiction. One should recall that during the two 1958 and 1960 Conferences convened to codify the Law of the Sea, most African countries were still under colonial rule. As a result, the four conventions that were adopted bore the imprint of "developed" nations.

The 1970s witnessed an unprecedented surge of "Third World Militarism" focused on upholding States' sovereign rights over their natural resources and the establishment of a new international economic order. In this particular context, it is not surprising to see African and Latin American countries step up actions in favor of a renewal of the Law of the Sea, with the view to better take into account the interests of countries of the South.

Both African and Latin American countries were instrumental in launching the Third United Nations Conference on the Law of the Sea. Negociations took place between 1973 and 1982.

Indeed, the history behind these negotiations clearly demonstrates that the positions and advocacy of coastal countries from both continents were largely decisive in the outlining of generous limits for exclusive economic zones, continental shelf and the establishment of a seabed regime based on the notion of "common heritage of humanity".

This "territorialization" of large maritime areas in favor of coastal States allowed African and Latin American countries to take over the living and non-living resources of their spaces to mobilize them towards the service of their economic and social development. Most Latin American countries managed to develop competitive merchant navies, supported by port infrastructures and dense networks of maritime routes, while fostering investments to tap into their abundant fish resources.

In Africa, however, it is clear that, apart from infrastructure for offshore exploitation of hydrocarbon deposits, the Atlantic coastlines of most African economies remain under-exploited, under-equipped and insufficiently valued. The development of fishery hubs along the African Atlantic coastline, focused on export industries - as was the case in Latin America whose production increased from 0.9 to 23.8 million tons in 35 years - is likely to boost economic growth and provide jobs for a large, increasing, and idle youth population.

In addition, better surveillance and protection of African coasts coupled with their economic development, would assist both continents in their fight against drug trafficking and or related activities, whose adverse effects are currently observable and felt throughout the Sahel region.

III. The Construction and Implementation of the Afro-LatAm Partnership (ALP)

This partnership is currently comprised of a bilateral co-operation between a limited number (limited cohort) of countries. Political and institutional dialogue and cooperation are done at the Heads of State level, between the two regional organizations - the AU and the OAS.

1. State-to-State Cooperation

Trade patterns between Africa and America do not differ from the general trends for African international trade, dominated by the exploitation of raw materials, particularly hydrocarbons.

The second characteristic of such trade relations is the quasi-monopoly of trade held by a handful of States on both sides of the Atlantic and the prevalence of North-South relations on South-South cooperation.

A few Latin American and African States that are driven by an international ambition and which have the economic or financial capacity to do so are gradually building this transatlantic partnership. This is the case, on the one hand, for

Brazil, Argentina, Mexico, Cuba and Venezuela, and on the other hand, South Africa, Nigeria, Angola, Egypt and Morocco.

Many of these African countries, such as Egypt, have either concluded a Free Trade Agreement with Mercosur member States, or are, as is the case for Morocco, currently negotiating to do so.

For the time being, these countries are playing a pioneering role in laying the foundations of a South-South partnership between these two continents, which can be deepened, diversified and extended to other countries and regions.

That being said, special mention should be given to the relationship between South Africa and Brazil, given their economic might in their respective regions. These relations are further bolstered by a political alliance, which is driven by the two countries' quest to obtain a permanent seat on the United Nations Security Council in the context of ongoing negotiations regarding the Executive Body of the United Nations reform agenda.

Finally, these two countries' affiliation to both the BRICS and the G-20 reinforces their claim for regional power status, predisposing them to speak on behalf of their respective regions. Such status is however contested by other States on both continents.

One of the sectors in which Latin American cooperation is directed towards Africa and is making a major difference is agriculture. This is a sector in which Latin American economies constitute a genuine laboratory. Indeed, the breakthroughs achieved in the agricultural sector, particularly in Brazil, Argentina and Chile, attest to solid synergies between agronomic research, technological development, and training for the agricultural sector.

Africa is considered the most "food-insecure" region, although it holds one quarter of the world's fertile land and has 660,000 square kilometers of water reserves. Population growth, coupled with accelerated urbanization, require rapid development and substantial investments in order to feed a population estimated to reach over one billion by 2050.

In addition, as agricultural employs 65-70% of the African population according to AFDB (what does this stand for – African Development Bank?) estimates, it is seen as a priority sector for the continent's different economies. An Africa-Latin America partnership can contribute to triggering the necessary shifts from subsistence agriculture practices to a more agro-industrial agricultural economy in Africa while revitalizing traditional agriculture, thus enabling inclusive, rural transformation.

2. High Level Political Dialogue

The growing number of high-level meetings regrouping African countries with international (United States, Russia, China, Japan, France), regional powers (Turkey, India, Brazil, Korea) or even international organizations (Arab League, European Union, Organization of American states) is indicative of the continent's image as a source of wealth, land of opportunities, and nexus of multiple challenges facing the international community (terrorism, conflicts, migration, climate change...).

The OAS and the African Union initiated a dialogue as early as 2004 to institutionalize political dialogue between African and Latin American eocnomies. The 2006 (Nigeria), 2013 (Equatorial Guinea) and 2016 (Peru) editions led to the adoption of an Action Plan which provides for the creation of an Energy Commission, Commercial Bank, University Network, and a permanent Secretariat that would ensure proper co-ordination and co-operation between the two continents.

However, with the exception of the political dialogue maintained between the two organizations in which a limited number of heads of state participate on both sides, this partnership seems currently vulnerable to the lack of (i) follow-up on adopted decisions, (ii) shortage of financial means mobilized to this end, and (iii) a lack of ambition for future relations between the two continents.

Institutional cooperation between the African Union (AU) and the Organization of American States (OAS)

The AU and OAS have established themselves in their respective regions as valuable instruments for the promotion of peace, stability, respect for human rights, the settlement of disputes, and the promotion of regional cooperation.

Both have, to varying degrees, contributed to the establishment of peaceful relations, proper cooperation between their members, and the progressive democratization of their societies.

A partnership between these two regional organizations might requires a more organized and transparent spread of good governance in Africa.

In the area of dispute management, and based on the abundant experience accumulated by its member states, the OAS developed several instruments promoting trust and good neighborly relations. One example of such instruments is found in the Convention adopted on 7 June 1999 on transparency in the acquisition of conventional arms. It includes confidence-building measures aimed at alleviating historical rivalries between members states while eliminating forms of suspicion between neighboring states that incur, in an effort to modernize their armies, expenses for the acquisition of conventional weapons.

The OAS also adopted two declarations in 1995 and 1998 establishing an exchange of information on military exercises, defense policies and military expenditures. Such instruments can serve as a source of inspiration for reducing tensions in an African continent destabilized by vast conflicts and whose management dominates the Security Council agenda and absorbs most of the budget of the United Nations peacekeeping operations.

In the field of human rights protection and promotion, the expansion of democracy in Latin America owes much to the action of mechanisms set up by the OAS, especially the Inter-American Commission and Court.

The above-mentioned mechanisms paved the way for the development of individual petitions, bolstered the fight against corruption and organized crime, and remarkably improved transitional justice. Indeed, the process initiated by Argentina in 1983 and Chile in 1990 served as a reference in this area, particularly for South Africa (1990) and Morocco (2004).

The bodies established by these two African countries have, due to their originality, enriched international practices related to democratic transition and national reconciliation. They served as a reference for the Tunisian law of 2013, establishing the "Truth and Dignity Commission". Similar projects and reforms also emerged in Libya.

Whether it is Human Rights, the creation of trust, or the strengthening of good neighborly relations, these dynamics promote democracy and good governance. There are many lessons for African that can be drawn by its Latin American nighbor's experience. In just a quarter century, the latter succeeded in permanently and irreversibly establishing strong democratic regimes while developing a strong civic culture for its defense and protection.

There is little doubt that a partnership between Africa and Latin America has major potential. On the one hand, Latin America is composed of several emerging countries sufficiently industrialized and exporters of technology and investment. On the other hand, African countries show major potential in terms of its raw materials and will represent a prospective market of more than one billion consumers in the near future. In this context, there is undeniable scope for complementarity, which must be thoroughly shaped and based on realistic and pragmatic foundations.

Chapitre 2

African Migration: A Cause for Panic?

Abdelhak BASSOU

I. Introduction

1. Multiple and Diverse Narratives

The narrative on Africa divides politicians, analysts and experts alike. Whether they be from an economic, social, political or security perspective, narratives on Africa are prolific, multiple, and diverse. They differ, sometimes converging and other times bordering on the contradictory. Sometimes optimistic, sometimes skeptical, the "African story" confuses. It is the continent of the future, say some; it is mired in crises, say others[1]. Those who make an attempt at objectivity will tell you that Africa is wealthy and full of promises, but...

Each time Africa's strong performances are presented, including more than satisfactory growth rates, sooner or later there comes a "but", opening the door to a list of underperformances (poor governance, terrorism, arms, drugs and human trafficking, illegal financial flows, corruption and illegal migration). As a result, the African landscape is seen through tinted glasses that are either rose, red, grey or even black.

This rainbow scenery paves the way for several ways of perceiving Africa and to behave in relation to it. People come, invest and extract resources. But they also intercede and interfere, dictate behavior and set conditions. Africa is referred to as a fully-fledged partner, but no attempt is spared to dominate it, to place it under supervision. In short, dual perception is matched with dual behavior in relation to the continent.

Hasn't the time come for Africans to demand a change of tone, a new narrative?

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1 Serge Michailov, former director at the World Bank, writes in his book "Africanistan": "In 2050 Africa will be more populated than China, but working-age youths will be three times as many and jobs will be even scarcer than today... We only want to see the Africa that progresses, that offers new markets and is brimming with raw materials; but the Africa in crisis still exists, and will continue to exist for a long time to come."

Africa is what it is. A continent undergoing transformation, a recovering continent after its flesh was torn by decades of colonial wounds.

Shouldn't this continent be left to heal its wounds, instead of assisting it to do so? Shouldn't one at least abstain from accusing it of infamies it has not committed, or that it is not solely responsible for?

Besides, Africa's efforts in several areas - economic, security, human and political - are to be taken into consideration when envisioning the future and horizon-scanning. Africa is moving forward and today's conditions should not be taken as constant parameters to calculate predictions:

- While today Africa is "poor", growth rates and measures taken in some countries to combat poverty should be taken into account.
- While today Africa shows signs of a rapidly rising population, family planning efforts will reduce the number of births.

Africa is moving forward and, in the future, it could meet the needs of its people, ensuring that they remain settled. The stronger the integrated communities become, the more free movement and the more intra-African migration will prevail over that out of Africa.

2. The Narrative On Migration: Slight Exaggerations

On top of terrorism, arms, and drugs, Africa is accused of being the source of another scourge. Africa is said to produce illegal migrants, economic migrants, political migrants, climate migrants and more. Is this accurate? And if so, who is responsible for this? Is such migration (totally/fully/etc…) detrimental to host countries?

Is Europe suffering from general migration? From African migration in particular?

How many Africans have migrated to Europe since the various African independences? Is this number so alarming to warrant the outcry it has led to?

African migration and, to a large extent, its underpinning narrative, are the subjects of this paper which will attempt to examine such migration with its numbers, nature, causes and consequences. This could allow for a reevaluation of the misconceptions often painted by some who sometimes push for a dramatic and panic, a cloak over the damage done to Africa and its wealth. Such damage is inflicted by a new global system of free movement... of goods, not people. Worse yet, people may move from the North to the South, but not from the South to the North. African natural resources can also migrate. They are made to migrate even against their will, without a visa or even a passport. Africans can watch Europeans, Americans, Japanese, Chinese and Indians come into their country without a visa or any other type of restrictions. However, if Africans were to wish to go to those countries, they would have to endure barely legal formalities. These amounts to humiliation, in the queues at the agencies to which European and American legations delegated visa request processing[2].

This paper will address issues and figures that have been circulating on African migration, and will place them in their appropriate context and rid them of magnifying slogans turning them into a scourge. Besides attempting to provide a fresh interpretation of figures, this paper will also examine the detrimental character that some use to portray African migration, concealing its present and future merits. The issue of some tribunes' alarming projections depicting African migration as the scourge to fight in the future shall also be addressed.

Far from minimizing the challenges that uncontrolled migration between both shores of the Mediterranean can bring, it is nonetheless wise to call for less alarmism so as to create an environment that enables, channels and controls flows, and therefore, cut short the solutions advocated by populist and extremist movements.

II. African Migration: A Review

1. 2016: The Figures That Fuel the Panic

On 6 January 2017, Frontex, the European Border and Coast Guard Agency, indicated in a statement that 93% of migrants who had reached Italy in 2016 came from the African continent. Some media precipitously used this information to report that African migration had exceeded the Syrian migration that had grabbed headlines in 2015. At the same time, there was a strong emphasis on the

2

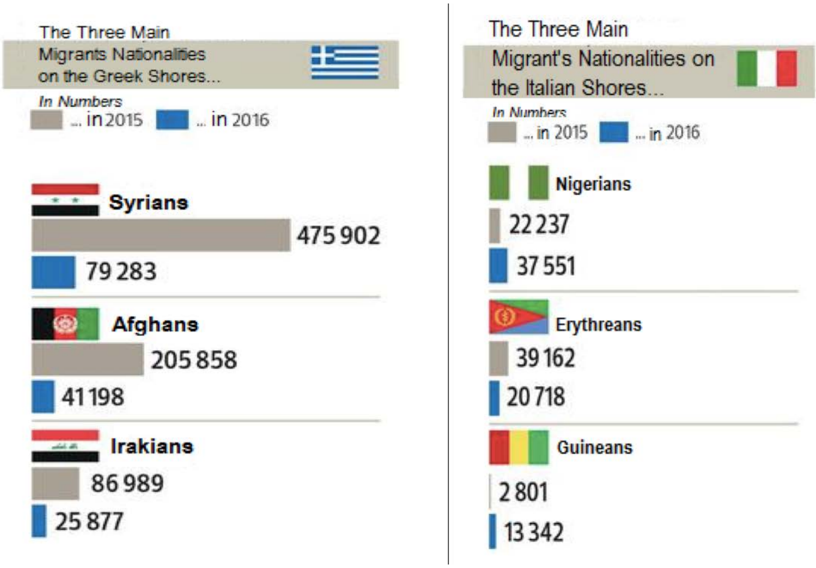
YEAR	NATIONALITY	NUMBER OF VISAS GRANTED
2015	Chinese	824 254
—	Algerian	442 684
—	Moroccan	257 099
—	Russian	181 155
—	Indian	175 337
—	Turkish	134 478
—	Saudi	120 167
—	Tunisian	115 869
—	Egyptian	62 823
—	Lebanese	50 063
—	Kuwaiti	49 938
—	Thai	46 074
—	Iranian	40 856
—	Ukrainian	36 569
—	Philippino	35 718

Source: Ministry of the Interior. Out of the 15 countries that were granted the most visas by French consulates around the world, only 4 are North African. No Sub-Saharan country is mentioned. Yet France is closest country to Sub-Saharan states. In 2016, the trend seems unchanged. See http://zoomtchad.com/immigration-africaine-verite-chiffres-face-mensonge-mediatique/ (in French) fact that out of the 7189 people who drowned in the Mediterranean, 4812 came from Africa.

A calm interpretation of the 2016 numbers reveals that precipitation has caused some to jump to alarming conclusions. While African migration towards Europe has increased in 2016, the overall figure for that year is only a third of the number for the previous year, i.e. one million. The fall, therefore, is sharp.

335,158 migrants reached the southern shores of Europe in 2016, including some 315,000 Africans, or 90%. This is quite far from the disaster of the 2015 Syrian, Afghan and Iraqi migrations (see chart below).

Figure 2: Top three migrant nationalities (Greece, left hand side and Italy, right hand side)



Source: International Organization for Migration http://www.lefigaro.fr/international/2017/06/13/01003-20170613ARTFIG00293-l-ue-face-a-une-vague-de-migrants-africains.php (in French)

The chart above indicates that Nigeria, home to the highest number of African migrants among the 335,158 recorded in 2016, remains very far from Syrian, Afghani and Iraqi migration, both in 2015, which was known as the year of middle-eastern migration, and in 2016 known as the year of African migration.

The panic being stoked about the increase of African migration in 2016 is rooted in the syndrome created by the 2015 migrant crisis, in which Africans were not many.

The year 2017 will show that the figure of 360,000 was in fact an exceptional peak rather than a trend. Between 1st January and 1st November 2017, just

150,982 migrants reached Europe's southern shores, less than half as many as in 2016. Out of these 150,000, only 100,000 took the central route on the African coast between Libya and Italy, and 10,000 went through Gibraltar; the rest arrived through the Middle-East via Cyprus and Greece, routes that African migrants do not take.

Additionally, when tracing African migration back to geopolitical events in the region, it is clear that the current peaks are situational. They are chiefly due to Libya's destabilization (there is no secret as to how). Tens of thousands of Africans who lived under the Gaddafi regime strive to go to Europe and the ungovernable and ungoverned country has become a paradise for smugglers and Mafia networks who found an appropriate location for their "business".

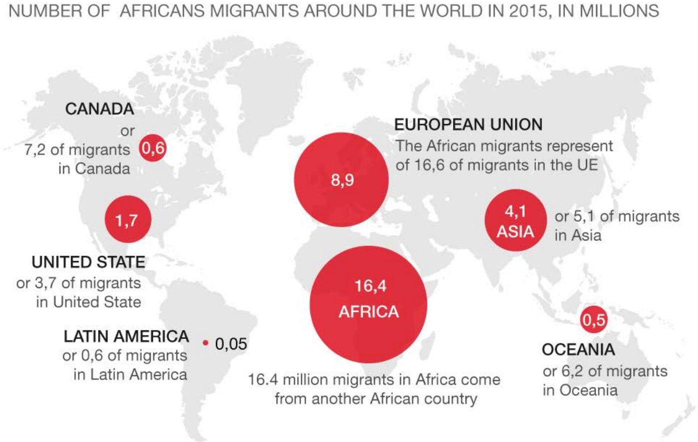
2. The Vast Majority Of African Migration Is Intra-African

African migration represents just 10% of global migration. Such migration is usually intra-African. The vast majority remains in Africa. 80% of the displacement of African populations occurs within Africa; only 12% migrate toward Europe, 6% toward Asia and North Africa and 2% toward the rest of the world[3] (see map below).

3 According to Takyiwaa Manuh, Director of the Social Development Policy Division at the Economic Commission for Africa (ECA), this misconception has several explanations. The major one concerns the current European migrant crisis, which has received intense media coverage and sparks a negative debate on migration. Illegal migration from Africa to Europe has drawn great attention, but in reality, intra-African migration is a much larger phenomenon. 80% of migratory flows remain within the continent, and only 15 to 20% go to Europe, said Mrs. Manuh, at a side event on international migration organized alongside the Conference of Ministers in Addis-Ababa.

Figure 3: African Migrants in the World

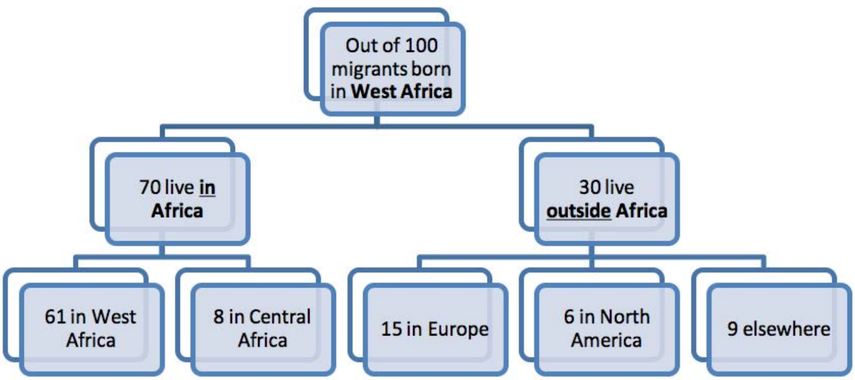
More than 32 millions of africans migrants around the world, or 14.32 % of migrations.



Source: International Organization for Migration http://www.lemonde.fr/international/article/2017/01/16/migrations-africaines-le-defi-de-demain_5063273_3210.html (in French)

This intra-African migration trend also holds true for West Africa, the region that exports the most migrants to Europe. 70% of migrants born in West Africa do not leave Africa. The remaining 30% are distributed amongst Europe (15%), North America and the rest of the world (the remaining 15%). (See Figure 4).

Figure 4: Regional Distribution of West African Migrants (in %)

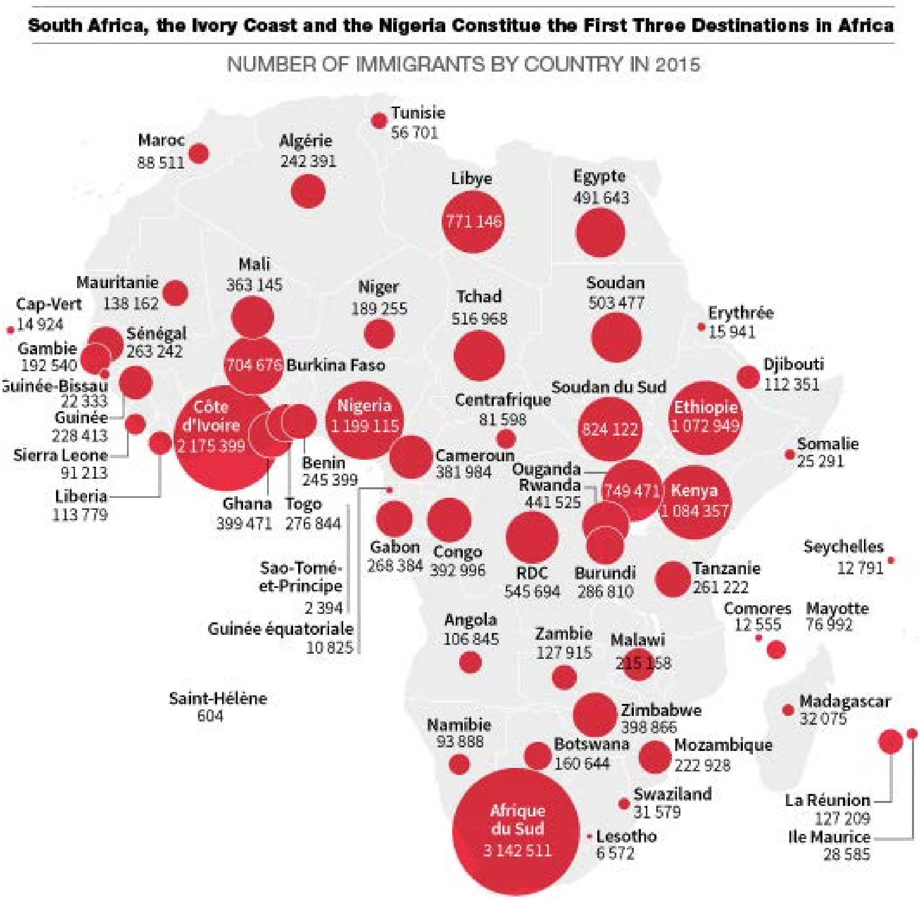


Africa is, first and foremost, the major destination of African migration. Some African countries have taken in more migrants than it appears:

- South Africa: 3,142,511 African migrants;
- Côte d'Ivoire: 2,175,399 African migrants;
- Nigeria: 1,199,115 African migrants;
- Kenya: 1,084,357 African migrants;
- Ethiopia: 1,072,949 African migrants.

These top five host countries for African migration have taken in almost as many people as all of Europe (See Figure 5 below).

Figure 5: Major African Migrant Destinations



Source: International Organization for Migration http://www.lemonde.fr/international/article/2017/01/16/migrations-africaines-le-defi-de-demain_5063273_3210.html (in French)

III. African Migration : An Opportunity

1. African Migration Is Inappropriately Measured Against The Yardstick Of The 2015 Crisis[4]

The fear currently caused by migratory flows owes neither to the number of migrants or to their country of origin; rather, it is due to the means used to reach European shores. The dense flows in calm sea seasons, the anarchy that characterizes such operations and the intrusion of Mafia networks are what make this migration a scourge that threatens security and stability in countries of destination.

However, numerous they may be, migrants would not cause major concern if it weren't for the fact that operations to enter European soil are depicted in the light of illegality and clandestinity. Before the 1990's, migration was much less of an issue, if at all, between Africa and Europe, and in particular countries that are historically linked to Africa, such as France, Italy, Belgium, the Netherlands and Portugal.

Following the independence of the majority of African countries in the 1960's, few European former colonial countries set restrictive conditions for nationals of their former colonies to enter their territory. To build post-war Europe, it was convenient that former colonies provided abundant labor that wasn't too concerned about social conditions. Nevertheless, these populations formed non-integrated communities and ended up constituting marginal populations that began to embarrass European states, especially since the need for African labor was no longer as pressing.

With its former African colonies, Europe had pursued a flexible policy for nationals of its former African colonies to enter and reside in the European territory. However, towards the late 1980s, it started to consider taking measures to stop flows. Several African countries were then subjected to drastic and stringent conditions regarding their people's access to the European territory.

At that time, migration networks had begun to proliferate. Such networks were fraudulent at first, using stratagems to forge documents, then became clandestine, taking routes and entry points that differed from the official ones.

Up until the 1990's, agreements between Europe and African countries did not contain binding migration clauses. Restrictive provisions only became central in European policy when the European Union expanded eastward to

4 Out of the million people who reached Europe in 2015:
Over 850,000 came via the Greek coasts, with a large majority of Syrians (56%), Afghanis (24%) and Iraqis (10%).
The number of Africans was almost insignificant.

find in former "socialist" countries labor that could replace that coming from its southern neighbors[5]. This change appeared in the first "European neighborhood policy" in 2003.

When considered in the heat of the moment and in the anarchical conditions in which they occur, current migration flows naturally create management and logistics problems, on top of the security risks that they carry. Yet, the fact remains that, on the long term, immigration is positive for economic growth in Europe. The current migratory movements are problematic, but they remain exceptional and situational. African migration has suffered from the tone, the intensity and the scale that the 2015 crisis gave to the migrant issue. Today, it is measured against the yardstick of middle-eastern migration, the source of the 2015 crisis in Europe. As a consequence, the risks of African migration have prevailed over the opportunities that it represents for European economies.

2. African Migration: A Net Positive For Europe

One of the things that should be considered, given Europe's aging population, is that African migration might be sought in the future, at a time when there will be no need for it to leave Africa behind (See table 1 below.) [6].

Table 1: Estimated African and European Population

	2017	2030	2050
Africa	1.2 billion	1.7 billion	2.5 billion
Europe	742 million	739 million	716 million

Source: United Nations Population Division

While discussing the economic consequences of migration on Europe, Jean-Christophe Dumont, head of the International Migration Division at the Organization for Economic Co-operation and Development (OECD), recognized the short-term issues related to current migrations, as they require investment in reception facilities and social and health policies, but emphasized the medium and long-term advantages: "but one must not forget the medium-term benefits", he says, adding that "immigrants" contribution to the economy is higher than what they receive in social benefits or public spending".

5 Analyzing the case of the United Kingdom, after the 2004 enlargement of the European Union, in partiuclar including Poland, the OECD revealed that over a million migrants reached the UK in a few years. In 2015, the country whose nationals obtained the highest number of residence permits is Ukraine (19.2% of total, largely for employment reasons).

6 In 2050, Europe will have 57 million fewer people in its working population, whereas Africa will have 1.2 billion working-age people.

Other European economies specialists[7] reckon that young migrants want to work, build a life and therefore, once they are integrated, they will consume, find accommodation and contribute to the economy.

The European Commissioner for Economic Affairs, Pierre Moscovici, had stated at a 2015 press conference that by taking into account the additional public spending and labor, the impact of migrants' arrival was expected to add "0.2 to 0.3%" of growth by late 2017, for the EU as a whole. He thus confirmed the conclusions of a 200-page report of economic forecasts published in November 2015 by the European Commission. The report anticipates that, between 2015 and 2017, the arrival in Europe of three million migrants fleeing war and poverty would have a "weak but positive" effect on the economic recovery.

IV. Conclusion

The 2015 migrant crisis negatively affected African migration.

For strategic reasons having to do with its relations with Europe, Turkey had let through Syrian, Afghani and Iraqi refugees and migrants who wanted to reach Europe. Some 850,000 people thus flooded into Europe, precipitating a crisis exacerbated by the absence of a common European position on the matter.

In the wake of tightened controls in Turkey following its agreement with Europe, smuggling networks shifted towards African coasts, where thousands of Africans with no citizenship rights were waiting, as networks had focused so much on middle-eastern migrants. This led to an increase in African migration in 2016, which halved the very next year.

By likening this migration to the 2015 middle-eastern migration, some experts and media hastily made alarming projections that stigmatize African migration in Europe, even though the historic data show that it is not the detrimental scourge that it is made out to be.

This perspective will have to give way to calmer analyses that, without discounting the risks of uncontrolled African migration, take into consideration the opportunities that such migration would offer to the European continent.

7 Thibault Gajdos, researcher at France's National Center for Scientific Research (CNRS).

Chapitre 3

Facing the New generation of Terrorism and the Opportunities for a Common Continental Responses Capabilities

El Mostafa REZRAZI

I. Introduction

The African Continent is experiencing successive crisis not only of security nature, but difficult dilemmas were interference between political, ethnic, social and economic dimensions are exceedingly prevailing.

Therefore, terrorism comes at the forefront of these crisis. In the past five years, terrorist attacks have killed nearly 20,000 people across Africa, in addition to damages inflicted on basic infrastructures, and on economic and political performance of the affected countries.

II. Security Conditions and Terrorist Threats in Africa

1. Increasing Terrorist Threats

The threats of terrorism in Africa did not begin by the attacks of September 11, 2001, but it dates back to the nineties when Osama bin Laden operated in Sudan and where an attack on Egyptian President Hosni Mubarak was scheduled by terrorist groups. Africa's commitment to the war on terror grew three years later, when al-Qaeda cells blew up the United States embassies in Nairobi and Dar Es Salaam in 1998.

These dramatic events have demonstrated new dimensions of terrorism threats and made it clear that terrorism in Africa was not only dependent on internal factors, but also on the international environment.

The United States reaction in Afghanistan and its offensive attack by bombing a chemical plant in Sudan under the claim that it was producing chemical weapons components for Al Qaeda; the United States involvement in Somalia from 1992-1995[8], and in Sudan, after American accusations of manufacturing chemical weapons; consequently followed by the United States launching of cruise missile strikes against Sudan's Al-Shifa pharmaceutical factory in August 1998; have increased the pressure on African countries to reconsider the security architecture of the continent.

In view of this security paradigm, Algerian civil war, named sometimes "black decade" or "decade of terrorism" has increased international attention, and placed Africa in the heart of the interest of security agencies worldwide.

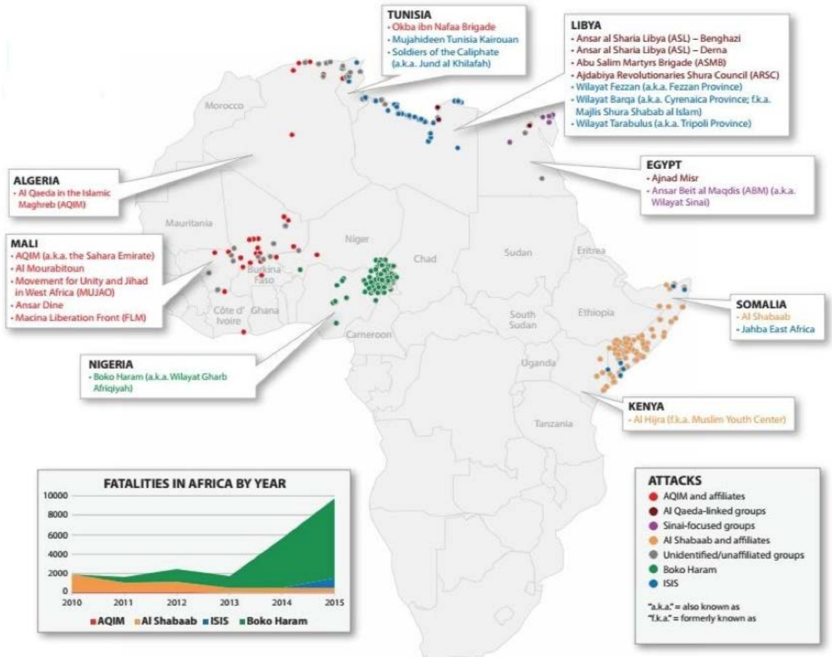
During this Algerian syndrome, it is estimated that the conflict cost the lives of more than 60,000 people, thousands of missing, around one million internally displaced, tens of thousands of exiles and more than twenty billion dollars of physical casualties and damages.

One of the trends we are witnessing today in terms of crisis is the threat of terrorist threats in Africa and precisely in the Sahel-Saharan belt, characterized since 2005, by both its dynamic and evolving. These developments have the effect of aggravating the nature of the threat, of making it more complex and making the responses that could and should be made even more urgent, but at the same time uncertain.

Terrorist threats are characterized today by the existence of a number of dynamisms that contribute to their expansions and aggravations within the continent, through tranversality and interference with organized crimes, arms and drugs trafficking, illegal migration, or through transnationality.

8 Scott Peterson, Me against My Brother: At War in Somalia, Sudan and Rwanda. Routledge, 2000

Figure 6: Most Active Terrorist Groups in Africa 2010-2016



Since 2006, terrorist attacks on the continent have increased by over 1,000%, with a sharp rise between 2013 and 2014[9].

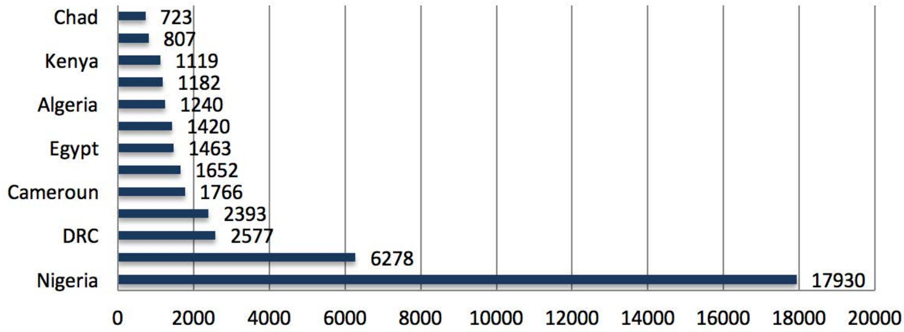
In total, Global terrorism index[10] has listed eight major groups affiliated with IS or Al Qaeda in Africa, with more than 52,400 combatants. To do this, they relied on the official list established by the Counter-Terrorism Committee, mandated by United Nations Security Council Resolutions 1373 and 1624, as well as data from the Global Terrorism Index and the US Center for Disarmament and Terrorism.

In a report published by Mo Ibrahim Foundation in 2017[11], the continent has experienced 3,093 terrorist attacks in 2015 against only 271 in 2006 and a total of 12020 terrorist attacks recorded over the period 2006-2015[12].

The most affected country in Africa is Nigeria with 17,930 dead caused by repeated attacks by Boko Haram. It is then followed by Somalia with 6278 deaths, then by the Democratic Republic of Congo with 2,577 dead, Sudan with 2,393 dead, and Cameroon, who is amongst the top five most affected countries, has recorded 1,766 deaths.

9 Brahim, Africa at a Tipping Point. 2017 Forum Report, P 36
10 Terrorism Global index report 2017, P 17
11 Mo Ibrahim Foundation, ibid
12 Mo Ibrahim Foundation, Ibid

Figure 7: Countries with the most fatalities (2006-2015)



Source: adapted from Mo Ibrahim Foundation, Africa at a Tipping Point. 2017 Forum Report

Terrorist threats in the continents take different forms and target different purposes. During the last decade, terrorist activities consisted of:

(i) terrorist attacks against African interests; (ii) terrorist attacks against based foreign countries missions and facilities; (iii) the use of African territories as sanctuary, and success of some terrorist groups to preserve their own territorialities in remote areas, remote and rugged areas or in unpopulated and uncontrolled zones; (iv) the use of Africa as a breeding ground for terrorist activities and a source of recruitment and financing; (v) the use of Africa as a transit area for terrorists and implication in other illicit activities associated to organized crimes.

With regard to forms of terrorist attacks in Africa, 38.8% of attacks are perpetrated with bombs, 30.5% are small arms attacks and 11,9% of the acts committed are of a kidnapping nature[13].

Regarding the targets, ordinary citizens remain the main victims of terrorist attacks (35.8%), in front of the military (19.9%), police officers (10%), local officials (8.1%), business leaders (5.3%), foreign officials (3.3%) and religious leaders (3%)[14].

The most used weapons are bombs or explosives (41.9%) and firearms (40.6%). The Somali Al-Shabab and Boko Haram have been cited as the two deadliest terrorist groups in Africa.

If the efforts of the Multinational Joint Task Force (MNJTF) lead by the countries of Lake Chad Basin – and supported by the United Nations Security Council (UNSC)[15]- have relatively weakened Boko Haram's fighting capacity in

13 Op.Cit
14 Op.Cit
15 UNSC, resolution 2349

the region, Boko Haram was also able to adapt itself to the new environment and changed its tactics, increasing the use of suicide attacks[16].

Almost records illustrate some 130 attacks attributed to Boko Haram Nigeria, Cameroon, Niger and Chad between June and July 2017 resulted in 284 civilian fatalities, against 146 attacks and 107 civilian fatalities between April and May of the same year, which means that the decrease of Boko Haram attacks was identified in the attacks' number, against an increase of casualties.

To conclude, the outcome is unequivocal. There are nearly 20 African countries directly affected on their territory by the bloody threats of violent extremism and terrorism:

Al-Shabab in Somalia and Kenya (but also affecting Ethiopia and Uganda), Daesh in Libya (with ramifications in Tunisia and an active presence in Egypt), Al Qaeda in the Islamic Maghreb (AQIM) and its allies in Mali and in southern Algeria (with channels throughout the Sahel and immediate neighbours such as Côte d'Ivoire), Boko Haram in Nigeria, Niger, Cameroon and Chad.

