Africa's Integration and Economic Development: The Journey so Far

By
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Abstract

In a quest to halt the marginalization of Africa in the world economy, African leaders have at various times made efforts to pursue African economic integration as an integral part of African unity. These efforts led to the emergence of regional economic communities (RECs), which are the building blocks of the Africa's integration project. There are currently, 14 RECs in Africa, many of which overlap. Their performance in intra-regional trade has been less than satisfactory, partly as a result of low incomes, high proportion of GDP represented by agriculture and low level of industrialization. Of the 14 RECs, in terms of pace of integration, UEMOA is the star performer, followed by ECOWAS and SADC, while the poor performers are CEPGL, ECCAS, IOC and MRU. Although the integration process may appear slow, a number of achievements have been recorded. These include sub-regional peace and security, infrastructural development, financial and monetary cooperation as well as liberalization of trade and free movement of people, goods and services.

-To quicken the integration process, constraints such as lack of political will, low level of industrialisation, dearth of an entrepreneurial class and the non-inclusion of the informal sector should be addressed. If all the constraints, especially lack of political will, are effectively addressed, then the notion that '*reculer pour mieux sauter*' (to give way a little in order to take up a stronger position) is not a dictum that seems to carry much weight ---among integrating African countries will be proved incorrect.

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Introduction

After World War II, the promotion of regional integration became a global concern, culminating in the establishment of the European Economic Community (EEC) in 1957, the Latin American Free Trade Association (LAFTA) in 1960, the Central American Common Market (CACM) in 1961, the Association of South East Asian Nations (ASEAN) in 1967, the Caribbean Free Trade Association (CARIFT) in 1968, etc. These developments encouraged the independent African countries, under the auspices of the Economic Commission for Africa (ECA), to pursue vigorously, the policy of promoting close economic cooperation and integration among themselves.

The integration process is important for Africa which has remained the poorest continent with 33 out of the 48 poorest countries. As at 2000, African countries had a combined external debt of US $370 billion, equivalent to 80 percent of their gross domestic product. As a result, about half of its 370 million people live below the poverty line, with the per capita income averaging less than one dollar a day. The continent, ravaged by conflicts and wars, is also home to about 60 million refugees (Magbagbeola, 2002). But with its vast land and abundant resources, Africa has great potential for economic development. Through unity and integration, the continent may be able to reverse its marginalization in the world economy.

The quest for close economic cooperation and integration led to the holding of the first African Economic Summit in April 1980, referred to as the Lagos Plan of Action. The related Final Act of Lagos mapped out a pan-African framework for economic cooperation among African countries. However, the global economic crises of the 1980s, made the Lagos Plan of Action ineffective as the African countries struggled for survival during the period known as the "lost decade". In the 1990s, however, renewed efforts by African leaders were made to rejunevate the integration process. Specifically, in May 1991, the African Heads of State and Government ratified the Abuja Treaty, establishing the African Economic Community (AEC). The AEC itself encompasses all the existing African regional economic communities (RECs). The Constitutive Act of the African Union (which replaces the Charter of the OAU), adopted on 11 July 2000, in Lome, Togo states that AEC, and hence, existing African regional economic communities, form an integral part of the African Union.

It is important to note that the establishment of the AEC was a landmark political commitment by African leaders to accomplish regional integration by consolidating the 53 national economies into a single continental market through a six-phase approach over a 34 year transition period which was expected to terminate by 2025. This integration objective is one of the priority areas of the New Partnership for Africa's Development (NEPAD) the most significant continent-wide economic initiative to emerge in contemporary Africa, which aims, *inter alia*, to promote accelerated growth and sustainable development of Africa, as well as halt the marginalization of Africa in the globalization process.

Regional integration is indispensable for the transformation and growth of Africa's 53 mostly small economies and for her integration into the global economy. Efficiency in production would rise in accordance with the law of comparative advantage, while bigger markets would permit better exploitation of economies of scale. The attendant changes were expected to increase the quantum and quality of factors of production, progressively upgraded through technological advancement. Furthermore, factor mobility across borders and the coordination and harmonization of monetary and fiscal policies were expected to spill over into faster economic growth and enhanced welfare for participating countries (UNECA, 2002). It was designed as a way to penetrate global markets and attract foreign direct investment; hence the recent moves by Africa's leaders towards the African Union and the launching of NEPAD.

The purpose of this paper is to evaluate Africa's economic integration efforts both in their own rights as well as within the context of the objectives set out in NEPAD. Following this introductory section, section 2 examines the conceptual issues involved in economic integration. The performance of African regional economic communities which are building blocks of integration are examined in section 3. Section 4 analyses the achievements and setbacks of the initiative while section 5 provides future prospects of economic integration on the continent, and some of the outstanding issues that need to be resolved for the integration project to move forward. Section 6 provides some concluding remarks.

2 Economic Integration Schemes: Some Conceptual Issues

As noted by Ojo (2001), there are several levels of economic integration, the lowest being the *Preferential Trade Arrangement* (PTA) under which member countries agree to lower trade barriers among themselves, but each member is allowed to determine its own trade and other economic policies with non-members. The next level of integration is the *Free Trade Area* (FTA) in which all restrictions on the movement of goods and services among the participating countries are removed, but each member retains restrictions with non-member countries. The *Customs Union* (CU) goes beyond the free trade area in the degree of integration by establishing a common external tariff on goods entering the union from non-members. The customs revenue accruing to members is shared among them in accordance with an agreed formula. A Common *Market* (CM) moves beyond the CU by removing national restrictions on the movement of labour and capital among participating countries. After the CM, an *Economic Union* (EU) is achieved as the highest form of economic integration. At that level, economic integration involves monetary and fiscal unification and the virtual transformation of separate national economies into a single economic entity. Thus, in an economic union, among other things, there is a common currency, common central bank and common monetary and exchange rate policies.

