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**Regional Integration in Africa: Some Recent Developments and
Challenges**

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1. Introduction

African countries have been left out of the recent benefits accruing from international trade. For example, they accounted for only 3.2 percent of world trade in 2013 compared to 5 percent in the mid-1960s. Regional integration can reverse this weak performance as it holds the promise for countries to gain from the resultant economies of scale and enhanced competitiveness. It will also help to expand the markets for foreign direct investment.

Similarly, apart from assuaging Africa's greatest economic problem (i.e. the high incidence of poverty), regional integration will go a long way in addressing non-economic problems like recurring conflicts and political instability as well as weak bargaining power in the multilateral front. It is in recognition of these potentials that all countries in the region belong to at least one regional economic community (REC). In fact, the plan is to merge and consolidate the RECs in Africa to form the African Economic Community (AEC) over a period of 34 years in six phases. While these efforts are timely and have begun to yield sparse successes in terms of deepening integration and improving the wellbeing of Africans, some challenges remain.

This article attempts to identify some of the achievements that have been made in regional integration in Africa as well as areas where challenges remain. It also attempts to examine the roles that the BRICS (Brazil, Russia, India, China and South Africa) can play in the integration process.

2. Achievements¹

A widely held view is that RECs in Africa have not met expectations, especially in terms of promoting intra-regional trade through the removal of trade barriers (see Elbadawi, 1997 and Longo and Sekkat, 2004).² Notwithstanding, some recent initiatives have promising prospects for the continent provided they will be vigorously pursued. These initiatives can be grouped into those focused on deepening the integration process based on the development in the RECs and those targeted directly at physical integration or removal of trade barriers.

¹ Information contained in this section were sourced from chapters dedicated to examining the status of regional integration in Africa from the UNECA/AU/AfDB Assessing Regional Integration in Africa Reports (IV, V and VI)

² Elbadawi, I. (1997) 'The Impact of Regional Trade and Monetary Schemes on Intra-Sub Saharan Africa Trade', In O. Ademola, I. Elbadawi, & P. Collier (Eds.), *Regional Integration and Trade Liberalization in Sub-Saharan Africa* (pp. 210-225). London: Macmillan.

Longo, R. and K. Sekkat (2004) 'Economic Obstacles to Expanding Intra-African Trade', *World Development* 32 (8): 1309-1321.

In terms of deepening Africa's integration, the journey began with the Abuja Treaty of 1991 and the subsequent Sirte Declaration of 1999 which initiated the process of establishing the African Economic Community (AEC). However, the integration progress has been slow due to multiple memberships of RECs which makes it hard for the African Union (AU) to coordinate and harmonize them. Therefore, the decision to restrict the number of RECs recognized by the AU to eight is an important step towards accelerating integration. The moratorium restricts the establishment of new regional RECs and promotes the consolidation of existing ones as building blocks of the AEC. This partly explains the increasing collaboration among RECs in the regions such as between ECOWAS and WAEMU in West Africa; ECCAS and CEMAC in Central Africa; EAC and COMESA; and COMESA and SADC in East and Southern Africa.

Additional progress is the ongoing efforts to setup a continental tripartite REC by harmonizing the policies and programmes of COMESA, EAC and SADC. Interestingly, this continental REC will be built on three main pillars - market integration, infrastructural development and industrial development - which are cogent for a successful integration in Africa. When completed, close to half of African countries, who produce over half of the continent's outputs, would have been integrated.

Another recent set of achievements of RECs in Africa is in terms of market integration, even though it has not been evenly distributed. Presently, many of the eight RECs recognized by the AU are either free trade areas or close to becoming one. The only exception is the Inter-governmental Authority on Development (IGAD), which remains at the stage of harmonizing the activities of its members. Also, while the EAC is a fully operational custom union, a few others like COMESA and ECOWAS are at advanced stages of also adopting a common external tariff (CET). In terms of free movement of people within RECs, some now use a common passport (as in ECOWAS and EAC) while some have no visa restrictions and grant citizens of member states longer stays (as in 90 days visa-free stay in some SADC countries and in COMESA). However, while some EAC countries (such as Kenya, Rwanda and Uganda) have a bilateral agreement that allows their citizens to freely establish themselves in other EAC countries without paying to obtain work permits, liberalizing right of residence and establishment remain generally slow.

