A África e A Europa
Resolução de Conflitos, Governação e Integração Regional

Regional Economic Integration in Africa: Current trends and prospects

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In the non-Africanist literature, African economic integration is rarely discussed. Whenever lip service is being paid to the discussion of African regionalism, this tends to be associated with extensive reliance on rhetorical statements and stated ambitions. The gap between institution-building and policy implementation is usually acknowledged, but it is treated as a temporary dysfunction. This nurtures what may be described as an 'inching towards implementation' assessment of the failure of most regional Inter-governmental Organizations (IGOs) to achieve their socio-economic mandates. The fact that programs have been going on for several decade with deadlines that keep being regularly 'updated' or adjourned, is consistently minimised. About 130 regional groupings claiming to promote inter-governmental co-operation or supranational integration coexist in Africa. Many of these date back to the dismantlement of inter-territorial colonial arrangements and only exist through their acronyms and letter head paper. The most recent wave of institution-building dates back to the early 1990s. The end of the cold war aroused renewed African concern at marginalisation at a time when the world economy was also becoming increasingly regionalised. Since then most African regional organisations have changed their acronyms, endorsed liberal economic agendas, and committed themselves to the need to 'pool' sovereignty while taking on board such new issues as security and good governance. These orientations keep being stimulated by the regional flavour that permeates international donor policies – viz the EU-ACP Economic Partnership Agreements to be negotiated under the Cotonou Convention. Regional economic organisations are also confronted with the need to broaden their traditional mandates so as to curb regionalisation through war and insecurity.

Such notions as respect for the rule of law, good governance and regional security were conspicuously absent from the original mandates of regional groupings. Most member-states were governed by authoritarian military or single party regimes that would reject any constraints on the enhancement of the power and personal wealth of incumbent rulers. Post-imperial patronage and cold war alignments also meant that raising security issues within the larger sub-regional groupings was akin to stepping into a minefield. Barely a decade after the end of the cold war, the situation has become totally reversed. The regional implications of violence and disregard for the rule of law within member-states are no longer minimised or overlooked. These clearly hamper the implementation of integrated regional policies. In a context marked by growing extra-regional pressure for African involvement into peace and security related matters, insecurity and state collapse contribute to the revitalisation of regional mandates. This also creates a new momentum for donor support to regional and sub-region organisations that, in all but a few cases, have accumulated poor track records in the field of socio-economic and financial integration.

Institution Building versus block-building

In 1980, OAU heads of states adopted the Lagos Plan of Action (LPA) which aimed to create an African common market and an African Economic Community (AEC) by 2000. Implementation then stalled to the extent that an Economic Commission for Africa (ECA) progress report concluded in 1990 that “*there is no sub-regional integration process under way at this time. Sub-regional economic groupings in Africa [...] have not been able to make their impact felt. Where they have had an impact, it has been on balance negative: member-states are providing financial support to agencies that make no significant contribution in terms of improving Africa's economic situation*".[1]

An overhaul of initial deadlines and objectives resulted in the adoption of a new treaty, in Abuja, on 3 June 1991. Its target is still the creation of an AEC which, by 2028, should enable the free movement of people and factors of production and involve the operation of a single domestic market, an economic and monetary union, a central bank with a single African currency and a Pan African Parliament. The process is evocative of the creation of a quasi-federal system but the term is never mentioned. With respect to the concrete implementation of these high ambitions, the Treaty simply states that they are to be achieved "*mainly through the co-ordination, harmonisation and progressive integration of the activities of regional economic communities*”[2]. Implementation is expected to result from the strengthening of existing regional economic communities and the establishment of new ones if required. For this purpose, seven regional groupings have so far been labelled as key 'building blocks': the Arab Maghreb Union (5 member-states); the Economic Community of West African States (15 member-states); the Common Market for East and Southern Africa (20 member-states), the Southern Africa Development Community (14 member-states), the Intergovernmental Authority for Development (7 member-states) and the Community of Sahel-Saharan States (18 member-states).