The different forms of economic integration have both static and dynamic beneficial effects on economic groupings. One of the traditional benefits of economic integration is achieved when higher cost domestic output is replaced by lower cost foreign output. This is brought about by the removal of protective tariffs, traditionally called "trade creation". But the removal of protective tariffs the imposition of a common external tariff wall may result in "trade diversion" which happens when higher cost domestic output replaces lower cost foreign output. Another general benefit of integration arises from the free flow of factor inputs which enhances the group's total output when labour, entrepreneurial skills and capital move from areas of lower marginal productivity to areas of higher marginal productivity. It should, however, be noted that unless properly managed, the social welfare of some members of the group may be adversely affected if the gain is not evenly distributed. The dynamic effects of economic integration include the gain from internal and external economies of scale as well as increased competition. Internal economies of scale are realized when the scale of operations is expanded, particularly, within the enlarged market of the integrating group. External economies are realized as a consequence of the expansion in the industry within the region, or in the regional economy as a whole.

However, economic integration is not without its own costs. Such costs include development of hegemonic sub-regional state and disproportionate share of benefits to members. Nonetheless, efforts are usually made to factor in these costs in the integration process such that they are minimized and the positive impact continue to outweigh such costs. Thus, most integration arrangements have addressed the problem of disproportionate share of benefits among integrating countries by designing compensation schemes, which have the ability to equalize the gains from integration over a period of time.

The process of economic integration is affected by three fundamental factors, which are likely to continue driving it in the future (Mussa, 2000). First, improvements in the technology of transportation and communication have reduced the costs of transporting goods, services, and factors of production and of communicating economically useful knowledge and technology. Second, the taste of individuals and societies have generally, but not universally, favoured taking advantage of the opportunities provided by declining costs of transportation and communication through increasing economic integration. Third, public policies have significantly influenced the character and pace of economic integration, although not always in the direction of increasing economic integration.

3 Performance of Regional Economic Communities

3.1 Implementation Agenda of the AEC

With their treaties, protocols and agendas, Regional Economic Communities (RECs) are logical institutions to jump-start Africa's integration process. In moving to the AEC, the Abuja Treaty provides for implementation in six phases over 34 years as detailed below:

- First phase (five years): strengthening of existing regional economic communities (RECs) and establishing economic communities in regions where they do not exist;
- Second phase (eight years): consolidation within each REC of tariff and non-tariff barriers, customs duties and internal taxes; strengthening of sector integration at the regional and continental levels in all areas of activity, particularly in trade, agriculture, money and finance, transport and communications, industry and energy, and coordination and harmonization of activities among existing and future economic communities;
- Third Phase (ten years): Establishment in each REC of a Free Trade Area and a Customs Union by means of adopting a common external tariff;
- Fourth Phase (two years): coordination and harmonization of tariff and non-tariff system among the various RECs with a view to establishing a Customs Union at the continental level;
- Fifth Phase (four years): Establishment of an African Common Market through, *inter-alia*, application of the principle of free movement of persons and rights of residence and establishment.

- Sixth Phase (five years): Establishment of the African Economic Community through, inter-alia, the setting up of an African Monetary Union, Pan African Parliament, and integration of all sectors namely economic political, social and cultural.

To actualize the implementation agenda of the AEC, 14 RECs of varying design, scope and objectives were established across the continent. Seven of them dominate the integration landscape. They are the Arab Maghreb Union (AMU), Common Market for Eastern and Southern Africa (COMESA), Economic Community of Central African States (ECCAS), Economic Community of West African states (ECOWAS), Southern African Development Community (SADC), Community of Sahel-Saharan States (CENSAD) and the Inter-Governmental Authority on Development (IGAD). In addition, seven other RECs are geographically limited or subsets of larger RECs.

Africa has also engaged in extra-regional economic cooperation projects. Most former French colonies have had preferential trade relationships with France, which for some time retained a hegemonic role in ensuring monetary stability. Some African countries are members of the Commonwealth and the League of Arab States, and some have special relationships with the European Union. However, these mostly count as special aid relationships or economic cooperation arrangements rather than economic integration as such.

The integration process in almost all Africa's sub-regions is currently managed by two or more groupings. Most countries belong to two or more blocs. For instance, of the 53 African countries, 24 are members of two RECs and 18 others are members of three RECs. One country (Democratic Republic of Congo) is a member of four RECs while 9 countries belong to one REC. One country (Cape Verde) is not a member of any REC in the continent. In fact, it withdrew its membership from ECOWAS recently.

On a sub-regional basis, in West Africa, the UEMOA and MRU co-exist with ECOWAS, with all members belonging to ECOWAS. In Central

Africa, ECCAS, CEMAC and CEPGL all co-exist. In Eastern Africa, there is COMESA with IGAD and EAC as smaller inner groups. In Southern Africa there are the SADC and SACU. Northern Africa used to be the only sub-region with a single scheme, the Arab Maghreb Union (AMU), but the recent creation of CENSAD has brought it in line with the rest of Africa. Hence, a unique characteristic of economic integration in Africa is the multiplicity and overlapping of REC schemes.