Nevertheless, after the defeat of ISIL in Syria and Iraq, we are witnessing today both: (a) the emergence of new terrorist actors such as the case of Jama'at Nusrat al-Islam wal Muslimin – created in March 2017, and carried out 36 violent acts in 2017, in parallel with an increasing fear of the return of foreign terrorist fighters' (FTF), and their redeployment in Africa.

The analysis of various efforts put into practice for combating terrorism in Africa, shows that structural obstacles facing these efforts, cannot be reduced in financial, or technical deficiencies but extend to institutional limitation and to the fragility of state institutions.

Most of terrorist attacks in the Sahel take place along porous extended borders, under weak control, either because of the absence of advanced technical equipment to monitor the borders, or the absence of insufficient manpower to monitor thousands of kilometers.

III. Responding to the Threats in the Sahel

African countries have set up several national and regional initiatives, willing to combat extremist groups and other associated threats, including organized criminal organizations that operate in arms, drugs and human smuggling and trafficking.

But continentally, the commitment and efforts to build institutional capacity to confront terrorism threats on the ground remain insignificant, mainly when it

16 Mulugeta Gebrehiwot Berhe and Alex de Waal ,Peace Missions in Africa: Constraints, Challenges, and Opportunities- Preliminary Report to the African Union -. World Peace Foundation. March 2015

comes to the building of a collective capacity for a collective response.

At the international level, foreign powers have reacted to this deteriorating situation, either through their assistance to affected countries in confronting threats unilaterally, through regional instruments, and by using the umbrella of the United Nations as a legitimate legal guarantee that provides international protection and facilitates the financing process.

1. The Contribution of the International Community

With the increase of terrorist threats in Africa, reactions of various actors of the international community have been wide-ranging and rapid. We may distinguish between four categories of international interventions in the management of African insecurity:

- **UN instruments:** Through different mechanisms of the United Nations, either by dispatching peacekeeping operations (PKO) (UNISFA, MINUSCA, UNAMID, MONUSCO, UNMIL, MINUSMA), or by assisting the security sector reform (SSR) in different African countries by the means of United Nations Offices in Africa, such as the case of the UN Offices for West Africa and the Sahel (UNOWAS), by the means of the UNSC in the management of security threats and conflicts in Africa under the chapter VII of the Chart, or through the channels of coordination between the United Nations and the African Union (AU) under the chapter VIII.

Despite the limited role of PKO's mandates to engage in counter-terrorism tasks, efforts were deployed to contribute to the restitution of stability. Two major problems were facing the UN missions. The first one is the predicament of the UN peacekeeping forces in the Sahel and in Central Africa which resulted from the ambiguity in the status of the United Nations within existing conflicts, and the insertion of the UN by violent groups amongst the category of enemies. The second is the buffer zone which separates the status of the UN forces from state forces towards terrorist groups, especially in areas where those groups are intertwined within ethnic and tribal structures. This situation places the UN peacekeepers in an embarrassing position, when local public opinion might perceive UNPKO as a party to the conflict.

It is still to say that one of the most significant UN inclusive blueprints on the Sahel crisis is the United Nations Integrated Strategy for the Sahel. This integrated agenda was built around three broad areas of support formulated as strategic goals and organized according to key themes.

Table 2 : United Nations integrated strategy for the Sahel

Strategic goal	Objectives
1 Inclusive and effective governance throughout the region is enhanced	1.1 Strengthen institutions to foster democratic practices, including political dialogue, free, fair and transparent elections, and broad-based participation.
	1.2 Support local governance and the extension of government services throughout national territories.
	1.3 Strengthen state capacities to ensure more equitable access to resources and socioeconomic services.
	1.4 Assist the Sahelian countries to strengthen regional mechanisms for economic governance.
	1.5 Strengthen national and regional human rights mechanisms to combat impunity and assist the Sahelian countries to strengthen independent national justice systems to effectively address corruption.
	1.6 Support community security and social cohesion.
	1.7 Assist the Sahelian countries to develop national and regional early warning systems to address potential governance challenges and security threats.
	Foster sustainable security sector governance in the Sahelian countries through the promotion of/and support to professional, accountable and regulated security and justice institutions.
2 National and regional security mechanisms are capable of addressing cross-border threats	2.1 Enhance the United Nations regional security analysis and monitoring of cross border threats in the Sahel.
	2.2 Enhance national capacity, including through improved coordination among relevant national institutions, to tackle terrorism and transnational organized crime, in line with international human rights standards.
	2.3 Enhance national capacities for effective border management, including through improved coordination among relevant national institutions.
	2.4 Strengthen regional capacity to tackle terrorism and transnational organized crime.
	2.5 Enhance regional and interregional cooperation among Sahelian, West African and Maghreb States, including through the development of harmonized approaches aimed at combating illicit trafficking, controlling arms and movements of armed and criminal elements, including terrorists, and reinforcing the 1267 arms embargo mandate.
3 Humanitarian and development plans	3.1 Support local, national and regional stakeholders to better identify and track vulnerable households, in a participatory manner.
	3.2 Support governments and other stakeholders to provide equitable and effective coverage of basic social services and promote effective social protection systems.
	3.3 Strengthen household, national and regional risk management capacities.
	3.4 Strengthen sustainable livelihoods.
	3.5 Promote environmental sustainability through national and regional natural resource management mechanisms and climate change adaptation and mitigation programs, with a special focus on water.

Source: UNSC. S/2013/354

2. Other Foreign initiatives

The most considerable foreign initiatives or operations related to countering terrorism in Africa since 9/11 can be listed as follows:

United States (the most important American initiatives):

- GCTF: The Global Counter-Terrorism Forum
- TSCTP: Trans-Sahara Counterterrorism Partnership (2005)
- AFRICOM: United States Africa Command (2006)
- PREACT: Partnership for Regional East African Counterterrorism (2009)

Other American initiatives remain diversified and varied in goals and objectives. Amongst them we can mention:

- OEF-HOA: Operation Enduring Freedom – Horn of Africa (OEF-HOA) (2002)
- PSI: USA's Pan-Sahel Initiative: a State-led effort to assist Mali, Niger, Chad, and Mauritania (2002)
- OEF-TS: Operation Enduring Freedom – Trans Sahara (2007)

France:

- Operation Serval in 2013
- Operation Barkhane in 2014

The European Union:

European Union Strategy for Security and Development in the Sahel

NATO:

- NATO's Assistance to AMIS - the African Union in Darfur, Sudan in 2005
- Counter-piracy in the Gulf of Aden and off the Horn of Africa in 2008
- NATO's Operation Ocean Shield in 2009
- Operation Unified Protector in Libya in 2011

3. The Continental Organizations and its Instruments in Combating Terrorism

At the continental level, the African Union has built an organisational and legal framework to combat violent extremism and terrorism, in a way that preserves a harmony with the international legal system.

In theory, the Article 4 (o) of the Constitutive Act of the AU offers framework for engaging the AU state members to fight terrorism. It calls for "respect for the sanctity of human life, condemnation and rejection of impunity and political assassination, acts of terrorism and subversive activities".

The promising of the African Peace and Security Architecture (APSA), particularly its mechanisms that include the Peace and Security Council (PSC) of the AU, the AU Non-Aggression and Common Defence Pact and the Common African Defence and Security Policy (CADSP), have categorized terrorism as one of the common threats to Africa.

Table. 3: The African Union Counter-terrorism Legal Instruments

- Resolution on the Strengthening of Cooperation and Coordination among African States [AHG/Res.213 (XXVIII)] in 1992, Dakar, Senegal;
- Declaration on the Code of Conduct for Inter-African Relations [AHG/Del.2 (XXX)]. in 1994, Tunis, Tunisia;
- Convention on the Prevention and Combating of Algiers. In 1999. Algeria;
- AU Plan of Action on the Prevention and Combating of Terrorism. In 2002. Algiers in September;
- Establishment of African Centre for the Study and Research on Terrorism (ACSRT), was created in 2002, and activated 2004 in Algiers;
- The Additional Protocol to the 1999 Convention on the Prevention and Combating of Terrorism. In 2004, Addis Ababa;
- The appointment of AU Special Representative for Counter-Terrorism Cooperation in 2010. The Special Representative serves, concurrently, as the Director of the ACRST;
- The African Model Law on Counter Terrorism, which was endorsed by the decision [Assembly/AU/Dec. 369 (XVII)] adopted by the 17th Ordinary Session of the Assembly of the Union, held in Malabo, in July 2011.

Yet, to what extend was the AU able to generate an operational collective responding mechanism to fight terrorism?

After the attacks of 9/11, AU's most significant initiative was the creation, in December 2002, of a focal point that may serve within the AU Commission on counter-terrorism matters, then the action Plan on the Prevention and Combating of Terrorism aimed at identifying a concrete expression to the commitments and obligations of the African countries, to combat terrorism and to enhance their access to appropriate counter-terrorism resources.

In fact, none of these declarations have generated a concrete collective mechanism, it has served as a guiding framework for individual steps that each member-state may adopt.

a. Reduced Implication of the Regional Economic Communities and Regional Mechanisms

On the field, operational instruments continue to suffer from incompatibility with regional economic communities' (REC) directives and mandates.

During the rise of progressive joint interventions by the AU and the Regional Economic Communities and Regional Mechanisms (RM) in violent conflict during the last three years, the AU's involvement shows a marginalization of the role assigned to RECs/RM, and took the form of diplomatic interventions, mediation operations or support for peace.

With the exception of two peacekeeping operations processes led by the African Union (African Union-led Regional Task Force in central Africa and the African Union Mission in Somalia), the African security architecture has not been able to activate doctrinal and legal arsenal developed by the AU.

In most of conflicts described as violent during the period between 2013 and 2015, the AU operated its interventions through the AU Commission Chairperson, through Special Envoys appointed by the President, via the AU Assembly President, via the Wise Group, as well as through other temporary and conflict-specific channels, such as the AU Commission of Inquiry on South Sudan (AUCISS) and the AU High-Level Implementation Panel (AUHIP) on Sudan and South Sudan (AUHIP).

b. Standby forces

Standby forces have never been able to function as operational facilities for peacemaking/ peacekeeping nor even as an instrument for the mobilization of regional solidarity to prevent against ongoing threats through Early Warning System (CEWS).

RECs/RMs have very different perceptions on whether the AU or the UN should mandate the employment of the African Security Forces (ASF). For instance, the Southern African Development Community (SADC) and the ECOWAS tend to prefer the UN Security Council authorization. This lack of consensus on the mandatory authority leads to the AU's current inability to mandate a mission.

That is why the UNSC was hesitant about mandating African regional initiatives without its authorization, whereas the AU would have interpreted the status of the PSC as a legitimate authority within the framework of Chapter VIII of the UN Charter relating to Regional Arrangements.

The AU has been called upon to intervene in various crisis, but instead of deploying the ASF, it has opted for ad-hoc arrangements, through the African Capacity for Rapid Intervention in Crises (ACIRC).

Today, the African Union has come to the conclusion that the ASF are ineffective, despite all attempts of reforms, because anomalies are structural and linked to the incompatibility of ASF with their REC's: RM and generate consequently a geographic ambiguity.

On 6th April 2017, the African Union Peace and Security Council (PSC) held a meeting to discuss the African Standby Force (ASF). The AU Experts believe that the ASF doctrine should be reviewed in line with the current developments on the continent. The doctrine should take shifting regional alliances into account, and the debate over the desirability of the African Capacity for Rapid Intervention in Crises (ACIRC) should be put to rest once and for all.

Table 4: The African Union Central and Regional Instruments, regional framework and mandates

AU central and Regional Instruments	Legal Framework	Mandates
Peace & Security Council	(Article 7 (i) of the Protocol Relating to the Establishment of the PSC)	- The provision of technical assistance on legal and law enforcement matters, including matters related to combating the financing of terrorism. The preparation of model laws and guidelines to help member states to formulate legislation and related measures for preventing and combating terrorism; - Follow-up with member states and with regional mechanisms on the implementation of decisions taken by the PSC and other organs of the AU on terrorism-related matters.
AU Commission	(Paragraph 17 of the Plan of Action and Article 5 of the Protocol)	
Regional Economic Communities	Article 6 of the PSC Protocol	- Harmonize and coordinate national measures to prevent and combat terrorism in their respective regions; - Establish modalities for information sharing; - Assist member states to implement regional, continental and international instruments for preventing and combating terrorism.

IV. African Regional Initiatives: The Malfunctioning in Building Joint Response Mechanisms

Despite the fairly decrease of terrorist attacks that have been recorded in terms of the number of attacks (but with increased number of fatalities) in some affected regions, collective or regional initiatives have not yet developed efficient mechanisms to respond jointly to terrorist threats and to other security challenges.

In addition to the AU's regional Standby forces (ECOWAS Standby Force and ECCAS Standby), three main regional initiatives have been launched in the Sahel: Force Lake-Chad multinational joint task, Liptako-Gourma joint task force, and the G5 Sahel.

Table 5: Regional Initiatives to Counter Terrorism in the Sahel

Countries	AU regional Stand by forces belonging	Lake-Chad multinational joint task	Liptako-Gourma joint task force	G5 Sahel
Benin	ECOWAS Standby Force	X		
Cameroun	ECCAS Standby Force	X		
Chad	ECCAS Standby Force	X		X
Ghana	ECOWAS Standby Force			
Niger	ECOWAS Standby Force	X	X	X
Burkina Faso	ECOWAS		X	X
Nigeria	ECOWAS Standby Force	X		
Mauritania	North African Regional Capacity,			X
Mali	ECOWAS Standby Force		X	X

A question that can be raised here, is about the effectiveness of those multiple initiatives that interfere on same tasks, share the same forces, but with a multiplicity of Administrative bodies, of regulations and of budgets. In disagreement with the arguments put forward by some African decision-makers, claiming that those deficiencies are rooted in the absence of financial and technical capabilities, the examination of national and regional capacities' indicators refer to three main reasons:

- The first is setbacks caused by restive political climates, violent extremism, ethnic rebellions, political, religious or ethnic affiliations, extra-constitutional actions that interrupt cooperation and intensify conflicts of interest at the expense of coordination;
- The second is the dispersion of resources and efforts, by creating a number of mechanisms that interfere in specifications and duties, in the area of intervention, in addition to the duplicating adhesion and overlapping membership in more than one mechanism;
- The third reason is due to the lack of a clear conception of mechanisms of security cooperation, especially when it comes to the synchronization of human and technical capabilities of both police units and military units. To overcome this complication, the new initiative of the G5 Sahel has developed combined curriculum with the format of the army policiarization and police militarization, and adapted both units to perform their intervention in remote areas as well as in urban areas.

If this large diversity of African initiatives reflect the scale of awareness amongst African policy makers about the emerging threats in the continent, yet, this multiplicity of projects and duplicating similar formats in similar spaces also show that the will to coordinate and cooperate in order to build a joint response force is remaining weak. This may be due to considerations related to the fear amongst Sahel states that one country might monopolize the regional leadership and expand its influence. It could also be generated under the obligations of the engagements of each country with its international or regional allies and partners, which leads to the increase of prudence and the conflict of interests.

The duplicating process that leads to an overlapping syndrome of defence initiatives in the Sahel, has a heavy financial, human, technical and strategic implications that may not serve the counterterrorism objective.

In light of this situation, the AU remains far from controlling the continental security instruments, both in relation to its defensive strategy of Standby forces, and in relation to the regional economic communities (REc/RM), or in relation to individual states and the other initiatives initiated by foreign donors and foreign powers.

1. The G5 Sahel

The initial decision dates back to the G5 Sahel summit in November 2015 in N'Djamena, but the project was reactivated only early this year, mainly due to the deterioration of the situation in central Mali, bordering Burkina Faso and

Niger, and due to the escalation of terrorist threats.

The creation of the G5 Sahel countries (Burkina Faso, Mali, Mauritania, Niger, and Chad) aims to stop the expansion of jihadist groups in the region. It was authorized by the African Union Peace and Security Council in April 2017 and was strengthened by the adoption of the UN Security Council (UNSC) Resolution 2359 in June of the same year, yet, without invoking Article VII of the United Nations chart[17].

The G5 Sahel is intended to complement the mandates of the MINUSMA and Operation Barkhane, but its mandate may exceed Barkhane's mandate.

The UN Security Council has urged the joint force of the G5 Sahel composed of military and police personnel, the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) and the French forces in that country to ensure adequate coordination and exchange of information regarding their operations, within their respective mandates.

Table 6: The MINUSMA, the Barkhane Operation and the G5 Sahel's mandates

Mandates	MINUSMA	Operation Barkhane	G5 Sahel
Fighting terrorism	X	X	X
Fighting transnational organized crime	X	X	X
facilitation of humanitarian operations	X	X	X
development activities	X		
restoration of state authority	X	X	
joint cross-border operations and antiterror operations		X	X
Assisting MINUSMA		X	X
Assisting Operation Barkhane	X		X
close a capacity gap between Barkhane Operation and MINUSMA			X
Accelerate & facilitate Regional security cooperation	X	X	X
Authorized by UNSC Security Council under Chapter VII	X	X (if considered an extension of Serval operation)	

17 UNSC, 7979TH MEETING (AM). SC/12881. 21 JUNE 2017

In fact, the G5 Sahel has gained a large symbolic support from both international and African communities. France which is at the top list of the supporting partners, was noticeable at the UNSC' deliberation on draft resolution on the G5 Sahel submitted by France.

For the French diplomacy, Barkhane operation and the MINUSMA will continue operating an indispensable in-field instruments. It is clear that this force slightly alleviates the military responsibility of France, but Barkhane remains the backbone of the G5 Sahel.

This format will be used to reduce costs and to advocate the international community for more engagement.

France, which seeks to maintain its leadership in the region, is also seeking to find a political exit to the Sahel crisis.

For the United States, it is after a long reservation, that Washington expressed its support to the Group of Five Sahel States (G5 Sahel) Joint Force[18] by providing a financial assistance of $60 million. However, the United States, which has reduced the UN support for the G5 Sahel initiative, is still convinced that the G5 force must be, first and foremost, owned by the countries of the region themselves[19].

If the United States' reservations resulted from its aspiration to limit France's broad influence in the Sahel, financial and philosophical considerations remain significant as well. Washington finds itself unable to approve for UN funding for the G5 Sahel initiative, at a time when Trump's administration is promoting a policy to reduce the United Nations expenditures on peacekeeping operations around the world. On the philosophical level, Washington prefers to precede its discussions with the G5 Sahel on a bilateral basis.

However, negotiations are expected to take a different course with the killing of four U.S. Special Forces soldiers as a result of an ambush by unknown gunmen in October this year in Niger. Washington has softened its language on the issue of financial and logistical support for fighting terrorism in the Sahel region.

It is expected that these latest security developments would generate more support from donor countries during the donor conference scheduled in mid-December 2017.

The most controversial issue is how to limit the mandate of the G5 Sahel rather than making its financial vulnerability a pretext to enlarge its objectives. Today, the joint force is also expected to help creating the conditions that would enable the MINUSMA to carry out its mandate, as well as an environment for implementing the Agreement for Peace and Reconciliation in Mali.

18 USA State Department, statement , 30th October 2017

19 Media declaration of U.S. ambassador to the U.N. Nikki Haley in remarks to the Security Council. see : http://www.africanews.com/2017/10/31/us-pledges-up-to-60m-for-g5-sahel-counter-terrorism-force//

a. The G5 Sahel Financial Agenda and International Assistance

In order to express their strong determination to activate the initiative, the G5 Sahel Joint Force has launched its first regional operation in early November 2017. In addition to this operational step and in order to gain more trust confidence donor countries, the five member states of the G5 Joint Forces have each pledged $10 million. The European Union, which has been a key supporter of the initiative since its announcement, has granted $70 million.

For the United States, the state department has approved a grant of $60 million through bilateral channels.

Nevertheless, France and Germany are expected to play a major role in persuading donors to support the G5 Sahel initiative during the donor conference of December 2017. If countries such as Austria, Belgium, and Denmark, have expressed their willingness to join donors' camp, other countries like Japan and China are also expected to be involved in the support process.

b. Neighbouring Countries Reactions

The countries located at the second front line of the G5 Sahel have all expressed support for the initiative except Algeria.

Senegal has announced its will to collaborate with the G5 Sahel, since it is sharing borders with two member countries of this organization -Mali and Mauritania, and also because Dakar is engaged with these states in bilateral defence agreements that engage them in joint mixed patrols operations in borders.

Egypt did not make the exception and manifested its political will to cooperate with new born imitative.

Morocco has expressed its ability to support the initiative not only in assisting the training of troops, teaching border-security strategies, sharing expertise in intelligence and information sharing; but also in providing help in religious training, which has become sought after by many African and European countries, seeking to counter the radical message of extremist groups with a discourse promoting a moderate Islam.

However, Algeria was cold towards the initiative. In fact, Algeria did expect the creation of a military force in the Sahelo-Saharan strip without it. Yet, when the project was firstly announced in 2014, Algeria did not consider that it could resume its dynamism after almost three years.

In fact, a history of inactive cooperation took place in 2010 between Algeria, Mauritania, Mali and Niger who joined the Joint Operational Staff Committee

(CEMOC), created under the auspices of the Algeria with a base installed in Tamanrasset, in southern Algeria, but which remained inactive despite the increase of terrorist threats.

The G5 Sahel initiative which was backed from the beginning by France, has increased the Algerian resistance, as the two countries have a lot of distrust in the security doctrine in the Sahel and North Africa.

In addition, the Algerian constitution restricts any participation of its armed troops in military operations beyond its borders. Yet, it could however provide logistical support beyond its borders without involving its armed troops.

A major concern, is how Algeria will act in the G5 Sahel operations that might interfere with shared borders between Algeria and Mauritania and Mali in the south west, and with Libya in the east.

In addition to its ongoing role of being a key player in the region, especially after its involvement in the mediation for the Malian peace process, it could undermine the operability of this initiative.

2. Lake-Chad Multinational Joint Task

The Multinational Joint Task Force (MNJTF) is formed from joint military forces from Benin, Cameroon, Chad, Niger, and Nigeria. It is mandated to bring an end to terrorist threats.

In 1994, this joint force was initially organized as a Nigerian force but was expanded to include units from Chad and Niger in 1998 and to address common cross-border security issues in the whole Lake Chad region.

In 2015, leading states of this force proceeded to the creation of a new Concept of Operations under the supervision of the Lake Chad Basin Commission and the move of the Head Quarter to N'Djamena.

3. Liptako-Gourma Joint Task Force

State-members of Liptako-Gourma Authority (Niger, Burkina Faso and Mali) have decided in January 2017 to set up a multinational force to fight against insecurity in their sub-region spanning their three borders and threatening to become a refuge for terrorist groups.

In February 2017, in Bamako, the heads of state of the G5 Sahel announced the "immediate creation" of this joint force, with a tripartite force of Niger-Burkina-Mali.

Hence, if the Liptako-Gourma joint task force is an initiative of the Liptako-

Gourma Authority, specific to Mali, Burkina Faso and Niger, it might operate in the future as a component of the G5 or to act in parallel but still cooperate closely with it.

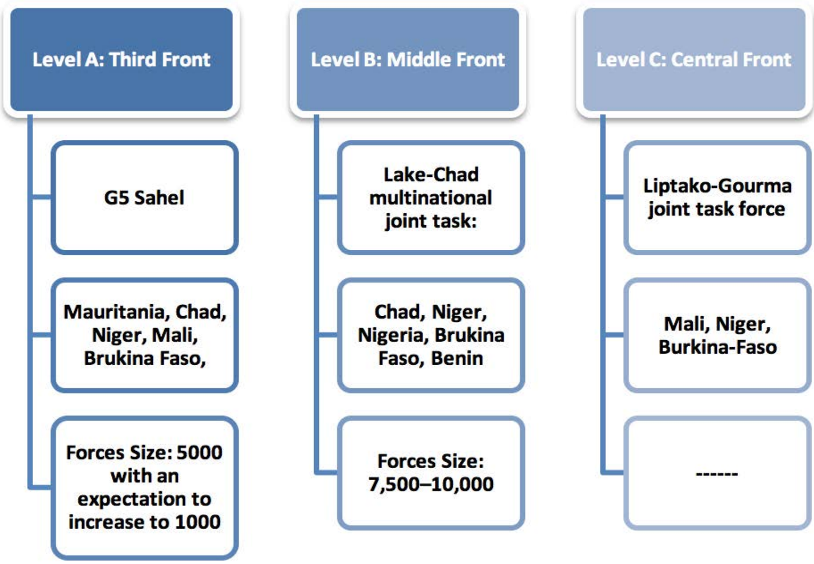
While Burkina Faso[20] is talking about a sharing capabilities to better secure the borders and a progressive implementation, Nigeria is referring to the initiative of Lake-Chad multinational joint task force as a model to adapt[21].

V. The Future of Regional Responses Instruments in the Sahel

1. Scenario I

This scenario might be pragmatic, without considering the intensity of competition either on regional leadership amongst state-members, or on aid and fund raising; those two obstacles that resist against the fusion of initiatives in each other, or even against the will to create strong structures of coordination.

Figure 8: The Various Regional Joint Forces Composition

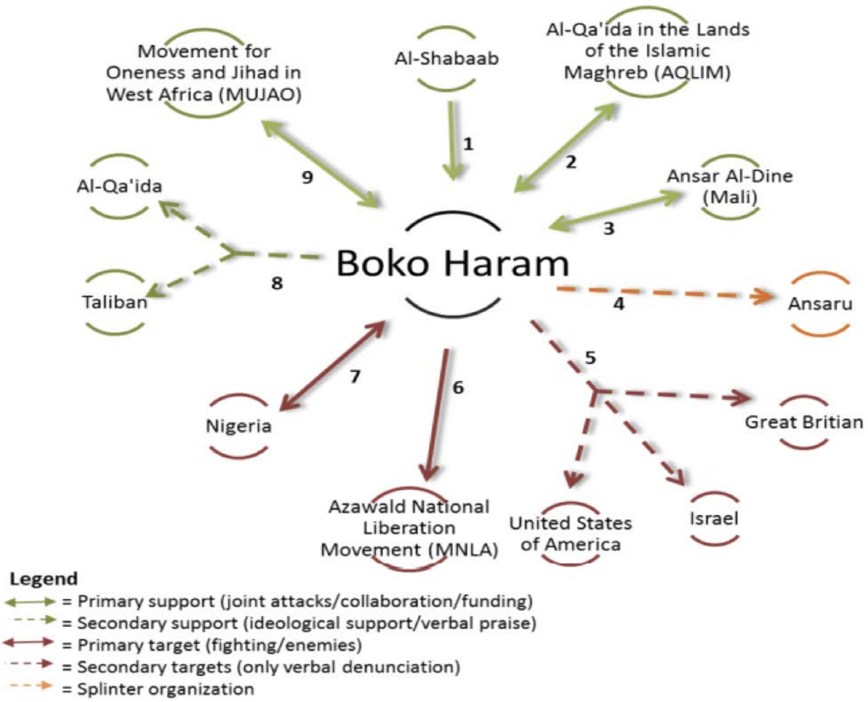


20 Discours du président du Burkina Faso, SEM Roch Marc Christian Kaboré, devant la 2ème Conférence Extraordinaire des Chefs d'Etat de l'Autorité de Développement Intégré de la Région du Liptako Gourma (ALG). Niamey, 24 janvier 2017

21 Discours du président Issoufou Mahamadou, devant la 2ème Conférence Extraordinaire des Chefs d'Etat de l'Autorité de Développement Intégré de la Région du Liptako Gourma (ALG). Niamey, 24 janvier 2017

Nevertheless, it remains the ideal scenario for countering terrorist threats, in view of the fact that active terrorist groups today, namely Boko Haram in the Sahel and Al-Shabab in the East, are increasing their ties, and reorganizing their connections with newly emerging small violent groups within a wide network based on loyalties, interests sharing and coordination.

Figure 9: Boko Haram Relationships, 1998-2013



Source: Big Allied and Dangerous (BAAD) Data

Apart from the threats that Boko Haram represents, we may also refer to the Katiba Macina, led by Fulani imam Hamadoun Sangaré, known as Kouffa, and operating mainly in Mali's center (Ségou, Koulikoro, and Mopti).

Since March 2017, this movement with a certain mystery has dissolved in the group for Ansar al-Islam wa al-Mouslimin led by Iyad Ag Ghaly.

Hence, for Ansaru al-Islam led by Ibrahim Malam Dicko in the Sahel region of Burkina Faso, and groups associated with the Islamic State led by Adnan Abu Walid Al-Sahrawi, who continues to carry out attacks in Niger and Burkina Faso.

These developments could inspire the G5 Sahel General Staff to launch their first operation in Lipatako-Gourma.

Nonetheless, if we admit that all these security changes are partly an extension of the Malian crisis, we are also aware not to mobilize hostilities among African public opinion against Mali, as holding Mali responsible for their misfortunes.

While the same causes, forms and ingredients of the interminable Malian crisis are found in some of its neighbours: weak capacity of states to invest territories, archaic and unreliable political and social elites, and a speedy emergence of non-state groups.

In the Liptako-Gourma area, violent extremist groups exploit local conflicts to recruit and develop their ranks. This is one of the explanations for the deterioration of security conditions at the Mali-Niger border: tensions have arisen due to natural resources and livestock theft between the Fulani (Tollobè) of Niger and the Daoussahaq (Touareg) of Mali, because of aridity.

Security forces proved powerless in the face of these uprisings. These resentments and tensions were permanently exploited by the MUJAO (Movement for Unity and Jihad in West Africa) and Ansaru ed-dine to recruit within the Fulani community.

2. Scenario II

The second scenario anticipates the fusion of Liptako-Gourma joint task force, but the Lake-Chad multinational joint task force will resist to maintain its independent status.

3. Scenario III

The third scenario is that the three forces would maintain their autonomy.

Chapitre 4

Towards Africa's Ownership of its Maritime Reality and Potential

Rachid EL HOUDAIGUI

I. Introduction

Africa seems to be resolutely geared towards turning its resource-rich seas and oceans into a springboard for its new economic and strategic frontier. Given the vastness of its maritime space (13 million sqkm), the criticality of its maritime-shipping posture for African-global trade (about 90%), and the strategic position of its major maritime routes, Africa's geopolitical weight is unmistakable.

Yet, studies on Africa's geostrategic position generally rely on approaches that are exclusively centred on the continental perspective, hardly accounting for maritime reality and potential in the analysis. Indeed, the unquestionable significance of the sea in the history, present, and future of the continent calls for the community of experts – namely African ones – to rethink their conceptual toolkits and to incorporate the maritime dimension of the issues underlying Africa's strategic posture.

Angled approaches to maritime geopolitics would thus allow for an interesting perspective to emerge, helping to capture Africa's geopolitical relevance through maritime variables, generating three multi-track functions.

II. A Global Strategic Value

With its 26,000km-long coastline, Africa is an insular continent, although Sinai joins it to Eurasia, which draws its strategic value from its connection with three maritime interfaces of global importance.

Note first that the Mediterranean Basin is, in effect, a Euro-African sea, a crossroads between Africa and Europe. Its geopolitical dynamics have always been affected by the African continent, via North Africa. The sea-based actions of NATO ("sea guardian"), of the United Nations (operation Sophia and

FRONTEX), as well as of the 6th American fleet and national naval forces of European countries, reflect the level of strategic control exerted by Western naval diplomacy over the Mediterranean maritime space.[22] Indeed, North African countries' fear of seeing their regional and sub-regional standing diminished is such that they started to feel the need to, on the one hand, embark on a process of international-partner diversification, and, on the other, to contribute – not without difficulty – to the building of a safe African community.

Secondly, Africa's Atlantic coast features the main assets and challenges of the African continent. The 23 riparian countries represent 46% of the African population, amass 55% of African GDP, conduct 57% of the continent's business, and harbour tremendous natural resources. Yet, these countries are still facing common challenges: a human-development model crisis; territorial and maritime disputes yet to be settled; the rise to power of asymmetric threats (piracy, terrorism, banditry); and the question of maritime-space appropriation, through a structuring maritime policy. International presence is highly visible in maritime logistics, exploration and exploitation of natural resources, and the fight against piracy in the Gulf of Guinea.

Finally, the Indian Ocean Basin draws on different factors to come off as a vital-interest space for Africa. First, it is the platform for about 45% of commercial freight and 60% of global oil traffic. Secondly, the two main routes used to link Asia to South America and Asia to Europe are the Mozambique Channel and the maritime corridor of the Red Sea, respectively. Lastly, the African maritime space of the Indian Ocean Basin features in the strategies of the superpowers (US, China, France, India, etc.) and of the only African naval power, South Africa. This results in a strategic gridlock over who gets to control maritime flows.

Consequently, the acceleration of Africa's move towards globalisation opens up new strategic prospects favouring a number of maritime countries. This is due to Africa's great openness, which relies, among other things, on the diversification of global partners, infrastructure development,[23] and interconnectedness. Maritime-route strategies adopted by some African countries open up prospects and opportunities, especially for countries like Morocco, Djibouti, and Kenya, which intend to become ideal hubs for resupplying the West and East African hinterlands, respectively.

Furthermore, China's interest in the African continent is expressed largely through African maritime routes. China's partnership offering, which consists of a package of opportunities, is part of the New Silk Roads,[24] including maritime

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22 Rachid El Houdaigui, "NATO's Mediterranean Dialogue: What Are New Possible Approaches?" June 07, 2016

23 "The infrastructural deficit raises the cost of goods traded between African countries by 30% to 40%, which is 50% higher than a price-increase rate in similar cases in Asia and South America." – Les Echos, "Territories and Transport in Africa: The Challenge of Opening Up," 30 March 2016.

24 A global-scale economic strategy launched in 2013, intended to build roads and trade relations between China and 60 countries from Asia, the Middle East, Europe, South-East Asia, and Africa.

ones, tying together three aspects: a market to sell Chinese products; a supply of raw material; and the opportunity to establish an economic space for its own businesses. In Africa, China has well understood that it should invest in maritime infrastructures in order to open up the continent, as it would otherwise be impossible to conduct business on a large scale. This need, which Beijing packaged into an effective partnership offering, is a windfall for Africa, which suffers from a severe lack of infrastructure. Through partnership contracts, China is intent on making Djibouti,[25] Kenya, and Mozambique into a geo-economic fulcrum for Africa and a strategic foothold for maritime security.

Combining these analytical elements reveals the geo-political relevance of maritime space for African states, as confirmed by their own geo-maritime intentions.

III. A Geo-Political Fulcrum, a Catalyst for Maritime Nationalism

The African maritime space offers strategic opportunities in terms of the regional and continental positioning of African countries, as well as of France and Spain. In the Maghreb region, the complexity of inter-Maghreb relations feeds into the sentiment that Morocco is located in the periphery of North Africa and that its Maghreb standing is challenged by the central Maghreb bloc (Algeria and Tunisia). Thus, it is in Morocco's interest to project itself as a structuring maritime power, not simply to revitalise its own economy, but also to meet continental geo-political challenges. In sub-Saharan Africa, South Africa deems the maritime dimension as one of the pillars of the evolution of its emerging-power status. Today, it is the only sub-Saharan country with a naval force comprising submarines, which gives it a unique striking power and projection capability in the two priority maritime spaces: the Mozambique Channel and the Atlantic Ocean. Similarly, the Gulf of Guinea countries are reinforcing their still-weak maritime capacities in order to protect their national resources in oil and/or fisheries.[26]

On the European scale, African maritime space constitutes a strategic asset for the two European countries sharing borders with the African continent, namely Spain and France. Spain, which has a peripheral position on the European continent, finds in its African-Atlantic window, via the Canary Islands, a point of equilibrium that gives it significant maritime depth. As for France, it boasts

25 The "infrastructure and protection for position" partnership includes the setup of a Chinese military base in exchange of economic agreements, the construction of major structural projects (airports, railways, ports, highways, telecoms), and the entire establishment of a transhipment hub for Chinese-African trade.

26 FAO. 2016. "The State of World Fisheries and Aquaculture 2016: Contributing to Food Security and Nutrition for All." Rome. 224 pages.

a major position in the Mozambique Channel, with its 636,000sqkm Exclusive Economic Zone (i.e. half of Channel), and ensures control of that area with its Armed Forces in the Southern Zone of the Indian Ocean (FAZOI).

Moreover, the maritimisation of African economies gained strength as the coastline gradually expanded its role in the production of national wealth, thanks to sea trade, fisheries and hydrocarbon resources, the strength of heavy industries, and the dynamism of coastal cities. In fact, this transformation reflects a dependency on the sea, since 90% of trade is conducted through sea routes. States are, therefore, obligated to devise policies that address these dependencies which, in fact, only exacerbate competition and maritime disputes. As such, energy and fisheries challenges force several countries in the Atlantic area to compete against one another (Morocco vs. Spain, France vs. Madagascar, Gulf of Guinea countries, among others). Moreover, 30% of Africa's maritime borders are demarcated and more than half remain to be drawn, since out of about 400 maritime borders yet to be demarcated, only 180 have been subject of agreements between states.[27] Disputes over maritime delimitation in Africa are on the rise, leading to the escalation of maritime conflicts, despite the rules established by the 1982 United Nations Convention on the Law of the Sea (UNCLOS). UNCLOS provides the opportunity to resolve maritime disputes peacefully, through negotiation or other diplomatic means. On the other hand, some controversies relating to the interpretation and application of the Convention continue to be an issue. The International Court of Justice (ICJ) is the United Nations' judicial body, and the International Tribunal for the Law of the Sea (ITLOS) is the specialised international tribunal with jurisdiction over disputes involving the interpretation and application of the Convention.[28]

At the same time, this maritime dynamic highlights maritime safety and security needs in the face of asymmetric threats, with risk areas being located in the Gulf of Guinea and the Gulf of Aden. While the presence of foreign warships out of Djibouti, Somalia, and Yemen explains the decline in piracy in the region, the International Maritime Bureau (IMB) affirms that the risks of piracy still exist, especially in the Gulf of Guinea.[29]

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27 Sarra Sefrioui, "Les Zone maritimes et la délimitation des frontières maritimes en Afrique de l'Ouest, in la Façade atlantique de l'Afrique, un espace géopolitique en construction". Under the supervision of Rachid El Houdaigui. Rabat, 2016, p.152.