Out of the seven regional groupings labelled as 'building blocks by the African Union, four are largely dormant institutions in the field of economic integration. The **Arab Maghreb Union** (UMA), established by the Treaty of Marrakech in 1988, is yet to take any concrete steps towards a customs union or a common market. UMA has also failed to function as a forum for engaging discussion on regional issues –no heads of state summits has been held since 1994. The **Community of Sahelian-Saharan States** (CENSAD), created in February 1998 at the instigation of Libya, carries no explicit mandate in the field of regional economic integration and gathers states who already belong to other regional 'building blocks'. The yearly summit meetings of CENSAD have been essentially a tribune for Colonel Muammar Khaddafi. In Central Africa, the **Economic Community of Central African State** was established in 1983 for the purpose of merging two pre-existing organisations. [3]

It has appeared unable to fulfil its stated mandate due to financial difficulties and political tensions between member-states. Since 2002, the organisation is also trying to reinvent itself through its conversion into a regional organisation for conflict prevention and peace-keeping. **Inter-Governmental Authority for Development** is also labelled a building block for the establishment of the AEC. IGAD dates back to the establishment, in 1986, of a loose structure, the Intergovernmental Authority on Drought and Development. IGADD. was due to promote food security and environmental protection in the Horn, but tensions among its member-states and in the region meant that little had been achieved when it was transformed into IGAD in 1996. Since then, IGAD has acquired some clout as a regional forum and an interface for EU, US, and AU peace initiatives in the Horn and the Sudan. IGAD's inclusion among the key 'building blocks' of AEC reflects therefore more on political rather than economic achievements.

ECOWAS is one of the more successful sub-regional IGOs on the continent. Since its establishment in 1975, significant progress has been monitored in areas such as institution-building and the emergence of a sub-regional consciousness that straddles over the francophone-anglophone divide. The ECOWAS Secretariat can also claim to significant achievements with respect to the harmonisation of norms and the improvement of regional transport and communication infrastructures.[4] ECOWAS, however, has so far failed to meet its stated goals in the field of sub-regional economic integration. Member-states still do not apply the provisions of the revised Cotonou Treaty (1993) instituting the principle of supranationality and key protocols pertaining to free movement of goods and persons are casually contravened. In accordance with the trade liberalisation program re-launched on 1st January 1990, a Customs Union should have been established by 31st December 1999. By 2004, all countries were yet to adhere to the much more modest objective of establishing a Free Trade Area.

The ECOWAS program towards the creation of a single monetary zone has similarly kept being delayed since its initial conception in 1975. In December 1999, ECOWAS Authority of heads of states launched a "fast track" program towards economic and monetary integration. A Nigeria-Ghana sponsored initiative then led (December 2000) to the adoption of the agreement and statutes for a West African Monetary Zone (WAMZ). Six out of the eight member-states of ECOWAS (Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone) are expected to establish their own WAMZ as a step towards a merger with the francophone *Union Economique et Monétaire Ouest Africaine* (UEMOA).

Due to insufficient macro-economic convergence and financial discipline, the establishment of the WAMZ has had to be postponed several times already. Macro-economic convergence has not progress as anticipated and the original target of 2002 for establishing the non-UEMOA monetary zone had to be postponed to July 2005. Another adjournment of this deadline was announced a few weeks ago, while deeper interrogations keep being cast over the merit and feasibility of the whole exercise.[5] More generally, political instability within the region makes the launching of an autonomous and sustainable ECOWAS monetary policy highly improbable in the near future. Indeed, since the 1990s, the regionalisation of war and instability in West Africa has *de facto* gained preponderance over socio-economic and financial agendas. ECOWAS is nowadays more famous for its attempts to establish, through the permanent mechanisms, a collective security system, than for its record in the field of economic integration.

