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African Regional Integration: Turning a Dream into a Reality

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Introduction

Africa has been pursuing integration programmes for a very long time. From the 1960s to the present, many integrations groups have emerged and faded away. Notable examples of earlier integration arrangements included: the African Common Market comprising Algeria, Egypt, Ghana, Guinea, Mali and Morocco in 1962; the Equatorial Customs Union (CU) comprising Cameroon, Central African Republic, Chad, Congo and Gabon also in 1962, which eventually led to the present Central African Economic and Monetary Community (CEMAC); and the former East African Community (EAC) comprising Kenya, Tanzania and Uganda in 1967, which was the most developed of all but unfortunately had a sad demise. Several new regional and sub-regional groupings have since emerged, confirming the belief by African countries in economic cooperation and integration for growth and development. The ultimate objective is to use the Regional Economic Communities (RECs) – as these regional groupings are referred to – as building blocks for the African Economic Community (AEC)[1].

RECs as Building Blocks for AEC

The African Heads of State and Governments signed the Abuja Treaty in June 1991, promulgating the AEC. According to the Abuja Treaty that entered into force in May 1994, the AEC was envisioned to be created in six stages, spanning over 34 years starting from 1994. The idea behind this plan was to first consolidate the RECs which would eventually merge to form the AEC.

The plan is ambitious but as the developments since 1994 show the consolidation of the RECs has not gone according to the plan.

Building Blocks Facing Stumbling Blocks?

The efforts towards regional integration in Africa can claim few successes despite the establishment of a number of agreements/institutions in the last almost 50 years. Therefore, it is important to understand the constraints that have been encountered in this process before attempting even bigger strides. This section accordingly provides a summary of the major constraints cited in the relevant literature which are also often mentioned by African civil society. This is followed by the presentation of some of the proposed solutions in the next section. Finally, some attention is devoted to the Common Market for Eastern and Southern Africa-East African Community-Southern African Development Community (COMESA-EAC-SADC) integration process. This is particularly relevant as the formal process recently launched to bring these three RECs closer can set the stage for similar initiatives to be followed in other parts of Africa.

A number of constraining factors mentioned have not facilitated the functioning of the regional integration agreements in Africa. For the purposes of this Briefing Paper, these factors are divided into four broad categories, i.e. political, economic and infrastructure, external, and REC design and implementation issues.

Box 1: RECs as Building Blocks towards AEC in Six Phases

1. Creation of regional blocs in regions where such do not yet exist (to be completed in 1999);
2. Strengthening of intra-REC integration and inter-REC harmonisation (to be completed in 2007);
3. Establishing of a free trade area and CU in each regional bloc (to be completed in 2017);
4. Establishing of a continent-wide CU and thus also a free trade area (to be completed in 2019);
5. Establishing of a continent-wide African Common Market or ACM (to be completed in 2023); and
6. Establishing of a continent-wide economic and monetary union (and thus also a currency union) and pan-African Parliament (to be completed in 2028).

This plan also envisages the end of all transition periods by 2034 at the latest.

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Political Factors

It can be argued that regional integration is not an election issue in African countries. Despite repeated exhortations by political leaders, few of them have consistently invested political capital into regional integration. In addition to the issue of national sovereignty, issues such as mutual suspicions, hostility and wars, and turf battles among national and regional bureaucracies, have made it very difficult to ascertain whether there is sustained political will behind the regional integration initiatives. At the end of the day, question remains whether there is a committed lobby to pursue the goal of regional integration.

In the political sphere the issue of equity can also be included. All the parties to an REC do not always perceive the gains to be balanced. For example, within any REC comprising both the developing and least developed countries (LDCs), it is rather common to hear the perception of LDCs regarding the expected accrual of most of the gains to the developing countries in the REC due to their higher level of industrial and business development. On the other hand, the developing country members of the REC often feel that the positions taken by LDC members are LDC-centric and do not always take into account their interests. Unless there are actual and perceived equitable benefits to all the members, the progress in the implementation of the REC plans remains constrained.

Economic and Infrastructure Factors

All African countries are classified as developing countries and the continent has the largest concentration of LDCs in the world. Their limited supply-side capacities, levels of industrial under-development, rather similar patterns of production (for example, dependence on a few commodities), and a general lack of investible surplus make it difficult to derive immediate economic benefits from deeper integration. Moreover, all African countries are pursuing export-led trade and development policies. This necessarily places primary emphasis on developed country markets with which there are traditional trading relationships and where the buying power is also the greatest – at least in the immediate term. Hence, the limited negotiating and other resources are often directed at further developing the trade and investment relationships with the developed countries instead of the partners in the REC.