Given the desire to use the RECs as building blocks for integration, it might be pertinent to examine their impact on Inter-REC trade, Inter-African trade and trade with the outside world. It should be noted that an econometric exercise would not be worthwhile for this purpose not only because of lack of suitable data over a sustained and reasonable period of time (Frankel, Stein and Wei, 1997, El-Agraa, 2002) and the mentioned multiplicity and overlapping in schemes. Also, there is the problem of lack of implementation of the agreed protocols for enhancing trade through the adoption of the schemes for economic integration. Hence, any discernable effects on trade cannot be attributed to their formation (El-Agraa, 2002).

3.2 Trade Performance of the RECs

In contrast to the EU and NAFTA, Africa's attempts at regional economic gration have so far failed to realize substantial increases in intra- and inter-REC trade. African countries started off with lower levels of intra-regional trade and the situation has largely failed to improve. This is probably related to (a) the very low income levels across Africa, and (b) the high proportion of GDP represented by agriculture (c) and the low level of industrialization.

In 1999, for instance, intra-African exports and imports as a percentage of total African exports and imports were 9.53 and 9.31 percent respectively (Adedeji, 2002). Table 3 shows intra-regional integration export and import trade, with ECOWAS naturally leading in the case of exports to Africa. COMESA follows closely in terms of trade with Africa, while exports to ECCAS and imports from there are both the lowest and highest, respectively (Table 3 and Figures 1 & 2).

In addition, Tables 4-7 clearly demonstrate that trade both within the RECs and with the whole of Africa has been insignificant for the majority of the RECs between 1994 and 2000. Plausible reasons for this insignificant trade volume and value relate to lack of implementation of agreed protocols on trade and the overlap and multiplicity problem. It is also important to note that the potential for intra-African trade is larger than the recorded figures, given the high volume of informal sector trade across the continent.

Moreover, as shown in Table 8, a mere 10 percent of the exports of countries belonging to RECs go to other REC members. SADC countries have the greatest trade among themselves, 31% for exports, influenced by South Africa. Other strong export-oriented economies within SADC, such as Mauritius and Zimbabwe, contributed as well. Countries such as Malawi and Mozambique were equally impressive in direct exports to the SADC market. SADC tops the other RECs despite the fact that it began implementing a trade protocol only in September 2000. As most SADC countries also belong to COMESA, the COMESA trade liberalisation program could have helped them. As the implementation of SADC's own trade protocol gathers momentum, there is likelihood that intra-SADC trade will increase further.

ECOWAS ranks second with its intra-REC exports of 19%. It has progressed well on its trade liberalisation programme on traditional and artisan goods eliminating all tariffs, but not so well on industrial commodities, where the tariff reduction schedule is still facing problems. Its trade performance could have been boosted only by greater traditional and artisan trade. And given the 28 years that ECOWAS has been in existence, this performance cannot be considered very satisfactory.

There is the possibility that higher rates are possible if substantial progress can be made in the trade liberalisation program for industrial goods-and if complete harmony can be established between UEMOA and ECOWAS to secure a more unified West African subregional economic market. In this respect, it is expected that the proposed second West African Monetary

Zone (WAMZ) that will comprise The Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone will be launched in 2004 so that a full West African Economic Union will be achieved, upon the unification of the WAMZ and the UEMOA in 2005.

CENSAD's internal trade ranks third in exports (12.8%). It is a fairly recent creation whose membership straddles several RECs. However, CENSAD has yet to develop full-fledged trade. COMESA ranks fourth in Africa's total exports (9.3%).

3.3 Macroeconomic Policy Convergence

Macroeconomic convergence criteria are a set of macroeconomic indicators that integrating countries are required to satisfy in order to minimise the negative externalities that may arise from asymmetry in individual countries' economic policy thrusts. These criteria relate to price stability, sustainability of fiscal deficit, limit on deficit financing by the central bank and maintaining sufficient levels of official foreign reserves. UEMOA and CEMAC are making significant headway on this front, and ECOWAS, COMESA, and the EAC have established parameters for macroeconomic convergence to help orient their member states' efforts towards macroeconomic reforms and stability. But it has not been easy for many countries to climb to the desirable heights of macroeconomic convergence, and there is very little indication that all members are moving in tandem. Thus, it is difficult to assess how policy convergence, as a total package, is helping to generate macroeconomic discipline within the RECs and across Africa.

UEMOA, CEMAC, ECOWAS and COMESA have put a high premium on macroeconomic convergence by agreeing on and introducing parameters to move their member states towards policy harmonisation and stability. But they are at different levels of progress in the design of their convergence criteria and in compliance. AMU and SADC have not yet established their convergence parameters. These parameters - ranging from reduction in inflation as well as fiscal and budgetary deficits to lessening the burden of debt - are normally meant to assist member states in developing and maintaining a satisfactory level of macroeconomic stability.

In general, member states are making some efforts to achieve by their RECs' convergence criteria. Based on their average performance between 1994 and 2000, UNECA (2002) ranks the RECs as follows:

- **Inflation**

Rank	**REC**	**Percentage**
1st	AMU	7
2nd	UEMOA	10
3nd	CEMAC	10
4th	ECOWAS	12
5th	SADC	31
6th	COMESA	33

It is worth noting that UEMOA has progressively reduced its inflation rate from double digits in 1994 and 1995 to an average of 4% during the last three years. SADC's and COMESA's inflation would have been 17% and 15% respectively excluding Angola and DR Congo.

- **Budget Deficit**

Rank	**REC**	**Percentage**
1st	AMU	0.2
2nd	CEMAC	-2.3
3rd	UEMOA	-3.7
4th	SADC	-4.3
5th	ECOWAS	-4.9
6th	COMESA	-5.7

The external debt ranking is similar to that for the budget deficit.