In East and Southern Africa, trade liberalisation within COMESA may be described as partly successful since 9 out of the 20 member-states formally agreed to meet the 2000 deadline for the creation of a FTA.[6] A key member-state, Tanzania, however chose to pull out from COMESA and extension of the FTA to all the other COMESA members has kept being postponed. SADC's contribution to the creation of an integrated sub-regional space has been even more disappointing, a reflection on its initial establishment as a forum essentially geared towards the capture and coordination of international aid to infrastructural projects. Although SADC's commitment to economic integration, community went back to 1992, it was only in March 2001 that an extraordinary summit recommended concrete steps for a conversion of SADC scattered institutions into a more cohesive entity. Restructuring is expected to involve the clustering of the 21 SADC(C) sectors into four directorates located within the Gaberone Secretariat, as well as the establishment of SADC National Committees to help diversify inputs on the formulation of SADC policies. The formation of SADC's own FTA, originally scheduled for 2008, is not expected to take place before 2012.

Southern Africa Development Community was initially established as a 'Coordination Conference' (SADCC) in 1980, so as to counter South African plans towards the establishment of the Constellation of Southern African States (CONSAS). During the subsequent decade, SADCC maximised international donor support to the region, but failed in countering South Africa's magnetic pull – a combination of destabilising military incursions, economic preponderance and control of infrastructures and communications. The SADC Treaty of Windhoek signed in 1992 was viewed as a new departure since it emphasised integration and prepared for South Africa's membership that became effective in 1994. It then took almost a decade before the SADC extraordinary summit of March 2001 recommended concrete steps for a transformation of SADC multilateral framework into a structure tailored to promote integration as opposed to policy co-ordination. The formation of SADC's own FTA, originally scheduled to be operational by 2008, is not being expected until 2012. In July 1996, SADC heads of state decided to launch a specific Organ for Defence, Politics and Security Co-operation, but this became a source of deep polarisation. SADC initiatives in the field of peace and security are emblematic of the fallacy of collective security so long as shared interests are not identified.

Integration as hysteresis

Throughout the colonial period, inter-territorial coordination was tailored to suit the requirements of imperial systems. Integrated policies encouraged linkages with metropolitan centres and endorsed the delimitations of inter-imperial boundary-lines. Regionalism was underscored by the assumption that economic self-sufficiency and imperial preference should prevail over territorial proximity or trade liberalisation *erga omnes*. By 1970, a number of inter-territorial arrangements survived across the continent, but Nigeria was the only federation that had managed to overcome the challenge of balkanisation. Sub-Saharan Africa was much more fragmented politically than under European rule. Whether inter-territorial arrangements survived or not, hysteresis remains a significant element in the representation, interpretation and reorientation of regionalism in present day Africa.

The CFA zone is a monetary union of 14 member-states plus the Comoros that was established before the Second World War, and reorganised after independence, in 1972-1973. Intra-regional monetary integration is ensured through two regional central banks, the *Banque centrale des Etats de l'Afrique de l'Ouest* (BCEAO) and the *Banque des Etats d'Afrique Centrale* (BEAC). These operate on a parallel basis and issue their separate currencies, which are freely convertible on a one-to-one basis through the inter-banking system. The CFA is pegged to the Euro at a fixed parity, but its convertibility is exclusively guaranteed by the French Treasury. In West and Central Africa, the CFA currency zone also acts as the linchpin of UEMOA and CEMAC, both established in the wake of the January 1994 devaluation of the CFA. UEMOA has been facing serious difficulties since 2002. That year, the first phase of UEMOA's program of macro-economic convergence had to be postponed by another three years. Trade liberalisation also remains hampered by road blocs, administrative harassment and, since September 2002 the spill over effects of the fighting in Côte d'Ivoire.