The problem is further compounded by the lack of adequate connecting infrastructure – for example, transport and communication networks, customs facilities, credit and financing arrangements, etc. This greatly hampers the implementation of regional integration plans as infrastructure is the backbone of any regional integration scheme. In many cases, better infrastructure facilities linking to the former colonial powers are available rather than with the neighbouring countries. What is perhaps worse is the lack of required investment to build this infrastructure despite the widely recognised need.

External Factors

Two external factors also play a constraining role. (This is rather paradoxical as the main actors behind both the factors claim to be fully supportive of African regional integration and argue that their efforts and initiatives are directed at strengthening this regional integration).

One, many donors have been encouraging the regional integration efforts through funding of REC institutions. But this has had the perverse effect of creating a lack of local ownership. Moreover, the donor funding always has a finite time horizon, making the whole process rather *ad hoc* and hence lacking a long-term perspective. The result of this funding support, therefore, may be the proliferation of *ad hoc* programmes and bureaucratic structures.

Two, the Economic Partnership Agreement (EPA) negotiations with the European Union (EU) sometimes also have negative impact on the regional integration processes. The EPA configuration of African countries is not always on the lines of the existing RECs and hence places strain on the working of these RECs. Moreover, the timetable to conclude the EPA negotiations is at variance with the REC integration plans (for example as in Box 2 above) and also responsible for the diversion of limited negotiating and implementation resources toward EPAs instead of RECs.

REC Design and Implementation Issues

The REC design and implementation plans can take into account and attempt to respond to the above-mentioned constraints. While there are attempts to do that, there are also issues in the design and implementation plans of the RECs which the experience have shown to be problematic and hence aggravated the problem. These include:

Preponderance of Bureaucracies: Each REC has attempted to have a well-developed institutional set up. This has led to a top-down instead of an organic growth. Moreover, the emphasis is laid often on building elaborate political institutions. These may be important but the immediate need is to have strong, well-staffed and well-equipped technical organs. Without such technical organs, the regional integration plans cannot be properly implemented. Preponderance of REC bureaucracies has also created set of vested interests in each REC secretariat leading to efforts at self-perpetuation and turf battles that are costly and detract the attention from the ultimate objectives.

Enforcement: The legal framework of the RECs is not always robust with often obscure role for the courts. The preferred mode for enforcement is through the so-called "quiet diplomacy" which does not create the necessary certainty and stability. Businesses and other stakeholders will pay greater heed to the implementation plans if these are accompanied by clearer and predictable enforcement mechanisms.

Model for Integration: Consciously or unconsciously the model for integration being followed is that of the EU. Questions remain whether this is the right model for African countries because of their different levels of development, historical experiences and availability of resources than those of the European countries. The EU model has been quite successful in a particular context but that does not mean that it will be successful under all circumstances.

Overlapping Membership: A number of RECs have overlapping membership. For example, EAC, COMESA and SADC membership presents a rather confounding picture to an external observer with layers of overlapping memberships (as shown in Table 1). It can be argued that overlapping membership can be utilised to better harmonise policies across a larger number of countries and hence, contribute to deeper and perhaps faster integration among many. In actual experience though the overlapping membership has sometimes resulted in slowing the progress towards regional integration and added to the bureaucratic layers.

Some Proposed Solutions

The situation demands taking a hard and dispassionate look at all the constraints to identify realistic and pragmatic responses. Political rhetoric has not been and will not be enough. Admittedly, issues such as political factors and lack of infrastructure require change in attitudes and long-term commitment and investments. One way to progress will be to adopt an incremental approach and first address the constraints that can be tackled in the short to medium-term. Success in dealing with these will create the momentum for better addressing the remaining, larger issues as well. With this in mind, some ideas are presented below for consideration.

Setting the Right Objectives

The most important is to be clear about the objectives. African regional integration does not need any more grandiose objectives that are difficult to achieve. Much better will be to realise the difficulties involved and set the objectives that are attainable and create the foundation for further progress. For example, the objectives may aim at integrating particular sectors over a given period of time than attempting to integrate the whole economies of large number of countries.