28 ibid.

29 In 2016, the International Maritime Bureau (IMB) recorded 24 crews captured for ransom in the Gulf of Guinea, more than half of the world's capture cases (44).

IV. African Maritime Governance

Africa as a whole has embarked since the beginning of the third millennium in a process of taking ownership of the continent's challenges, an attempt to take control of its economic, political, and strategic destiny. This process is based on three building blocks: 1) strategic resilience by strengthening the institutionalisation of the African space through, on the one hand, the African Union (AU) and the sub-regional organisations, and, on the other hand, the establishment of a Continental Free Trade Area; 2) the priority given to south-south cooperation and triangular cooperation; 3) the institutionalisation of partnerships in such a way that partnership and dialogue with international powers gradually become part of the AU's diplomatic agenda.

It is in this context that the States as well as the African Union and the Regional Economic Communities are progressively taking ownership of the continent's maritime challenges, by integrating all the socio-economic, geo-political and environmental parameters. The first category of challenges highlighted is the research at sea for mineral resources (hydrocarbons, metal ores in high concentrations, and rare earths), fishery resources, and energy resources of climatic origin (wind energy, sea thermal energy). The second category is that of free movement in African seas, which must be defended and protected in the same way as resources. The third category of challenges is related to the establishment of the Blue Economy[30] and the protection of the marine environment.

The recognition of these well-understood maritime challenges is strengthened by three major initiatives adopted within the framework of the African Union:

- **2050 Africa's Integrated Maritime Strategy (AIM)[31]**

Adopted in 2014 in Addis Ababa, this strategy builds on the strong potential of the African marine and maritime sectors, and provides a strategic reflection on the African maritime reality and potential through 4 points: the protection and sustainable exploitation of maritime space; the increased creation of wealth from the African maritime domain; the adoption of a regulatory framework from the AU as well as national and international rules; and consultation and coordination between the different actors. The AIM Strategy also provides for the establishment of a Combined Exclusive Maritime Zone of Africa (CEMZA) to boost intra-African trade and reduce asymmetric risks and environmental damage.

30 The Economic Commission for Africa (ECA), "Africa's Blue Economy: A Policy Handbook", Addis Ababa, March 2016.

31 https://www.au.int/web/sites/default/files/documents/30930-doc-2050_aim_strategy_fr_0.pdf

- **The Blue Economy, as per the African Union's Agenda 2063[32]**

Blue Economy[33] as a pillar of development is part of the African Union project "Agenda 2063 — The Africa We Want". According to the African Union (AU), its objective is to establish a "new frontier of African renaissance". The observations and orientations of this approach reveal the following elements, which are still relevant: First, Blue Economy derives its strategic importance from the density of the African maritime territory (13 million sqkm) in addition to African lakes covering an area of about 240,000sqkm. Secondly, it makes it possible to increase the share of maritime wealth in African economies, since it involves a series of economic activities such as fishing, aquaculture, tourism, transport, shipbuilding, energy, bioprospecting, and all branches of the underwater mining sector. Finally, the potential of Blue Economy can help states meet nutritional and food security challenges.

- **The African Charter on Maritime Security and Safety and Development**

An African Union initiative, this charter, adopted on October 15, 2016 in Lomé, marks a new decisive step to provide the continent with a legal and technical framework for the prevention and fight against maritime risks and threats. Through it, the signatory states commit to creating a maritime security and safety fund, but also facilitating information exchange and action coordination between them to combat piracy, trafficking and illegal fishing together.

While the three aforementioned instruments constitute a decisive step in the process of taking ownership of maritime challenges, their implementation and effectiveness depend on four major factors. 1) The persistence of sovereigntist reflexes against the backdrop of economic and capacity disparities; 2) The lack of coordination and articulation between the different continental and regional agencies and initiatives; 3) The lack of legal convergence between the states blocking the emergence of a maritime community of interest; 4) Multinationals' monopoly of maritime transport logistics (container, ship, port terminal).

32 https://au.int/sites/default/files/pages/3657-file-agenda2063_popular_version_fr.pdf
33 The Economic Commission for Africa (ECA), op.cit.

V. Conclusion

By revisiting African maritime reality and potential, we are in a position to approach the continent in its singularity, without losing sight of its connection to the world and its growing linkages to globalisation. Taking ownership of the maritime space, through integrated strategies, appears to yield the early constituents of a strategic, still-forming African identity, one that represents a common outlook on the issues of space and its institutionalisation through formal instruments. Addressed on an African scale, problems of a maritime nature could, henceforth, be managed more efficiently. Clearly, such a dynamic would help to strengthen economic development in Africa.

Chapitre 5

The Quest for Regional Integration in Africa: Approach by Macroeconomic and Real Convergence Concepts

Tayeb GHAZI & Yassine MSADFA

I. Introduction

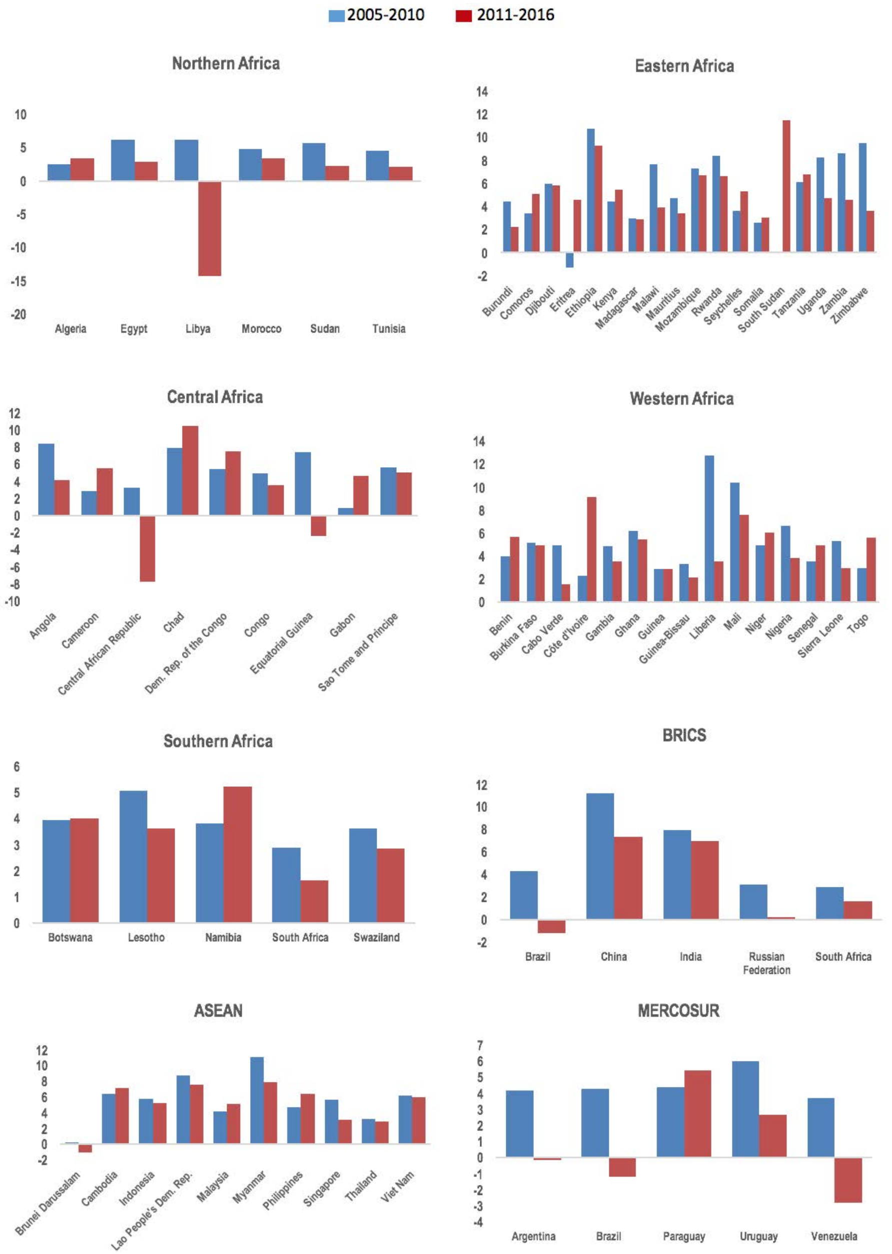
The regional integration process is often seen as one of the best ways to achieve economic and social development. Many economic theories show how number of advantages can be offered to countries that decide to participate in this process. For example, regional integration tends to have a positive effect on trade volume due to the lower prices of imported goods, by dint of the reduction or removal of customs barriers. Trade development should enable the countries involved to become more efficient through economies of scale, which should in turn lead to increased production and employment (Krugman and Obstfeld 2001). Two conditions - necessary but not sufficient - may enable African countries to accelerate the process of regional integration, i.e. convergence of both their levels of development and their respective macroeconomic frameworks.

At the general economic level, over the last fifteen years, various African economies have experienced sustained growth accompanied by a rise in average per capita income. Adjusted to the cost of living, per capita incomes in African countries increased by almost half between 2000 and 2009 thanks to an average annual growth rate around 5% in all Africa and 6.3% in Sub-Saharan Africa during this decade. This rate is 3 percentage points higher than the rate observed in OECD countries. Because of this difference, and despite the significant increase in the African population, the average gap between the per capita income of developed countries and that of African countries has decreased. However, not all African countries will converge at the same time, but the "catching-up" process will be at different speeds. At present, North, South and West Africa seem to be at the top of the pack, followed by East Africa, and finally Central Africa, which still has some big challenges ahead.

The economic convergence is essential for continental economic and monetary union realization and hence of a pan-African parliament establishment. Indeed, achieving real sustainable convergence is important to support the economic and social cohesion of African regions and the continent as a whole. In addition, the sustainability of real convergence is important because it allows a harmonization of macroeconomic policies, which is one of the different manifestations of a monetary and economic union. This has specifically become the case since the concept of macroeconomic convergence is becoming more and more widespread among economists in developing regions, particularly in Africa. This growing popularity, encouraged by the experience of the European Monetary Union, reflects the strategic importance of macroeconomic convergence which is the foundation of all efforts aimed at regional and continental integration.

From this framework, the present work focuses on the application of the economic and macroeconomic convergence concepts in Africa, by focusing on several relevant questions regarding both the verification of the presence of real convergence in African regions and the discussion of the reasons for its absence, as well as the definition of the macroeconomic convergence criteria and their evolution at the level of different African regions countries. This work draws on the work of several institutions, such as the African Development Bank, as well as other African regional organizations, the European Union and international financial institutions.

Figure 10: Growth Rates Amongst Africa Compared to other Regions of the World, 2005-2010 and 2011-2016 average



Source : UNCTAD Data (2017)

II. Overview of the Economic Situation in Africa: An Increasing Role of Internal Factors

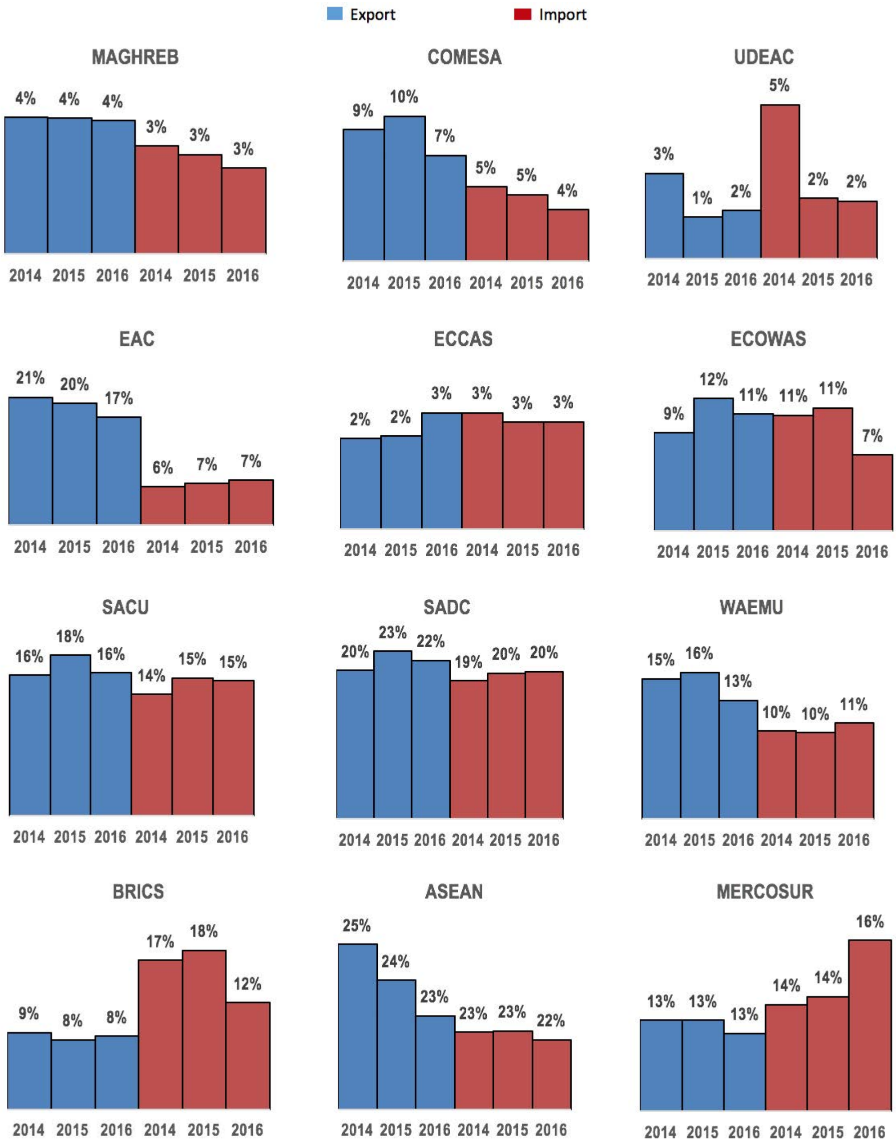
Overall, Africa's economic growth continued to decline in 2016, mainly caused by falling commodity prices, which particularly hurts commodity-exporting countries. Nonetheless, the majority of non-commodity-exporting African countries maintained positive growth. While domestic demand is a driving force in the continent's growth, maintaining resilience also requires better macroeconomic management, more diversification, and a better business environment. Countries with more coordinated and consistent fiscal, monetary and exchange rate policies have strong resilience to shocks. Countries perceived as secure destinations for investment are better equipped to withstand significant external imbalances in a longer period of turbulence.

Although natural resources and primary products continue to play a major role in the continent's growth, they are giving way to domestic factors, including consumption, which are increasingly contributing to the resilience of African economies. Domestic demand supported by Africa's growing population is a major catalyst for African entrepreneurship and the contribution of entrepreneurs to industrialization. In this context, institutional and regulatory reforms are gradually improving governance and the business environment, providing the necessary support for growth.

In addition, the increase in public investment has enshrined the role of domestic demand as a pillar of Africa's growth resilience. Private consumption and public consumption (mainly infrastructure investment in the latter case) remain a key factor in Africa's GDP growth. In 2016, these two components together accounted for more than 60% of the total growth, with the share of private consumption increasing steadily since 2003 (AfDB, 2017).

Between 2010 and 2016, private consumption grew at an average rate of 3.7% per year and is expected to remain at 3.5% over the 2017-2018 period. One of the main factors of consumption strength in Africa can be found in the continent's demographic dynamic (Africa has currently over 1 billion inhabitants) and the rise of the middle classes (about 350 millions), knowing that the continent is expected to be home to 20% of the world's population by 2050 (McKinsey Global Institute, 2016). This demographic dynamism should lead to a rise in consumer spending, from 680 billion USD in 2008 to 2200 billion USD by 2030. The middle class, whose purchasing power is constantly improving, holds a huge potential in terms of prosperity.

Figure 11: Intra-Regional Export and Import in Main African Economic Communities between 2014 and 2016, Compared to other Regions of the World



Source : ITC Data (2017)

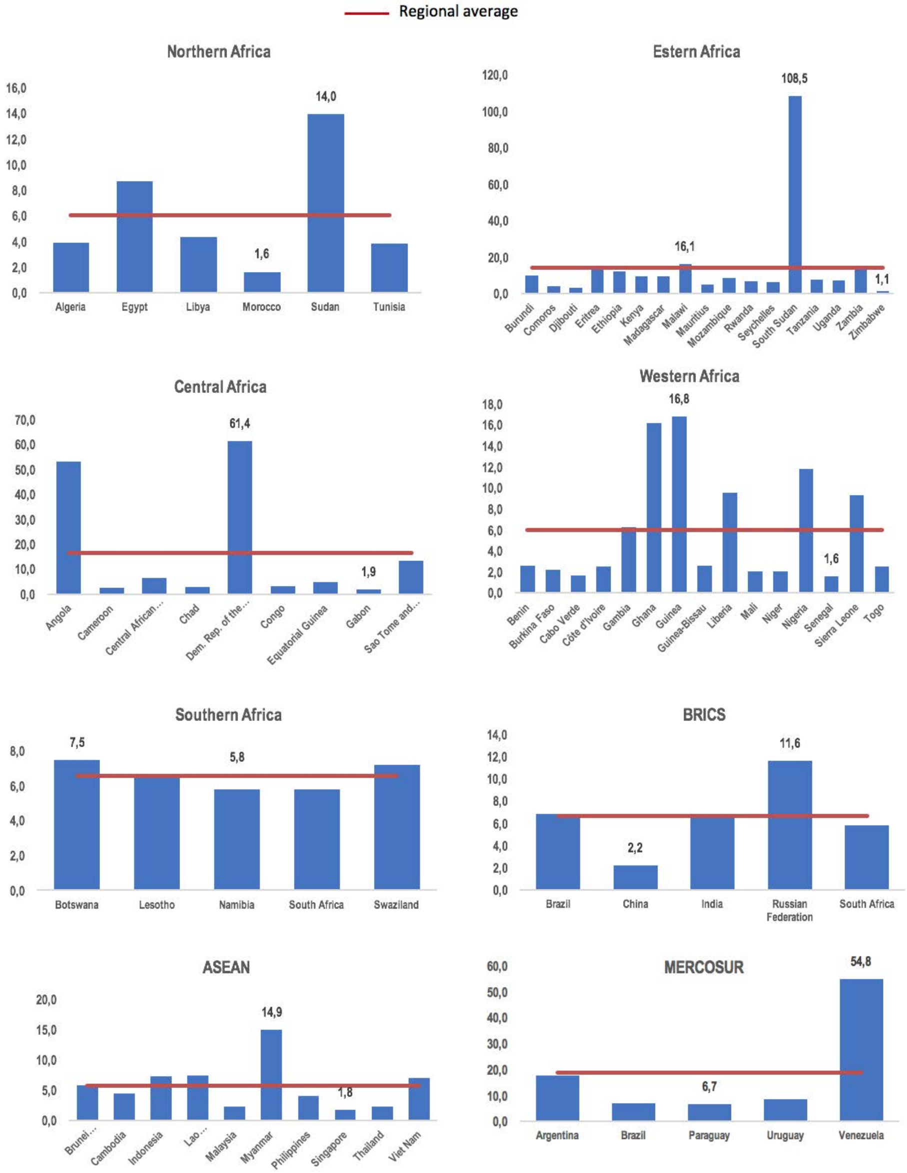
III. Intra-African Trade Opens Prospects for Strengthening the Continent Resilience

The expanding regional markets are paving the way for economic diversity in Africa by providing additional opportunities to the more volatile trading relationships with external partners. Intra-regional trade is growing steadily, amounting to 18% of total African exports in 2016, compared to 10% in 1995. Manufactured goods account for 60% of total regional trade and could therefore mitigate Africa's vulnerability in international markets, especially for basic products. Africa's exports to emerging economies - dominated by China and focused on oil and metals - expose the continent to global demand shocks. Currently, China accounts for 27% of Africa's total world exports, with commodities related exports around 83% (Pigato and Tang, 2015). Despite this overall trend, some African countries continue to trade mostly with the euro area countries and the United States (for South Africa) or with India (for Mauritius). The main recipients of Mauritius exports are, for example, the United Kingdom (13.2%), the United Arab Emirates (12.4%), France (11.9%), the United States (10.7%) and South Africa (8.6%), while India (18.7%), China (17.8%), France (7.1%) and South Africa (6.5%) are the first importers of its products. African countries that are less dependent on China for their export markets generally tend to see their growth slightly higher compared to the others.

The weight of intra-regional trade in Africa varies according to regional groupings. SADC countries trade with each other much more in comparison to other African regions. The share of intra-SADC exports and imports in the region's total exports and imports varies around 20% between 2014 and 2016, a level relatively close to ASEAN countries intra-regional trade (see figure 11). However, there are still some regions that do not experience the same dynamism in their trade, intra-regional trade between the Maghreb countries, UDEAC or ECCAS as an example constitutes less than 5% of their total international trade.

Macroeconomic convergence is considered essential in the preparation of wider regional integration, for a number of reasons: inflationary pressures caused by unsustainable budget deficits and monetary expansion may lead to current account deficits with difficulty endangering trade liberalization and hampering economic growth. In addition, macroeconomic instability, which results in an unhealthy financial sector and external debt difficulties, undermines the ability to cope with structural challenges and promote growth. The Regional Economic Communities (RECs) in Africa have therefore made the adoption of macroeconomic convergence programs an essential step in their regional integration process.

Figure 12: Inflation Rates (CPI variations) amongst Africa Compared to other Regions of the World, 2000-2016 average



Source : UNCTAD Data (2017)

IV. Assessment of Progress in terms of Macroeconomic Convergence in Africa

1. The Convergence Criteria set by the RECs[34] in Africa

The convergence criteria adopted by several RECs in Africa generally focuses on indicators that relate to macroeconomic policy formulation and performance, inspired by the example of the European Union. These include variables such as the level of inflation, interest rates, exchange rate performance, and budget deficit and government debt to GDP ratios.

Those criteria can be divided into basic criteria or essential criteria that predict the rules of the potential monetary union and must be achieved on a sustainable basis and secondary criteria that are supposed to facilitate the realization and the sustainability of the basic criteria. These criteria, the precise definition and ranking of which vary slightly from one REC to another, generally reflect those recommended by the AACB Program for Monetary Cooperation in Africa, namely:

Basic Criteria

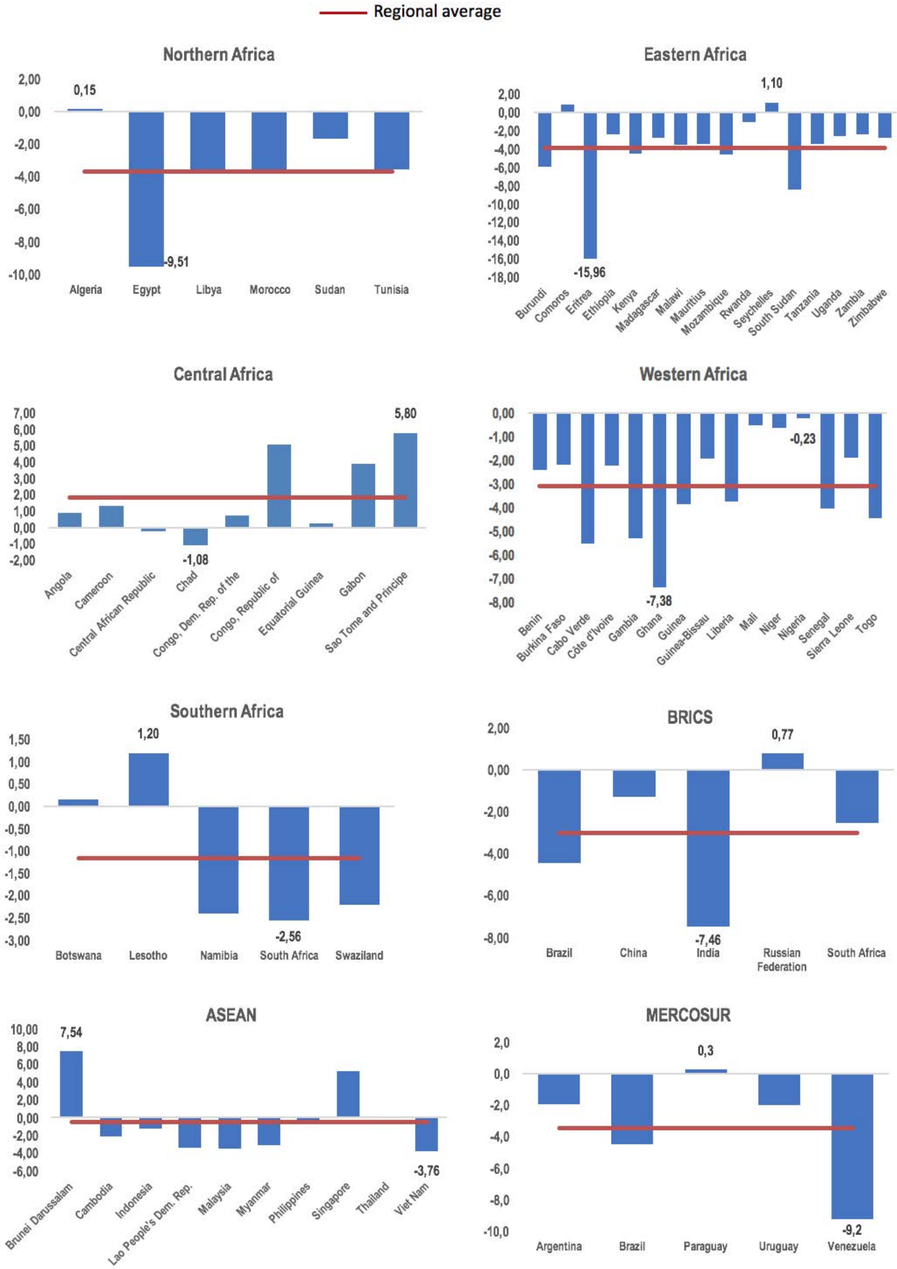
- Inflation rate below 3%;
- Global Budget Deficit / GDP ratio below 3%;
- External reserves below or equal 6 months of goods and services imports;
- Minimizing the financing of the Central Bank's budget deficit.

Secondary Criteria

- Tax revenue / GDP ratio over 20%;
- Payroll / total tax revenue ratio below 35%;
- Public investments financed from internal resources / tax revenues ratio over 20%;
- Maintaining the stability of real exchange rates;
- Maintaining positive real interest rates.

34 To simplify the presentation and avoid any confusion, we chose the geographical dimension to present the macroeconomic convergence criteria by regrouping the countries selected in our study in five major regions (Northern Africa, Eastern Africa, Central Africa, Western Africa and Southern Africa). Indeed, most African countries belong to more than one REC, usually for political reasons or pressures rather than on cost-benefit calculations. However, the macroeconomic convergence program is driven by economic considerations and parameters.

Figure 13: Overall Fiscal Balance (percentage of GDP) amongst Africa Compared to other Regions of the World, 2004-2017 average



Source : IMF Data (2017)

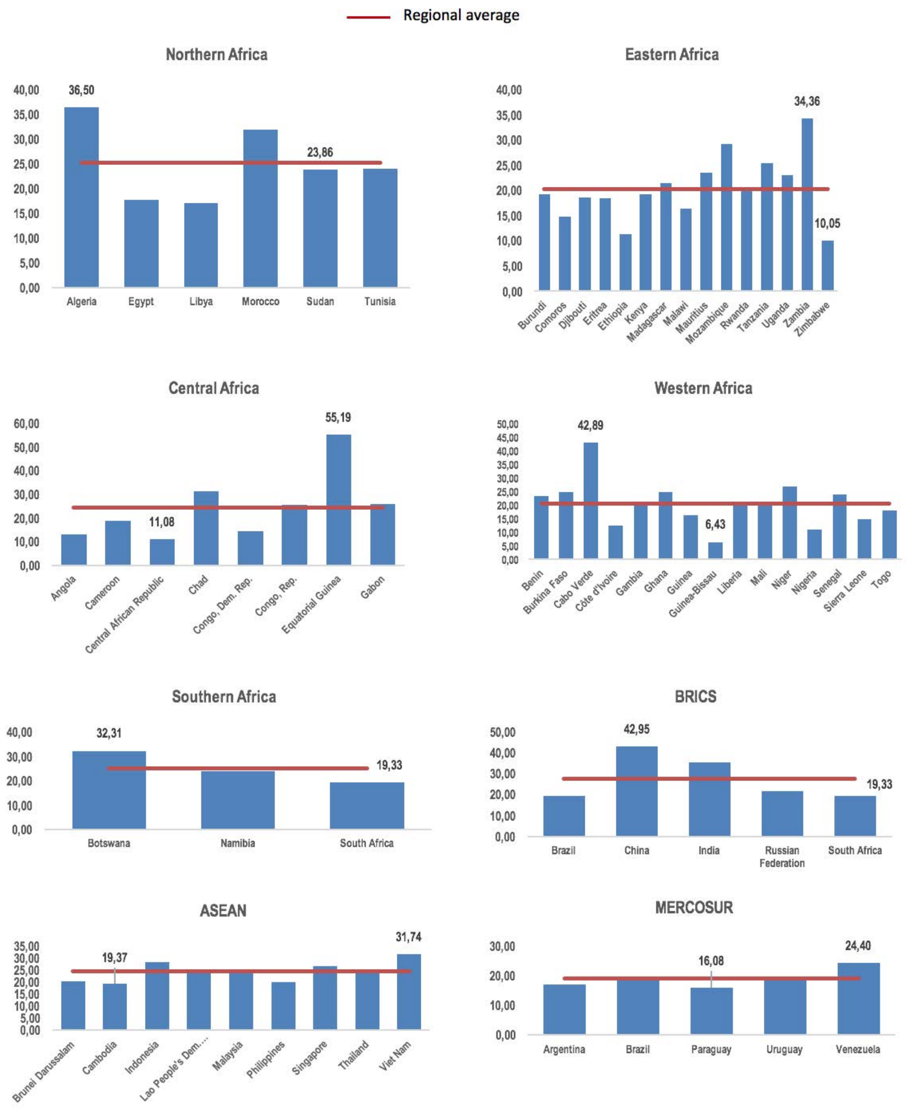
2. Inflation

Thanks to the economic reforms under way and despite the consequences of various crisis (food, energy and financial) suffered by several African countries, inflation has been considerably reduced in most African regions during the past decade. However, inflation rates remain above the convergence objectives set by the RECs. Between 2000 and 2016, on average, three major African regions managed to maintain a single-digit inflation rate (Northern Africa with an average inflation rate of 6.1%, Western Africa with an average inflation of 6.2% and Southern Africa with 6.6% inflation over the period). These rates are close to the inflation rates observed on average over the same period in other regions (an average inflation of 6.6% in the regional grouping of BRICS and 5.7% in ASEAN). However, two large African regions continue to have relatively high inflation rates. Average inflation reached 14.3% in Eastern Africa and 16.6% in Central Africa between 2000 and 2016. This dynamic hides the great disparities that exist between countries whether in the same regions or in different regions. Globally, thirteen African countries have managed to maintain a structural inflation rate of less than 3% over the last fifteen years namely: Morocco, Zimbabwe, Cameroon, Gabon, Benin, Burkina Faso, Cabo Verde, Ivory Coast, Guinea Bissau, Mali, Niger, Sierra Leone and Togo. Nine of these are West African countries belonging to ECOWAS (figure 12).

3. Budget Deficits

In the past three years, budget performance has been impressive in several African countries. However, it may have been, in many countries, supported by an increased influx of official development assistance (ODA). On the other hand, the achievements as a whole mask the large disparities in all RECs, as shown in figure 13. The resource-rich Central Africa region, of which five countries are oil-exporting countries, is the only region in the African continent with an average fiscal surplus of 1.8 percent of GDP during the 2004-2017 period, a direct result of soaring oil and commodity prices over the past 15 years. The other regions of the continent recorded negative average budget balances but remain relatively close to the convergence objective established (Northern Africa region recorded an average deficit of 3.7 as a percentage of GDP between 2004 and 2107, Eastern Africa had an average deficit of 3.9 as a percentage of GDP over the same period and Western Africa had a budget deficit as 3.1% of GDP). Southern Africa is the second region to achieve this convergence objective, with an average budget deficit of 1.2 as a percentage of GDP over the last decade. These levels are comparable to other regions during the same period. The BRICS showed an average budget deficit as a percentage of GDP of 3%, while other regional groups such as ASEAN or MERCOSUR experienced average budget deficits as a percentage of GDP respectively of 0.5 and 3.5. By countries, 32 of the 51 African countries observed in this study have managed to maintain on average a budget balance below -3 percentage of GDP over the period from 2004 to 2017. There is still some effort to be made regarding financing these budget deficits. In fact, the income tax / GDP rate exceeds on average 20% in only two African regions: Northern and Southern Africa with average rates of 22.5 and 26.58 respectively as a percentage of GDP between 2000 and 2015. In the other regions of the continent, this average rate varies between 13 and 11 percentage of GDP (see figure 24 in appendix).

Figure 14: Gross Capital Formation (percentage of GDP) among Africa Compared to other Regions of the World, 2000-2015 average



Source : WB Data (2017)

4. Public Investment

Furthermore, it should be known that public finances are increasingly solicited in Africa, particularly due to the investment effort undertaken by the various countries of the continent to overcome their relative need for infrastructure in the context of large-scale construction policies initiated throughout many African States. In fact, African countries, having realized that the huge infrastructure deficit (infrastructure needs estimated at about 50 billion USD per year) prevented the achievement of development objectives, decided to increase investments in infrastructure projects.

In 2014, the share of public investment in GDP increased by almost 3% and is expected to remain at this level over the next five years. Between 2000 and 2015, the investment rate, reported here by the ratio of gross fixed capital formation to GDP, reached on average 25.20% in Northern Africa, 20.34% in Eastern Africa, 24.47% in Central Africa, 20.49% in Western Africa and 25.18% in Southern Africa. These rates are close to or even exceed those of the other regional groupings considered in this work (27.77 as a percentage of GDP among the BRICS, 24.49 as a percentage of GDP in ASEAN and 19.13 percent of GDP for MERCOSUR (see figure 14).

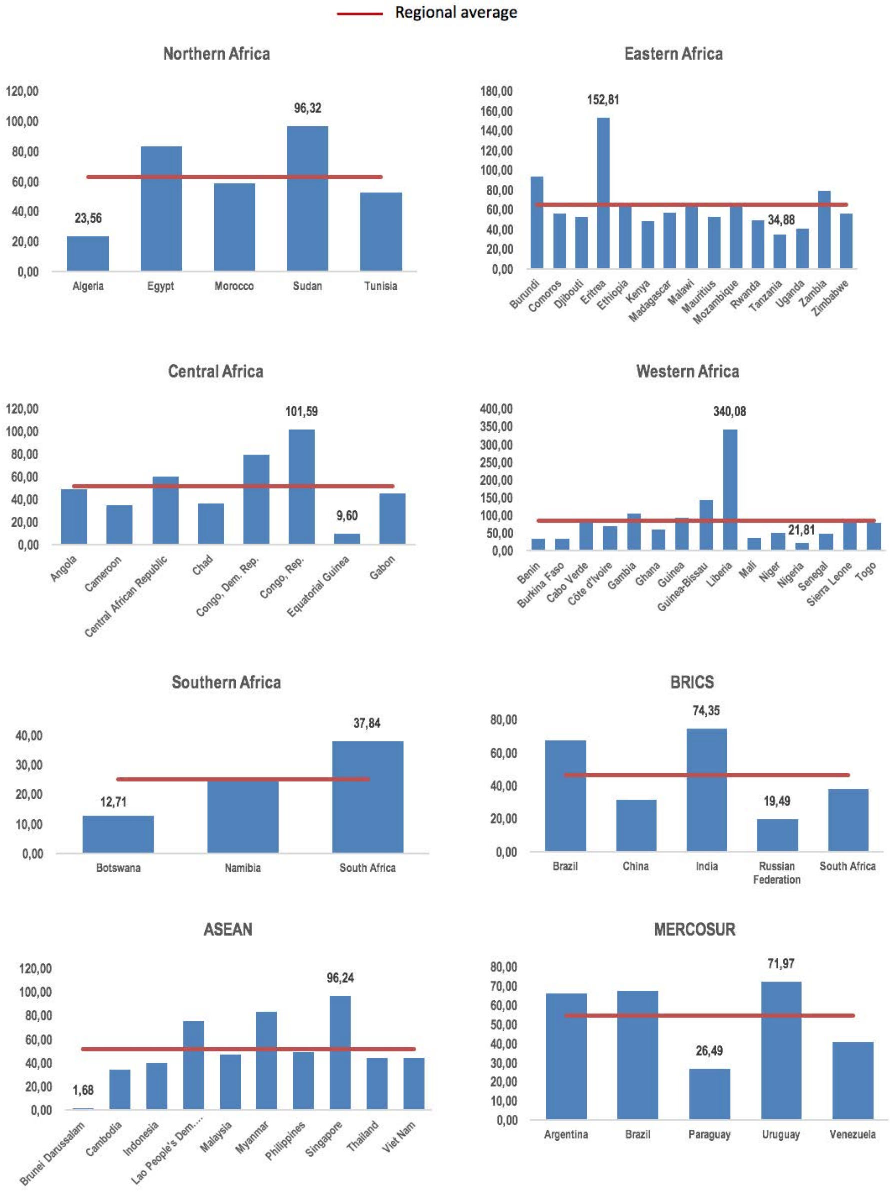
5. Public Debt

The stock of public domestic debt relative to GDP has varied on average at the regional level in Africa around 65% during the period between 2000 and 2016. However, this rate varies widely according to regions, reaching on average over the period, 84 % of GDP in Northern Africa, 64.48 % of GDP in Eastern Africa, 51.81 % of GDP in Central Africa, 85 % of GDP in Western Africa. The Southern Africa region had the lowest average debt ratio at 25.13 percent of GDP. Generally, public debt levels in Africa are sustainable. In other words, the borrowed funds generate returns that allow the debt to be repaid in a timely manner. However, a few countries in the continent - which suffer from a context of weak growth prospects, deep budget deficits, weak currencies and meager export revenues - could encounter difficulties in repaying their debt (e.g. Liberia with an average debt ratio of 340 percent of GDP over the last 15 years, or Eritrea and Guinea-Bissau with average debt ratios of 152 and 141.5 respectively as a percentage of GDP over the same period). In comparison, 46.08 % of GDP is the average debt ratio recorded in the BRICS between 2000 and 2016. While other regional groupings such as ASEAN or MERCOSUR recorded average debt ratios of 51.30 % of GDP and 54.47 % of GDP respectively during the same period (figure 15).