Over a decade after the transformation of CEAO into UEMOA, intra-regional trade still accounts for less than 10 per cent of its member-states' total external trade. Trade liberalisation, due to be effective since 1st January 2000, has been seriously hampered by road blocs, administrative harassment and, since September 2002, the spillover effects of the fighting in Côte d'Ivoire. Implementation of the Pact of Convergence, Stability and Solidarity (PCSS) has also had to be postponed until January 2006. Due to the war in Côte d'Ivoire and tensions between Côte d'Ivoire and Burkina Faso, UEMOA seemed to owe its survival to France's ongoing support and monetary endorsement. These have enabled the CFA zone to do away with the short-term implications of the crisis in Côte d'Ivoire, but this not the same for the earlier ambitions to transform UEMOA into "*a sub-regional hub comprising the Côte d'Ivoire and Senegal, with a rim comprising the other African members*".[7] Côte d'Ivoire is still the key economy within UEMOA (with 38 per cent of its total GDP in 2003), but war, insecurity and the xenophobic slant of '*ivoirité*' now invite landlocked Niger, Mali and Burkina Faso to seek alternative import-export routes and disentangle their economies from that of their unstable neighbour.

Besides the CFA currency zone, the only other case of regional integration in Africa is to be found in Southern Africa, where integration within the Southern African Customs Union/Common Monetary Area (SACU/CMA) is organised around a customs union and a common currency, the Rand. Integration within SACU proceeds from a common external tariff, the free circulation of goods and services (but not labour) and *de facto* reliance on a common monetary base. The customs union was originally established in 1910, as a fiscal and customs arrangement designed to redistribute revenues between territories where integration was a pre-existing economic and politico-administrative reality. The continuation of South Africa's exclusive control over the management of SACU was reluctantly endorsed by the newly independent BLS (Botswana, Lesotho and Swaziland) countries in 1969. Following protracted renegotiations that lasted eight years, the revised treaty signed in 2002 by South Africa, the BLS and Namibia confirms pre-existing economic integration, while seeking to introduce a ‘democratised’ system of regional governance.

SACU's new agreement addresses what was widely perceived to be an historical anomaly, namely South Africa's unilateral control over policy-making and management of SACU. An inter-governmental institution, the Council of Ministers, is now entrusted with the formulation and conduct of the policies of the customs union; including with respect to international trade negotiations, an unprecedented situation in Africa. Decisions are to be adopted by consensus, a pattern that imposes new constraints on South Africa: each of the BLNS now has in effect a veto power that may be only overruled by a majority ruling of the tribunal, the highest institution of SACU. The shift from exclusive control towards joint decision-making also involves the transfer of South Africa's administrative management tasks to new institutions, *inter alia* a secretariat based in Windhoek, a Customs Union Commission, a Tariff Board (an independent institution consisting of experts who send recommendation to the Council) and for Technical Liaison Committees (on agriculture, customs, trade & industry, transport). National bodies are also established within each of the BLNS.

In East Africa, the 1960s were characterised, as in many other parts of Africa, by the dissolution of common services and integrative ties established during the colonial period between Kenya, Uganda and Tanganyika. This has made attempts to revive the East African Community particularly spectacular. The adoption of the Arusha Treaty, on 30 November 1999, followed a decade and a half of co-operative arrangements designed to harmonise monetary and fiscal policies, promote the restoration of a customs union, and establish common regulatory frameworks to attract investors. What is sometimes encapsulated as nostalgia for the days of the Community was stimulated by slow progress within COMESA, the much larger and particularly heterogeneous grouping that ranges from North Africa unto the Indian Ocean. Private sector operators also and simultaneously pressed for the re-launching of EAC, encouraged by new prospects for convergence due to pro-market economic reforms within all three states. As the heads of state of the EAC met in November 2004, co-ordination of national policies had achieved significant progress in several areas, in conjunction with regional networking and institution (re-) building. Walking into the footsteps of previous common services in order to reinstate them seems to have considerably facilitated the creation of a momentum. A first step towards economic integration, through the establishment of the East African Customs Union (EACU), was due to be operational as from as from 1 January 2005.