In addition to the achievements above, another noteworthy achievement resulting from deepening regional integration in Africa is the development of the Minimum Integration Programme (MIP) and the adoption of its action plan in 2009. Developed through collaboration between the AUC and the RECs, the main objective of the MIP is to accelerate the rationalization and harmonization of RECs' activities and programmes to attain continental integration. Therefore, the MIP focuses on priority areas (such as trade and free movement of people and capital; peace and security; infrastructure and energy; agriculture; industry and so on) where RECs could strengthen their cooperation and benefit from emulating successful integration experiences. A number of selected programmes will be implemented complementarily with REC's programmes by members of the AUC and the RECs with the support of various development partners. For example, while the AUC is working together with the RECs to develop a funding strategy, it has also worked with the United Nations Development Programme (UNDP) to develop a mobilization strategy and set up an integration fund.

In terms of reducing the effect of trade barriers on regional integration through the provision of regional infrastructure some strides have also been achieved. The Programme for Infrastructural Development in Africa (PIDA) was adopted in 2010. PIDA is a framework aimed at developing regional and continental infrastructure and meeting major infrastructure gaps by 2040. It identifies priorities, implementation strategies and action plans (for short-term, medium-term and long-term). According to UNECA (2013), the projects and programmes in the short-term Priority Action Plan require capital cost of about USD68 Billion for 2012 - 2020. Although PIDA is as laudable as the MIP, both programmes are constrained by inadequate financial resources.

Apart from developing the PIDA, RECs have induced some development in physical infrastructure in Africa. One major project aimed at linking countries in the continent together through roads is the Trans-African Highway (TAH) project. The project involves construction, rehabilitation and extension of the nine major trans-continental roads.³ Apart from the missing links along some TAHs (for which feasibility study have just been concluded), significant progress has been made with others. The AU Assembly of Head of States and Governments adopted an action plan on the development of the TAHs in 2012 while an inter-governmental agreement was submitted to the third Conference of African Ministers of Transport. RECs are also facilitating the construction of important roads along regional trade corridors like the Abidjan-Lagos corridor.

Other infrastructural developments include the different railway projects under construction in northern, eastern and southern Africa based on the African Union of Railway framework. There are also efforts across the continent to promote competition and liberalization in air transportation system and set institutional framework in line with the Yamoussoukro Decision of 1999. For energy, different power master plans and power pools are currently being developed and, or implemented in SADC, EAC, ECOWAS and ECCAS.

3. Challenges to Regional Integration

There are several challenges to regional integration in Africa with their nature ranging from political to economic and institutional. Arguably, the main challenge to regional integration in Africa is the level of political commitment of member states to RECs programmes and projects. This is also a major determinant of whether other challenges will be addressed successfully. Other challenges include the following;

- **Infrastructural Challenges** - Although some successive efforts have been made to address this problem, the inadequacy of infrastructure in Africa remains a big problem to trade facilitation, market integration and industrialization As at 2010, only 30

³ The highways are TAH 1 – Cairo to Dakar (8636km); TAH 2 – Algiers to Lagos (4504km); TAH 3 – Tripoli to Windhoek (10808km); TAH 4 – Cairo to Gaborone (10228km); TAH 5 – Dakar to Ndjamena (4496km); TAH 6 – Ndjamena to Djibouti (4219km); TAH 7 – Dakar to Lagos (4010km); TAH 8 – Lagos to Mombasa (6259km); TAH 9 – Beira to Lobito (3522km). TAH 3 has the most missing links.

percent electricity coverage has been achieved while road access rate is a mere 34 percent. It is estimated that about USD360 billion will be required between 2011 and 2040 to close Africa's infrastructural gap.⁴