- FDI inflows to the continent grew at an annual average of 1.2% between 1994 and 1999. FDI represents about 2.8% of ECOWAS's GDP, 2.0% of COMESA's, 1.9% of UEMOA's, 1.9% of CENSAD's, 1.8% of SADC's, 1.4% of IGAD's, 1.0% of ECCAS's, and 0.9% of AMU's. For Africa as a whole, FDI constituted about 1.5% of GDP. During the same period, SADC and CENSAD drew about 21% of total FDI inflows each, followed by COMESA (16.4%), ECOWAS (11.9%), AMU (5.4%), UEMOA (3.1%), IGAD (2.7%) and ECCAS (1.9%). The positive trend in capital market development across the continent is expected to lead to increased cross-border investments and catalyze the flow of FDI by establishing partnerships with foreign investors.

3.5 RECs' Degree of Integration

UEMOA is the clear star in integration and is building on earlier success, particularly macroeconomic discipline. Three RECs performed above average in the integration project (Table 9). They are UEMOA (6.6%), ECOWAS (6.3%) and SADC (6.0%). The average-performers are CEMAC (4.7%), CENSAD (4.6%) and AMU (4.2%). Lagging behind were CEPGL, ECCAS, IOC and MRU given the instability in those regions.

4. Achievements and Constraints

4.1 Achievements

Achievements have been made by the RECs in fostering integration in Africa. These achievements relate to peace and security, infrastructural development, liberalisation of trade and free movement of people, goods and services; development of shared water resources; financial and monetary cooperation; and cooperation on global issues.

i Peace and Security

The conflict-induced tragedy in West Africa, especially within the MRU enclave, would have been severely aggravated had there been no ECOWAS without which the setting up of ECOMOG (ECOWAS Monitoring Group) would have been impossible. Direct military interventions have also taken place in internal conflicts South Africa in Lesotho (SADC) and Senegal in Guinea-Bissau (UEMOA).

ii Infrastructural Development

Some positive results have been achieved in this area, particularly with respect to the development of the Trans-African transport and communication network within the framework of the United Nations Transport and Communications Decade for Africa (UNCTADA). In the area of road transport, two arteries of the ECOWAS regional road network (trans-coastal and trans-Sahelian) have almost been completed. In addition, the AMU sub-region has a high-speed railway line linking Casablanca (Morocco) to Algiers (Algeria) and Tunis (Tunisia).

In the telecommunications sector, efforts to establish a regional telecommunications network and expand communication facilities including satellite connectivity in Africa are being actively pursued through initiatives such as the Pan African Telecommunication project (PANAFTEL) and the Regional African Satellite Communications (RASCOM). The RASCOM project, launched in 1992, is providing a wide range of telecommunication services to all areas of Africa, establishing direct links between all African countries, and supporting international connectivity where others cannot go. In addition, the African Information Society, launched by ECA in 1995, aims to create a continent-wide information and telecommunication network and link Africa with the rest of the world by improving the flow of new technologies.

Another initiative is the African Connection initiative, launched by the African Telecommunications Union, to help member states be part of the information age through accelerated development of the regional information infrastructure and its use in socio-economic sectors. On a sub-regional basis, COMESA has launched COMTEL to build a regional telecommunication network and ECOWAS is setting up telecommunication regulatory organs to share experiences and harmonise regulations.

In the energy sector, various agreements between countries sharing boundaries or belonging to the same REC have resulted in the joint development of their energy resources. Examples of these joint initiatives include:

- The Kariba South Power Station between Zambia and Zimbabwe;
- The Nangheto hydropower development project in Togo to supply

Benin and Togo with electric power in the context of the Benin Electric Power Community;

- The Manantali hydropower development project in Mali designed to supply Mali, Mauritania and Senegal with electricity within the framework of the Senegal River Basin Development Organization;
- The Ruzizi II hydropower development project under the auspices of the CEPGL, designed to supply Burundi, Rwanda and the Democratic Republic of Congo with electricity;
- The Epupa hydropower project at the border between Angola and Namibia established to provide power for both countries and the Republic of South Africa;
- Interconnection of electricity grids between Benin and Togo, Cote d'Ivoire, Burkina Faso and Mali;
- The establishment of the Southern African Power Pool (SAPP) designed to pool various electricity production capacities as well as inter-link the electricity networks within SADC.
- Establishment of Transit agreements for the exports and imports of petroleum products, e.g.
- **TRANSMED** to enable Algeria to export its natural gas to Italy via Tunisia;
- Maghreb-Europe Gas Pipeline linking Algeria to Spain via Morocco;
- West African Gas Pipeline project to supply Benin, Togo and Ghana with natural gas from Nigeria by 2004-05;
- Agreement allowing the Republic of Chad to export its petroleum products through a pipeline linking the production areas to the Atlantic coast in Cameroon; and
- Agreement allowing Zimbabwe to import petroleum products along the pipeline linking the port of Beira, Mozambique, to the Mtera depot.

iii Liberalization of Trade and Free Movement of People, Goods and Services

Trade liberalization schemes for creating a Free Trade Area (FTA) and a Customs Union (CU) within each RECs have been launched. The scheme for realising the AEC anticipates that all the RECs will satisfy the requirements of a free trade area by 2017. COMESA has already achieved the legal launching of an FTA, and some other RECs have made substantial progress ahead of the implementation timetable. UEMOA, SACU, and CEMAC already have functioning Cus.