Extraversion as the driving force: norms, models and frameworks

Institutional expansion and overlapping membership of Regional economic communities (RECs) also reflects on the transfer of competing norms and models from Europe and the US. Thus, in 1994, the treaties establishing the francophone UEMOA and CEMAC were patterned on the Maastricht treaty and its convergence criteria; earlier, the establishment of CEAO (1972) had involved its adoption of plans for a common agricultural policy inspired from the (then) European Economic Community. In the 1980s, the definition of SADCC's attempt to reduce dependency on South Africa claimed to emulate the low-key functional approach adopted in the early days of European construction (functional approach of the European Coal and Steel Community). More recently, in December 1999, five ECOWAS member-states who did not belong to UEMOA's common currency zone committed themselves to emulate the post-Maastricht macro-economic convergence model so as to launch a second West African Monetary Zone (WAMZ). Recently too, the emulation of Europe's model of trans-frontier cooperation through a replication of its 'euro-regions' has become the object of extensive discussions in West Africa. At continental level too, the AU seeks to explicitly refer to the European Union 's economic achievements, while the Peace and Security Council and the complex institutional bureaucracy that goes along with it draws its inspiration from the UN Security Council.

The role of Europe as a model, a regulator and a key historical player on the Africa continent shows no sign of abating in so far as regional economic communities (RECs) are concerned. Their formal endorsement of European models is naturally inspired by the achievements of European construction. In addition to this, normative transfers are nurtured by the inter-regional dimension of European development policies. In this respect, it may be confidently predicted that the ratification of the EU-ACPs Cotonou Agreement in 2003 will unleash an unprecedented 'market' for normative and institutional transfers across the continent: the Agreement plans for the negotiation of (Regional) Economic Partnership Agreements (EPAs) and this will require substantial adjustments on the part of all RECs. Similarly, the US-inspired Africa Growth and Opportunity Act and the hub-spoke model of interactions that it conveys seek to instil their own transfers of norms and regionalisation patterns. The endorsement and entrenchment of technical, health or environmental standards and procedures within inter-regional agreements has become of strategic significance in the conduct of multilateral negotiations by the EU and US. In Africa and in other world regions, this is not the least significant dimension to the current scramble for institutional expansion and bloc-building.

Regionalisation through hegemonic control

Regionalisation through hegemonic control by a single state still provides the only instances where regionalism involves transfers of sovereignty that are both legally-endorsed and effectively implemented. In all cases, integration is institutionally guaranteed by a core state as opposed to a supranational institution. The guarantees are also and most significantly formally endorsed by decision-making structures. Integration through a core state refers accordingly to a pattern of de facto interactions as much as to a *de jure* status. Sovereignty pooling also proceeds in all these cases from the survival of patterns of domination and regulation inherited from the colonial period. In Southern Africa, integration within the SACUis organised around a customs union and a de facto common currency. South Africa's interactions with SACU features as the core of its deeply asymmetrical interactions with the southern African sub-region. South Africa's interactions with Southern Africa through the promotion of corridors and triangles of growth are equally vocative of such a pattern. The investment strategies pursued by South Africa's big conglomerates in Southern Africa also illustrate an unusual phenomenon in Africa, namely the congruence of regionalism with regionalisation.

In West and Central Africa, the CFA zone provides the other working instances of integration through hegemonic control, this times due to the hegemonic domination and leadership exerted by an extra-regional player, France.

Trans-state regionalisation

In stark contrast with the reified landscape of African regionalism, a multiplicity of trans-frontier networks carve de facto regional spaces that operate through cognitive bonds and remain largely independent from territorial affiliations. With the exception of hub-spoke regional arrangements and transactions around South Africa, regionalisation relates to processes, which do not proceed from transfers of sovereignty nor result from the dynamism of multinational or trans-national corporations (TNCs).

Regionalisation in Africa reflects primarily on the expansive dynamics of trans-state and trans-frontier networks which, depending on time and circumstances are associated with strategies ranging from survival to accumulation and, not least, state capture. Whereas trans-frontier interactions simply involve crossing boundary-lines, trans-state interactions combine this capacity with the ability to penetrate state institutions –controls assigned to state authorities are nullified through negotiation or avoided through complicities. Trans-state networks simultaneously challenge the institutionalisation of the state and its territorial control. They promote regionalisation through their exploitation of the opportunities offered by the (customs, fiscal, normative or monetary) disparities that materialise along boundary-lines. For this very reason trans-state networks and lobbies have no interest in the harmonisation of policies under the aegis of formal regional institutions. Trans-state regional lobbies share a strong interest in the preservation of good relations between neighbouring states, but have little to gain from the implementation of sub-regional programmes towards the liberalisation of customs and tariff barriers: these are indeed a direct challenge to the rent-seeking opportunities associated with the preservation of (fiscal or tariff) barriers and/or the establishment of (formal or informal) checkpoints.