- **Mainstreaming RECs agendas with national policies, plans and programmes** - For regional integration to be accelerated, member states must prioritize regional policies and integrate them into their national development plans and policies. Unfortunately, this is not the case in many African countries.
- **Multiplicity of RECs and Overlapping membership** - Apart from duplicating efforts, putting pressure on limited financial resources and making implementation of commitments to the different RECs very hard, belonging to more than one REC also makes negotiations between such RECs and RECs from other parts of the world somewhat difficult. This is evident in the case of ECOWAS - European Union Economic Partnership Agreement (EU-EPA) where the agreement is on hold in order to create time for the adoption of a common external tariff between WAEMU and non-WAEMU members of ECOWAS.
- **Inadequate Self-financing Mechanism for RECs** - Over-dependence on financial commitments and contribution from members remain a major setback for RECs in Africa. There are little or no alternative sources of revenue to implement their programs thereby making them susceptible to shocks from members' economy or defaults. In fact, if not for financial constraints, many laudable programs (like the MIP and PIDA) would have been successfully implemented.
- **Political Concerns** - Two major political issues fall into this context. First, regional integration, irrespective of the level, requires the transfer of powers from a national government to the regional one. Leaders of most African countries, which have experienced long periods of struggling with gaining independence and post-independence conflicts, find it hard to submit such powers. In fact, this also explains why many RECs in the continent are flexible rather than being rule-based. Second and similar to the first is the effect of power politics between the regional power and other smaller countries. Many countries feel threatened and uncomfortable with having the relatively bigger countries (like Nigeria and South Africa) in the same RECs with them, especially in terms of the distribution of the benefits of integration.
- **Insecurity, Conflicts and Political Instability** - The recurring incidences of conflicts in different part of the continent has constrained regional integration efforts. For example, the spate of insecurity in the Central African region has limited the free movement of people and sometime goods among ECCAS member states.
- **Variation in initial condition and compensation for revenue loss** - Majority of African countries are among the least developed countries of the world with only a few standing out in terms of economic size. In many of these countries, revenues generated from the imposition of tariffs account for a reasonably proportion of their total revenues. Consequently, the amount of revenue lost from duties and tariff vis-à-vis the compensating effect of implementing RECs trade policy remains a major concern.
- **Low level of Private Sector Participation** - Another noticeable problem with most RECs in Africa is the low level of private sector involvement in the planning, coordination, implementation and monitoring of their activities. This practice is

⁴ PIDA Brief. Sourced from <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/PIDA%20brief%20closing%20gap.pdf>

contrary to the convention since the private sector is supposed to lead the process of expanding the regional market and enhancing competitiveness.

Finally, it is important to note that the effects of many of these challenges are borne mostly by small landlocked countries in Africa. In many instances, this is worsened by the fact that such countries depend on the transit infrastructure, bilateral political relationship and the level of peace and stability of another sovereign country. Therefore, for regional integration in Africa to be successful the challenges listed above should be addressed. Also, the specificities of the small and landlocked countries must be given special attention in doing this. To this end, the variable geometry system of integration adopted in the MIP, provision of regional infrastructure and administrative coordination are appropriate.

4. The Role of the BRICS in Regional Integration

The BRICS have emerged as an enviable force in the world in terms of their contribution to output, trade and investment, and African countries are gaining significantly from this situation. One of the prominent channels is the favourable increase in commodity prices in the international market due to the increase in demand by the BRICS, especially China. This situation, though beneficial in the short-term, is neither sustainable nor reassuring enough to serve as the basis for Africa's relationship with the BRICS. In order to address its numerous challenges, Africa must not be locked into specializing in producing primary products while its domestic industries are displaced. Rather, African countries should seize the opportunity of their present level of interaction with the BRICS to negotiate mutually beneficial and unbiased agreement that can guarantee structural transformation and industrialization of the continent.

One major criticism of the BRICS-Africa relationship is that it is biased towards a few African countries and sectors. While a mutually beneficial agreement is easy to establish between individual countries and the BRICS, an unbiased agreement (i.e. one that will not favour only a few selected countries) cannot be achieved individually. Therefore, the strategies for interacting with the BRICS must be designed and negotiated at regional levels so that all countries can benefit. Also, apart from aiding the provision of regional infrastructure, interaction with the BRICS should also be aimed at strengthening inter-sectoral linkages, export diversification, human capital development, private sector development and job creation, among others. Already, Africa Union plays a big role in maintaining peace and stability in Africa by laying emphasis on the dialogue and mediation as key requirement to conflict resolution. This should persist as there can be no integration without stability.

5. Conclusion

There is no doubt that regional integration has prospects for African countries in terms of gaining from an expanded market, economies of scale, enhanced competitiveness and attraction of foreign direct investment. It is in recognition of these that these countries and their leadership have committed themselves to the formation of an African Economic Community (AEC) over a 34 year period. Consequently, some notable achievements have been recorded so far. The integration process is becoming deeper and trade barriers are gradually being removed. More can still be done, and this requires more commitments from African countries towards their respective RECs. Also, there is need for the development of a collective mutually beneficial strategy for interacting with their major trading partners including the BRICS, EU and the United States.