Many African countries share similar institutional and legal histories. They tend to use the same languages. The qualifications awarded by their educational systems are broadly compatible. There are relatively few social and cultural barriers to migration, intermarriage and socialization. There is a real cultural unity, together with a genuine appreciation of the cultural diversity of the continent. There is a real economic integration going on at an informal level. For instance, Africans enjoys the same music. It has been recognized for many years that many countries' 'real' economies have been mostly informal, and much larger, more dynamic and more regionally integrated than their official economies. Significant success has also been registered, particularly in the ECOWAS sub-region, in the area of promoting the free movement of community citizens through the application of protocols relating to the abolition of entry visas, right of residence and right of establishment.

iv Development of Shared Water Resources

Notable results in this area include the cooperation among the riparian countries concerned in the development of hydro-electric power, transport and agriculture, within the framework of their respective river basin development organizations. For instance, the Lake Chad River Basin Development Authority in Nigeria is an organisation established to manage the common resource between Nigeria and Chad. Other important programmes are the control of water hyacinth in Lake Victoria and regional cooperation frameworks for the use and management of water resources of the Zambezi and the Congo rivers, and Lake Victoria.

v. Financial and Monetary Cooperation

Sub-regional payments schemes like the West African Monetary Agency (WAMA) and the PTA-Clearing and Payments House (PTA-CACH) in the ECOWAS and COMESA sub-regions, respectively, as well as programmes for establishing single monetary zones, have been put in place to address problems associated with the existence of different national currencies within the RECs. In West Africa, concerted efforts are made to fast-track the integration process by adopting a two-ways approach that comprises a second West African Monetary Zone and UEMOA. Equally significant is the establishment of sub-regional banks e.g. PTA Bank and ECOBANK in COMESA and ECOWAS, respectively, to promote, *inter-alia*, investments in sub-regional development.

vi Cooperation on Global Issues

The challenge of responding to common problems, including marginalization in the processes of the World Trade Organisation (WTO) and the pandemic of HIV/AIDS, have brought African countries closer. Pooling of capacities and developing common approaches increase the influence of Africa in international fora and its likelihood of making substantial gains. The joint African-led NEPAD initiative is a fine example in this respect.

4.2 Constraints

In spite of the laudable achievements made in Africa's integration project, a number of factors militate against effective economic integration in the continent. The most significant of these is the lack of a dominant political-economic power on the continent that can form the core of a regionalization process. Most African countries are exporters of raw materials, especially agricultural and mineral products, and compete with one another for markets. Industrial production is concentrated in a relatively small number of countries, and is not significant on a global scale. Other problems include:

- **Fear of Development of Hegemonic Sub-Regional State**
  Whenever one of the continent's more powerful countries (South Africa, Nigeria, Egypt) appears to be taking an active interest in sub-regional affairs, many of its smaller neighbours will try to combine to counterbalance what they see as its excessive power.

- **Disproportionate Benefits to Members**
  Integration between neighbouring African states is usually the integration of unequal partners, and the benefits of the arrangement are often polarized towards one partner. For example South Africa is the major beneficiary of the Southern African Customs Union, and has therefore allowed compensatory mechanisms to be built in that benefit the other smaller members. Similarly, the disproportionate benefits accruing to Kenya in the EAC created antagonism in Uganda and Tanzania. Although integration is (overall) a *sum-sum* exercise, the disproportionate allocation of benefits may create friction between countries.

- **Security Problem**
  The securitization of many states make governments suspicious of any measures that involve lessening control. While states are fearful of external or internal subversion, they are likely to try to retain as much power as possible in the hands of their security apparatuses. Allowing free movement would be resisted by governments that are fearful of the infiltration of religious or political extremists. A recent case was the indictment of the Beninoise government by the Nigerian government over its harbouring of some notorious trans-border armed bandits who reside in Benin but operate in Nigeria.

- **Low level of Intra- and Inter-REC Trade**
  A very low level of international trade is conducted between African countries (Tables 3 7). Most trade between neighbouring states is informal and some times illegal. Lowering tariff barriers does not address the constraints on this trade. It also does not address the main transaction costs of formal trade, which consist of informal duties and tolls exacted by underpaid officials and soldiers.

- **Bad Governance**

  The governance constraints on successful integration are considerable. Increasingly, the governance requirements for economic growth are demanding attention from policymakers and planners. Good governance aims at the creation of a capable and effective state, that is, a state in which the public service, the legislature, the judiciary and statutory bodies are empowered to provide an enabling environment for the private sector and civil society to play their respective roles in a mutually reinforcing manner. For such an enabling environment for investment by the private sector, both national and international, to exist, it is essential to have good legislation, the rule of law, effective regulatory institutions, sound fiscal management and a range of other governance tasks.

- **Insufficient Institutional Capacity**

  Economic integration is a demanding task. The current poor levels of implementation of treaty obligations in Africa are a reflection of the lack of institutional capacity for taking on the onerous tasks of drafting the required legislation and rules necessary for turning commitments into realities. The governance requirements for integration, at both national and regional level, will be considerably more substantial than existing capacities. Currently, Africa displays a low level of implementation of treaty obligations. This is due to (a) unwillingness to sacrifice sovereignty, leading to (b) unwillingness to incorporate international treaties into domestic law and give powers to supranational bodies and (c) a low level of institutional development, so that the hard bureaucratic work of implementing obligations is rarely actually carried out. This problem is not unique to economic integration treaties. African governments often sign up to regional and international commitments without first scrutinizing in detail the requirements of fulfilling their obligations. Problems of weak institutional capacity are exacerbated by brain drain, prevailing under-resourcing of educational institutions, and the HIV/AIDS pandemic.

