REGIONALISM AND ECONOMIC INTEGRATION IN AFRICA: A Conceptual and Theoretical Perspective

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Daniel Sakyi
Eric Evans Osei Opoku
The study has identified that (i) the rationalists' theory of neorealism and neoliberalism, (ii) the social constructivism theory, and (iii) several theories of economic integration are key in explaining regionalism and economic integration in Africa. Nevertheless, theories of economic integration that share some parallels with neoliberalism theory and focus on trade, economic interdependency, and monetary, fiscal, and political policy coordination are seen to be at the forefront of regionalism and economic integration in Africa. The study has also shown that opportunities and possibilities of deepening regionalism and economic integration in Africa exist in a number of areas and sectors, particularly the power and energy sectors, the manufacturing sector, and in public-private partnerships.

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REGIONALISM AND ECONOMIC INTEGRATION IN AFRICA: 
A CONCEPTUAL AND THEORETICAL PERSPECTIVE

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<td>ACP</td>
<td>African, Caribbean and Pacific Group of States</td>
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<tr>
<td>AEC</td>
<td>African Economic Community</td>
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<td>AfDB</td>
<td>African Development Bank</td>
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<td>AFTA</td>
<td>ASEAN Free Trade Area</td>
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<td>AGOA</td>
<td>African Growth and Opportunity Act</td>
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<td>AMU</td>
<td>Arab Maghreb Union</td>
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<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>AU</td>
<td>African Union</td>
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<td>BBC</td>
<td>British Broadcasting Corporation</td>
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<td>CARICOM</td>
<td>Caribbean Community (formerly the Caribbean Community and Common Market)</td>
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<td>CENSAD</td>
<td>Community of Sahel-Saharan States</td>
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<td>CENTO</td>
<td>Central Treaty Organization</td>
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<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
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<td>DFID</td>
<td>Department for International Development</td>
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<td>EAC</td>
<td>East African Community</td>
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<td>EC</td>
<td>European Commission</td>
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<td>ECA</td>
<td>UN Economic Commission for Africa</td>
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<td>ECCAS</td>
<td>Economic Community of Central African States</td>
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<td>GSTP</td>
<td>Global System of Trade Preferences among Developing Countries</td>
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<td>IGAD</td>
<td>Inter-Governmental Authority on Development</td>
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<td>Institute for Global Dialogue</td>
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<td>IISD</td>
<td>International Institute for Sustainable Development</td>
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<td>LAS</td>
<td>League of Arab States</td>
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<td>Millennium Development Goals</td>
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<td>MERCOSUR</td>
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<td>New Partnership for Africa's Development</td>
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<td>SADC</td>
<td>Southern African Development Community</td>
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<td>Southern African Development Coordination Conference</td>
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Regionalism and Economic Integration in Africa: 
A Conceptual and Theoretical Perspective

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<tr>
<td>SAFTA</td>
<td>South Asian Free Trade Agreement</td>
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<td>SEATO</td>
<td>Southeast Asia Treaty Organization</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<tr>
<td>UNECA</td>
<td>United Nations Economic Commission for Africa</td>
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<tr>
<td>WAEMU</td>
<td>West African Economic and Monetary Union</td>
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<td>WAMZ</td>
<td>West African Monetary Zone</td>
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<tr>
<td>WEC</td>
<td>World Energy Council</td>
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ABSTRACT

A well-established strand of the literature on regionalism and economic integration has made clear that economic, geopolitical, and socio-cultural relationships across the globe, for which Africa is no exception, have been changing rapidly in the last few decades. African leaders have been embracing these concepts as vital elements of their development agenda and have engaged their countries in a number of integration arrangements. This study has investigated regionalism and economic integration in Africa from a conceptual and theoretical perspective. The study identified that (i) the rationalist’s theory of neorealism and neoliberalism, (ii) the social constructivism theory, and (iii) several theories of economic integration are very relevant in explaining the formation of regional and economic blocs in Africa. Theories of economic integration that focus on trade, economic interdependency, monetary, fiscal, and political policy coordination seem to be the main forces driving regionalism and economic integration on the continent. The study revealed transportation and mobility of factors of production, limited intra-African trade, multi-memberships, macroeconomic divergence, and conflicts as key factors hindering the success of regionalism and economic integration in Africa. Although regionalism and economic integration on the continent is plagued with these challenges, there are opportunities and possibilities in the power and energy sectors, the manufacturing sector, and in private-public partnerships that the continent can explore to accelerate Africa’s speed of regional and economic integration, crucial for economic growth and development.