Concluding remarks

In Africa as in other parts of the world, contemporary sub-regional economic organisations increasingly operate as geopolitical structures. This dimension accounts for the simultaneous participation of African states in a plurality of sub-regional groupings, which do not necessarily share mutually compatible economic agendas. Out of the 53 states of the continent, only six belong to a single sub-regional economic grouping, while 26 adhere to two and 20 to three.[8] Mutually incompatible regional agendas, whenever they arise, do not constitute a hindrance when regionalist pledges do not translate into policy implementation. Multiple membership and its dysfunctional implications may be stigmatised by larger sub-regional organisations, but their blueprints for 'rationalisation' through the incorporation of smaller groupings often lack credibility. Indeed, such smaller groupings as SACU, UEMOA, CEMAC and the EAC also happen to be more tightly integrated than the 'building-blocks' to which their member-states simultaneously belong.

The notion of 'capabilities-expectation' gap is commonly used to describe the discrepancy between the poor performance of the EU as an international player and the high expectations generated by its structural power. In Africa, what is at stake is less a gap than a disconnection between the rhetoric of region-building and the functions effectively performed by regional organisations. Whereas regionalism is a pervasive tool in the conduct of international relations among African states, its practice hardly involves integration or common policies. This is only the case when, as illustrated by the CFA currency zone or SACU, hysteresis combines with hegemonic domination. Elsewhere, the vitality of African regionalism essentially proceeds from the combination of powerful cognitive representations with donor driven policies.

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[1] ECA, Progress Report on the Strengthening of Sub- regional Economic Integration: Establishment of the African Economic Community, Addis Ababa: ECA/ECO/90/2/4.3(1), mimeo, p. 8.

[2] Art. 88 of Treaty. The only protocol to the Treaty that has so far been "finalized, adopted or ratified by member-states" is the Protocol on the relationship between the AEC and the regional communities; Economic Commission for Africa, Assessing Regional Economic Integration, Addis Ababa: ECA Policy Research Unit, 2004, p. 30.

[3] The ex-Belgian colonies belong to the Communauté Economique des Pays des Grands Lacs (CEGPL) while former French territories (along with Equatorial Guinea) are regrouped within the Communauté Economique et Monétaire d'Afrique Centrale (CEMAC).

[4] Daniel Bach, "The Dilemmas of Regionalization", in Adekeye Adebajo & Ismail Rashid, eds., West Africa's Security Challenges, Boulder, CO: Lynne Rienner, 2004, pp. 69-92.

[5] See for instance, David White, "African Currency Union to Miss Target", The Financial Times, 3 March 2005, p. 6; see also Nigerian Central Bank Governor Charles Soludo as quoted in The Independent (Banjul), 13 September 2004.; X. Debrun, P. Mason and C. Pattillo, Monetary Union in West Africa: Who Might Gain, Who Might Lose and Why?, Washington: IMF working paper, December 2002, pp. 26-27; C. U. Uche, The Politics of Monetary Sector Cooperation among the Economic Community of West African States, Washington DC: The World Bank Institute Policy Research Working Paper 2647, July 2001.

[6] The nine member-states of the FTA are Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe.

[7] Jeffrey Fine and Stephen Yeo, "Regional Integration in Sub-Saharan Africa: Dead End or Fresh Start?", in Ademola Oyeyide, Ibrahim Elbadawi and Paul Collier, eds., Regional integration and trade liberalization in sub-Saharan Africa; volume 1: Framework, Issues and Methodological Perspectives, New York: St Martin's Press, 1997, p. 452.

[8].ECA, Assessing Regional Integration, p. 40.