- **External Constraints**
  Integration faces severe external constraints. African economic union is a case of 'South-South' integration. In history there have been few successful cases of economic cooperation between countries that are poor and economically dependent. African countries suffer from the blights of poverty and dependence in excess: absolute levels of poverty are growing, countries are reliant on exporting primary commodities and labour, levels of domestic and inward investment are low, and recent world trade agreements are not bringing any appreciable benefits. Until African economies are able to achieve respectable rates of growth and poverty reduction, the prospects for integration may remain dim.

- **Other constraints relate to:**
  - lack of sanctions against non-performance;
  - overlapping membership - many members are unable to manage effectively nor fund adequately the many RECs which they belong to. As remarked by Uche (2002, p.5) "... it is not surprising that most ECOWAS member states adopt a lukewarm attitude when it comes to the implementation of their ECOWAS commitments. An example is the annual contribution ECOWAS member states make to the ECOWAS Secretariat. At the end of September 2000, for instance, many of the member states were owing several years subscription in arrears. They include, among others: Liberia (20 years), The Gambia (11 years); Sierra Leone (11 years); Cape Verde (10 years) and Guinea Bissau (10 years). At the time Mauritania notified ECOWAS of its intention to withdraw, it was owing subscription arrears for 16 years";
  - heavy reliance on tariffs for fiscal revenue;
  - over ambitious goals and unrealistic time frame; and
  - poor private sector and civil society participation. Generally, there is a dearth of entrepreneurial class in Africa. This is a class of innovators who in their search for profit maximisation seek markets beyond their national borders. As this class grows in number, quality and effectiveness, regional integration will grow and become diversified.

5. Summary and Concluding Remarks

Integration is inevitable for Africa's transformation and growth for a number of reasons which include penetration into global markets and attraction of foreign investment. The 1980 Lagos Plan of Action and the 1991 AEC Treaty were the policy outcomes of the first and second African economic summits organised to pursue vigorously, the economic integration policy. This policy of economic integration is acknowledged by NEPAD which aims, among other things, to halt the marginalisation of Africa through the promotion of accelerated growth and sustainable development of the continent.

To implement the AEC 34-year timetable, Africa has 14 RECs, seven of which dominate the integration landscape. Apart from the multiplicity of the RECs, many of them overlap in membership. Unfortunately, there is low level of intra-regional trade in the continent; s a result, there are very low incomes, low level of industrialisation and a high proportion of GDP is resented by agriculture. In 1999, intra-African exports and imports as a percentage of total African exports and imports were 9.53 and 9.31 percent, respectively. SADC countries have the greatest exports among themselves (31%), followed by ECOWAS (19%), CENSAD (12.8%) while COMESA ranks fourth in Africa's total exports.

In an assessment of the pace of integration in each of the RECs, the UEMOA is the best performer, although it was adjudged an above-average performer (6.6%). Other above-average performers are ECOWAS (6.3%) and SADC (6.0%). The ECOWAS performance is not surprising because UEMOA is an integral part of ECOWAS. The low level of the integration of the economics of the West African Monetary Zone (WAMZ) members relative to UEMOA is not un-connected with the macroeconomic instability in the non-UEMOA countries in the West African sub-region. The poor performers are CEPGL, ECCAS, IOC and MRU.

In spite of the slow pace of integration in the continent, a number of laudable achievements have been recorded. These relate to peace and security in war-torn countries; infrastructural development in the areas of transportation, communication and energy; development of shared water resources; financial and monetary cooperation; and cooperation on global issues such as Africa's marginalization in WTO processes, and the pandemic of HIV/AIDS.

In order to quicken the pace of integration in the continent, a number of issues have to be addressed. Such issues include streamlining the existing multiplicity and overlapping membership of the RECs, lack of political will by member countries, bad governance, insufficient institutional capacity, low level of industrialization, low level of intra-regional trade, dearth of Africa's entrepreneurial class, and non-incorporation of the informal sector in the integration project. Other pertinent outstanding issues that need to be resolved in order to move the integration project forward relate to trade, macroeconomic policy convergence, physical integration through infrastructure development, strengthening the RECs, and sustaining the NEPAD initiative as well as building the African Union. Ability to address the issues effectively, especially the issue of political will, will prove Robson (1997) wrong who states that "reculer pour mieux sauter" (i.e. to give way a little in order to take up a stronger position or sacrifice national for sovereignty supranational sovereignty) is a dictum that does not seem to carry much weight among African governments involved in regional integration.

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Table 1: Membership of Regional Economic Communities (RECs)

S/No.	REC	No. of Members
1.	Arab Maghreb Union (AMU)	5
2.	Common Market for Eastern and Southern Africa (COMESA)	20
3.	Economic Community of Central African States (ECCAS)	11
4.	Economic Community of West African States (ECOWAS)	14
5.	Southern African Development Community (SADC)	7
6.	Inter-Governmental Authority on Development (IGAD)	12
7.	Community of Sahel-Saharian States (CENSAD)	8
8.	Union Economique et Monetaire Ouest Africaine (UEMOA) known as the West African Economic and Monetary Union	8
9.	Mano River Union (MRU)	3
10.	Central African Economic and Monetary Community (CEMAC)	6
11.	Economic Community of Great Lake Countries (CEPGL)	3
12.	East African Community (EAC)	3
13.	Indian Ocean Commission (IOC)	4
14.	Southern African Customs Union (SACU)	5