Establishing Benchmarks

The commitment of members should be clear and doable. The commitments need to be time-bound with benchmarks to measure the progress. The establishment and implementation of benchmarks will be a useful monitoring and evaluation tool which can be supplemented with legally binding enforcement mechanisms.

Improving REC Design and Structures

While realising the difficulties in changing inter-governmental agreements, some actions can be taken to improve the functioning of the RECs that will not require amendments in the agreements. These will include strengthened technical wings in the REC secretariats, institutional arrangements for regular cooperation and coordination among the RECs, and putting an effective moratorium on the establishment of any more sub-regional RECs[2].

Table 1: Overlapping Membership – Case of COMESA, EAC and SADC

Members of COMESA	Members of EAC	Members of SADC	Common Members of COMESA and EAC	Common Members of EAC and SADC	Common Members of COMESA and SADC
Burundi Comoros DR Congo Djibouti Egypt Eritrea Ethiopia Kenya Libya Madagascar Malawi Mauritius Rwanda Seychelles Sudan Swaziland Uganda Zambia Zimbabwe	Burundi Kenya Rwanda Tanzania Uganda	Angola Botswana DR Congo Lesotho Madagascar Malawi Mauritius Mozambique Namibia Seychelles South Africa Swaziland Tanzania Zambia Zimbabwe	Burundi Kenya Rwanda Uganda	Tanzania	DR Congo Madagascar Malawi Mauritius Seychelles Swaziland Zambia Zimbabwe

From Political to Strategic Integration

African regional integration should follow a model best suited to its own conditions. This may require thinking outside the box. For example, focusing on agreements for sectoral integration where all parties are expected to gain and may yield better results instead of attempting to integrate whole economies of all member countries in an REC. Similarly, regional transport corridors may be a better target for investment than building more political institutions. Such strategic integration will pave the way for institutional, i.e. through [Free Trade Agreements (FTAs) and CU] integration later.

Putting the Money Where the Mouth Is

It is well recognised that African countries lack the resources and hence depend on external donors and development partners. But for regional integration to be sustained and sustainable, it has to be owned and financed – as much as possible – by African stakeholders. Here again, rationalisation of REC structures can reduce some of the costs making it easier for African stakeholders to take up a major share while donor financing is used to supplement these efforts.

Creating an Active Pro-Integration Lobby

The dream of regional integration will become reality only when all the stakeholders understand its costs and benefits, pros and cons, and then take a conscious decision in its favour. This will create an informed, pro-integration lobby of the governmental functionaries, parliamentarians, civil society organisations (CSOs), private sector and businesses, media, farmers and the consumers that will be the key to the success.

From Analysis to Action: Can COMESA, EAC and SADC Provide a Successful Example?

The Eastern and Southern Africa (ESA) can provide an opportunity to put into action some of these proposals for several reasons. One, the region has three of the most vibrant regional integration agreements, i.e. COMESA, EAC, and SADC. All of them have FTAs and plan to form CU soon (EAC already is a CU). Two, these regional integration initiatives have encountered the constraints mentioned above and hence are quite conscious of the challenges involved. Three, there is a clear desire and commitment to overcome the constraints including through dealing with the issue of overlapping membership. A Summit of the leaders of the region held in Kampala, in October 2008 has decided to put in place a roadmap within six months for the closer integration of the three RECs through an FTA. The three secretariats have been mandated to develop this roadmap.

Both the overlapping membership of COMESA, EAC and SADC as well as the existing trade among their members offer interesting opportunities to develop a model that can then be the guiding post for the regional integration in Africa. As Table 1 above shows, four out of five EAC members are also members of COMESA whereas the remaining EAC member also belongs to SADC. Moreover, as many as eight countries belong to both COMESA and SADC, leaving only four COMESA members that do not belong to either EAC or SADC, and six SADC members that do not belong to either COMESA or EAC. Therefore, EAC and the eight common members of COMESA and SADC can provide a strong core for bringing the three regional arrangements closer.

