

# CREPOL Annual Conference 2011: Regional Integration in West Africa

African Competitiveness and Enterprise Development: The  
Imperative of Regional Market Integration

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# Outline

- ◎ General introduction
- ◎ Overview: Competitiveness/Enterprise Development and Regional Intergration
- ◎ Conceptual Development and Integration
- ◎ Policy Implication and Action Plan

# African Competitiveness and Enterprise Centre

ACE

# Overview

- ⦿ Bring together: competitiveness, Enterprise development and Regional markets integration
- ⦿ Elaborate on their potential for growth in West Africa
- ⦿ Discuss the role of enterprise development as a micro level policy for achieving ***employment objectives*** for sustainable development
- ⦿ Present initial scope for Regional market integration as a counteract potential negative individualism of nations within ECOWAS

# Competitiveness: defined

Defined and conceptualised by the productivity with which a nation utilizes human, capital and natural resources

# The Nature of Competitiveness

# Nature of Competitiveness: Conceptual Development

- ◎ **Competitiveness in macro economics and African -specific context?** Can be explained, measured and evaluated in macro economics in relation to **human capital, natural resources,** and, **underlying sources of prosperity.**
- ◎ Prosperity – explained by standard of living is determined by the productivity of an economy, which is measured by the value of goods and services produced per unit of its resources

# Nature of Competitiveness: Conceptual Development - 2

- ◎ Productivity therefore, depends both on the value of a nation's products and services – measured by :
  - the prices they can command in an open and competitive market;
  - Efficiency with which they can be produced;
  - The ability of an economy to mobilize its available human resources.



# Successful Competitiveness

- ◎ Exports *per se* and nature of ownership – domestic or foreign owned does not matter very much.
- ◎ Purely local industries count for competitiveness as their activity sets wages and has major influence on the cost of doing business and cost of living.

# **Nature and productivity of the business activity taking place in a particular country.**

# Conceptual Development – What matters for Competitiveness

- ⦿ Infrastructure
- ⦿ Financial market
- ⦿ Customer sophistication
- ⦿ Other aspects of nation's circumstances

# Conceptual Development – What matters for competitiveness-2

- ◎ National institutions
- ◎ People
- ◎ Culture

# Development at Microeconomic Level

Wealth Creation through Enterprise Development

# Traditional Focus of Economic Development

- ◎ Stable institutions
- ◎ Sound macro economic policies
- ◎ Market opening and privatisation
- ◎ (fiscal monetary policies, efficient legal system, stable institutions and, social conditions)

# Emerging Focus thoughts on Economic Development

- ⦿ The traditional focus are necessary but not sufficient
- ⦿ Microeconomic level –sophistication at the level of firms
- ⦿ Micro economic capabilities and competency need to improve otherwise macro improvement may not be as successful or longer lasting

# The need for Enterprise Development



# Enterprise Development as a Glue for Regional Competitiveness

- ◎ To energise, provide business support and build up operations a, practices and strategies of companies and environment in which they compete.

# Regional Integration

The view of competitive as one nation gain over another nation at the expense of one another is counterproductive in Africa

# Regional Integration

- ⦿ Skew market in favour of one nation
- ⦿ Intervention through industrial policy
- ⦿ Subsidies
- ⦿ Holding down local wages
- ⦿ Devaluation of currency

# Summary Action Plan

- ◎ Critical challenge in Africa is economic development
- ◎ Micro economic competitiveness should be at the heart of the economic policy agenda;
- ◎ Enterprise level business development is ideally to compliment macro economic policies
- ◎ Regional approach – to counteract the gaming that sometimes take place at national level.