Source: *Compiled from UNECA (2002), El-Agraa (2002), Magbagbeola (2003) and the Internet*

Table 2: Regional Economic Communities (RECs) in Africa

S/N	Country	AMU	COMESA	ECCAS	ECOWAS	SADC	IGAD	CENSAD	UEMOA	MRU	CEMAC	CEPGL	EAC	IOC	SACU	NO. OF RECs	AEC	AU
1.	Algeria	♦														1	♦	♦
2.	Angola		♦	♦		♦										3	♦	♦
3.	Benin				♦			♦	♦							3	♦	♦
4.	Botswana					♦									♦	2	♦	♦
5.	Burkina Faso				♦			♦	♦							3	♦	♦
6.	Burundi		♦	♦								♦				3	♦	♦
7.	Cameroon			♦							♦					2	♦	♦
8.	Cape Verde															0	♦	♦
9.	Central African Republic (CAR)			♦				♦			♦					2	♦	♦
10.	Chad			♦				♦			♦					3	♦	♦
11.	Comoros		♦											♦		2	♦	♦
12.	Congo, Rep.				♦						♦					2	♦	♦
13.	Cote d'Ivoire								♦							2	♦	♦
14.	Djibouti		♦													1	♦	♦
15.	DR Congo		♦			♦						♦				4	♦	♦
16.	Egypt		♦													1	♦	♦
17.	E. Guinea										♦					2	♦	♦
18.	Eritrea		♦				♦									2	♦	♦
19.	Ethiopia		♦				♦									2	♦	♦
20.	Gabon										♦					2	♦	♦

21.	Gambia, The				♦											1	♦	♦
22.	Ghana				♦			♦								2	♦	♦
23.	Guinea				♦					♦						2	♦	♦
24	Guinea Bissau				♦				♦							2	♦	♦
25.	Kenya		♦				♦						♦			3	♦	♦
26.	Lesotho					♦									♦	2	♦	♦
27.	Liberia				♦					♦						2	♦	♦
28.	Libya	♦						♦								2	♦	♦
29.	Madagascar		♦													2	♦	♦
30.	Malawi		♦			♦										2	♦	♦
31.	Mali				♦			♦	♦							3	♦	♦
32.	Mauritania	♦														1	♦	♦
33.	Mauritius		♦			♦										2	♦	♦
34.	Morocco	♦														1	♦	♦
35.	Mozambique					♦										1	♦	♦
36.	Namibia		♦			♦										3	♦	♦
37.	Niger				♦			♦	♦							3	♦	♦
38.	Nigeria				♦			♦								2	♦	♦
39.	Rwanda		♦	♦								♦				3	♦	♦
40.	Sac Tome & Principe			♦												1	♦	♦
41.	Senegal				♦			♦	♦							3	♦	♦
42.	Seychelles		♦			♦								♦		3	♦	♦
43.	Sierra Leone				♦					♦						2	♦	♦
44.	Somalia						♦									1	♦	♦
45.	South Africa					♦									♦	2	♦	♦
46.	Sudan		♦				♦	♦								3	♦	♦
47.	Swaziland		♦			♦									♦	3	♦	♦
48.	Tanzania					♦							♦			2	♦	♦
49.	Togo				♦			♦	♦							3	♦	♦
50.	Tunisia	♦														1	♦	♦
51.	Uganda		♦				♦						♦			3	♦	♦
52.	Zambia		♦			♦										2	♦	♦
53.	Zimbabwe		♦			♦										2	♦	♦
	Total	5	20	11	14	14	7	12	8	3	6	3	3	4	5		♦	♦

Source: Compiled from UNECA (200), El-Agrac (200), Magbagbeola (2003) and the Internet

Table 3. Intra-Bloc Trade and Blocs' Trade With Africa, 1999

	Intra-bloc Trade		*Bloc Trade with Africa*	
Bloc	*Exports to*	*Imports from*	*Exports to*	*Imports from*
ECOWAS	12.1	11.3	15.6	13.8
COMESA	7.6	4.3	12.6	13.6
ECCAS	1.3	2.6	2.2	18.9
AMU	3.0	3.3	3.9	4.5

Source: African Development Bank (2001)

Table 4. Exports to African Economic Integration Blocs as % of their Exports

REC	*1994*	*1995*	*1996*	*1997*	*1998*	*1999*	*2000*
CEMAC	24.91	20.66	23.20	26.71	7.70	11.34	N.A.
CENSAD	4.94	7.25	7.14	7.23	5.56	5.65	N.A.
CEPGL	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
COMESA	9.55	9.74	11.03	10.34	10.43	10.39	11.06
EAC	51.87	56.89	51.87	52.78	50.78	52.79	60.70
ECCAS	27.27	22.55	24.69	27.76	8.01	11.69	N.A.
ECOWAS	24.30	24.30	24.04	8.42	37.51	73.33	N.A.
IDAG	21.63	21.63	24.85	29.10	31.61	31.46	20.42
IOC	8.41	8.41	3.71	5.16	5.88	6.24	6.08
MRU	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
SACU	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
SADC	14.69	17.52	17.80	17.56	18.55	15.57	1.22
UEMOA	24.92	24.92	24.41	6.99	34.04	91.88	N.A.
AMU	7.28	8.36	6.55	6.54	4.15	4.06	N.A.

Note: N.A. means data is not available.