6. Balance of Payments

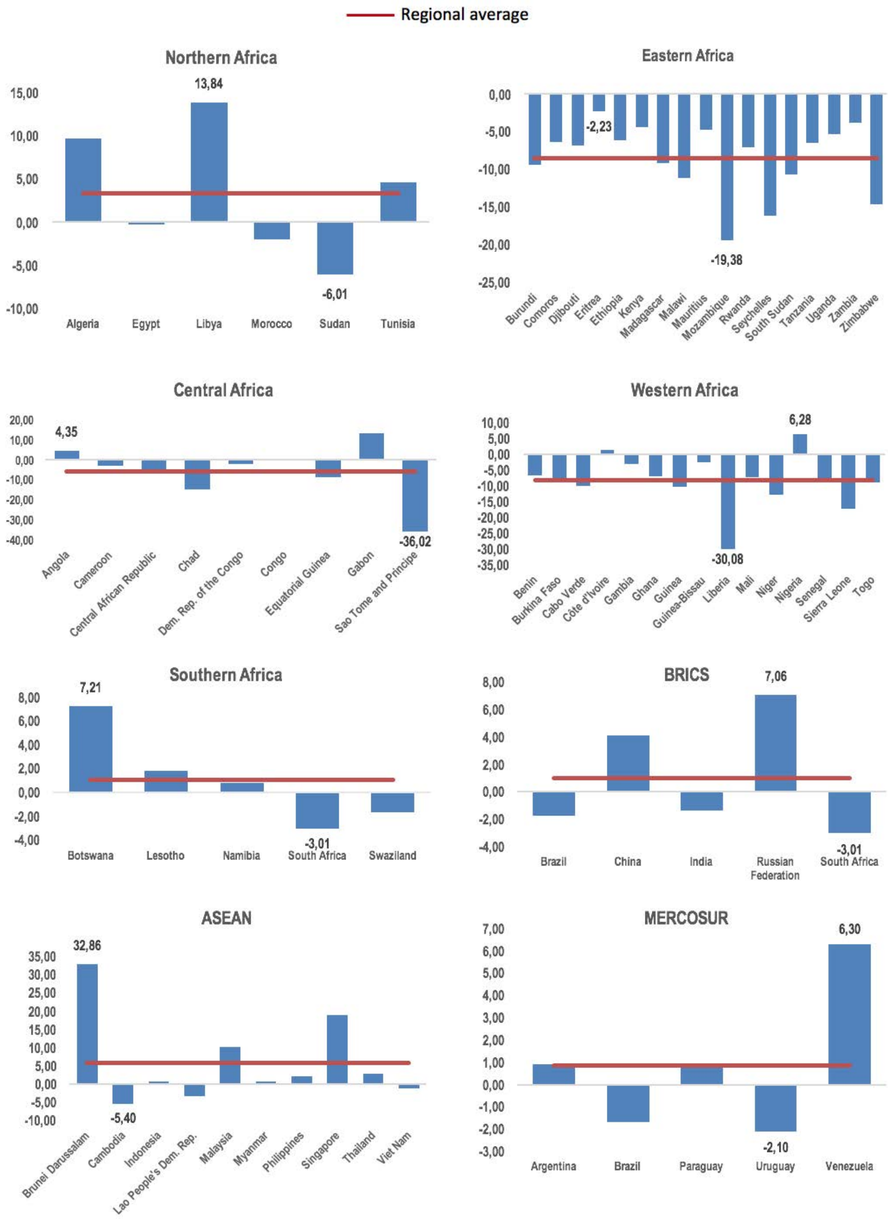
The balance of payments deficit is a persistent feature of African economies. As shown in figure 16, the average current account balance of most countries considered in this work has remained almost structurally in deficit during the last fifteen years (41 African countries out of the 52 countries in our study have on average a negative balance of payments to GDP ratio between 2000 and 2015). However, the ratio of current account balance to GDP varies on average between African countries ranging from a deficit around 30% of GDP in Sao Tome and Liberia to a surplus around 13% of GDP in Libya and Gabon in the last fifteen years.

Figure 15: Gross Domestic Debt (percentage of GDP) amongst Africa Compared to other Regions in the World, 2000-2016 average



Source : IMF Data (2017)

Figure 16: Balance of Payment (percentage of GDP) amongst Africa Compared to other Regions of the World, 2000-2015 average



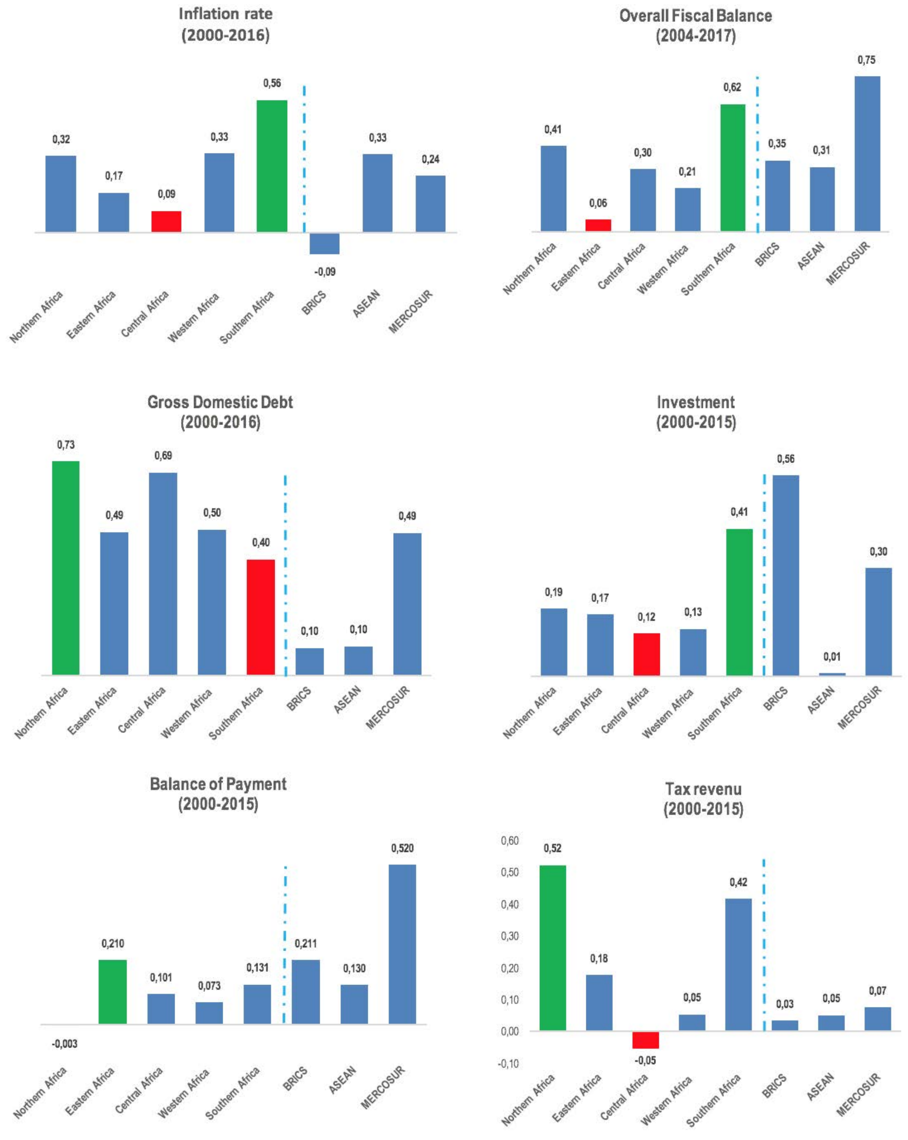
Source : UNCTAD Data (2017)

In this section, we have attempted to provide a brief look at the state of macroeconomic convergence in the African continent, by comparing the level of certain macroeconomic variables -defined in the convergence criteria at the REC level-in different African regions during the last fifteen years.

During the last fifteen years, significant progress has been made in the implementation of macroeconomic rules in Africa, increasingly close to the standards recommended by international institutions. That being said, differences persist between the different countries of the continent, thus slowing down the dynamics of macroeconomic convergence in the various African regions. This can be illustrated by the relatively low-level of main macroeconomics variables correlations within sub-regions in Africa compared to other regions of the world (figure 17).

In other words, disparities persist across the African continent, between, for example; states that have managed to maintain a relatively low single-digit inflation rate, while others post double-digit inflation and continue to struggle to achieve the convergence goals. In the same vein, many countries were unable to meet fiscal targets, partly compounded by external shocks. Disparities in debt-to-GDP ratios, money supply growth rates and other vital macroeconomic variables in African countries are all obstacles to regional integration in Africa.

Figure 17: Main Macroeconomics Variables Correlations within Sub-Regions in Africa Compared to other Regions of the World

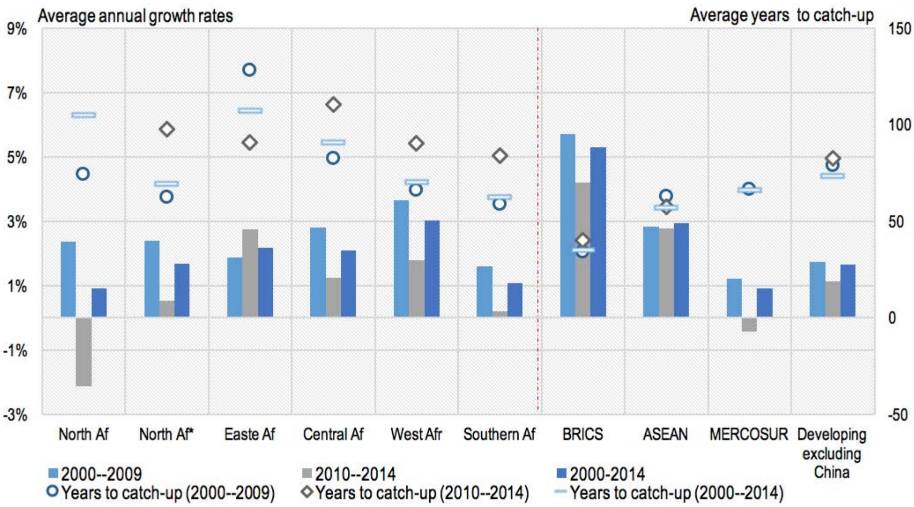


Source : author's calculation, data from all source mentioned (2017)

V. Real Economic Convergence in Africa: Evidence and Implications

Over the last fifteen years, many developing economies have experienced a remarkable economic growth; like in Africa, which experienced at the same time a rise in the average income of its population. Adjusted to the cost of living, per capita incomes in Africa increased by almost half, between 2000 and 2009, thanks to an African average annual growth rate of around 5% (6.3% in Sub-Saharan Africa). This is 3 percentage points higher than the growth rate observed at the level of OECD countries. Thanks to this difference, and despite the significant growth of the African population, the average gap between developed and African countries, in term of real GDP per capita, has declined to a notable extent (see Figure 9).

Figure 18: GDP per Capita Catch-Up Relative to OECD*



Source: UNCTAD-2017, GDP per capita at constant US dollar 2005, author calculations
* Change in GDP per Capita minus change in GDP per capita in OECD
**North Africa excluding Egypt and Libya
Note : Average years to catch-up was calculated based on the average growth rate of the corresponding period

This phase of rapid growth has boosted per capita incomes of much of the developing economies. The chart above shows that the positive impact of this phase on reducing the average gap relative to developed countries was shared by all African regions, as well as other developing regions such as the ASEAN, the

BRICS and the MERCOSUR. If African regions could keep similar growth rates relative to the first decade of the millennium (the average growth rate of OECD countries being also the same), the average per capita income of the Southern African countries would converge to that of the OECD countries in just over 50 years. That of North and West Africa would converge in a little over 60 years, Central Africa would need about 80 years, and it will take more than a century for East Africa to catch-up[35].

Between 2000 and 2009, before economic growth slowdown in rich countries, developing countries (excluding China) needed about 70 years to catch-up relative to the OECD countries. The economies of the South American Atlantic coastline only needed 65 years. However, the turmoil experienced by the global economy has had a negative impact on growth rates in the South Atlantic, and consequently on its hopes for a fast catching-up process. Indeed, an analysis of data concerning GDP per capita suggests a slowdown in the convergence process after that date, except in East Africa.

Since 2009, growth rates in developing countries have remarkably declined. This has resulted in a shrinkage regarding the positive gap in term of average growth rate of GDP per capita in developing countries compared to the OECD countries. Considering the average growth rate over the period 2010-2014, average GDP per capita in developing countries rose by only 2.5%, a difference of 1.1 percentage points more than average growth in OECD countries. In North Africa, the difference was negative because of the impact of the upheavals observed at the level of the Libyan and Egyptian economies since 2011. The exclusion of these two economies resulted in a positive difference of about 0.5 percentage points. Given this state of economic growth, convergence of per capita incomes in North Africa toward those of OECD economies could occur in a century. This is the same case in Central, East and West Africa despite the larger gap relative to the OECD countries, of about 1.2%, 2.8% and 1.8% respectively. In South Africa, the catch-up would be achieved in a little over 80 years instead of about 60 years. For the ASEAN and the BRICS regions, the convergence rates are expected to remain at comparable levels, at about 56 years and 34 years respectively.

The MERCOSUR countries, on the other hand, have entered a phase of growth contraction, since 2010, which ended in an economic recession since 2014, due to institutional problems combined with falling commodity prices and world trade slowdown, among other factors. This, in addition to a severe Venezuelan crisis, headed the region to lose in terms of per capita income catch-up relative to the OECD countries. Fortunately, the IMF's most recent growth projections suggest a return to growth in 2017 and 2018. Except in Venezuela,

35 Apart from their relatively high growth rates, countries of Central and East Africa are largely very poor. Indeed, even with a high growth, we can expect little catching up. For example, Chad's GDP per capita grew by 7% between 2000 and 2014, but its value in 2014 was only about US $ 1000 (constant 2005), which is 1/32 of average GDP per capita of the OECD countries.

where growth prospects remain very obscure (-4.1% in 2018 according to the IMF), the economies of the MERCOSUR could recover the growth rates recorded over the last fifteen years. In this case, the growth of their average GDP per capita would make it possible to catch up the OECD countries in less than 70 years - the average growth rate of the OECD countries being equal.

The same projections suggest that Africa and the ASEAN will grow at rates comparable to what was over the period 2000-2014. In this case, it would have taken almost a century for the GDP per capita of both East and Central Africa to converge with that of the OECD. North, South and West Africa would need less than 70 years.

Africa would not converge as a whole, but what current economic performances suggest is that some regions will catch up, while others will do so later. At present, North, South and West Africa seem to be at the top of the pack, followed by East Africa, and finally Central Africa, which still has some challenges ahead.

This does not mean that the African economies will catch up at the same pace of their respective regions (see figures 10-a ... 10-f). This finding is also valid for the economies of the South American Atlantic coastline, but also for other developing countries' groupings. If countries in regions with remarkable convergence speed would do the same, other countries would make less (or more) progress. The catch-up process speed can only be uniform if there is a strong convergence among countries of a region or economic grouping.

While the concept of convergence admits many interpretations, our focus is on the real convergence that refers to real GDP per capita. This type of convergence is defined as the process by which countries, member of a region or economic grouping, tend to achieve similar levels of development and wealth. Real economic convergence exists when the GDP per capita levels of low-income economies catch up with those of high-income countries in the long run. According to the literature on economic growth, real convergence is generally captured via two complementary concepts: the beta-convergence (β-convergence) and the sigma-convergence (σ-convergence); (see Box 1).

Box 1: Approaches to measuring convergence

Convergence is one of the most essential notions of the neoclassical growth model. It implies that poor countries (or regions) grow faster than rich countries in terms of per capita income. In order to test for the validity of this economic phenomenon, specialists generally resort to two types of approaches commonly called β-convergence and sigma-convergence.

Β-convergence is valid in situations where poor economies tend to grow faster than richer economies. This performance gap is theoretically due to declining capital returns in capital-rich developed countries and higher marginal productivity of capital in poorer and less developed countries;

The sigma-convergence, although having the same implications for reducing development gaps, is defined as a situation where the dispersion of real GDP per capita, related to countries of an economic group, tends to decrease over time.

Regarding the β-convergence, the specialists distinguish several cases of figure. We are talking here about both absolute and conditional convergence. In the case of unconditional or absolute convergence, economies should converge towards the same equilibrium. That being, absolute β-convergence suggests that countries should have similar growth rates and the same GDP per capita over the long term (Mathur, 2005). In the case of conditional convergence, however, the equilibrium path may differ according to the considered economies, and their specificities. Thus, each particular economy converges towards its own and unique state of equilibrium

In a situation of β-convergence validity (absolute or conditional), the average growth rate during the observation period and the logarithm of the initial level of the GDP per capita should be negatively correlated. For a group of n countries, the size of the coefficient β represents the speed at which poor countries approaches rich one in terms of wealth and development (measured by the real GDP per capita).

If the β-convergence may indicate a catch-up situation, which is a necessary condition for the reduction of disparities, researchers find that it is not sufficient and conditioned its conclusions by the validity of the sigma-convergence hypothesis (Young et al. 2008).

While the sigma-convergence approach was originally developed by Quah (1993), we opt here for the approach of O'Neil and Van Kerm (2004). To test the sigma-convergence, O'Neil and Van Kerm (2004) used the variation of the Gini coefficient over time. They used the exact decomposition suggested by Jenkins and Van Kerm (2003) to express this change as the net effect of β-convergence, offset by a progressive effect of poor countries. According to Jenkins and Van Kerm (2003), the variation in income dispersion over time can be decomposed additively in terms of the progressivity of income growth and the extent of re-ranking / mobility (see Annex for the analytical detail).

Testing for the real convergence presence is important to determine whether catch-up is uniform across countries in each region, and thus to distinguish between countries' performance in terms of economic catch-up. This exercise is all the more important as convergence constitutes a first necessary condition for talking about the establishment of an economic union[36]. Moreover, convergence is essential for achieving the African vision of creating a continent-wide economic and monetary union, and hence a pan-African parliament. Indeed, achieving real sustainable convergence is important to support the economic and social cohesion of African regions and the continent as a whole. In addition, the sustainability of real convergence is essential because, for some economies, the catching up process tends to increase the inflation differential compared to the average of a region or an economic grouping. This is synonymous with a drop in real interest rates (inflation-adjusted interest rates) within progressing economies. If these rates diverge considerably in a region, it will be impossible to conduct uniform monetary policies. Moreover, one would expect an amplification of both expansion and recession cycles in the concerned economies. In the event of a recession, some of these economies would be unable to pursue counter-cyclical policies, suggesting periods of weak and uneven growth in the region or economic grouping in question.

Therefore, the convergence notion is essential for the establishment of economic groupings and, in an advanced stage, healthy monetary groupings. The verification of this notion is also essential in order to know whether the catch-up pace vis-à-vis the more advanced economies is uniformly distributed among the countries of a region or economic grouping. Based on these established facts, we will try to verify the presence of real convergence in African regions, the South American Atlantic coastline, and other developing regions since the beginning of the new millennium. We also discuss the reasons behind the lack of real sustainable convergence in some regions and economies.

1. Real Convergence Process in African Regions vs. other Regional Groupings: an Assessment

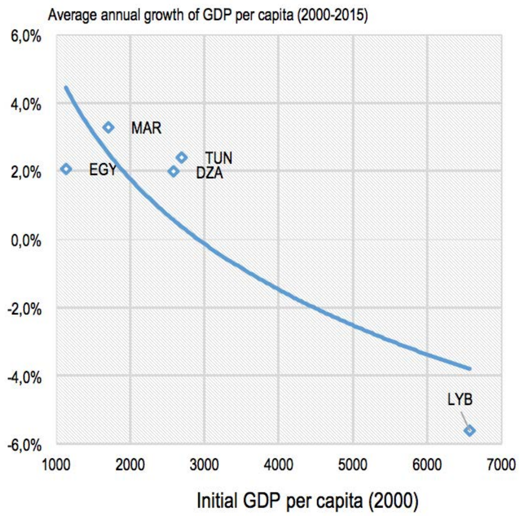
Real sustainable convergence is the process by which per capita GDP levels of low-income economies catch up with those of high-income countries in a sustainable and long term trend. Convergence implies, therefore, that poor countries (or regions) grow faster than rich countries do in term of GDP per capita.

36 Economic and financial convergence en route to regional economic integration: experience, prospects and statistical issues amidst global financial turmoil. Proceedings of the South African Reserve Bank (SARB)/IFC seminar, Durban, 14 August 2009: «For a long time, the challenge of convergence in an economic zone depended on the need to combine economic growth with social and institutional development at the national and regional levels ».

Between 2000 and 2015, a real convergence process occurred in different developing regions, particularly in Africa. As shown in the following figures (19-a ... 19-f), the Northern and Southern African regions performed better over the considered period compared to other countries and regions in Africa. This also points to good performances within the Mercosur, the BRICS and the ASEAN.

For North Africa, the poor performance of Libya since 2001 suggests that the last fortnight of growth has allowed the initially low-income countries, in comparison with to the rest of the region, to catch up as a result of relatively higher growth rates, on average. In fact, countries in this region have already had similar per capita income levels, and achieved similar growth levels, except for Libya (see the annex). This remains valid when one examines the period of 2000-2010, or excludes Libya and Egypt from the panel. Even if the real convergence speed fluctuates from one configuration to another, real convergence remains present, implying a uniformity in the catching-up process among countries of this region. For Libya, which has experienced a general deterioration in economic and social indicators, bringing the growth rate back to what it was eight years ago, would necessarily require renewed trust between the various actors of the Libyan political and socio-economic life, better institutional quality and reforms that seem less achievable in today's context.

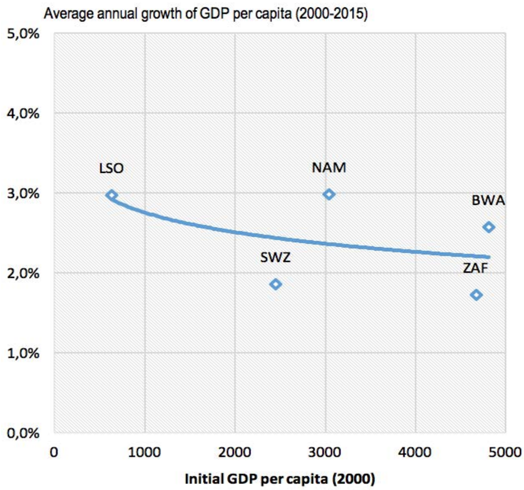
Figure 19-a: Real convergence in Northern Africa



DZA: Algeria | EGY: Egypt | LYB: Libya | MAR: Morocco | TUN: Tunisia

In the extreme south of the continent, there has been little real convergence between the various economies since 2000. In this regard, the graph beside (figure 19-b) clearly shows the presence of a weak negative relationship between relative per capita GDP levels in 2000 and their respective average growth rate between 2000 and 2015. It also shows that this configuration is in part due to weak real GDP per capita growth in both Lesotho and Swaziland. The case of Lesotho seems more critical given that the country is considered one of the "least developed" in the world. This is all the more delicate if one knows that the country's economy is characterized by a large size of the non-market sector (26% of GDP in 2015), and is very dependent on external demand for such products from the textile and diamond sectors in addition to remittances sent over by migrants working in South Africa. The decline in Lesotho's real GDP in 2009 is a good indicator of this high and unsustainable dependence. Improving the country's growth prospects will require greater productivity, diversification and investment[37]. Currently, productivity growth in Lesotho is very low, reflecting inefficient cross-sectoral allocations, with a labor force that is concentrated in the least productive sectors of the economy. Initiating a careful and well-thought-out process of structural transformation is therefore necessary to improve productivity and foster strong growth for the country.

Figure 19-b: Real convergence in Southern Africa



BWA: Botswana | LSO: Lesotho | NAM:Namibia
SWZ:Swaziland | ZAF: South Africa

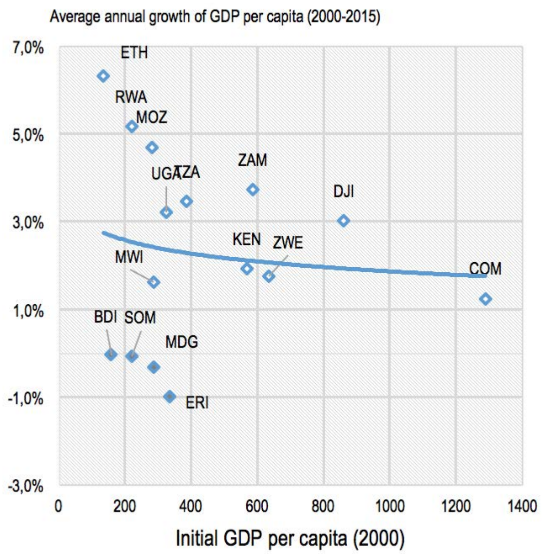
In contrast, other economies in the Southern African region are continuing their catching-up process relative to advanced economies - as is the case for

37 The World Bank (2015): « Lesotho: Systematic Country Diagnostic ». Given an investment ratio of 30% of GDP and a labor force growth rate of 1.1% per year, achieving a 7% economic growth rate will require an increase in total factor productivity (TFP) of about 4.9%. Alarmingly, over an excessively prolonged period, these levels of TFP growth rates are high relative to international standards. In addition, productivity growth in Lesotho has slowed in recent years, with a TFP contribution of only 0.7%. Finally, the marginal productivity of labor is relatively low.

South Africa and Botswana. These countries belong today to the upper-middle-income country category. Namibia, which was already a member of the middle-income group in 2000, has also achieved the upper-middle-income status through sustained economic growth since the beginning of the new millennium. However, we highlight that these economies still face, to varying degrees, major development challenges such as high unemployment, slow growth and vulnerability vis-à-vis external shocks.

In the eastern part of the continent, most economies have experienced faster growth in GDP per capita relative to advanced economies, particularly the OECD (see figure 18). This has led to a convergence in terms of incomes relative to the latter. If the figure 18 shows the presence of real convergence between East Africa as a whole and the OECD, there has been, however, little convergence within the Eastern African region since 2000. If countries such as Ethiopia or Rwanda managed to achieve per capita GDP growth rates above 5% over the period 2000-2015, the fact that others such as Burundi or Madagascar have had negative growth rates has led to a weak but negative relationship between the relative levels of per capita GDP in 2000 and relative growth rates between 2000 and 2015. Malawi has also contributed, to a lesser extent, to the low convergence observed in the Eastern region of Africa. The country, which originally belongs to the least developed countries' group, has experienced economic stagnation in recent decades. This stagnation has significantly affected the country's growth horizons, given that in parallel it still suffers from negative externalities as a result of climate-related external shocks coupled with internal political and governance shocks.

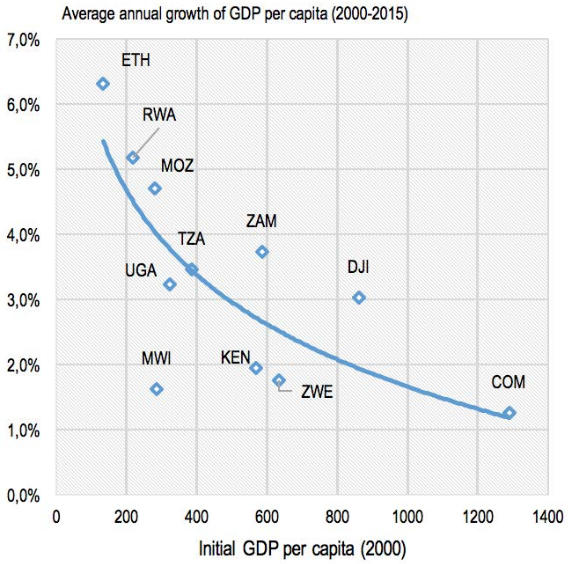
Figure 19-c: Real Convergence in Eastern Africa



BDI:Burundi | COM:Comoros | DJI:Djibouti | ERI:Eritrea | ETH:Ethiopia
KEN:Kenya | MDG:Madagascar | MWI: Malawi | MOZ:Mozambique
RWA:Rwanda | SOM:Somalia | TZA:Tanzania | UGA:Uganda
ZAM:Zambia | ZWE: Zimbabwe

In a context where Burundi, Eritrea, Madagascar and Somalia were to whitness GDP per capita growth levels similar to Ethiopia or Rwanda, we could expect greater convergence patterns within the region as shown in the chart beside (figure 19-d). However, improvements of the economic performance of the latter group of countries are to be taken with caution. Despite the advances observed, much of the high growth is backed by rising world demand for primary commodity prices. This can lead to specific vulnerabilities especially with the advent of a crisis or slowdown in Chinese growth – which went from an above 14% high in 2007 to a little over 7% currently. This has had a knock-on effect on the prices of raw materials. It would then be necessary not only to think about supporting the diversification of the exportable supply, but also to encourage production structure changes, a necessary condition for such a diversification. This transformation is also essential to support growth, and therefore the catch-up process, as it allows for the reallocation of production factors to more productive sectors. All this should be done in an institutional framework favorable to competition, with the creation of innovative and performing enterprises. This is of upmost importance given the positive impact of foreign direct investment (FDI) inflow on the convergence speed in the region. In addition, creating a prosperous framework for competitive practices and reducing structural rigidities is necessary to accelerate the process of reallocating labor and capital from stagnant sectors to rapidly growing sectors[38].

Figure 19-d: Real Convergence in Eastern Africa, excluding Burundi, Erithria, Madagascar et Somalia



COM:Comoros | DJI:Djibouti | ETH:Ethiopia | KEN:Kenya
MOZ:Mozambique | MWI:Malawi | RWA:Rwanda | TZA: Tanzania
UGA:Uganda | ZAM:Zambia | ZWE:Zimbabwe

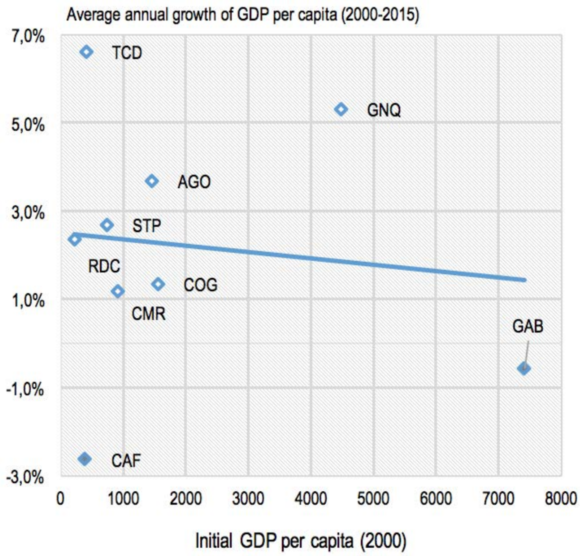
In Central Africa, it can be seen that the countries' position along the scatterplot is not compatible with the presence of a process of convergence within the region. Indeed, it is difficult to say that the least developed countries in the region have been able to achieve the highest growth rates in terms of GDP per capita. Conversely, there is a deterioration for a country like the Central-African Republic, whose GDP per capita declined by around 3% between 2000 and 2015. This is the result of a drastic drop in national production of about 35% in 2013. In addition, during the period 2000-2015, the country suffered from insufficient economic diversification and weak national institutions as well as an economic dependence with its neighboring countries. If the Central-African Republic's GDP per capita has fallen over the past 15 years, it is mainly due to armed conflicts between the Seleka and the Bozizé regime[39]. With the

38 In product markets, these rigidities include access to financing and road, energy and communication infrastructure. These rigidities also include anti-competitive practices that prevent price adjustments in certain sectors. In the labor market, these rigidities concern practices that are not conducive to flexible wage adjustments. All of these rigidities impede the adjustment of wages and prices and negatively affect the process of reallocation of labor and capital to rapidly growing sectors.

39 Seleka is a coalition of rebel groups from the north of the Centre-African Republic. The Seleka launched a major

resolution of the conflict, the success of the presidential and legislative elections and the relatively stable security situation, growth in Central-African Republic has exceeded the average growth recorded by other countries of the region in 2015, and should be further consolidated in 2016 to reach 5.4%. The Democratic Republic of Congo is another country, initially low-income, that has not yet achieved convergence because of weak economic growth relative to population growth – which increased at an average rate above 3% between 2000 and 2015.

Figure 19-e: Real Convergence in Central Africa



AGO:Angola | CAF: Center Africa | CMR:Cameroon | COG:Congo
GAB: Gabon | GNB: Guinea Bissau | RDC: Democratic Republic of Congo
STP: Sao Tme & Principe | TCD:Chad

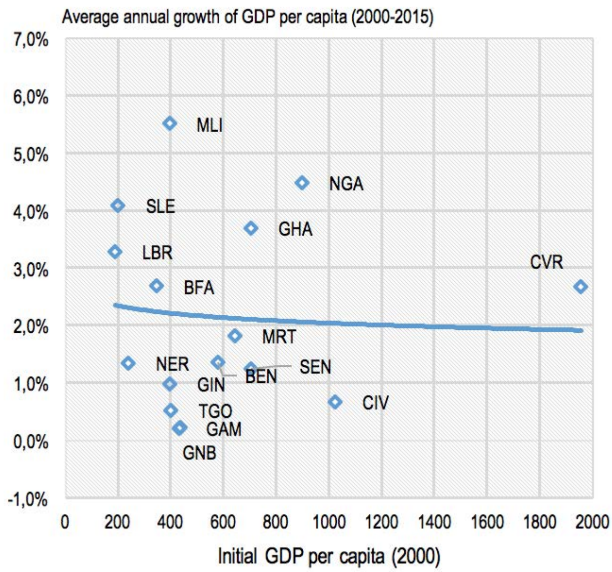
Even in Gabon, initially a middle-income country, economic growth has not been sufficient to significantly boost GDP per capita. Between 2000 and 2007, population growth often exceeded that of the real GDP; and it was not until 2010 that such a reporting was sustainably reversed. Accordingly, pushing growth to higher levels is a necessity not only for low-income countries in the region, but also for relatively advanced economies in order to start and then accelerate the catch-up process. The quality of governance and the introduction of market reforms are among the imperatives for a better performance of some countries in comparison to others. Diversification and structural transformation

military offensive from the northeast of the country against former President Bozizé's regime on December 10, 2012. Heavily armed mercenaries from Chad and Sudan supported the attack. They took control of several towns and villages in the east and advanced to Sibut (180 km from the capital, Bangui). Armed conflict resolved in December 2013 with the entry in line of the United Nations Security Council and other regional and international actors.

are also important since the economies of most countries in the region depend on natural and mineral resources. To achieve such desired diversification and transformation, the region will need to push for stronger and more reliable transport and energy infrastructures . There will also be a need for better competitiveness and investment, which currently remain low or insufficient. The reduction of tariff and non-tariff barriers to trade could also constitutes a plus for the region.

We put an end to our tour of Africa by examining the validity of the real sustainable convergence hypothesis in West Africa. By doing so, it turns out that West Africa's economic growth rates have been insufficient, for the majority of the region, in order for a process of convergence to commence. Indeed, even with rates economic growth rates often exceeding 5% over the period 2000-2015 (2.5% above that of population growth in most countries) the GDP per capita growth has not exceed 2%. Nonetheless, there are some disparities in terms of per capita GDP growth between countries of said region. For example, Ghana (3.7%), Nigeria (4.5%), Mali (5.5%), Liberia (3.3%) and Sierra Leone (4.1%) witnessed strong progress. Some of the above-mentioned countries, such as Nigeria and to a lesser extent Ghana, were relatively more exposed and thus suffered negatively from the decline in oil prices. In fact, Nigeria's GDP growth rate is expected to be around 0.8 percent in 2017, up from -1.6 percent in 2016 (Sub-Saharan Africa Regional Economic Outlook, October 2017). For Ghana, economic activity should continue to grow, achieving 5.9% in 2017 according to the IMF. The difference between Ghana and Nigeria is that the former has been able to push for improvements and diversification in export quality over the past 10 to 15 years. While the country has benefited from soaring commodity prices over the past decade, the commodity boom is only part of its growth story. Other factors explaining such differences in growth patterns come from the wholesale and retail trade, transportation, telecommunications and manufacturing sectors.

Figure 19-f: Real Convergence in West Africa



BEN:Benin | BFA:Burkina Faso | CVR:Cabo Verde | CIV:Côte d'Ivoire
GAM :Gambia | GHA:Ghana | GIN:Guinea | GNB:Guinea-Bissau | LBR:Liberia
MLI:Mali | MRT:Mauritania | NER:Niger | NGA:Nigeria | SEN:Senegal
SLE :Sierra Leone | TGO :Togo

This diversification in growth drivers is also important for other countries in the region. It may enable them, in addition to hedging against commodity price shocks, to reallocate productive resources towards more productive sectors – especially if the institutional framework is adequate.[40]

In short, the overview of the real convergence phenomenon in Africa has made it possible to distinguish regions where the catch-up with advanced economies, in terms of GDP per capita, should be done in a uniform manner in comparison to other regions. To complete the analysis, figure 20 represents the variation in GDP per capita concentration between 2000 and 2015 while breaking it down into the progressivity of income growth and the extent of reclassification or mobility (See box 1, and Jenkins and Van Kerm (2003)).