Box 2: Bringing ESA Together

- This vast region has three main RECs, i.e. COMESA, EAC and SADC with a total membership of 26 countries.
- All members of EAC are also part of either COMESA or SADC. Moreover, there are eight countries that are members of both COMESA and SADC. This indicates a strong common core among the three RECs.
- Regional integration process is most advanced in EAC with functioning CU whereas both COMESA and SADC have launched FTAs and plan to become CU.
- The three REC secretariats have been collaborating informally. However, a Summit of the leaders of the region held in Kampala, in October 2008 has taken the momentous decision to form a common FTA among all countries of COMESA, EAC and SADC and has mandated the secretariats to prepare a roadmap for this purpose within six months.
- The region and the commitment of its leaders as announced at Kampala present a unique opportunity to strengthen the regional integration in Africa, while keeping in mind the constraints involved. All stakeholders including the REC secretariats and the civil society have a historic responsibility in this regard.
- Targeted research, strengthened networking and sustained advocacy can help realise this opportunity by contributing to the creation of strong pro-strategic integration lobbies.

Table 2: Trade among COMESA, EAC and SADC (in thousand US$)					
EAC Exports to SADC (2006)	EAC Exports to COMESA (2006)	COMESA Exports to EAC (2006)	COMESA Exports to SADC (2007)	SADC Exports to EAC (2006)	SADC Exports to COMESA (2007)
913072	1612138	1247404	2563861	15640303	6974749

The trade among the three blocks is also significant as is shown in Table 2 below. While this trade is still a small percentage of their global trade, this shows the existence of substantial existing trade relationships which can be the basis to build on the potential.

Taking advantage of the political opportunity created by the decision of Kampala Summit in October 2008, and with a view to putting into action the lessons learnt from the regional integration experience in Africa, following suggestions have been made for the consideration of all stakeholders. While these suggestions do not address all the identified constraints, nevertheless these can be particularly relevant for the COMESA, EAC and SADC secretariats as they endeavour to implement the Kampala Summit decision and for the civil society in ESA for their positive contribution to the regional integration.

A Model for Strategic Integration in ESA

A lot of research has been undertaken. But still some gaps exist. These pertain mainly to the political economy dimension. There is also a gap regarding the exploration of alternative models of integration. Hence, research on the following can be quite helpful:

- Identification of potential beneficiaries and losers from the implementation of the existing schemes for integration and proposing flanking policies/measures that can help the potential losers;
- Identification of sectors/sub-sectors for strategic integration with measurable benchmarks to measure the success;
- Identification of priority infrastructure requirements for targeting investment; and
- Elaboration of the political economy of regional integration – the key stakeholders, their interests and hence positive and negative roles and how all of them can be brought on board.

A Well-informed and Connected Pro-Integration Lobby

Several regional and sub-regional networks (both formal and informal) of stakeholders (governmental, civil society, private sector, and parliamentarians) have been established. The objective, therefore, should be examine the functioning of these networks and to identify the successes, failures and gaps. Based on such an analysis proposals can be forwarded to replicate the success stories, strengthen the existing networks and establish new where needed. The networks should aim at the achievement of the identified objectives of strategic regional integration and creation of an active lobby for integration.

Similarly, the advocacy activities need to be based on research findings and utilise the networks. These activities should target all the groups of stakeholders, individually as well as collectively. Specific tools and mechanisms can be developed for this advocacy including the following:

- A common man's Guide on Regional Integration to present in simple language the main benefits and costs and how best to go about it;
- A manual for the CSOs on the relevant issues which they can use for their own awareness-raising and lobbying activities;
- A manual for the private sector on how to examine the existing and proposed regional integration schemes to identify potential opportunities and to undertake lobbying to advance their interests;
- Regular advocacy messages targeted at the identified stakeholders; and
- Regular advocacy meetings with the relevant government functionaries, staff of the REC secretariats and the parliamentarians.

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1 AU recognizes eight RECs as building blocks for the AEC. These, with their sub-groupings, are: Community of Sahel-Saharan States (CEN-SAD), Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC), Economic Community of Central African States (ECCAS/CEEAC) – with sub-grouping of Economic and Monetary Community of Central Africa (CEMAC), Economic Community of West African States (ECOWAS) – with sub-groupings of West African Economic and Monetary Union (UEMOA) and West African Monetary Zone (WAMZ), Intergovernmental Authority on Development (IGAD), Southern African Development Community (SADC) – with sub-groupings of Southern African Customs Union (SACU), and Arab Maghreb Union (AMU/UMA).

2 This will be in line with the decision of the AU Summit held in Banjul in July 2006 regarding the moratorium on the recognition of new RECs as pillars of AEC.