Source: UNECA (2001)

Table 5: Exports from African Economic Integration Blocs as % of their Total Imports

REC	1994	1995	1996	1997	1998	1999	2000
CEMAC	1.87	1.56	1.42	1.30	0.82	0.23	n.a
CENSAD	1.58	2.49	2.36	2.32	2.09	1.85	n.a
CEPGL	n.a	n.a	n.a	n.a.	n.a	n.a	n.a
COMESA	2.62	2.41	2.28	2.46	1.66	1.53	4.07
EAC	6.06	5.27	6.52	6.87	5.38	5.04	5.01
ECCAS	1.95	1.61	1.52	1.39	0.90	0.24	n.a
ECOWAS	2.26	2.26	2.87	2.57	2.66	2.80	n.a
IDAG	5.90	5.12	5.04	4.74	3.30	3.41	4.46
IOC	1.18	1.06	0.59	0.61	0.80	0.54	0.47
MRU	0.05	0.05	0.03	0.04	0.04	0.04	n.a
SACU	n.a	n.a	n.a	n.a	n.a	n.a	n.a
SADC	7.06	6.49	7.32	7.82	7.60	6.35	0.14
UEMOA	2.02	2.02	2.03	2.21	2.34	2.36	n.a
AMU	101.64	102.36	102.15	101.84	101.50	101.32	n.a

Note: n.a means data is not available
Source: UNECA (2001)

Table 6: Exports to Africa as % of Total Economic Integration Blocs' Exports

REC	1994	1995	1996	1997	1998	1999	2000
CEMAC	5.02	5.51	4.75	3.87	4.24	3.02	2.29
CENSAD	6.83	7.99	8.63	8.15	8.63	7.18	5.42
CEPGL	8.88	7.78	8.82	8.02	1.31	1.34	0.77
COMESA	13.06	13.18	14.02	13.50	13.23	12.86	10.01
EAC	28.81	30.95	30.77	29.94	31.81	29.66	31.22
ECCAS	5.90	6.04	5.51	4.55	3.78	2.77	2.07
ECOWAS	10.79	12.38	12.55	13.54	16.51	15.80	10.36
IDAG	24.86	27.12	28.14	26.57	26.89	28.09	24.28
IOC	6.56	7.44	7.16	5.76	6.50	10.66	9.70
MRU	4.04	4.14	2.19	4.26	5.88	7.14	4.55
SACU	n.a	n.a	n.a	n.a	n.a	n.a	n.a
SADC	10.37	12.96	13.42	13.55	12.56	11.48	8.98
UEMOA	24.02	21.61	21.47	25.12	26.01	25.58	20.26
AMU	5.28	5.62	5.16	4.41	4.30	3.34	2.71

Note: n.a means data is not available
Source: UNECA (2001)

Table 7: Imports from Africa as % of total Economic Schemes Imports

REC	1994	1995	1996	1997	1998	1999	2000
CEMAC	9.15	13.63	13.09	17.65	14.72	14.17	13.42
CENSAD	7.06	7.56	7.85	7.57	6.18	6.24	6.00
CEPGL	27.49	29.10	31.99	36.21	37.41	40.90	39.26
COMESA	14.08	14.37	15.23	15.78	12.17	12.73	10.60
EAC	19.90	20.12	20.38	18.68	16.73	18.21	12.88
ECCAS	16.34	19.32	18.60	22.44	19.94	19.46	19.12
ECOWAS	11.71	12.73	14.80	14.42	13.13	15.36	12.66
IDAG	18.74	16.83	17.77	18.02	11.75	12.80	8.61
IOC	9.61	10.14	11.60	14.80	13.88	18.91	17.19
MRU	4.27	4.52	10.24	8.50	3.87	10.84	2.39
SACU	n.a	n.a	n.a	n.a	n.a	n.a	n.a
SADC	10.62	10.48	11.81	12.69	11.03	12.34	11.25
UEMOA	18.94	19.75	22.55	21.77	20.15	21.22	21.10
AMU	5.48	5.36	5.70	5.72	3.70	3.94	4.26

Note: n.a means data is not available
Source: UNECA (2001)

Table 8.Exports to other REC members

	EXPORTS					
	Individual intra-REC exports as share of total intra-REC exports		Share of intra-REC exports in total Africa exports		Individual intra-REC exports as a share of its total exports	
	Percent	Rank	Percent	Rank	Percent	Rank
CEMAC	1.1	10	0.1	10	1.9	11
CENSAD*	12.8	3	1.3	4	3.6	8
CEPGL	0.1	12	0	13	0.5	12
COMESA	9.3	4	1	5	6	6
EAC	4.7	7	0.5	7	18.1	1
ECCAS	1.3	9	0.1	9	1.9	10
ECOWAS	19.9	2	2.1	3	10.2	5
IGAD	4.4	8	0.5	8	13.5	2
IOC	0.7	11	0.1	11	4	7
MRU	0	13	0	12	0.3	13

SACU						
SADC	31.3	1	3.3	2	12.8	3
UEMOA	5.9	6	0.6	6	11.2	4
AMU	8.6	5	8.6	1	3.1	9
Total	100		10.5			

*CENSAD's ranking is happenstance, given that it was so recently formed.
Source: UNECA (2002)

Table 9: Pace of Integration, by REC

Above Average	Average	Close to Average	Erratic
UEMOA (6.6%)	CEMAC (4.7%)	EAC (3.7%)	CEPGL
ECOWAS (6.3%)	CENSAD (4.6%)	IGAD (3.7%)	ECCAS
SADC (6.0%)	AMU (4.2%)	COMESA (3.6%)	IOC
			MRU