40 By institutional framework, we refer to the reduction of structural rigidities in both goods and labor markets. It should also be a favorable framework for reducing other constraints, including barriers to transport and trade along corridors and borders, difficulty in accessing financing as well as reliable and affordable electricity networks. Such structural changes should help fuel productivity improvements in West Africa while helping companies achieving greater economies of scale, increasing their investment, and becoming more competitive.

Figure 20: Decomposition of the Sigma-Convergence: The Progressivity of Low-Income Countries Effect and the Reclassification or Mobility Effect

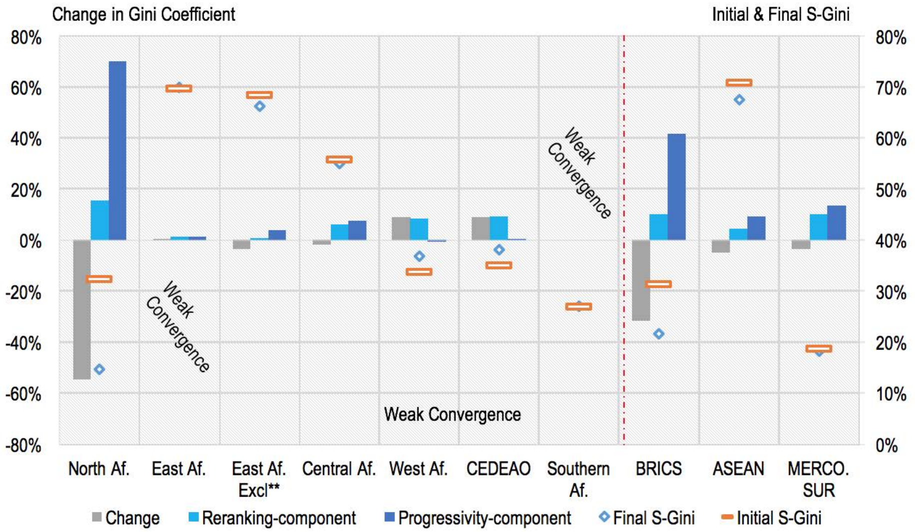
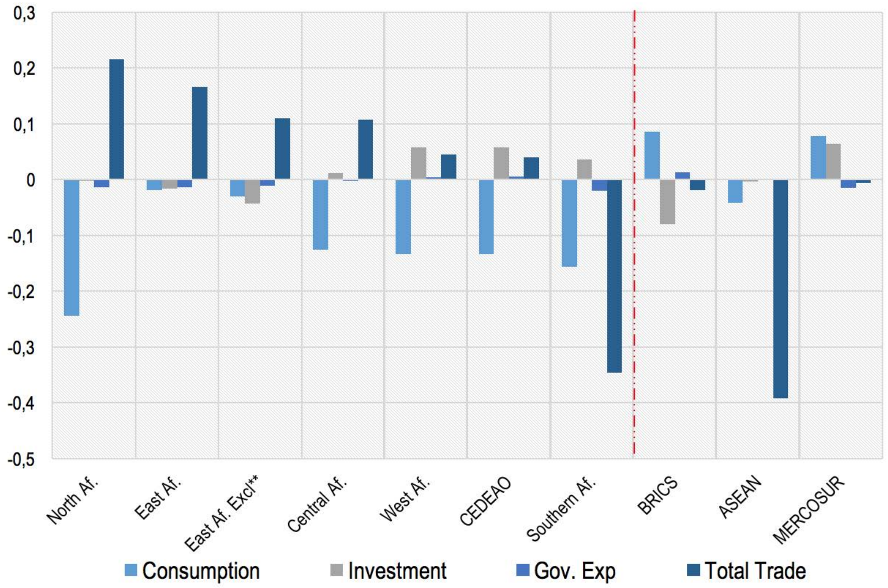


Figure 21: Decomposition of the Sigma-Convergence: Marginal Effects by source of Growth



Source: Author's calculation, based on UNCTAD database
**East Africa Excluding Burundi, Somalia, Eretria and Madagascar

It turns out that a process of convergence is indeed present in most African regions, even though it sometimes remains weak. A useful method would be to try and capture the probable sources of such convergence patterns. Rising oil, minerals, and other commodities prices may suggest that trade has contributed to a higher convergence in term of GDP per capita since 2000. However, the analysis of the marginal effects of the global demand components on real convergence show that trade was a driver of convergence only in the southern region of the continent (see Figure 21). This partly contributes to explaining why both natural and non-natural resource exporting countries had comparable GDP growth rates. It is a result of the above-mentioned strong domestic demand growth, which benefited from other sector dynamics such as wholesale and retail trade, transportation, telecommunications and other industries such as the manufacturing sector. Many African countries have benefited from drastic social and demographic changes related to urbanization, the expansion and growth of their labor force, in addition to the emergence of a relatively large middle class. These factors have resulted in new domestic growth drivers[41]. According to figure 21, the domestic demand has contributed more broadly to convergence as evidenced by the positive marginal effect of consumption and government spending on convergence patterns for per capita GDP most parts of the continent. Investment was also a key driver of convergence in North and East Africa. The effect of total investment does not appear to be favorable for convergence in the rest of Africa's regions. This is due to its slow growth pace for less developed countries (in West Africa, for example) where investments have increased in the same proportions for all countries except Liberia and Sierra Leone, which saw their investments grow more than four-fold.

Currently, governments in some low-investment countries are increasingly adopting and pushing for policies that boost markets while increasing trade openness, lowering taxes on business, strengthening legal systems, and providing essential and quality infrastructures. These factors could facilitate such countries to enter a more sustained growth and convergence configuration. Such reforms should also help increase the productivity and the competitiveness of enterprises in Africa. In sum, accelerating convergence across Africa's five regions will require more productivity and investment, especially given the current infrastructure shortfalls in some of the continent's countries[42].

The issue of productivity depends significantly on inter-sectoral allocations.

41 According to the African Development Bank (ADB-2011), the African (Sub-Saharan) middle class numbered 313 million people. At the same time, consumer purchasing power in Africa has increased from $ 470 billion in 2000 to over $ 1.1 trillion in 2016. According to McKinsey Global Institute, increasing consumption of the growing middle class of Africa means consumer spending will reach $ 1.4 trillion by 2020.

42 The delay in infrastructure is important in some African countries such as Zambia or Madagascar, which are ranked above 100th according to the logistic classification of the World Bank in 2016. Even for a country like Egypt, which is 49th, the need for infrastructure is estimated to exceed 1500 billion US dollar. The development of African infrastructures represents a challenge, but also an economic opportunity as these investments in infrastructure can not be financed by the African countries alone.

For an efficient allocation of production factors, structural transformation is needed in order to direct the workforce to the most productive sectors of the economy, as such workforce seems currently concentrated in the least productive sectors. In order to accelerate its structural transformation, Africa will need to encourage competitive practices and work to reduce structural rigidities. So, improving the institutional framework is an essential condition for successful and sustained transformation. It is also important for the promotion of business attraction and creation, especially as inflows of FDI tend to improve the speed of convergence in all regions of Africa (see Table 7)[43]. There is also a need to focus on developing key infrastructures (road and ICT, as main examples) in order to reduce costs and increase competitiveness. This will also allow such economies to better invest in human capital (skills and training) while promoting labor market mechanism efficiency.

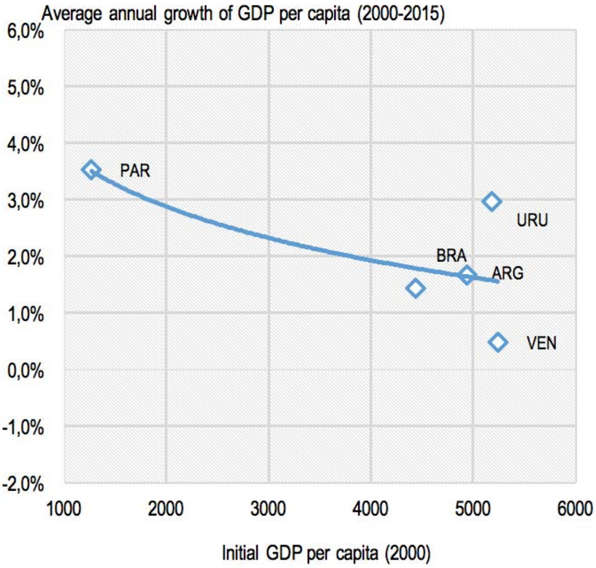
On the other side of the Atlantic, in South America, eliminating disparities in term of its citizens' standards of living was a common goal that motivated Mercosur countries since they started their process of integration. This objective can be interpreted as an push for sustainable convergence among countries of the region, in terms of real GDP per capita. In order to assess the evolution such objective, the figure beside shows the sense of the relationship between real GDP per capita of the Mercosur countries in 2000, and their respective average annual growth rate over the period 2000-2015. This figure brings out a set of remarks. Initially, Venezuela and Uruguay, which were the two most advanced countries (the two countries having the highest GDP per capita in the MERCOSUR in 2000), witnessed major divergence in term of real GDP per capita growth rates. An examination of the evolution of the real GDP per capita for these two countries indicates that this divergence did not occur until 2010. It was a direct outcome of Venezuela's growth rate contraction, mainly as a result of a fall in its oil sector activity: production fell by 7.7% in 2009 and 1.8% in 2010. In addition to the collapse in international oil prices, towards the end of 2014, inadequate macroeconomic policies also significantly affected Venezuela's economic and social performance[44]. On the other hand, Paraguay, the poorest country in the group (in terms of GDP per capita in 2000), saw this indicator rise by around 3.5% on average over the period 2000-2015. Such findings indicate that there may be convergence in terms of GDP per capita between the MERCOSUR countries, excluding Venezuela from the group. However, the medium-term growth prospects of the latter country are likely to have a negative impact on the

43 Estimates of the speed of convergence according to a pattern conditioned by foreign direct investment inflows are better relative to estimates issued from absolute convergence models (see Box 1 for more detail on the difference between the two conceptions of convergence)..

44 During the economic boom, Venezuela did not accumulate savings to mitigate a reversal of the terms of trade or to cushion the necessary macroeconomic adjustment. In addition, the country's dependence on the hydrocarbon sector has increased significantly. In a country with years of interventionist policies and market distortions, including restrictions on imports, this has led to adverse economic conditions and currency instability in the context of shortages of imported products (food, medicines, etc.).

convergence process within MERCOSUR. Indeed, IMF projections in October 2017 forecast a negative growth rate of about -12% in 2017, -6% in 2018 and -1.3% in 2022. In order to reverse these projections, Venezuela must absolutely deal with a range of issues including the significant need for financing, the consolidation of public finances in order to enlarge access to external financing possibilities (the budget deficit was estimated at 20% of GDP at the end of 2015), the reduction of structural rigidities including prices controls and restrictions on imports. Venezuela must also improve its investment climate in order to restore the confidence of both domestic and foreign private sector. Major transformations of the economy will be key in reducing the country's vulnerability to fluctuations in oil prices.

Figure 22: Real Convergence in the MERCOSUR



ARG: Argentina | BRA:Brazil | PAR:Paraguay | URU:Uruguay
VEN:Venezuela

Alike Venezuela, a number of Mercosur economies are currently suffering from sluggish global growth, especially as a result of China's decreased demand for commodities, and consequently lower commodity prices[45]. However, growth prospects for these economies are expected to diverge, reflecting differentiated exposures to global commodity markets as well as other country-specific factors.

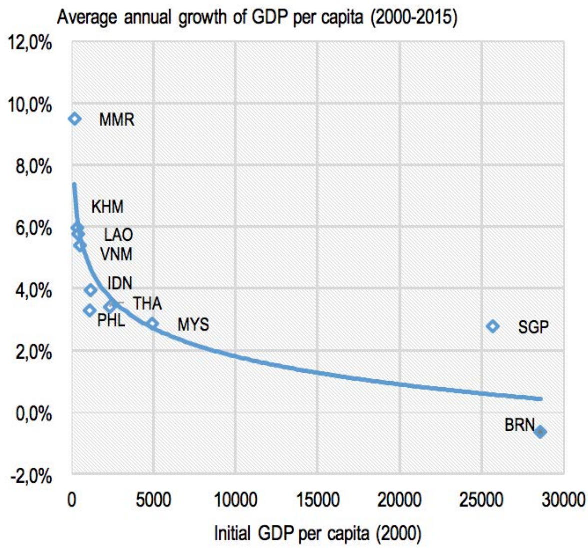
45 Commodities makes up a large part of MERCOSUR countries' export basket. The contraction of these goods' demand and prices in 2015 has made deteriorate trade within the bloc as well as its macroeconomic situation, including a severe, prolonged recession in Brazil.

Brazil, for example, has experienced the hardest economic reversal in more than two decades, while Paraguay has suffered far less, mainly as a result of strong macroeconomic fundamentals[46].

2. Towards a Consolidation of Real Convergence in the South Atlantic: What Lessons from the ASEAN Experience?

Within the Association of Southeast Asian Nations (ASEAN), regional integration has played a positive role in the process of expanding trade and development. As shown in figure 18, the ASEAN's GDP per capita growth was above the average of other developing countries (excluding China) over the period 2000-2015. The ASEAN's strong economic growth, stimulated by trade, investment and market-oriented reforms, is seen as a key factor behind the observed reduction in development gaps between members of its economic grouping[47]. Least developed countries such as Cambodia, Laos, Myanmar and Vietnam participated actively in this performance. This allowed them, in a relatively short period of time, to jump to middle-income status.

Figure 23: Real Convergence in the ASEAN



BRN:Brunei | IDN:Indonesia | KHM:Cambodia | LAO:Lao | MMR:Myanmar
MYS:Malaysia | PHL:Philippines | SGP:Singapore | VNM:Viet Nam

46 See: "The IMF 2017's Article IV Consultation with Paraguay".

47 In addition to the changing dynamics of the regional and global economy, which has allowed them to improve and diversify their economic structures, some countries have seized growth opportunities from their endowments of natural resources (eg Cambodia).

Since the 1990s, ASEAN member states have engaged in more externally-oriented-policies, combining multilateral and unilateral measures to reduce barriers to trade in goods, services and investment. This facilitated the participation of the private sector in exporting economic activities. With the emergence of southern partners such as China, this institutional-commercial framework was conducive to the intensification of China's ties with the region. Such processes, coupled with strong economic growth, led to an increase in net flows of goods, services, financing, as well as connectivity in terms of technology, data and communication. In this context of economic integration, most ASEAN member countries have improved their export structures by moving towards higher value-added economic activities[48]. In fact, increased demand for ASEAN's exports has offered an opportunity to diversify, to improve the demand and the quality of work, to reallocate resources to more productive enterprises, and to improve the quality and the variety of produced goods[49] (Henn et al, 2013). Improving physical infrastructures and logistics, rapid ICT developments, while reducing trade barriers and costs have also played an active role in the growing share of intermediate goods trade, particularly in high and medium technology and electronics sectors.

48 For example, exports of highly skilled products from Cambodia and Vietnam increased remarkably between 1995 and 2015, from 3 to over 8% of manufactured exports in Cambodia, and nearly tripled in Vietnam.

49 Increased intra-regional trade has contributed to greater integration into value chains across ASEAN. The expansion of intra-industry trade in parts and components, other intermediate goods and end products has been a key factor in the valuation and diversification of trade as well as improving the demand and quality of labor.

Table 7: Estimate of Absolute, Conditional and Sigma Convergence*

	Northern Africa	East Africa	East Africa (excl**)	Central Africa	West Africa	Southern Africa	MERCOSUR	ASEAN	BRICS
absolut Convergence:									
Bêta (Cross-Section approach)	-,047545*	-0,00007	-,00567*	-0,00035	-0,00180	-0,00346	-.013339	-,01254***	-0,0242
Speed of convergence	8,3%	W. C.	0,6%	W. C.	W. C.	W. C.	W. C.	1,4%	W. C.
Half-life (years)	14,23	W. C.	121,96	W. C.	W. C.	W. C.	W. C.	54,92	W. C.
Bêta (Panel approach)	-0,04330	0,000734	-,00550*	-0,00760	-0,00769	-0,00404	-.017893	-,01465***	-,02960***
Speed of convergence	W. C.	W. C.	0,6%	W. C.	W. C.	W. C.	W. C.	1,7%	3,9%
Half-life (years)	W. C.	W. C.	125,54	W. C.	W. C.	W. C.	W. C.	46,98	23,07
Conditional Convergence:									
Bêta (Cross-Section approach)	-0,05200	-0,00454	-,017750**	-,025174*	-0,0087	-0,00369	-.013483	-0,0209	-0,0322
FDI	0,012300	0,00275	0,00089	,0168**	0,00519	0,000880	.007030	0,00625	0,00730
Speed of convergence	W. C.	W. C.	2,1%	3,2%	W. C.	W. C.	W. C.	W. C.	W. C.
Half-life (years)	W. C.	W. C.	38,70	27,19	W. C.	W. C.	W. C.	W. C.	W. C.
Bêta (Panel approach)	-,075000***	-0,0066	-,02284***	-,027710**	-,014932*	-0,00399	-.05347***	-,01686***	-,02282*
FDI	0,015704	0,00310	,005438**	,017521**	,006312**	-0,00004	.020125***	0,00149	-0,0073
Speed of convergence	8,3%	W. C.	2,8%	3,6%	1,7%	W. C.	10,8%	1,9%	2,8%
Half-life (years)	14,23	W. C.	29,99	24,67	46,07	W. C.	12,63	40,77	30,03
Sigma-convergence (Gini-based) :									
Initial S-Gini	0,324	0,698	0,686	0,559	0,339	0,271	0,188	0,71	0,315
Final S-Gini	0,147	0,7	0,663	0,55	0,369	0,271	0,182	0,675	0,216
Change	-54,5%	0,3%	-3,3%	-1,6%	8,9%	0	-3,4%	-4,8%	-31,5%
R-component	15,3%	1,2%	0,4%	5,8%	8,3%	0	10,0%	4,3%	10,0%
P-component	69,8%	1,0%	3,7%	7,4%	-0,5%	0	13,4%	9,1%	41,5%

Source: Author’s calculation, based on UNCTAD database - *For details on the conception see the box 1; for details on calculations see the appendix - **East Africa Excluding Burundi, Somalia, Eretria and Madagascar - W. C. = Weak Convergence | FDI = Foreign Direct Investment

VI. Conclusion and Recommendations: How Can Africa Accomplish Integration while Achieving Sustainable Convergence?

The ASEAN experience embodies important lessons for other developing regions. For regions in Africa that hope for a better integration process, coherent industrial and investment policies can help diversify manufactured products and modernize exports. It can also contribute to improving the demand, supply, and quality of jobs. The ASEAN experience shows a close relation between diversification and structural transformation: both of them have been associated with better macroeconomic performance. Encouraging the exploitation of commercial potential within a same region, on the one hand, and across the continent, on the other hand, is likely to translate into increased commercial integration and potential greater economic performance. Improved physical infrastructures and logistics, rapid ICT developments, reduced trade barriers and trade costs seem to have become key ingredients for reducing development gap.

Given the observed weak convergence among some African regions, the ASEAN experience could be a mine of potential and adaptable solutions and guidance. In addition, the economic development literature emphasizes a number of conditions that may facilitate achieving real sustainable convergence: (i) the improvement of the institutional framework, (ii) the maintenance of macroeconomic stability, and (iii) the reduction -or abolition- of structural rigidities regarding both products and labor markets in order to favor rapid and efficient reallocation of resources and therefore increase total factor productivity (TFP) and incomes.

1. Institutional Framework Improvement

Political and security improvements in Africa have contributed in pushing economic growth across the continent. The number of conflicts has decreased since 2000. Political stability and democratic governance have improved in a majority of countries. For countries that have not benefited from the African boom, the political and security situation is perhaps partly to blame. This is the case of the Central-African Republic which, during the period 2000-2015, whitnessed insufficient economic diversification and weak national institutions coupled with an economic dependence on neighboring countries. While this set of factors is crucial, the Cental-African Republic's GDP per capita has declined over the past 15 years, mainly as a result of serious armed conflicts.

Since the resolution of the conflict, however, and the success of the presidential and legislative elections that brought relatively stable security conditions, the country's growth patterns have exceeded the region's average for 2015, and should be further consolidated in 2016 to reach 5.4%

While political stability and democratic governance have improved across the continent, the business climate remains challenging for Africa's growth prospects. When accounting for the ease doing business indicators for different African countries, it seems that many are not performing to their full potential (the ranking includes 189 countries). However, there are some notable exceptions (see chapter on statistical indicators) such as Rwanda (59th) and Morocco (68th). Today, governments of some lagging countries are increasingly adopting policies to boost their market growth figures by increasing trade openness, lowering taxes on businesses, strengthening legal and regulatory systems, and providing critical infrastructures (putting in place public-private partnership frameworks favorable for investments in infrastructure). Such mechanisms could place these countries on a path towards sustained growth and convergence. Such reforms could also help increase the productivity and competitiveness of businesses and enterprises in Africa.

2. Macroeconomic Stability Maintenance

The convergence or attainment of some macroeconomic criteria can make it possible to have homogenous regions, even in a context where individual economies show different figures. In fact, macroeconomic convergence helps avoid asymmetries in term of policy priorities and responses during shock periods. However, as the current examples of Greece and Ireland in the EU teach us, meeting the convergence criteria may be a necessary but not sufficient condition for building homogenous regions and or unions. In Africa, macroeconomic convergence may miss its desirable target given the lake of efforts to strengthen local and national economies coupled with a convergence-based decision-making process at the national level (Jian Zhang (2012)).

Progress in implementing convergence would be attained by raising political awareness among government officials regarding the role and importance of this type of achievement. In order to strengthen political commitment, it could be important to find a convergence criteria elaboration using fact-based studies that take account the specificities, priorities, and modalities of such implementation procedures.

The convergence criteria may also be supported by certain institutional dispositions related to fiscal deficit financing or other financing needs. Different experiences highlight the importance of institutions in cost adjustments, as well as for the spread of macroeconomic integration benefits among regions - especially in times of shocks.

Resource mobilization is also essential for the implementation of convergence-oriented macroeconomic policies (financing reforms, seeking efficient financial markets, strengthening or creating relevant institutions, investing in reliable infrastructures, assessing skills shortages for development, impact evaluation…). This is the case for many African countries, who see a demand for skills and resources that does not often match with what is needed for the implementation of such desired convergence.

3. Structural Rigidities, Resource Allocation and Productivity Gains

Productivity growth in Africa is weak, reflecting inefficient cross-sectoral allocations. In addition, and as mentioned above, the labor force is too often concentrated in the least productive sectors of the economy. Starting a process of structural transformation is therefore necessary to improve productivity and foster strong growth for the continent's various regions. It is also a prerequisite for economic diversification, which may allow, in addition to hedging against commodity price shocks, directing productive resources to more productive sectors if the institutional framework is adequate. Indeed, this transformation should take place in a framework favorable to competition. The creation of innovative enterprises, especially as inflows of foreign direct investment tend to improve the speed of convergence in the African regions, would be beneficial to these regions. It is about creating a competition-friendly environment by reducing structural rigidities to accelerate the process of reallocating labor and capital from saturated sectors to rapidly growing ones. In the product markets, these rigidities include, amongst others, better access to financing of road, energy and communication infrastructure. The above-mentioned rigidities include anti-competitive practices that prevent price-and-profit adjustments in certain sectors. In the labor market, these rigidities concern practices that are not conducive to flexible adjustments of wages and labor. These rigidities impede the adjustment of wages and product prices while negatively affecting the process of reallocation of capital and labor towards rapidly growing sectors.

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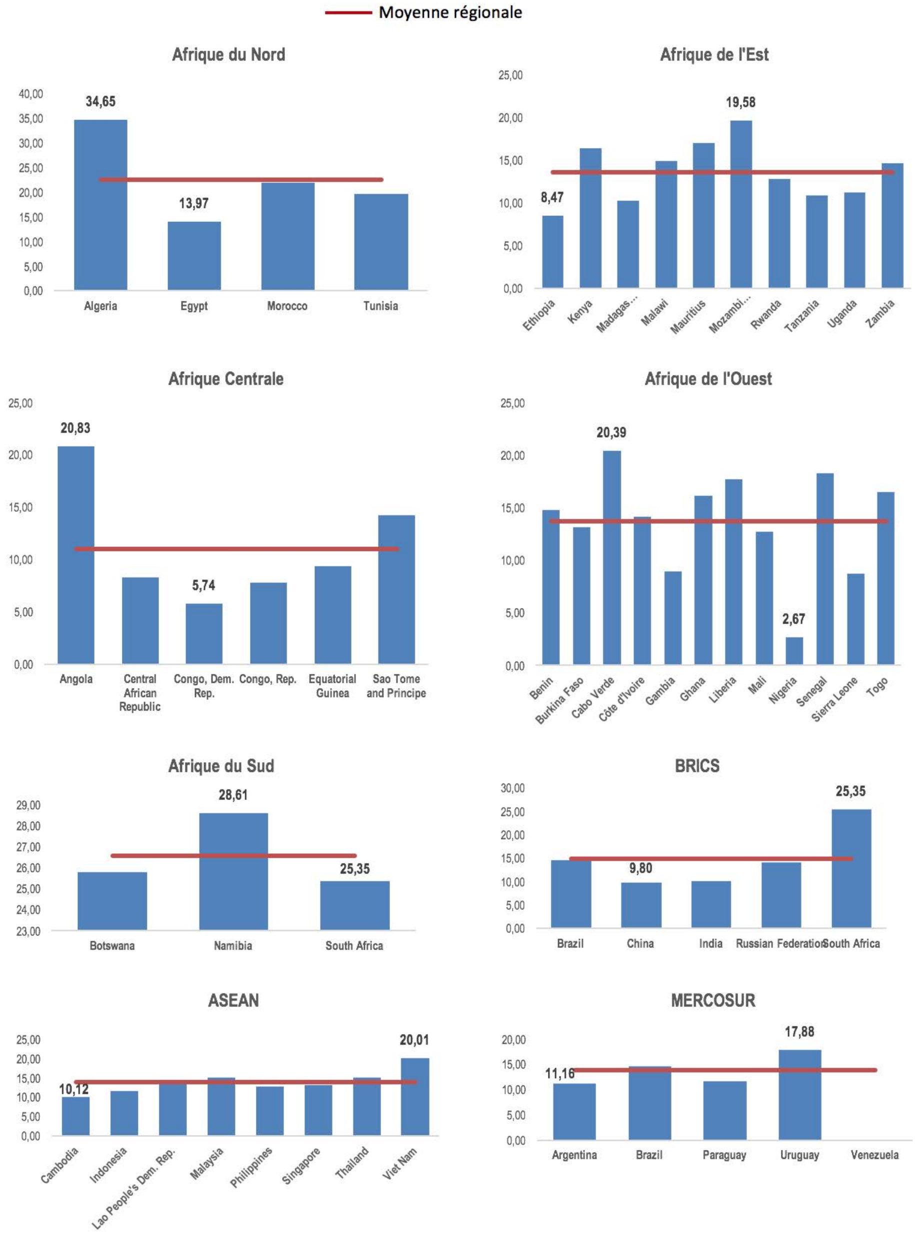
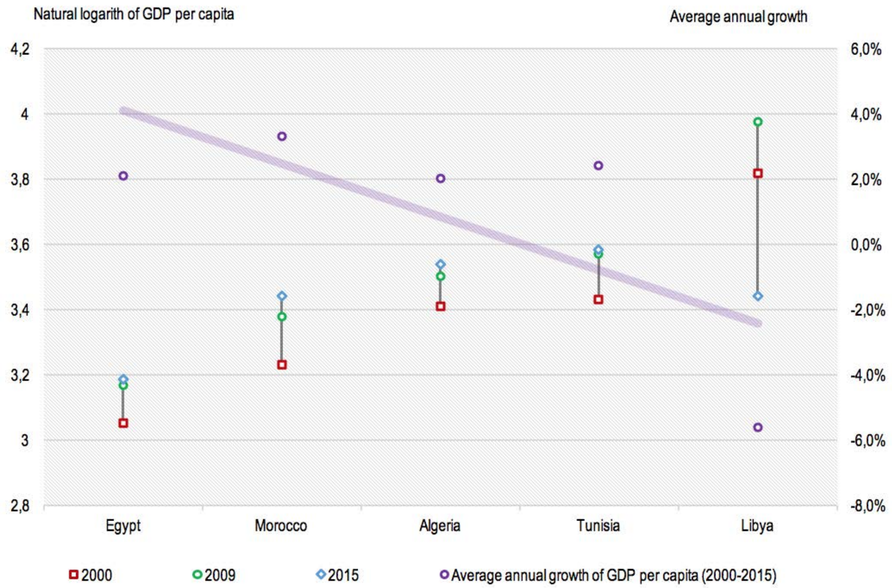
Appendix:

Figure 24: Tax Revenue (percentage of GDP) Among Africa Compared to other Regions of the World, 2000-2015 average



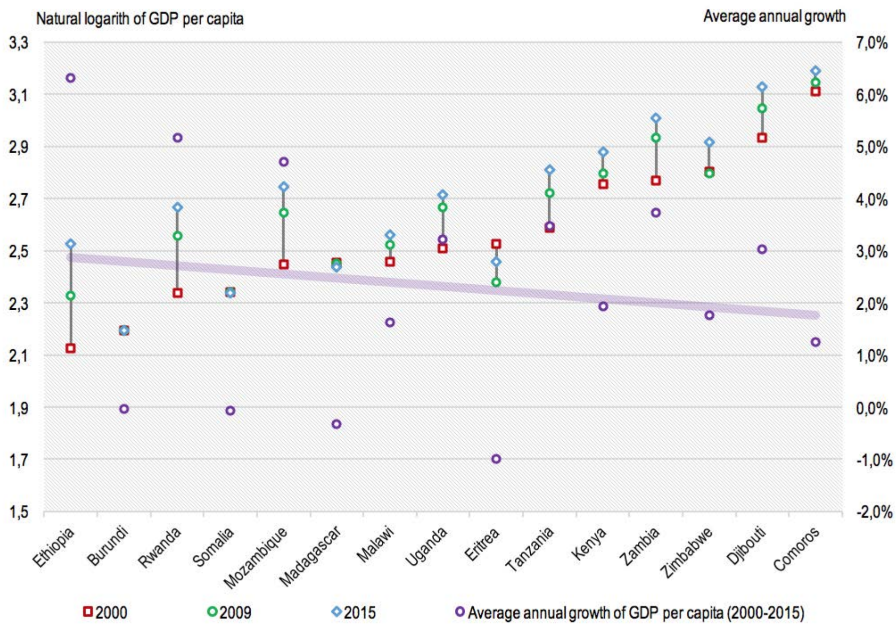
Source : World Bank Database

Figure 25-a: Real Convergence vs. Per Capita GDP Growth in North Africa



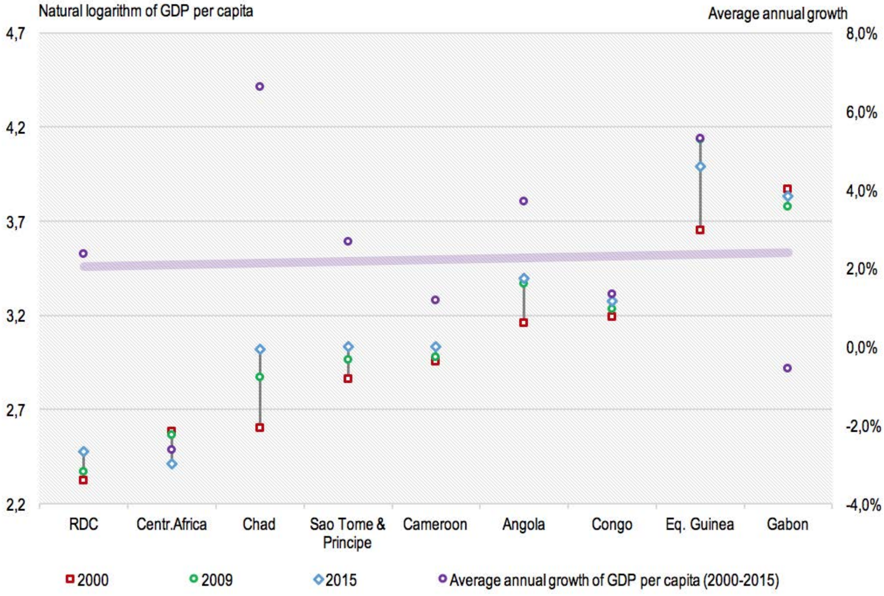
Source : Author's calculations, UNCTAD

Figure 25-b: Real Convergence vs. Per Capita GDP Growth in East Africa



Source : Author's calculations, UNCTAD

Figure 25-c: Real Convergence vs. Per Capita GDP Growth in Central Africa

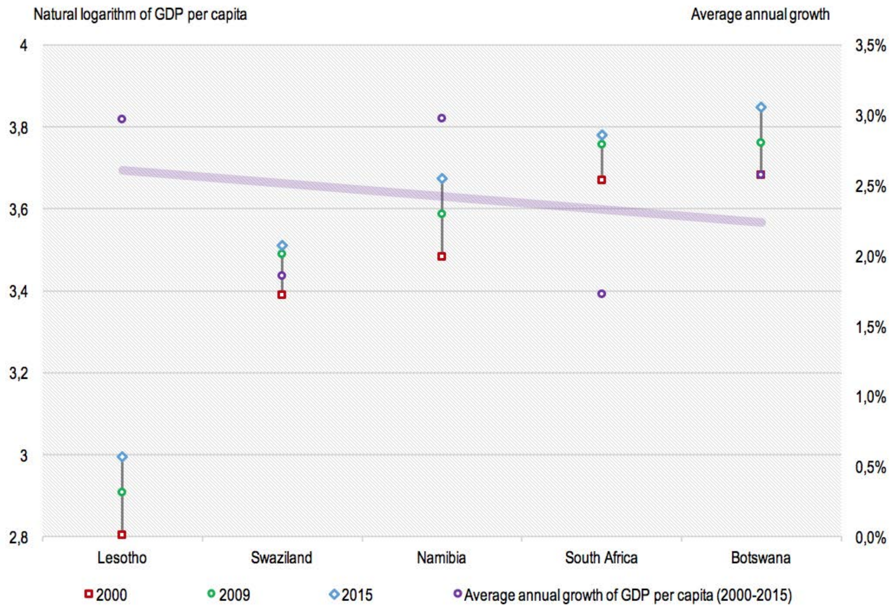


Source : Author's calculations, UNCTAD

Figure 25-d: Real Convergence vs. Per Capita GDP Growth in West Africa

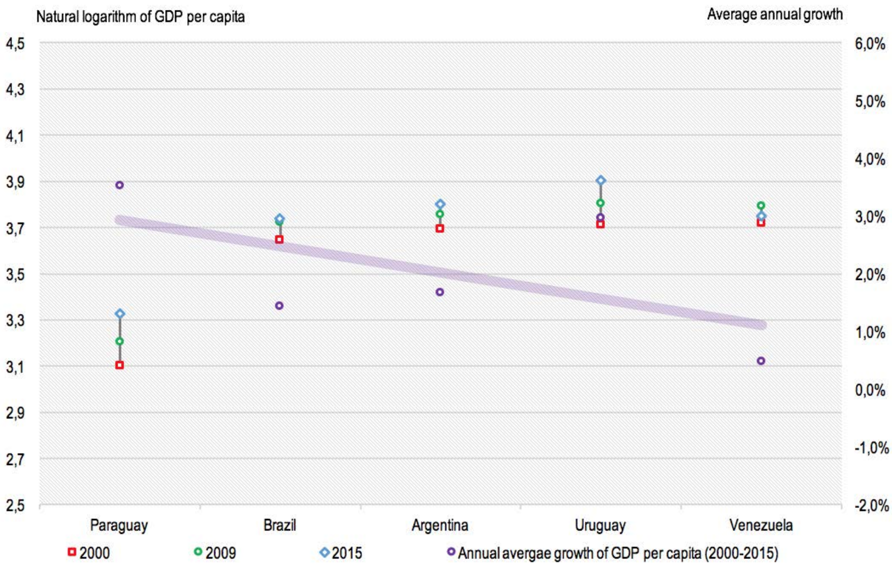
Source : Author's calculations, UNCTAD

Figure 25-e: Real Convergence vs. Per Capita GDP Growth in Southern Africa



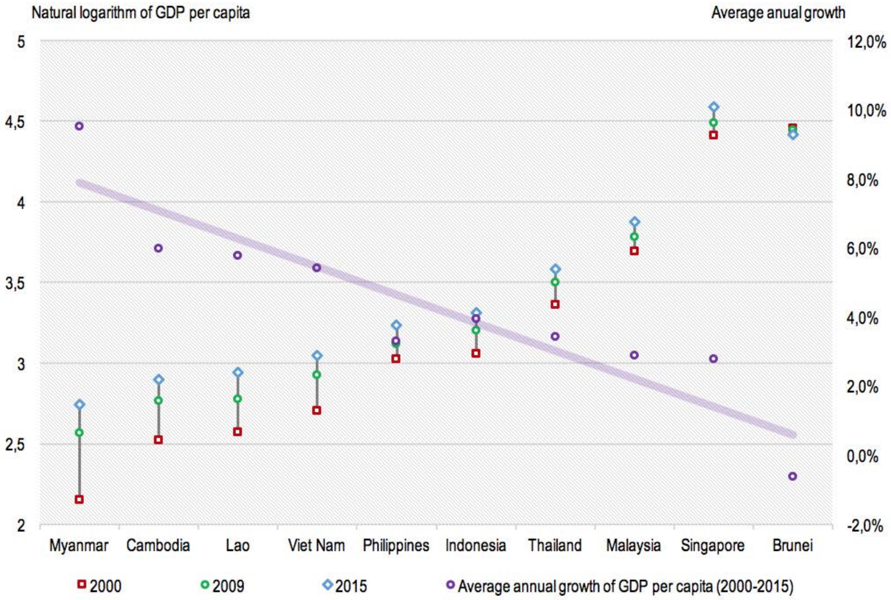
Source : Author's calculations, UNCTAD

Figure 25-f: Real Convergence vs. Per Capita GDP Growth in the MERCOSUR



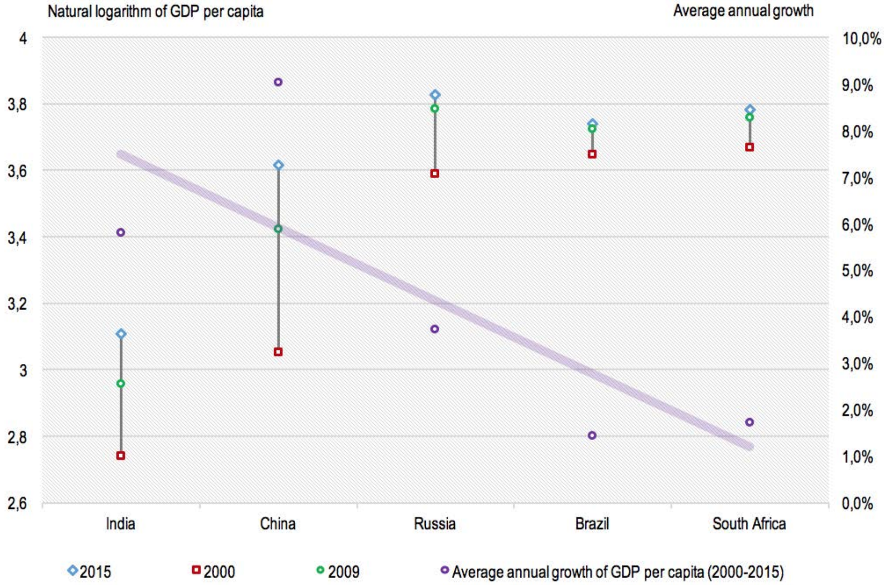
Source : Author's calculations, UNCTAD

Figure 25-g: Real Convergence vs. Per Capita GDP Growth in the ASEAN



Source : Author's calculations, UNCTAD

Figure 25-h: Real Convergence vs. Per Capita GDP Growth in the BRICS



Source: Author's calculations, UNCTAD

Detail of the Methodological Approaches

Empirical Basis of the Real Economic Convergence Concept

In order to test for absolute or unconditional convergence, we estimate a logarithmic equation based on cross-sectional data (equation (1)). The left side of the formula represents the average growth rate of country i over a period T (T = t0 … t). $Y_{i,T}$ is the per capita GDP of the period T. γ_0 is a constant.

