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COMMENT & ANALYSIS

CO-OPERATION ■ BY JOHN MUGABE

Regional integration remains elusive despite aspirations

Structural barriers to trade, weak institutions and intra-state conflicts a drawback to process

Regionalism – the process of opening up and integration of national socio-economic and political systems – is receiving renewed interest in many African countries.

It is a co-operative process that is being used to build inter-state security and promote cross-border economic activities.

Regionalism can be traced back to the 1960s when the newly-independent African states saw opportunities for economies of scale in production and trade from a larger regional economic bloc.

Major barriers

By engaging in regional economic integration, African countries wanted to overcome three major barriers to development – the small size of their individual economies, their dependence on imports of high-value or finished goods, and their dependence on exports of a narrow range of low-value primary products, mainly natural resources.

Regionalism in Africa also emerged out of the pan-African political aspiration for a continental identity and unity, as well as the need to build hegemony that would intimidate the former colonial masters.

This aspiration was pronounced, and to some extent realised, with the creation in 1963 of the Organisation of African Unity (OAU), which in 2001 was transformed into the African Union (AU).

The process of transformation started in 1999 with the drafting and negotiation of a legal framework (now the Constitutive Act of the AU) to address Africa's development challenges. The Constitutive Act, adopted in 2001, provides for greater political unity and economic integration, and commits African countries to principles of democracy, respect for human rights, good governance, gender equality and people-centred development.

Following the creation of the OAU, a plethora of regional treaties and institutions aimed at promoting regionalism emerged in the mid-

1960s to the 1980s. These included the Customs and Economic Union of Central Africa (UDEAC, 1964), the East African Community (EAC, 1967-77; re-established in the early 1990s), the Southern African Development Community (SADC, 1980), the Economic Community of West African States (ECOWAS, 1975), the Common Market for Eastern and Southern Africa (COMESA, 1995), and the Arab Maghreb Union (AMU, 1989).

There are currently more than 20 regional agreements concerning co-operation and economic integration at sub-regional and continental levels in Africa, with aims ranging from limited co-operation among neighbouring countries in specific areas of political and economic development, to the creation of a continental African Common Market.

The UN Economic Commission for Africa (ECA), established in 1958, was instrumental in establishing the regional economic groupings and gave the bodies an economic orientation. The ECA acted as a catalyst in the movements that stimulated governments to take practical measures to promote economic cooperation.

The main objectives of these regional groupings were the eventual elimination of all tariffs

and barriers between members, the establishment of a customs union, a unified fiscal policy and co-ordinated regional policies in areas such as transport, communication, energy and other infrastructural facilities.

Many other factors have stimulated the regionalisation of Africa, including the opening up of national economies, which has allowed for the natural pull of geography, common culture and tastes to take place.

Policy-induced regionalisation has also played a role through the preferential elimination of tariffs among regional partners and more secure market access.

Despite the aspirations and efforts of the 1960s and the 1970s, regional integration has remained elusive. A variety of institutional, political and geographical factors have made its attainment difficult if not impossible. These include weak regional institutions, rigidity in leadership's appeal to nationalism, intra-state conflicts and wars, the Cold War that pulled African countries to one or the other side of the East-West divide, and the structural barriers to trade and industrialisation.

“Regional arrangements can be used as a collective agent of restraint”



With regard to structural adjustment, Thankdika Mkandawire and Charles C. Soludo argued in *Our Continent Our Future: African Perspectives on Structural Adjustment* (1999), “The debate on regional integration concentrates much more on complementarities than it does on product differentiation and competition within the larger market. There is a need to move away from the extreme emphasis on complementarities to a recognition that within the various regional schemes an array of products already exists that could be the basis for competitive markets. Regional arrangements can be used as a collective agent of restraint.”

On the whole, regionalism efforts have not contributed to the economic transformation of the continent. The limited potential for increased trade among African states is frequently mentioned as an explanation for the lack of success of regional integration. The effectiveness of any economic integration effort is seen in terms of the relative size of gains owing to trade creation and losses from trade diversion.

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