$$T^{-1}log\left[\frac{Y_{i,t}}{Y_{i,t0}}\right] = \gamma_0 + \gamma_1 \log(Y_{i,t0}) + \varepsilon_i \quad (1)$$

In addition, we use a modified version of the equation (1) to test for conditional beta-convergence, taking into account the specific characteristics of each country. In equation (2), $FDI_{i,t0}$ represents the initial level of foreign direct investment per capita in country i.

$$T^{-1}log\left[\frac{Y_{i,t}}{Y_{i,t0}}\right] = \gamma_0 + \gamma_1 \log(Y_{i,t0}) + \gamma_1 \log(FDI_{i,t0}) + \varepsilon_i \quad (2)$$

Concerning panel data approach, the choice of the model is often discussed for several reasons such as the control of individual heterogeneity, variability and multicollinearity (Baltagi 2005, pp. 4-7). In general, one can choose between Ordinary Least Squares (OLS) estimation, fixed effects and random effects. We estimate the regression form given in equation (3), which is based on panel data, to study the hypothesis of absolute and conditional convergence.

$$log\left[\frac{Y_{i,t}}{Y_{i,t-1}}\right] = \gamma_0 + \gamma_1 \log(Y_{i,t-1}) + \gamma_1 \log(FDI_{i,t-1}) + \varepsilon_{i,t} \quad (3)$$

We confirm the presence of convergence when the parameter γ_1 is negative. In this case, we calculate the speed of convergence and the necessary time to achieve it, given this speed. The calculation formulas are as follows:

$$Vitesse\ de\ convergence = -\frac{\ln(1 + T\gamma_1)}{T} \quad (4)$$

$$Demi - vie = -\frac{\ln(2)}{\ln(1 + \gamma_1)} \quad (5)$$

Decomposition of Convergence in Pro-Poor Growth and Mobility Effects

Jenkins and Van Kerm (2006) have shown that the evolution of income dispersion between two periods can be expressed in two components, one representing the progressivity of income growth (pro-poverty growth) and the other representing mobility. The dispersion is measured using the generalized Gini coefficient, also known as S-Gini, G (X), where X is the distribution of income at a given time. G (X) is an inequality index that is sensitive to distribution. The decomposition is of the form:

$$\begin{aligned} \Delta(v) &= R(v) - P(v) \\ \Delta(v) &= G(X^1) - G(X^0) \end{aligned} \tag{6}$$

$\Delta(v)$ is the change in the generalized Gini coefficient between period 0 and period 1. O'Neill and Van Kerm (2006) interpreted $\Delta(v)$ as the change in the dispersion of countries' incomes over time . Δ (v) <0 reflects a downward trend in this dispersion. R(v) is a measure of mobility, and P (v) is a measure of the progressivity of income growth. These two are defined as:

$$\begin{aligned} R(v) &= G(X^1) - G(X^0, X^1) \\ P(v) &= G(X^0) - G(X^0, X^1) \end{aligned} \tag{7}$$

P(v), the progressivity component, can be interpreted as an indicator of growth that disproportionately benefited countries that was at the bottom of the distribution in the initial period. R(v), the recomposition component (due to reclassification or mobility), shows how progressive income growth has led to reclassification between countries (Yitzhaki & Wodon, 2004), so that the net reduction of dispersions is the difference between R(v) and P(v).

When the growth process is progressive, then P> 0. In this case, there is a lower level of GDP per capita dispersion over time. If the growth process is regressive, then P <0, which means that dispersion is increasing. The more progressive the growth process, the greater the value of P and hence the greater the reduction in dispersion (O'Neill and Van Kerm, 2006). In an analysis of the convergence of GDP between countries, O'Neill and Van Kerm (2006) interpreted $\Delta(v)$ as a measure of "sigma-convergence" and P(v) as a measure of "beta-convergence", thus reconciling the two concepts in a single framework

Decomposition of Dispersion Variation, and Marginal Effects by Sources of Income

This methodology breaks down the Gini coefficient by source of income and calculates the impact that a marginal change in a particular source of income will have on dispersion. Findings of Shorrocks (1982), Lerman and Yitzhaki

(1985) show that the Gini coefficient, for the total dispersion of incomes, can be represented by the following formulation:

$$G = \sum_{K=1}^{K} S_K \, G_K R_K \tag{8}$$

Where Sk is the share of source k in total income. Gk is the Gini corresponding to the income distribution of source k, and Rk is the Gini correlation of income of source k with the distribution of total income (Rk = Cov {yk , F (y)} / Cov {yk, F (yk)}, where F(y) and F (yk) are the cumulative distributions of total income and income of the source k.

Lerman and Yitzhaki (1985) show that using this particular method of Gini decomposition, one can estimate the effect of small changes in a specific income source on inequality, keeping the income of all other sources constant. It can be shown (see Stark, Taylor and Yitzhaki (1986)) that the partial derivative of the Gini coefficient with respect to a change percentage e in the income from source k is equal to:

$$\frac{\partial G}{\partial e} = S_K(G_K R_K - G) \tag{9}$$

Where G is the Gini coefficient before income composition change. The percentage change in dispersion resulting from a small percentage change in income from source k is equal to the initial contribution of source k to the dispersion of income minus the share of total income from source k:

$$\frac{\partial G/\partial e}{G} = \frac{S_K G_K R_K}{G} - S_K \tag{10}$$

Chapitre 6

Selected Indicators for Integration Process Assessment within the Atlantic Space

Tayeb GHAZI & Yassine MSADFA

The geographical sample of the Atlantic space

Africa Sub-region

- Angola
- Benin
- Cameroon
- Cape Verde
- Democratic Republic of the Congo
- Republic of Congo
- Côte d'Ivoire
- Equatorial Guinea
- Gabon
- Gambia
- Ghana
- Guinea
- Guinea-Bissau
- Liberia
- Mauritania
- Morocco
- Namibia
- Nigeria
- São Tomé and Principe
- Senegal
- Sierra Leone
- South Africa
- Togo

Latin America & Caribbean Sub-region

- Antigua and Barbuda
- Argentina
- Bahamas
- Barbados
- Belize
- Bermuda
- Brazil
- Chile
- Colombia
- Costa Rica
- Cuba
- Dominica
- Dominican Republic
- French Guiana
- Grenada
- Guatemala
- Guyana
- Haiti
- Honduras
- Jamaica
- Mexico
- Nicaragua
- Panama
- St. Kitts and Nevis
- St. Lucia
- St. Vincent and the Grenadines
- Suriname
- Trinidad and Tobago
- Uruguay
- Venezuela

USA & Canada

- Canada
- United States

Europe Sub-region

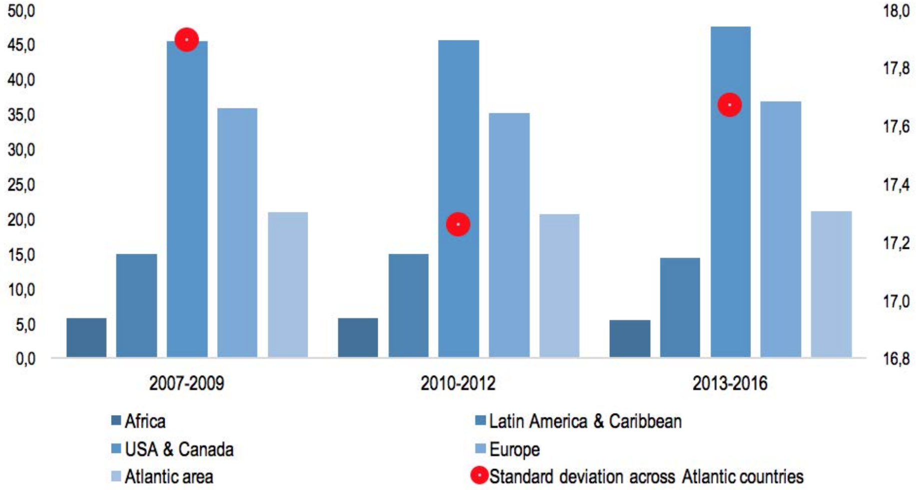
- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Greenland
- Hungary
- Iceland
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- United Kingdom

Figure 26: GDP Per Capita PPP By Sub-Region in the Atlantic area (constant 2011 in 1000 US$)

Average by sub-region	2007-2009	2010-2012	2013-2016
Africa	5,7	5,8	5,5
Latin America & Caribbean	14,9	14,9	14,4
USA & Canada	45,5	45,6	47,5
Europe	35,9	35,2	36,8
Atlantic area	20,9	20,6	21,1
Standard deviation across Atlantic countries	17,9	17,3	17,7

Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 27: GDP Per Capita PPP by Sub-region in the Atlantic area (constant 2011 in 1000 US$)



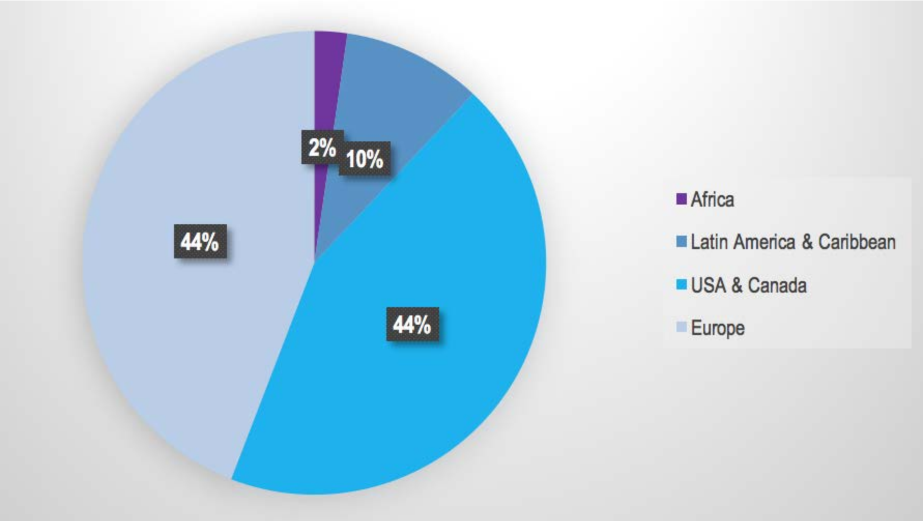
Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 28: Real GDP by Sub-region in the Atlantic area (constant 2010in millions US$)

Atlantic sub-region	Average 2014-2016	Share in total Atlantic GDP 2014-2016	Share in total world GDP 2014-2016
Africa	1 342 596,0	3,1%	2,4%
Latin America & Caribbean	5 003 382,2	11,5%	9,1%
USA & Canada	18 346 407,0	42,0%	33,2%
Europe	18 981 685,7	43,5%	34,3%
Total Atlantic area	43 674 070,9	100,0%	79,0%

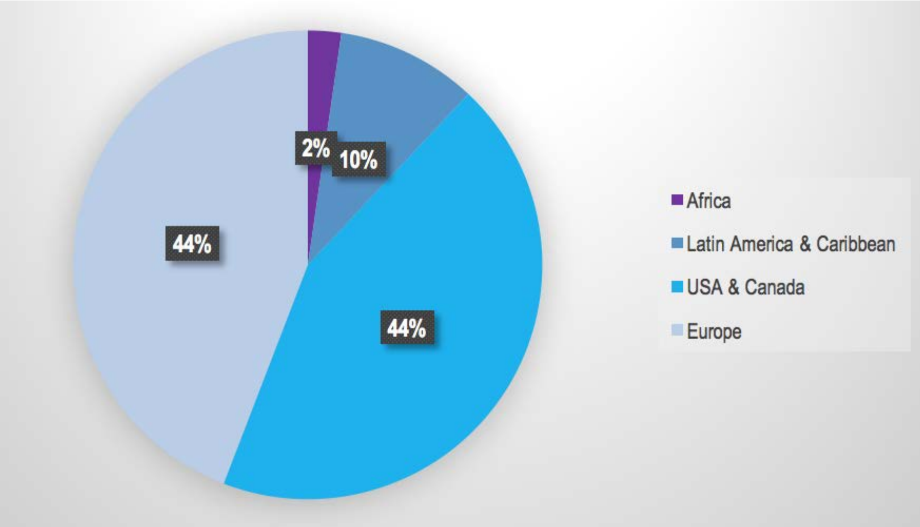
Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 29: Share of the Atlantic Sub-regions Real GDP in Percent of World Real GDP (2014-2016 average)



Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 30: Share of the Atlantic Sub-regions in Total Atlantic Real GDP (2014-2016 average)



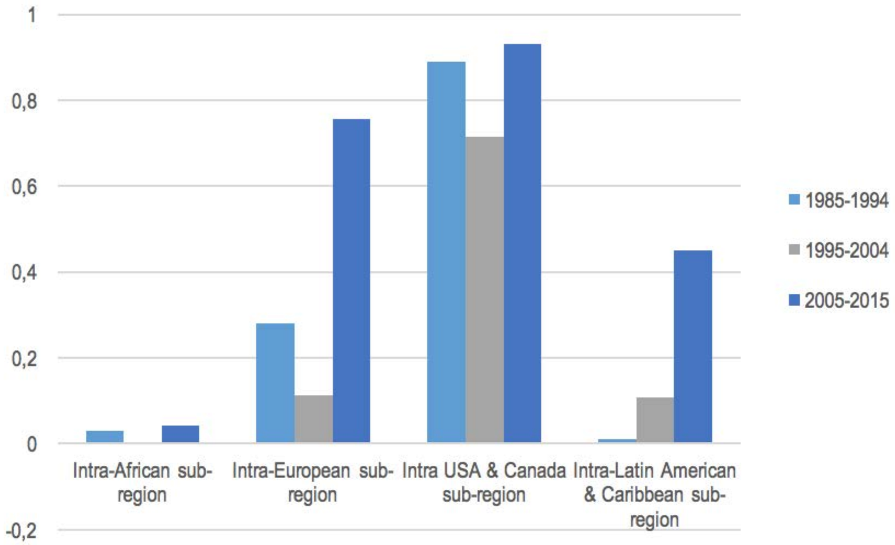
Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 31: Real GDP Growth Rates Synchronization in the Atlantic Area1

	1985-1994	1995-2004	2005-2015
Mean of bilateral correlations within sub-regions of the Atlantic Area			
Intra-African sub-region	0,03	0,00	0,04
Intra-European sub-region	0,28	0,11	0,76
Intra USA & Canada sub-region	0,89	0,72	0,93
Intra-Latin American & Caribbean sub-region	0,01	0,11	0,45
Mean of bilateral correlations between sub-regions of the Atlantic Area			
Africa / Europe	0,09	-0,03	0,17
Africa / USA & Canada	0,18	-0,07	0,21
Africa / Latin America & Caribbean	-0,03	0,02	0,15
Europe / USA & Canada	0,30	0,29	0,69
Europe / Latin America & Caribbean	0,01	0,08	0,57
USA & Canada / Latin America & Caribbean	0,04	0,18	0,52
Mean of bilateral correlations between all countries in the Atlantic area	0,05	0,05	0,38

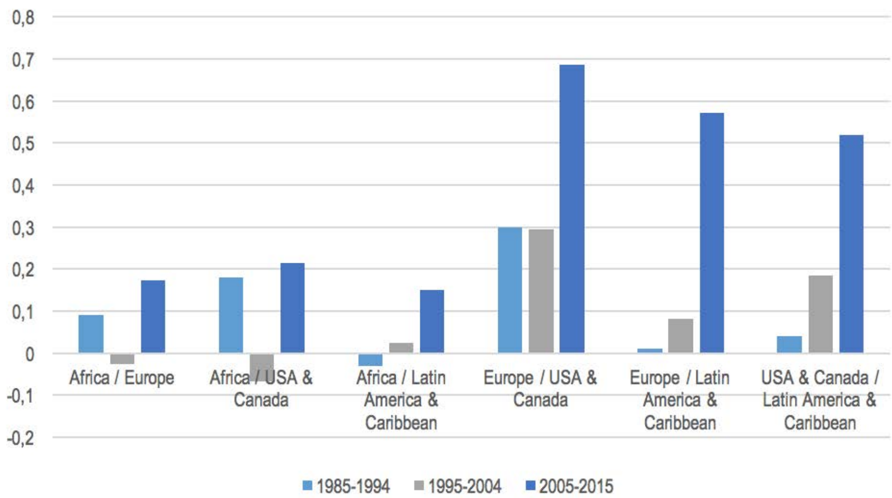
Source : author's calculation based on the World Development Indicators Database, World Bank

Figure 32: Correlations Within Sub-Regions in the Atlantic Area



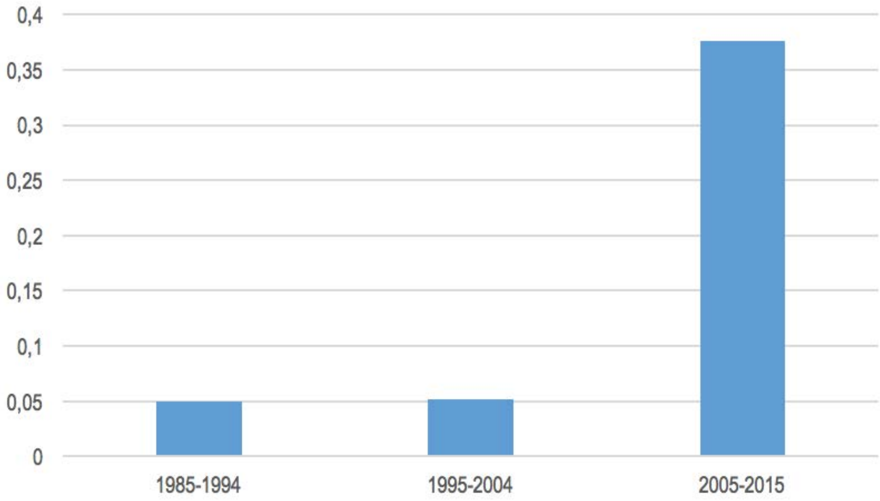
Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 33: Correlations Between Sub-Regions in the Atlantic Area



Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 34: Correlation Amongst the Atlantic Countries



Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 35: Real GDP Growth in Percent (period average)

Country	1990-1999	2000-2009	2010-2015	Country	1990-1999	2000-2009	2010-2015
Angola	1,42	11,46	4,50	Antigua and Barbuda	3,36	2,82	-0,07
Benin	4,94	4,15	4,65	Argentina	4,28	3,05	3,73
Cabo Verde	6,15	6,06	1,94	The Bahamas	2,70	1,00	1,13
Cameroon	0,42	3,40	4,68	Barbados	0,47	1,14	0,29
Democratic Republic of the Congo	-5,47	3,31	7,85	Belize	5,93	5,02	2,59
Republic of Congo	0,83	4,57	4,38	Brazil	1,72	3,36	2,19
Côte d'Ivoire	3,76	0,45	5,45	Chile	6,34	3,97	4,24
Equatorial Guinea	34,31	18,13	-1,88	Colombia	2,89	3,99	4,43
Gabon	2,47	0,51	5,49	Costa Rica	5,42	4,08	4,10
The Gambia	4,28	3,79	2,85	Dominica	2,63	3,08	0,44
Ghana	4,42	5,55	7,49	Dominican Republic	4,49	4,67	5,22
Guinea	4,22	2,63	2,06	Grenada	4,13	2,62	1,08
Guinea-Bissau	1,19	2,83	3,13	Guatemala	3,74	3,32	3,58
Liberia		2,29	5,30	Guyana	4,79	1,85	4,49
Mauritania	2,96	4,47	5,23	Haiti	0,37	0,77	2,07

Morocco	2,79	4,74	3,91	Honduras	2,76	4,36	3,51
Namibia	3,89	4,45	5,25	Jamaica	1,30	0,87	0,22
Nigeria	4,97	8,54	5,80	Mexico	3,47	1,84	3,17
São Tomé and Príncipe	1,25	4,51	4,54	Nicaragua	3,17	2,95	4,57
Senegal	2,72	4,01	3,72	Panama	6,09	5,91	8,26
Sierra Leone	-7,38	8,96	4,79	St. Kitts and Nevis	4,33	3,02	1,54
South Africa	1,39	3,60	2,27	St. Lucia	3,63	1,76	0,31
Togo	1,90	1,70	5,13	St. Vincent and the Grenadines	3,58	3,13	0,76
AFRICA (average)	3,52	4,96	4,28	Suriname	0,58	4,49	3,80
			2,31	Trinidad and Tobago	3,94	6,52	0,85
Canada	2,39	2,09	2,27	Uruguay	3,22	2,16	4,94
United States	3,23	1,82	2,29	Venezuela	2,46	3,97	-0,72
USA & Canada (average)	2,81	1,96	4,28	Latin America & Caribbean (average)	3,40	3,18	2,62

Country	1990-1999	2000-2009	2010-2015
Austria	2,72	1,67	1,19
Belgium	2,22	1,62	1,15
Bulgaria	-5,27	4,57	1,27
Croatia	2,49	3,13	-0,78
Cyprus	4,80	3,38	-1,32
Czech Republic	1,18	3,43	1,45
Denmark	2,45	0,93	0,70
Estonia	4,06	4,39	3,52
Finland	1,65	2,03	0,52
France	2,01	1,42	1,03
Germany	2,19	0,84	1,92
Greece	2,09	2,79	-4,38
Hungary	-0,27	2,41	1,55
Iceland	2,29	3,59	1,70
Ireland	6,93	3,53	2,00
Italy	1,43	0,54	-0,30
Latvia	1,21	5,15	2,62
Lithuania	5,00	4,89	3,25

Luxembourg	4,76	3,05	2,81
Malta		1,90	3,00
Netherlands	3,12	1,71	0,52
Norway	3,56	1,83	1,36
Poland	2,69	3,91	3,12
Portugal	3,42	0,94	-0,52
Romania	-2,28	4,81	1,76
Slovak Republic	4,88	4,55	2,69
Slovenia	4,21	3,02	0,53
Spain	2,79	2,75	0,09
Sweden	1,97	2,02	2,42
Switzerland	1,17	1,99	1,80
United Kingdom	2,08	1,94	1,83
Europe (average)	2,38	2,73	1,24
Atlantic area (average)	3,03	3,48	2,56

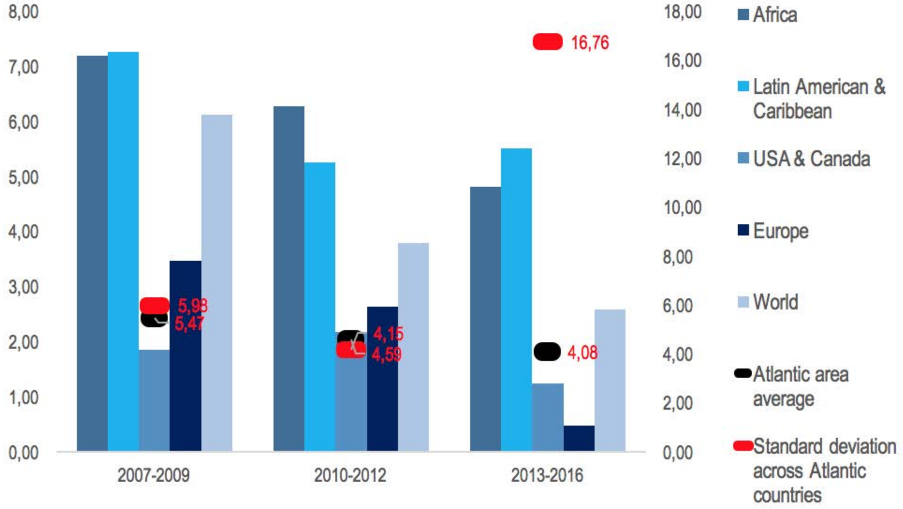
Source: Author's calculation based on the World Economic Outlook Database, July 2015

Figure 36: Inflation Rates in the Atlantic Area Sub-Regions, Consumer Prices (percent)

Average by sub-region	2007-2009	2010-2012	2013-2016
Africa	7,18	6,27	4,81
Latin America & Caribbean	7,25	5,25	5,51
USA & Canada	1,86	2,18	1,23
Europe	3,46	2,64	0,47
Atlantic area	5,47	4,59	4,08
Standard deviation across Atlantic countries	**5,98**	**4,15**	**16,76**

Source: Author's calculation based on the World Economic Outlook Database, July 2015

Figure 37: Inflation Convergence Between the Atlantic Area Countries (percent)



Source : Author's calculation based on the World Development Indicators Database, World Bank

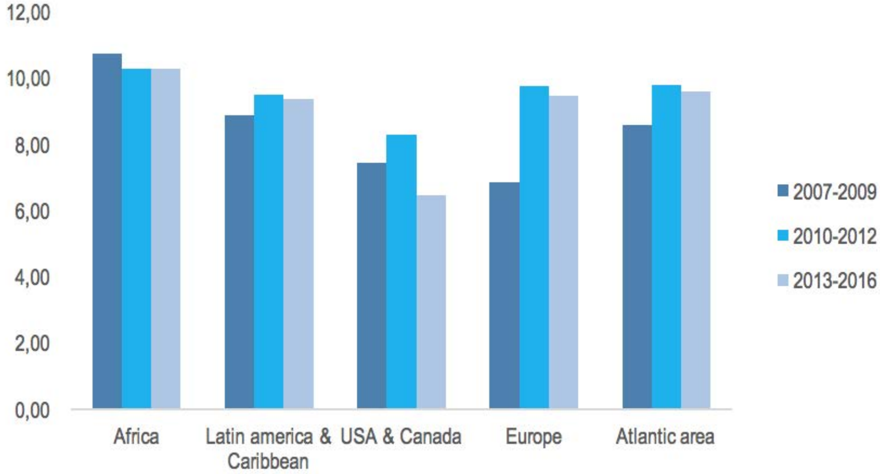
Figure 38: Inflation Rates in the Atlantic Area (three – year average, in percent)

Country	2010-2012	2013-2016	Country	2010-2012	2013-2016
Angola	12,74	15,27	Antigua and Barbuda	3,40	0,66
Benin	3,92	-0,18	Argentina	8,87	10,35
Cameroon	3,03	0,00	Bahamas, The	2,18	0,84
Cabo Verde	2,39	1,86	Barbados	6,60	0,88
Congo, Rep.	10,71	1,63	Belize	1,27	0,28
Congo, Dem. Rep.	2,43	3,53	Brazil	5,69	7,58
Equatorial Guinea	2,48	1,25	Chile	2,59	3,58
Cote d'Ivoire	5,42	2,59	Colombia	2,96	4,36
Gabon	1,80	1,74	Costa Rica	5,02	2,63
Ghana	4,70	6,42	Cuba	2,36	5,6
Gambia, The	9,53	15,43	Dominica	2,32	0,05
Guinea	17,35	9,47	Dominican Republic	6,16	2,57
Guinea-Bissau	3,23	0,70	Grenada	2,96	0,03
Liberia	7,54	8,50	Guatemala	4,62	3,65
Morocco	5,62	2,41	Guyana	3,15	0,63
Namibia	1,06	1,38	Haiti	6,80	8,32
Nigeria	5,53	5,27	Honduras	5,55	4,29
Sao Tome and Princ-ipe	12,26	10,31	Jamaica	9,9	7,05
Senegal	12,77	6,45	Mexico	3,89	3,34
Sierra Leone	2,02	0,15	Nicaragua	6,91	5,17
South Africa	10,00	6,94	Panama	5,02	1,88
Togo	4,97	5,68	St. Kitts and Nevis	2,39	-0,41
Mauritania	2,68	1,15	St. Lucia	3,40	0,23
Africa (average)	6,27	4,69	St. Vincent and the Gren-adines	2,42	-0,22
			Suriname	8,16	4,30
			Trinidad and Tobago	7,54	6,38
Canada	2,07	1,35	Uruguay	7,62	8,94
United States	2,29	1,12	Venezuela, RB	25,12	119,87
USA & Canada (av-erage)	2,18	1,23	Latin America & Carib-bean (average)	5,62	7,96

Country	2010-2012	2013-2016
Austria	1,86	1,35
Belgium	1,89	1,00
Bulgaria	3,14	-0,36
Croatia	1,89	0,11
Cyprus	2,01	-1,32
Czech Republic	1,46	0,69
Denmark	2,13	0,51
Estonia	2,62	0,58
Finland	1,54	0,67
France	1,25	0,40
Germany	1,16	0,78
Greece	3,08	-1,20
Hungary	4,35	0,46
Iceland	7,13	2,31
Ireland	-0,95	0,10
Italy	1,68	0,34
Latvia	2,28	0,24
Lithuania	3,30	0,29
Luxembourg	2,02	0,78
Malta	2,11	0,84
Netherlands	1,60	1,10
Norway	1,96	2,47
Poland	3,60	-0,11
Portugal	1,41	0,27
Romania	5,82	0,73
Slovak Republic	2,16	0,12
Slovenia	1,50	0,35
Spain	1,57	0,14
Sweden	1,21	0,18
Swaziland	6,02	-0,45
United Kingdom	3,31	1,18
Europe (average)	2,46	0,47
Atlantic area (average)	4,44	4,06

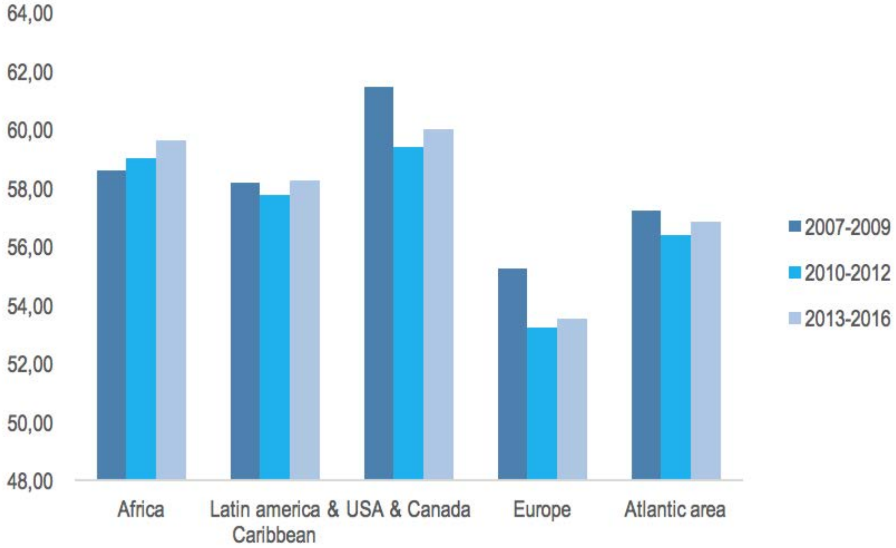
Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 39: Unemployment Rate By Sub-Region In the Atlantic Area (percent of total labor force)



Source : Author's calculation based on the World Development Indicators Database, World Bank (ILO Estimates)

Figure 40: Employment Ratio By Atlantic Area Sub-Region (percent share in 15+ aged population)



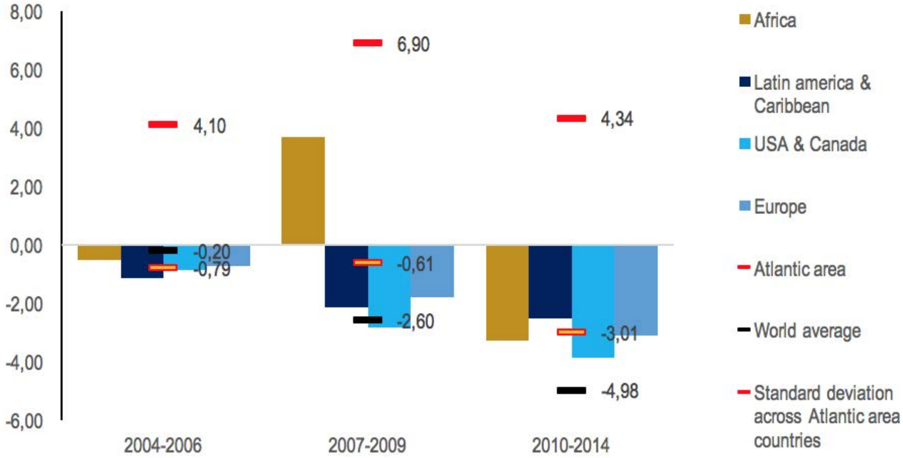
Source : Author's calculation based on the World Development Indicators Database, World Bank (ILO Estimates)

Figure 41: Budget Deficit/surplus (percent of GDP)

Average by sub-region	2004-2006	2007-2009	2010-2014
Africa	-0,50	3,71	-3,28
Latin America & Caribbean	-1,13	-2,14	-2,53
USA & Canada	-0,85	-2,84	-3,87
Europe	-0,72	-1,79	-3,09
Atlantic area	-0,79	-0,61	-3,01
World average	-0,20	-2,60	-4,98
Standard deviation across Atlantic area countries	4,10	6,90	4,34

Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 42: Budget Balance Convergence Between the Atlantic Area Countries (percent of GDP)



Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 43: Credit to Private Sector (percent of GDP)

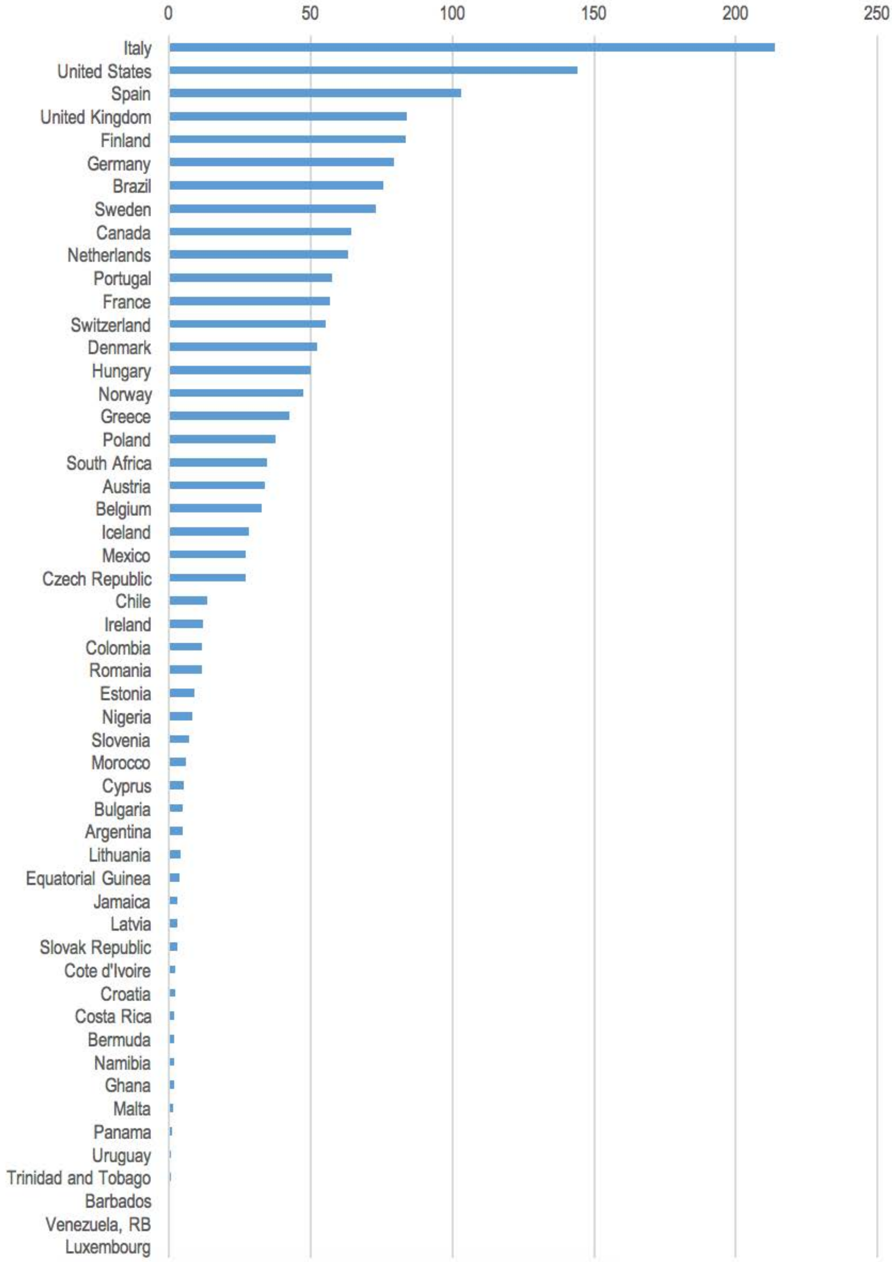
Average by sub-region	2006-2008	2009-2011	2012-2016
Africa	23,27	26,84	29,80
Latin America & Caribbean	45,26	48,39	50,05
USA & Canada	171,51	189,86	190,89
Europe	101,43	107,73	95,42
Atlantic area	**63,19**	**66,32**	**64,02**
Standard deviation across Atlantic area countries	**53,60**	**52,41**	**47,29**

Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 44: Credit To Private Sector By Sub-Region in the Atlantic Area (percent of GDP)

Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 45: Average Turnover Ratios 2012-2015 (percent)[50]



Source : Author's calculation based on the World Development Indicators Database, World Bank

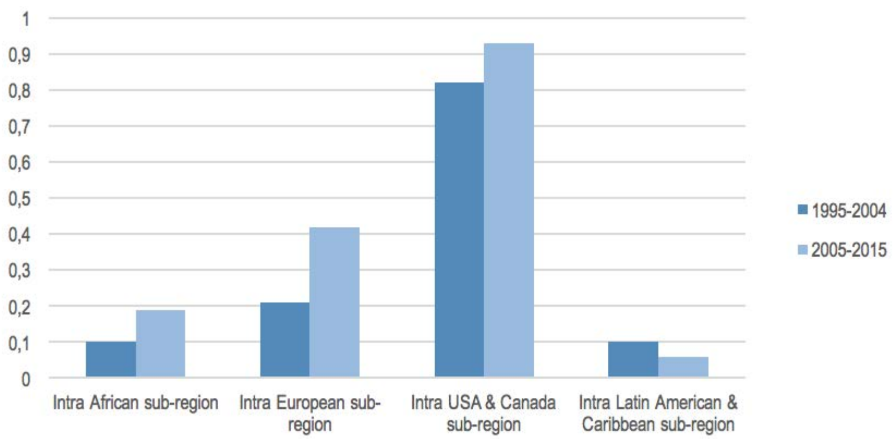
50 Turnover ratio is the total value of shares traded during the period divided by the average market capitalization for the period. Average market capitalization is calculated as the average of the end-of-period values for the current period and the previous period.

Figure 46: Stock Exchange Turnover Ratios Synchronization in the Atlantic Area

	1993-2002	2005-2015
Mean of bilateral correlations within sub-regions of the Atlantic Area		
Intra African sub-region	0,1	0,19
Intra European sub-region	0,21	0,42
Intra USA & Canada sub-region	0,82	0,93
Intra Latin American & Caribbean sub-region	0,1	0,06
Mean of bilateral correlations between sub-regions of the Atlantic Area		
Africa / Europe	0,02	0,29
Africa / USA & Canada	0,23	0,45
Africa/ Latin American & Caribbean	0,06	0,09
Europe / USA & Canada	0,27	0,62
Europe / Latin America & Caribbean	0,16	0,24
USA & Canada / Latin America & Caribbean	0,19	0,32
Mean of bilateral correlations between all countries in the Atlantic Area	0,16	0,3

Source : Author's calculation based on the World Development Indicators Database, World Bank

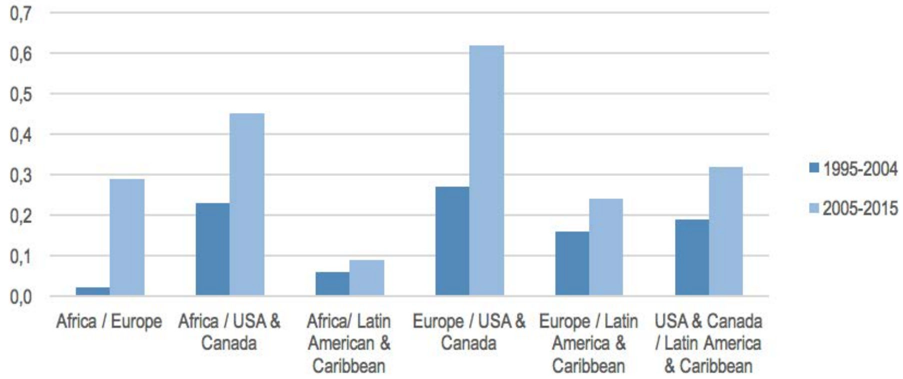
Figure 47: Correlations Within Sub-Regions In the Atlantic Area[51]



Source : Author's calculation based on the World Development Indicators Database, World Bank

51 A positive coefficient of correlation could be interpreted as a synchronization effect. The higher the positive coefficient of correlation, the higher the synchronization between countries.

Figure 48: Correlations Between Sub-Regions in the Atlantic Area



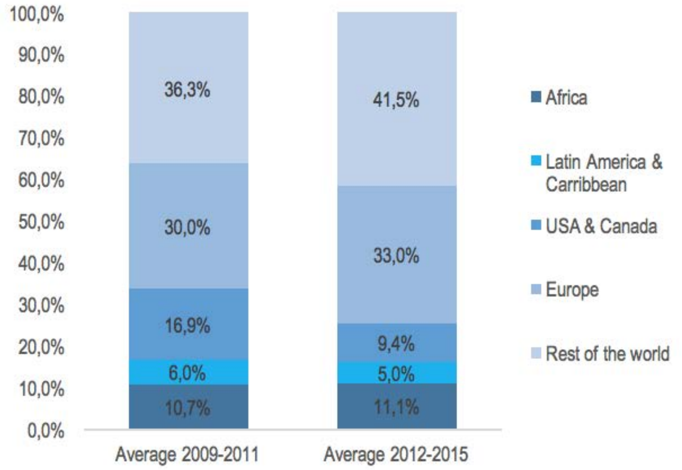
Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 49: Geographical Breakdown of Exportations : Intra-Regional & Towards the Rest of the World (three-year average share in total exportation, in percent)

Toward	Africa		Latin America & Caribbean		USA & Canada		Europe		Atlantic area		Rest of the world	
From	2009-2011	2012-2015	2009-2011	2012-2015	2009-2011	2012-2015	2009-2011	2012-2015	2009-2011	2012-2015	2009-2011	2012-2015
Africa	10,7	11,1	6,0	5,0	16,9	9,4	30,0	33,0	63,7	58,5	36,3	41,5
Latin America & Carrib-bean	1,1	1,0	15,0	13,6	39,7	42,2	12,7	11,9	68,5	68,7	31,5	31,3
USA & Canada	1,1	1,2	17,6	19,4	32,0	31,8	18,4	16,5	69,3	68,9	30,7	31,1
Europe	1,7	1,8	2,2	2,4	6,9	7,4	68,2	65,7	79,0	77,3	21,0	22,7
Total Atlantic area									**74,9**	**74,2**	**25,1**	**25,8**

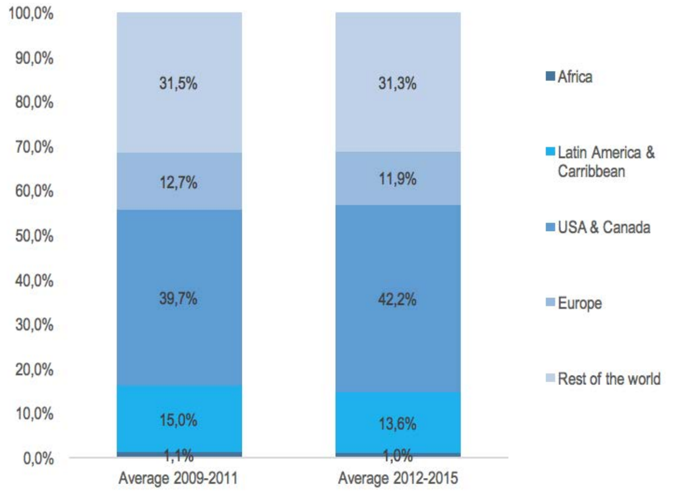
Source : Author's calculation based on the International Trade Centre Database

Figure 50: Distribution of the Atlantic African Countries' Exportation (share of total exports of African sub-region)



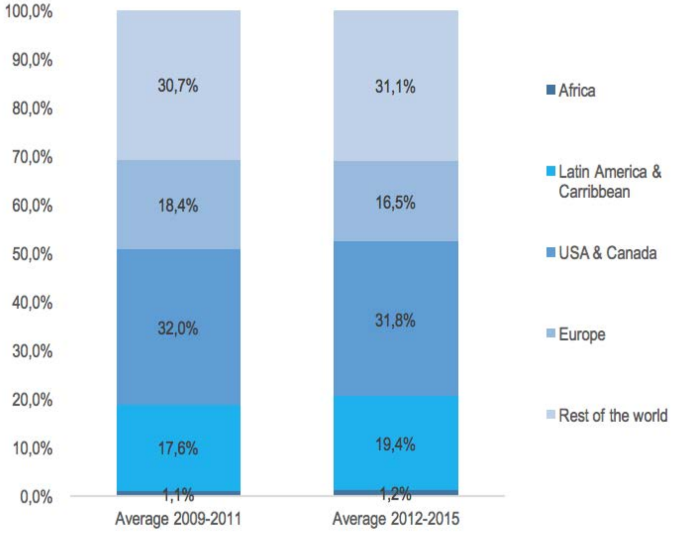
Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 51: Distribution of the Latin American Sub-Region's Exportations (share of total exports of Latin American & Caribbean sub-region)



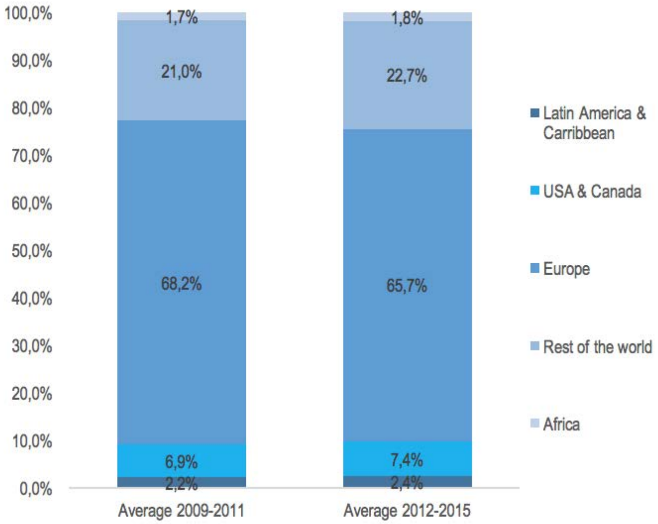
Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 52: Distribution of the 'USA & Canada' Sub-Region's Exportations (share of total exports of USA & Canada sub-region)



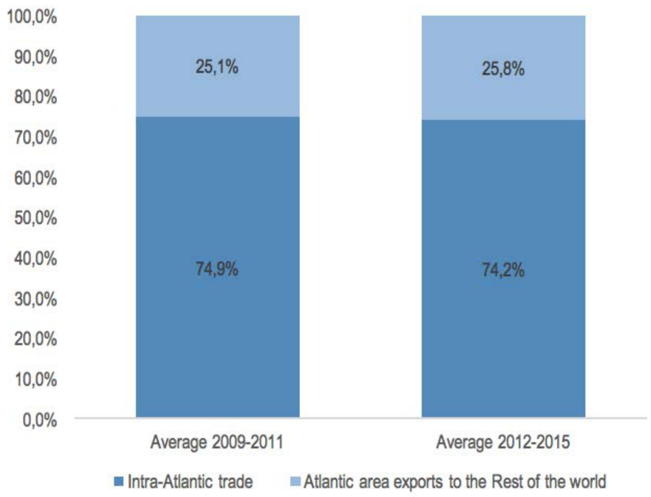
Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 53: Distribution of the European Sub-Region's Exportations (share of total exports of European sub-region)



Source : Author's calculation based on the World Development Indicators Database, World Bank

FIgure 54: Intra-regional Share of the Atlantic Area Exports in Total Exports



Source : Author's calculation based on the International Trade Centre Database

Figure 55: Foreign Direct Investments Inflows by Destination (in million US$)

Average by sub-region	2008-2010	2011-2015
Africa	27 842	22 809
Latin america & Caribbean	109 143	186 467
USA & Canada	253 557	320 802
Europe	468 560	619 535
Atlantic area	864 769	1 158 751
world	1 487 034	2 030 421
Shares in Atlantic space inflows (by destination in percent)		
Africa	3%	2%
Latin america & Caribbean	13%	16%
USA & Canada	29%	28%
Europe	54%	53%
Atlantic area	100%	100%
Shares in World inflows (by destination in percent)		
Africa	2%	1%
Latin america & Caribbean	7%	9%
USA & Canada	17%	16%
Europe	32%	31%

Atlantic area	58%	57%
Rest of the world	42%	43%

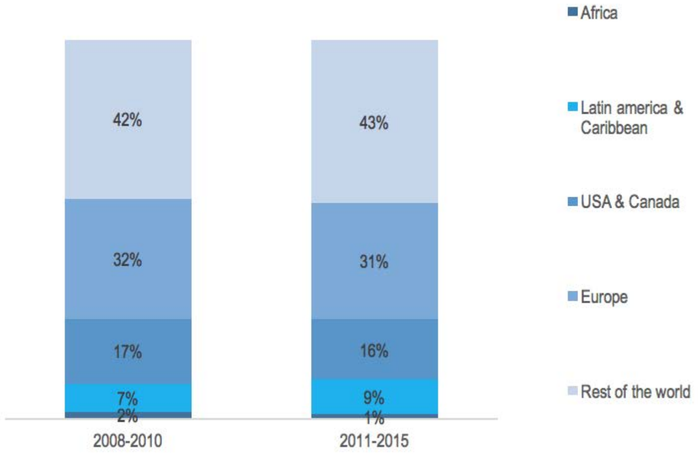
Source : Author's calculation based on the World Investment Report 2016, UNCTAD

Figure 56: Foreign Direct Investments Outflows by Origin (in million US$)

Average by sub-region	**2008-2010**	**2011-2015**
Africa	484	8 706
Latin america & Caribbean	32 439	54 521
USA & Canada	342 526	445 724
Europe	689 296	654 541
Atlantic area	1 064 745	1 163 493
world	1 546 049	1 773 492
Shares in Atlantic space outflows (by destination in percent)		
Africa	0%	1%
Latin america & Caribbean	3%	5%
USA & Canada	32%	38%
Europe	65%	56%
Atlantic area	100%	100%
Shares in World outflows (by destination in percent)		
Africa	0%	0%
Latin america & Caribbean	2%	3%
USA & Canada	22%	25%
Europe	45%	37%
Atlantic area	69%	66%
Rest of the world	31%	34%

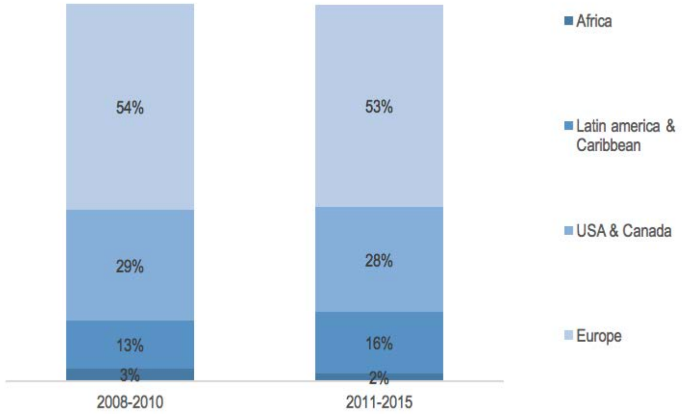
Source : Author's calculation based on the World Investment Report 2016, UNCTAD

Figure 57: Atlantic Sub-Regions Received FDI (percent share in world inflows)



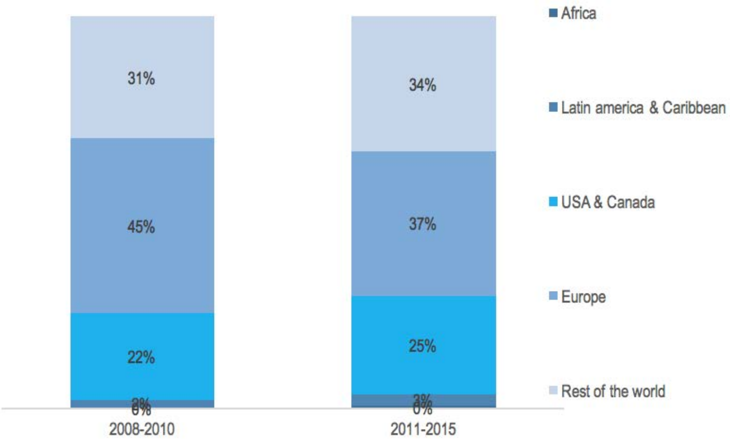
Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 58: Atlantic Sub-Regions Received FDI (percent share in Atlantic inflows)



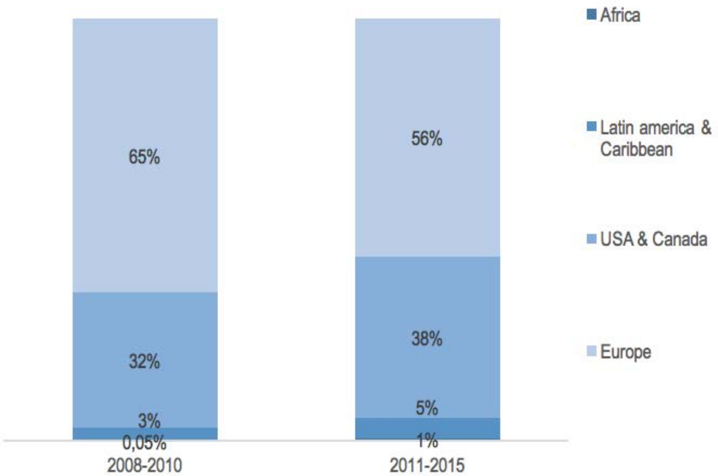
Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 59: Atlantic Sub-Regions FDI Outflows (percent share in World inflows)



Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 60: Atlantic Sub-Regions FDI Outflows (percent share in Atlantic inflows)



Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 61: Portfolio Investments Received By the African Sub-Region By Origin (three-year average, percent share)

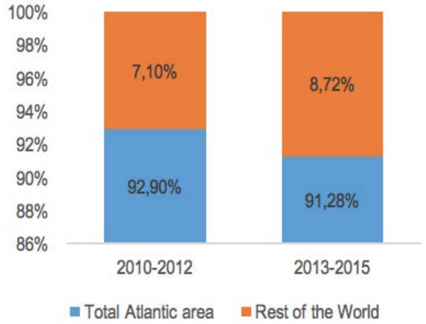


Figure 62: Portfolio Investments Received By Latin American & Caribbean Sub-Region By Origin (three-year average, percent share)

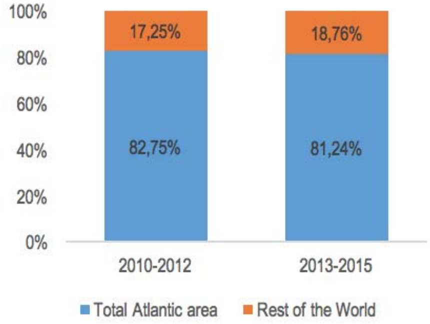


Figure 63: Portfolio Investments Received By USA & Canada Sub-Region By Origin (three-year average, percent share)

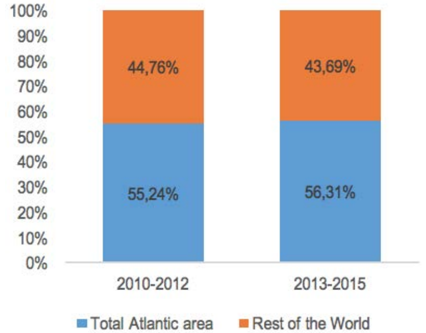


Figure 64: Portfolio Investments Received By The European Sub-Region By Origin (three-year average, percent share)

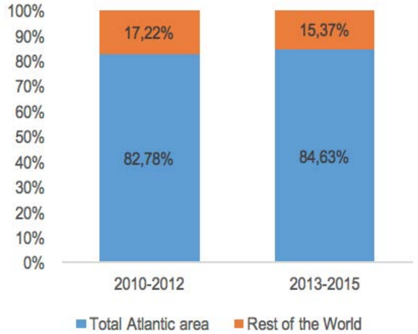
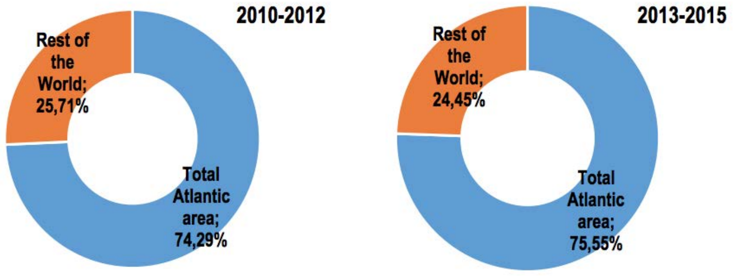


Figure 65: Portfolio Investments Received By All Countries Included in the Atlantic Area By Origin (three-year average, percent share)



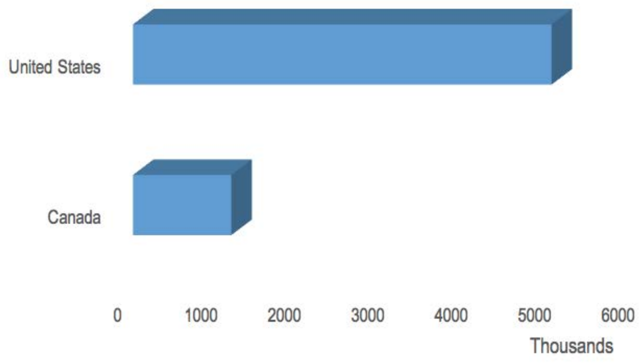
Source : Author's calculations based on the Coordinated Portfolio Investment Survey (CPIS) database, IMF

Figure 66: Geographical Breakdown of Received Portfolio Investment (percent share in total portfolio investment received by each sub-region, three-year average)

From	Africa		Latin America & The Caribbean		USA & Canada		Europe		Total Atlantic area		Rest of the World	
Towards	2010-2012	2013-2015	2010-2012	2013-2015	2010-2012	2013-2015	2010-2012	2013-2015	2010-2012	2013-2015	2010-2012	2013-2015
Africa	0,39	0,42	1,00	0,51	44,66	46,42	47,03	44,06	92,90	91,28	7,10	8,72
Latin America & The Caribbean	1,02	0,68	2,77	2,30	46,33	47,05	33,00	31,46	82,75	81,24	17,25	18,76
USA & Canada	0,21	0,24	4,82	4,24	12,21	13,14	38,09	38,77	55,24	56,31	44,76	43,69
Europe	0,48	0,47	1,15	0,79	15,99	19,76	65,33	47,28	82,78	84,63	17,22	15,37
Total Atlantic area									**74,29**	**75,55**	**25,71**	**24,45**

Source : Author's calculations based on the Coordinated Portfolio Investment Survey (CPIS) database, IMF

Figure 67: Net Flow of Migrants During Five-Year Period (USA & Canada : 2008-2012)

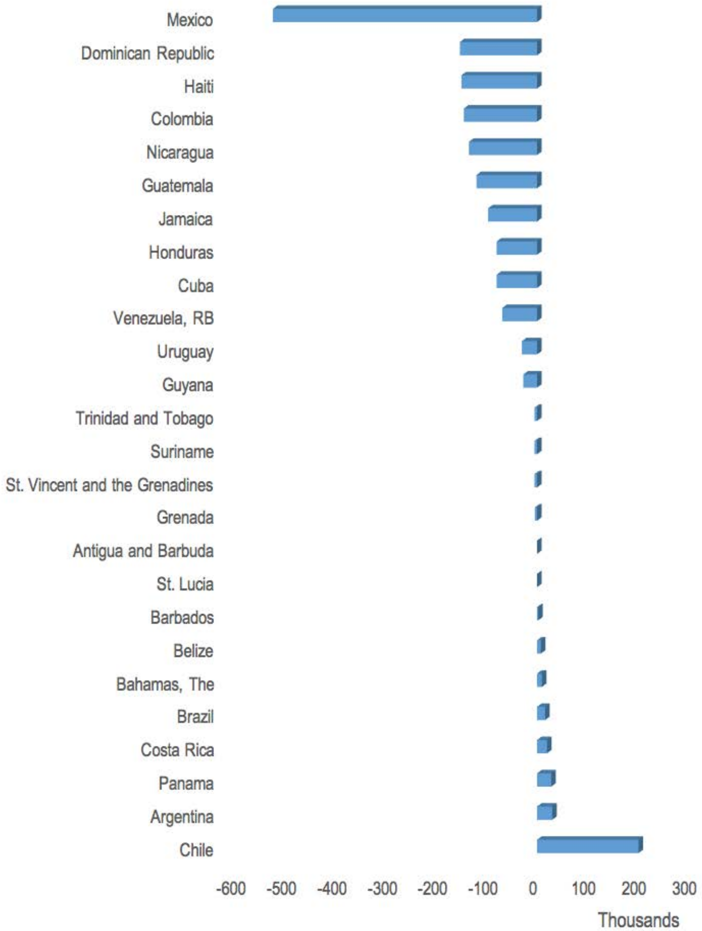


Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 68: Net Flow Of Migrants During Five-Year Period (Europe : 2008-2012)

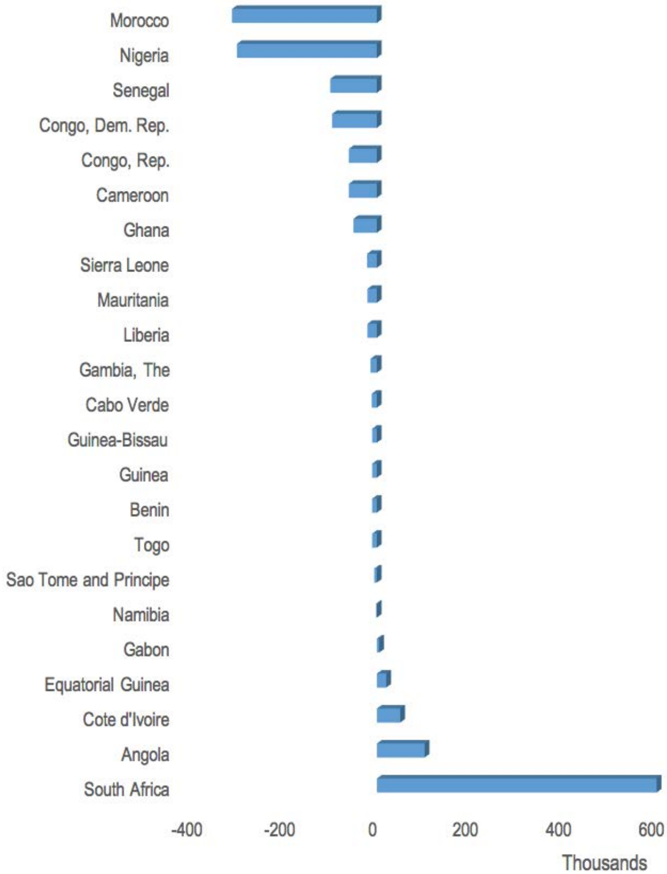
Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 69: Net Flow Of Migrants During Five-Year Period (Latin America & Caribbean: 2008-2012)



Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 70: Net Flow Of Migrants During Five-Year Period (Africa: 2008-2012)



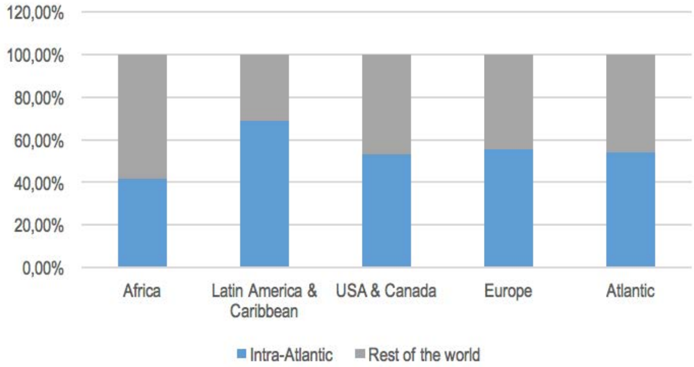
Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 71: Total Migrant Population at Mid-Year By Origin and Destination in the Atlantic Area, 2015 (millions)

Origin	Africa	Latin America & Caribbean	USA & Canada	Europe	Atlantic	Rest of the world
Africa	3,60	0,01	0,04	0,67	4,32	6,07
Latin America & Caribbean	0,04	3,10	1,10	1,06	5,31	2,39
USA & Canada	1,09	20,46	1,19	6,18	28,91	25,55
Europe	4,99	3,33	0,99	22,57	31,89	25,40
Total Atlantic area					**70,43**	**59,41**

Source : Author's calculations based on Trends in migrants stock, United Nation database-2013

Figure 72: Share Of Intra-Regional Migrant Population in the Atlantic Area, 2015 (percent in total migrant population in the Atlantic area)



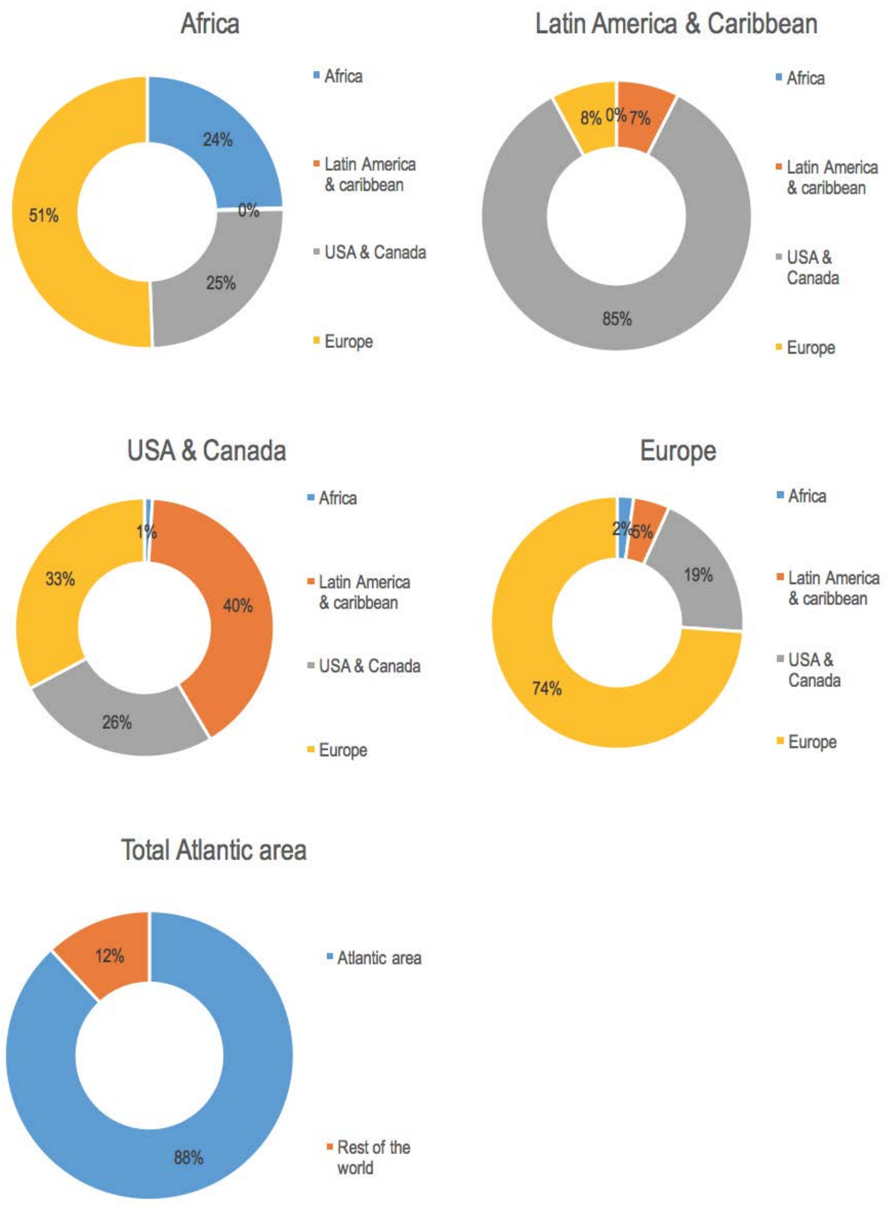
Source : Author's calculations based on Trends in migrants stock, United Nation database-2013

Figure 73: Remittances Inflow Towards the Atlantic Area Sub-Region (2015)

From	Africa	Latin America & caribbean	USA & Canada	Europe	Atlantic area	Rest of the world
Toward						
Africa	7 641	59	7 704	15 781	31 186	3 076
Latin America & caribbean	16	4 161	47 215	4 406	55 798	2 252
USA & Canada	59	2 370	1 507	1 918	5 855	2 452
Europe	2 118	4 708	19 600	74 637	101 062	18 463
Total Atlantic area					**193 901**	**26 242**

Source : Author's calculations based on the World Bank Database

Figure 74: Remittances Inflow Towards the Atlantic Area Sub-Region (percent share in total received remittances - 2015)



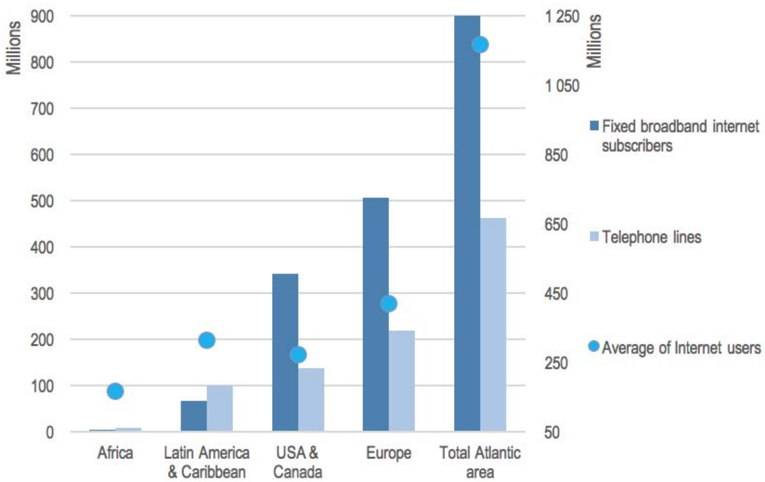
Source : Author's calculations based on the World Bank Database

Figure 75: Population With Access to Communication Infrastructure (2016)

	Fixed broadband internet subscribers	Average of Internet users	Telephone lines
Africa	3551928	165 009 618	8543846
Latin America & Caribbean	65812848	312 049 573	98713233,9
USA & Canada	341940000	271 335 795	136978520
Europe	506937624	419 276 463	218406945
Total Atlantic area	**918242400**	**1 167 671 448**	**462642545**

Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 76: Population With Access to Communication Infrastructure (in millions, 2016)



Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 77: Improved Sanitation Facilities, Urban (percent of urban with access in 2015)

Chile	100	Trinidad and Tobago	91,5
Canada	100	Latvia	90,8
United States	100	Ireland	89,1
Austria	100	Angola	88,6
Cyprus	100	Suriname	88,4
Greenland	100	Brazil	88
Malta	100	Mexico	88
Switzerland	99,9	Guyana	87,9
Spain	99,8	Bulgaria	86,8
Denmark	99,6	Honduras	86,7
Portugal	99,6	Dominican Republic	86,2
Belgium	99,5	Colombia	85,2
Italy	99,5	St. Lucia	84,7
Finland	99,4	Morocco	84,1
Slovak Republic	99,4	Panama	83,5
Germany	99,3	Cabo Verde	81,6
Sweden	99,3	Equatorial Guinea	79,9
Greece	99,2	Jamaica	79,9
Czech Republic	99,1	Guatemala	77,5
Slovenia	99,1	Nicaragua	76,5
United Kingdom	99,1	South Africa	69,6
Iceland	98,7	Senegal	65,4
France	98,6	Cameroon	61,8
Norway	98	Gambia, The	61,5
Croatia	97,8	Mauritania	57,5
Hungary	97,8	Namibia	54,5
Grenada	97,5	Gabon	43,4
Venezuela, RB	97,5	Sao Tome and Principe	40,8
Estonia	97,5	Benin	35,6
Luxembourg	97,5	Guinea	34,1
Netherlands	97,5	Haiti	33,6

Poland	97,5	Guinea-Bissau	33,5
Lithuania	97,2	Cote d'Ivoire	32,8
Uruguay	96,6	Nigeria	32,8
Argentina	96,2	Congo, Dem. Rep.	28,5
Barbados	96,2	Liberia	28
Costa Rica	95,2	Togo	24,7
Cuba	94,4	Sierra Leone	22,8
Belize	93,5	Ghana	20,2
Romania	92,2	Congo, Rep.	20
Bahamas, The	92		

Source: Author's calculation based on the World Development Indicators Database, World Bank

Figure 78: Improved Water, Rural (percent of urban with access in 2015)

Argentina	100	St. Vincent and the Grenadines	95,1
Belize	100	Trinidad and Tobago	95,1
Austria	100	Uruguay	93,9
Belgium	100	Sao Tome and Principe	93,6
Cyprus	100	Chile	93,3
Czech Republic	100	Mexico	92,1
Denmark	100	Costa Rica	91,9
Finland	100	Lithuania	90,4
France	100	Cuba	89,8
Germany	100	Jamaica	89,4
Greece	100	Panama	88,6
Greenland	100	Suriname	88,4
Hungary	100	Cabo Verde	87,3
Iceland	100	Brazil	87
Italy	100	Guatemala	86,8
Luxembourg	100	World	84,61098
Malta	100	Namibia	84,6
Netherlands	100	Gambia, The	84,4
Norway	100	Ghana	84
Portugal	100	Honduras	83,8
Romania	100	Dominican Republic	81,9
Slovak Republic	100	South Africa	81,4
Spain	100	Venezuela, RB	77,9
Sweden	100	Colombia	73,8
Switzerland	100	Benin	72,1
United Kingdom	100	Nicaragua	69,4
Barbados	99,7	Cote d'Ivoire	68,8
Croatia	99,7	Guinea	67,4
Slovenia	99,4	Senegal	67,3
Canada	99	Gabon	66,7
Bulgaria	99	Morocco	65,3
Estonia	99	Liberia	62,6

Bahamas, The	98,4	Guinea-Bissau	60,3
Guyana	98,3	Nigeria	57,3
St. Kitts and Nevis	98,3	Mauritania	57,1
Latvia	98,3	Cameroon	52,7
United States	98,2	Sierra Leone	47,8
Antigua and Barbuda	97,9	Haiti	47,6
Ireland	97,8	Togo	44,2
Poland	96,9	Congo, Rep.	40
St. Lucia	95,6	Equatorial Guinea	31,5
Grenada	95,3	Congo, Dem. Rep.	31,2
		Angola	28,2

Source: Author's calculation based on the World Development Indicators Database, World Bank

Figure 79: Improved Water, Urban (percent of urban with access in 2015)

Brazil	100	Sao Tome and Principe	98,9
Uruguay	100	Belize	98,9
Canada	100	Guinea-Bissau	98,8
Austria	100	Morocco	98,7
Belgium	100	Bahamas, The	98,4
Cyprus	100	Guatemala	98,4
Czech Republic	100	St. Kitts and Nevis	98,3
Denmark	100	Namibia	98,2
Estonia	100	Guyana	98,2
Finland	100	Suriname	98,1
France	100	Antigua and Barbuda	97,9
Germany	100	Ireland	97,9
Greece	100	Panama	97,7
Greenland	100	Jamaica	97,5
Hungary	100	Honduras	97,4
Iceland	100	Gabon	97,2
Italy	100	Mexico	97,2
Luxembourg	100	Colombia	96,8
Malta	100	World	96,46175
Netherlands	100	Cuba	96,4
Norway	100	Congo, Rep.	95,8
Portugal	100	Dominica	95,7
Romania	100	St. Vincent and the Grenadines	95,1
Slovak Republic	100	Trinidad and Tobago	95,1
Spain	100	Venezuela, RB	95
Sweden	100	Cameroon	94,8
Switzerland	100	Gambia, The	94,2
United Kingdom	100	Cabo Verde	94
Latvia	99,8	Cote d'Ivoire	93,1
Barbados	99,7	Senegal	92,9
Chile	99,7	Guinea	92,7
Lithuania	99,7	Ghana	92,6

Slovenia	99,7	Togo	91,4
South Africa	99,6	Liberia	88,6
Costa Rica	99,6	Dominican Republic	85,4
Bulgaria	99,6	Benin	85,2
Croatia	99,6	Sierra Leone	84,9
St. Lucia	99,5	Congo, Dem. Rep.	81,1
United States	99,4	Nigeria	80,8
Nicaragua	99,3	Angola	75,4
Poland	99,3	Equatorial Guinea	72,5
Argentina	99	Haiti	64,9
Grenada	99	Mauritania	58,4

Source: Author's calculation based on the World Development Indicators Database, World Bank

Figure 80: Maritime Connectivity : Average of Liner Shipping Connectivity Index[52] by Sub-Region in the Atlantic Space (base maximum[53] value in 2004 = 100)

	2008	2012	2016
Africa	11,04	13,64	16,92
Latin America & Caribbean	12,66	16,36	17,61
USA & Canada	58,37	65,00	69,69
Europe	31,00	37,65	42,42
Atlantic Area	19,30	23,72	26,78

Source: Author's calculation based on the World Development Indicators Database, World Bank

52 The liner shipping connectivity index (LSCI) indicates a country's integration level into global liner shipping networks. The index base year is 2004, and the base value is on a country showing a maximum figure for 2004. LSCI is generated from five components: 1) the number of ships; 2) the total container-carrying capacity of those ships; 3) the maximum vessel size; 4) the number of services; and 5) the number of companies that deploy container ships on services from and to a country's ports. The data are derived from Containerization International Online and Lloyds List Intelligence.

53 China's indice was 100 in 2004.

Figure 81: Domestic and International Departure of Air Carriers Registered By Sub-Region in the Atlantic Space

	2006-2008	2009-2012	2013-2016
Africa	280 755	361 867	597 731
Latin America & Caribbean	1 617 497	1 993 708	3 330 314
USA & Canada	10 680 124	11 004 660	7 303 559
Europe	6 049 775	6 014 589	7 920 744
Atlantic Area	1 862 8151	19 374 824	26 433 719

Source: Author's calculation based on the World Development Indicators Database, World Bank

Figure 82: Overall Logistics Performance Index (1=low to 5=high)[54]

	2010	2012	2016
Africa	2,5	2,5	2,4
Latin America & Caribbean	2,8	2,7	2,7
USA & Canada	3,9	3,9	4,0
Europe	3,5	3,5	3,6
Atlantic Area	3,1	3,0	3,0

Source: Author's calculation based on the World Development Indicators Database, World Bank

Figure 83: Population in the Atlantic Area By Sub-Region (2015)

	Population size	Share in Atlantic population	Share in world population
Africa	522 422 872	27%	7%
Latin America & Caribbean	558 009 945	28%	8%
USA & Canada	357 270 594	18%	5%
Europe	523 538 195	27%	7%
Atlantic Area	1 961 241 606	100%	28%

Source: Author's calculation based on the World Development Indicators Database, World Bank

54 Logistics Performance Index overall score reflects perceptions of a country's logistics based on efficiency of customs clearance process, quality of trade- and transport-related infrastructure, ease of arranging competitively priced shipments, quality of logistics services, ability to track and trace consignments, and frequency with which shipments reach the consignee within the scheduled time. The index ranges from 1 to 5, with a higher score representing better performance. Data are from Logistics Performance Index surveys conducted by the World Bank in partnership with academic and international institutions and private companies and individuals engaged in international logistics. The 2009 round of surveys covered more than 5,000 country assessments by nearly 1,000 international freight forwarders. Respondents evaluate eight markets on six core dimensions on a scale from 1 (worst) to 5 (best).

FIgure 84: Urban and Rural Populations in the Atlantic Area (2015)

	Population size		Share in Atlantic population	
	Urban	Rural	Urban	Rural
Africa	261 841 066	260 581 806	50%	50%
Latin America & Caribbean	451 622 250	246 582 012	65%	35%
USA & Canada	291 669 188	240 553 857	55%	45%
Europe	391 896 834	243 955 868	62%	38%
Atlantic Area	**1 397 029 337**	**233 372 939**	**86%**	**14%**

Source: Author's calculation based on the World Development Indicators Database, World Bank

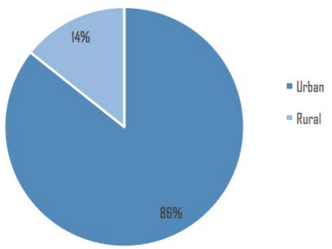


Figure 85: Atlantic Area Population by Gender (2015)

	Population size		Share in Atlantic population	
	Male	Female	Male	Female
Africa	261 969 902	260 452 970	50%	50%
Latin America & Caribbean	249 553 710	282 312 860	47%	53%
USA & Canada	244 171 650	180 170 147	58%	42%
Europe	265 159 525	267 551 522	50%	50%
Atlantic Area	**1 020 854 787**	**990 487 499**	**51%**	**49%**

Source : Author's calculation based on the World Development Indicators Database, World Bank

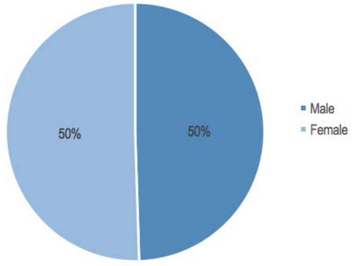


Figure 86: Average Value of Food Production (international $ per capita)

	2008-2010	2011-2013
Africa	164,9	167,2
Latin America & Caribbean	320,5	336,5
USA & Canada	712,5	707,0
Europe	438,8	433,5
Atlantic Area	**334,5**	**338,0**
world	**300,0**	**311,0**
Standard deviation across Atlantic countries	**233,5**	**240,1**

Source: Author's calculation based on the FAO Database

Figure 87: Domestic Food Price Volatility Index[55] (three-year average)

	2009-2011	2012-2014
Africa	12,7	9,3
Latin America & Caribbean	8,5	7,1
Europe & Canada*	8,0	7,2
Atlantic Area	**9,4**	**7,7**

*Data for the United-States are not available in the FAO database.
Source: Author's calculation based on the FAO Database

Figure 88: Prevalence of Undernourishment in Developing Countries in the Atlantic Area (three-year average in percent)[56]

Africa sub-region			Latin America & Caribbean sub-region		
	2011-2013	2014-2016		2011-2013	2014-2016
Angola	17,5	14,2	Argentina	<5	<5
Benin	10,8	7,5	Barbados	<5	<5
Cabo Verde	11,4	9,4	Belize	5,9	6,2
Cameroon	10,8	9,9	Brazil	<5	<5
Congo	28,3	30,5	Chile	<5	<5
Côte d'Ivoire	14,1	13,3	Colombia	11,1	8,8
Democratic Republic of the Congo	<5	<5	Costa Rica	5,4	<5

55 The Domestic Food Price Volatility is a measure of variation of the Domestic Food Price Level Index. It has been computed as the Standard deviation (SD) of the deviations from the trend over the previous five years.
56 The Prevalence of Undernourishment expresses the probability that a randomly selected individual from the population consumes an amount of calories that is insufficient to cover her/his energy requirement for an active and healthy life.

Equatorial Guinea	<5	<5	Cuba	<5	<5
Gabon	<5	<5	Dominica	<5	<5
Gambia	6,1	5,3	Dominican Republic	14	12,3
Ghana	<5	<5	Guatemala	14,8	15,6
Guinea	17,5	16,4	Guyana	11,6	10,6
Guinea-Bissau	22,4	20,7	Haiti	49,3	53,4
Liberia	34,2	31,9	Honduras	13,7	12,2
Mauritania	7,1	5,6	Jamaica	8,5	8,1
Morocco	<5	<5	Mexico	<5	<5
Namibia	40,2	42,3	Nicaragua	18,5	16,6
Nigeria	6,3	7	Panama	12	9,5
Sao Tome and Principe	5,9	6,6	Saint Vincent and the Grenadines	6,3	6,2
Senegal	16,6	24,6	Suriname	8,3	8
Sierra Leone	25	22,3	Trinidad and Tobago	9,3	7,4
South Africa	<5	<5	Uruguay	<5	<5
Togo	17,1	11,4	Venezuela	<5	<5

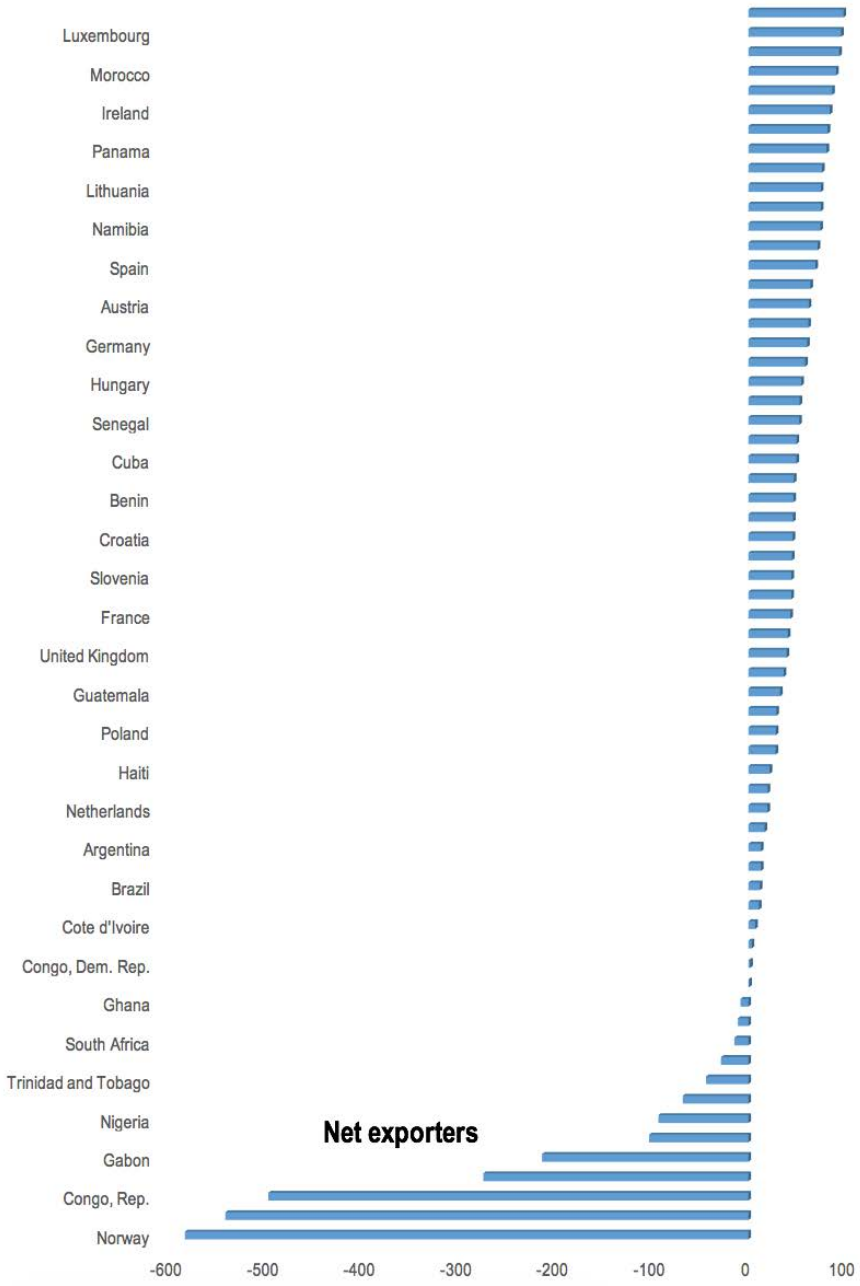
Source: Author's calculation based on the FAO Database

Figure 89: Value of Food Imports Over Total Merchandise Imports (Three-year average, in percent)

	2009-2011	2013-2015
Africa	20,3	20,6
Latin America & Caribbean	14,0	14,4
USA & Canada	6,4	6,7
Europe	10,2	10,7
Atlantic Area	**13,4**	**13,7**

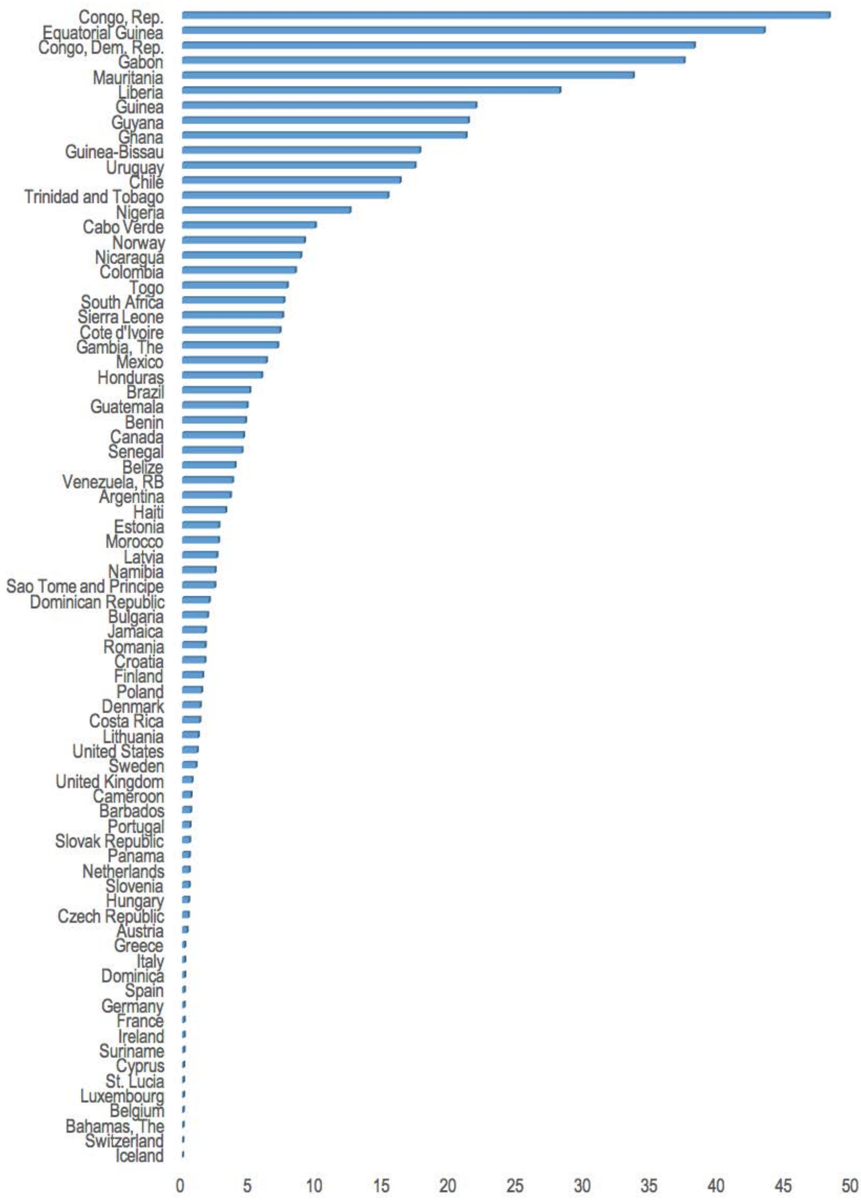
*Counties for which data are unavailable in the WDI database are not included
Source: Author's calculation based on the World Development Indicators Database, World Bank

Figure 90: Energy Imports, Net (percent of energy use in 2014)



Source : Author's calculation based on the World Development Indicators Database, World Bank

Figure 91: Natural Resources Rent By Country in the Atlantic Area (2014, percent of GDP)[57]



Source : Author's calculation based on the World Development Indicators Database, World Bank

57 Total natural resources rents are the sum of oil rents, natural gas rents, coal rents (hard and soft), mineral rents, and forest rents. Oil rents are the difference between the value of crude oil production at world prices and total costs of production.

Figure 92: Total Natural Resources Rent By Sub-Region in the Atlantic Area (percent of GDP, three-year average)

	Oil rents		Total natural resources rents	
Average by sub-region	2009-2011	2012-2014	2009-2011	2012-2014
Africa	10,7	13,0	21,5	19,6
Latin America & Caribbean	2,7	3,7	6,4	6,0
USA & Canada	0,1	0,1	3,1	3,1
Europe	0,5	0,6	1,2	1,1
Atlantic Area	4,0	5,0	8,4	7,8

Source: Author's calculation based on the World Development Indicators Database, World Bank

Figure 93: Energy Imports By Sub-Region, Net (percent of energy use, three-year average)

	2008-2010	2012-2014
Africa	-156,0	-94,9
Latin America & Caribbean	5,5	5,3
USA & Canada	-16,1	-27,1
Europe	31,8	32,1
Atlantic Area	**-17,7**	**-4,6**

*Counties for which data are unavailable in the WDI database are not included
Source: Author's calculation based on the World Development Indicators Database, World Bank

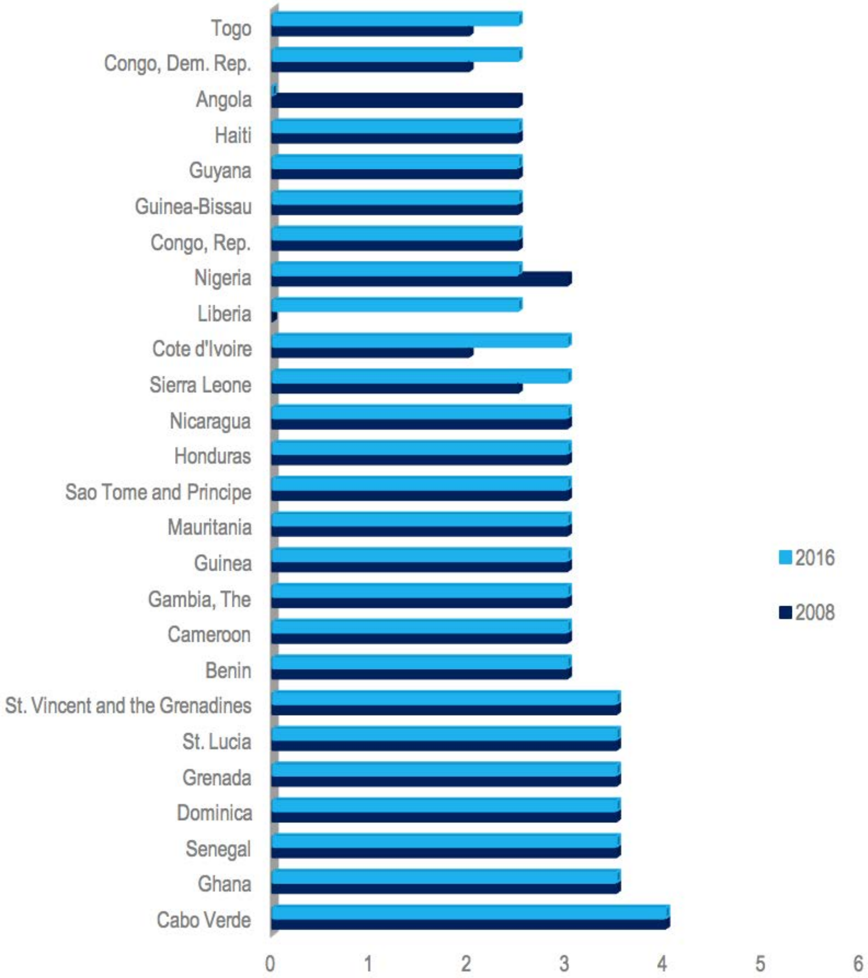
Figure 94: Corruption Perception Ranking By Sub-Region (Percentile Rank, 2016)

Country	Rank	Country	
Latin America & Caribbean		Europe	
Venezuela	6,7	Bulgaria	51
Haiti	7	Greece	56
Nicaragua	17	Romania	58
Dominican Republic	23	Italy	60
Mexico	23	Hungary	61
Guatemala	25	Croatia	62
Honduras	27	Slovak Republic	63
Panama	36	Latvia	67
Brazil	38	Czech Republic	67
Colombia	44	Spain	68
Guyana	45	Lithuania	73
Suriname	45	Malta	75
Argentina	46	Poland	76
Trinidad and Tobago	48	Slovenia	77
Belize	49	Cyprus	79
Jamaica	52	Portugal	80
Cuba	59	Greenland	84
St. Kitts and Nevis	68	Estonia	85
Grenada	70	France	90
St. Lucia	70	Austria	91
Dominica	70	Belgium	92
St. Vincent and the Grenadines	74	Ireland	93
Antigua and Barbuda	75	United Kingdom	94
Costa Rica	75	Germany	94
Bahamas, The	82	Netherlands	94
Chile	82	Iceland	96

Bermuda	87	Switzerland	97
Barbados	88	Luxembourg	97
Uruguay	90	Sweden	98
USA & Canada		Norway	98
United States	90	Finland	99
Canada	95	Denmark	99
--Africa--			
Guinea-Bissau	4	Gambia, The	22
Angola	6	Gabon	24
Congo, Dem. Rep.	8	Liberia	26
Congo, Rep.	10	Cote d'Ivoire	34
Cameroon	11	Morocco	51
Nigeria	13	Ghana	51
Guinea	15	Sao Tome and Principe	55
Sierra Leone	20	Senegal	58
Mauritania	21	South Africa	60
Togo	28	Namibia	66
Benin	36	Cabo Verde	80

Source : Author's calculation based on the World Governance Indicators Database, World Bank

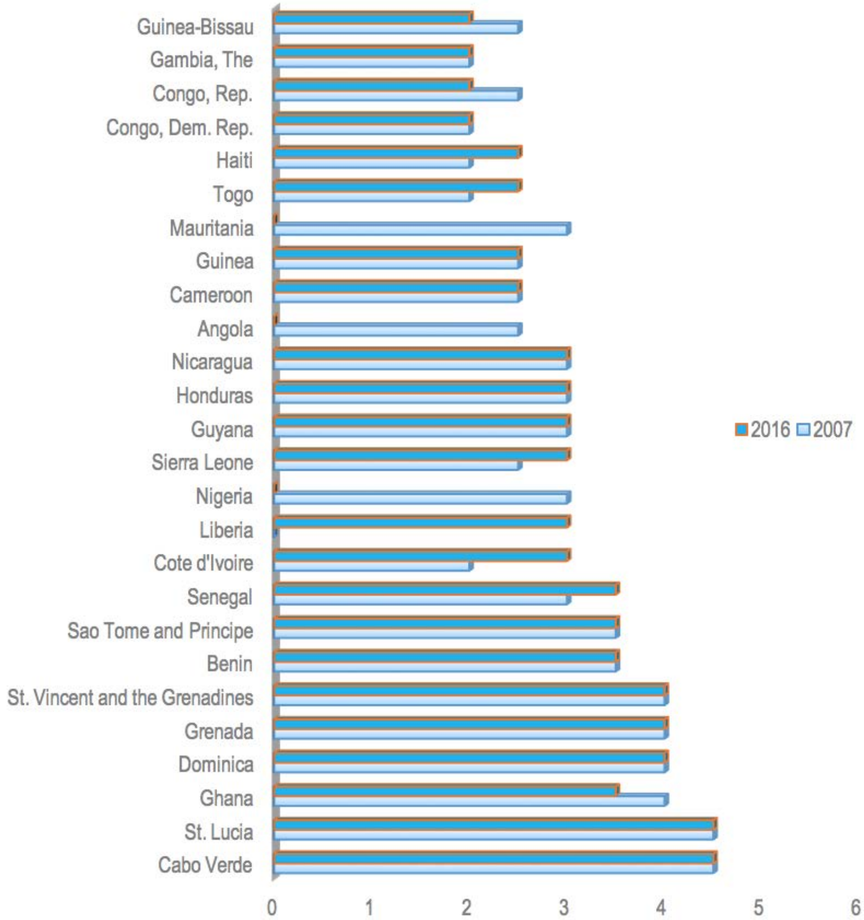
Figure 95: CPIA[58] Quality of Public Administration Rating (1=low to 6=high)



Source : Author's calculation based on the World Development Indicators Database, World Bank

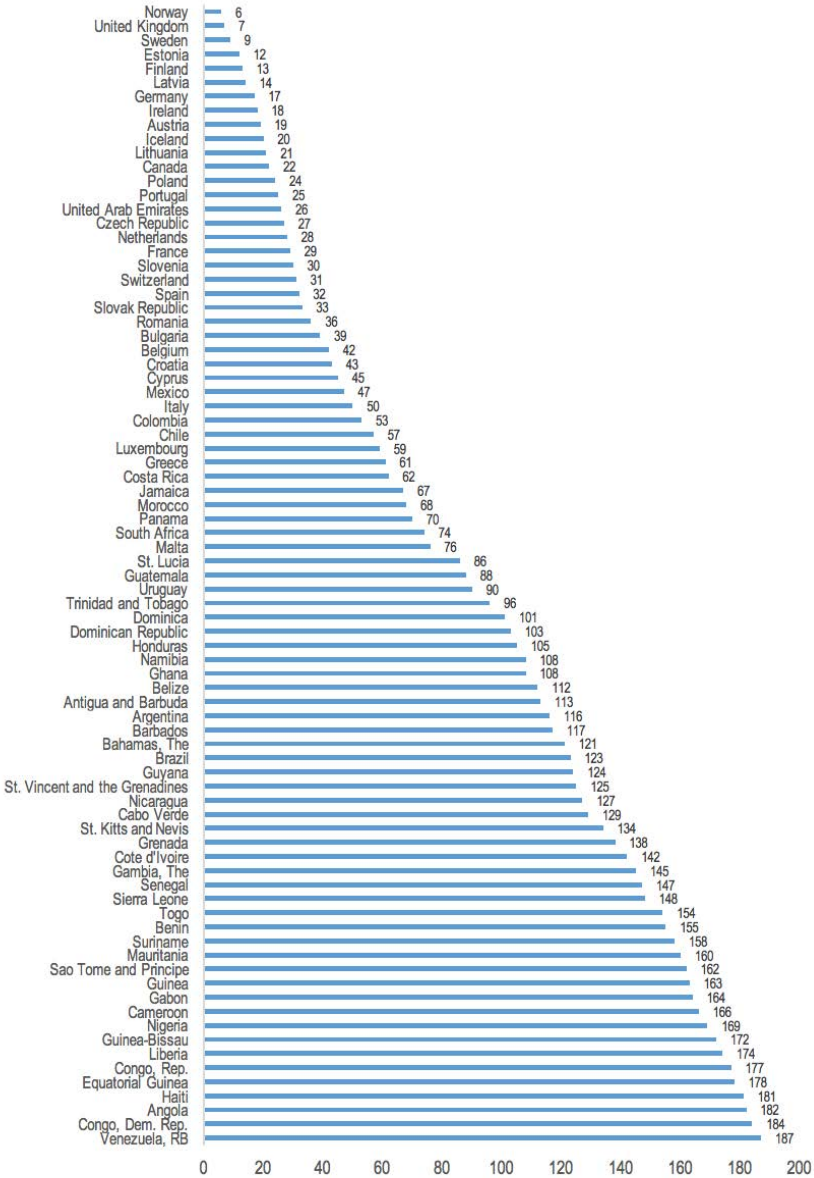
58 The Country Policy and Institutional Assessment is a project of the World Bank that rates countries against a set of 16 criteria grouped in four clusters: 1) economic management; 2) structural policies; 3) policies for social inclusion and equity; and 4) public sector management and institutions. These two metrics are only available for a limited number of countries.

Figure 96: CPIA Transparency, Accountability, and Corruption in the Public Sector Rating (1=low to 6=high)



Source : Author's calculation based on the World Development Indicators Database, World Bank

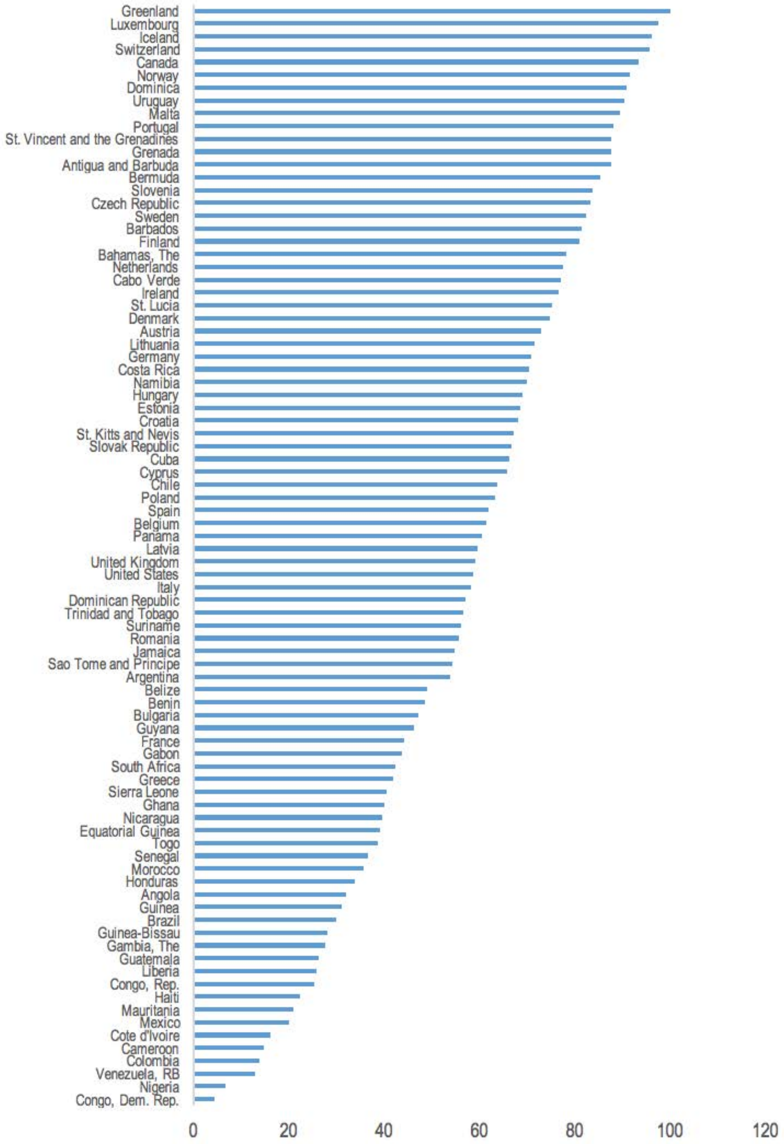
Figure 97: Atlantic Countries Ranking According to the Doing Business Project (2016)[59]



Source : Author's calculation based on the World Development Indicators Database, World Bank

59 Ease of doing business ranks economies from 1 to 189, with first place being the best. A high ranking (a low numerical rank) means that the regulatory environment is conducive to business operation. The index averages the country's percentile rankings on ten topics covered in the World Bank's Doing Business Project. The ranking on each topic is the simple average of the percentile rankings on its component indicators.

Figure 98: Political Stability and Absence of Violence/Terrorism (Percentile Rank , 2016)[60]



Source : Author’s calculation based on the World Development ndicators Database, World Bank

60 Political Stability and Absence of Violence/Terrorism captures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically motivated violence and terrorism. Percentile rank indicates the country’s rank among all countries covered by the aggregate indicator, with 0 corresponding to lowest rank, and 100 to highest rank. Percentile ranks indicate the percentage of countries worldwide that rank lower than the indicated country, so that higher values indicate better political stability and absence of violence scores.

Figure 99: Military Expenditure (percent of GDP)[61]

Country Name	2011-2013	2014-2016	Country Name	2011-2013	2014-2016
Angola	3,99	3,48			
Benin	0,95	1,06	Canada	1,11	1,03
Cabo Verde	0,54	0,58	United States	5,53	5,53
Cameroon	1,32	1,39	USA & Canada	3,32	3,28
Congo, Dem. Rep.	1,15	1,28			
Congo, Rep.	2,61	4,89	Austria	0,78	0,72
Cote d'Ivoire	1,43	1,45	Belgium	1,03	0,94
Gabon	1,56	1,39	Bulgaria	1,52	1,43
Gambia, The	1,19	1,33	Croatia	1,71	1,54
Ghana	0,64	0,51	Cyprus	1,67	1,71
Guinea	3,07	2,95	Czech Republic	1,04	1,00
Guinea-Bissau	2,05	1,83	Denmark	1,30	1,19
Liberia	0,84	0,69	Estonia	1,83	2,03
Mauritania	2,64	2,79	Finland	1,39	1,36
Morocco	3,52	3,35	France	2,24	2,26
Namibia	3,27	4,14	Germany	1,27	1,21
Nigeria	0,52	0,46	Greece	2,41	2,50
Senegal	1,53	1,61	Iceland	0,13	0,13
Sierra Leone	0,76	0,83	Ireland	0,52	0,40
South Africa	1,12	1,09	Italy	1,63	1,51
Togo	1,66	1,74	Latvia	0,96	1,16
Africa	1,73	1,85	Lithuania	0,77	1,13
Argentina	0,80	0,87	Luxembourg	0,42	0,46
Belize	1,04	1,10	Malta	0,55	0,53
Brazil	1,37	1,35	Netherlands	1,24	1,20
Chile	2,10	1,96	Norway	1,42	1,52

61 The table includes only Atlantic countries for which data are available in the WDI database.

Colombia	3,18	3,23	Poland	1,78	1,97
Cuba	3,51	3,30	Portugal	2,00	1,88
Dominican Republic	0,63	0,65	Romania	1,26	1,40
Guatemala	0,44	0,42	Slovak Republic	1,05	1,11
Guyana	1,20	1,36	Slovenia	1,18	1,01
Honduras	1,27	1,46	Spain	1,33	1,26
Jamaica	0,92	0,86	Sweden	1,13	1,09
Mexico	0,59	0,61	Switzerland	0,71	0,70
Nicaragua	0,62	0,65	United Kingdom	2,20	1,98
Trinidad and Tobago	0,68	0,89	**Europe**	**1,28**	**1,28**
Uruguay	1,78	1,82			
Venezuela, RB	1,16	1,16	**Atlantic area**	**1,49**	**1,53**
Latin America & Caribbean	1,33	1,36	**World**	**2,36**	**2,28**

Source: Author's calculation based on the World Development Indicators Database, World Bank

Liste of figures

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