Key words: Africa, economic integration, regionalism
INTRODUCTION

A well-established strand of the literature on regionalism and economic integration has made clear that economic, geopolitical, and socio-cultural relationships across the globe, for which Africa is no exception, have been changing rapidly in the last few decades. The world has seen a dramatic increase in regional trade agreements (RTAs) since the early 1990s. Although there were only 124 RTA notifications before 1995, this number rose to 575 by July 31, 2013, out of which 379 were in force (WTO 2009; 2013a). International trade, foreign direct investment, international migration, technology transfer, international politics, and policy coordination have been key forces behind this trend of increasingly close cooperation among member countries of regional and economic blocs. Economically, regionalism and economic integration among nations is anticipated to increase the chances for investment, be useful to the people of the nations, and foster exploration of growth and development resources (Asante 1996). This is really good news for African countries where growth and development agenda have been key in the last few decades, particularly in light of the continent’s desire to achieve the Millennium Development Goals by 2015.

It is interesting to note that although the two concepts—regionalism and economic integration—are often used interchangeably; they are not necessarily the same thing. While regionalism is much broader and involves forming entities of countries with shared political, economic, social, cultural, and geographical demarcations, economic integration is often considered within the framework of economic theory (for example, the contribution of economic theory to understanding the economic aspect of regionalism). This was the character of the creation of regionalism in most parts of the world (and Europe in particular) after the post–Cold War era (Söderbaum 2004a), although the instigation of formal regionalism can be dated to the late nineteenth or early twentieth century (Capoccia and Ziblatt 2010).

Early post-war regionalism across the globe comprised three main categories: (i) security regionalism, such as the North Atlantic Treaty Organization (NATO), Southeast Asia Treaty Organization (SEATO), and Central Treaty Organization (CENTO); (ii) economic regionalism, such as the European Commission (EC), North American Free Trade Agreement (NAFTA), Pacific Asia Free Trade Area (PAFTA), Economic Community of West African States (ECOWAS), Economic Community of Central African States (ECCAS), and Southern African Development Community (SADC); and (iii) multi-purpose regionalism or organizations, such as the Organization of American States (OAS), Organization of African Unity (OAU), and League of Arab States (LAS) (Fawcett 2004; Senarclens and Kazancigil 2007).

Africa’s pre-independence history of regionalism and economic integration dates to the early twentieth century, when the South African Customs Union (SACU) was formed. Following political independence, the call for regionalism and economic integration in African countries was renewed during the days of Dr. Kwame Nkrumah, the first President of Ghana. After leading

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1SACU could not survive the test of time, and in 1980, a model known as the Southern African Development Coordination Conference (SADCC) was formed, but became the Southern African Development Community (SADC) in 1992, when South Africa joined.
Ghana to achieve independence in 1957, Nkrumah attempted to gain political independence as well as economic and political integration for the whole continent. In his speech declaring independence for his country, he said that Ghana's independence was meaningless unless it was linked with the total liberation of Africa and that Ghana's independence was only the first step toward a united and integrated Africa.

Although Nkrumah did not live to see his dream come to reality, the post-independence period saw many African leaders embracing the concept of regionalism and economic integration as a vital element of their development agenda and engaging their countries in a number of regional and economic integration arrangements. In addition to Nkrumah, leaders such as George Patmore, W.E.B. Dubois, Marcus Garvey, and Julius Nyerere, among others, saw the need for regionalism in Africa, which they thought would quicken the pace of the continent’s economic and social development (UNCTAD 2009).

Africa has adopted regionalism mainly because of its potential economic benefits. As Julian (2012) notes, African leaders have come to realize the benefits of regionalism in stimulating stability and cooperation through inter-regional policies, institution-building, trade, and other issues of common interest. Moreover, the creation of regional blocs was seen as a way to rescue the continent from colonial and neo-colonial influences and enable it to effectively engage with the developed world (Mulaudzi 2006). It is not surprising that the continent has for decades initiated a variety of regional arrangements, mainly along economic and political lines, aimed at integrating Africa to achieve these benefits.

One such arrangement is the famous Lagos Plan launched in 1985 by the Organization of African Unity, which was founded in 1963 and succeeded by the African Union in 2002. The Plan envisaged three regional arrangements aimed at the creation of separate but convergent and overarching integration arrangements in three sub-Saharan African sub-regions. West Africa was served by the Economic Community of West African States (ECOWAS), which pre-dated the Lagos Plan. East and Southern Africa were served by the Common Market for Eastern and Southern Africa (COMESA)\(^2\). For Central Africa, the treaty of the Economic Community of Central African States (ECCAS) was also approved. All these arrangements, together with that of the Arab Maghreb Union (AMU) in North Africa (Hartzenberg 2011), were expected to lead to an all-African common market by the year 2025.

Several other arrangements have occurred following the Lagos Plan. Among these is the famous Abuja Treaty of 1991, which aimed to reaffirm the commitment of the OAU’s heads of states to an integrated African economy. Delineated within this Treaty was the creation of the African Economic Community (AEC), African Monetary Union, African Central Bank, African Court of Justice, and Pan African Parliament. In order to speed up the process of creating these entities, the 1999 Sirte Declaration was signed; it later led to the 2002 launch by African heads of states of the African Union (AU), which replaced the Organization of African Unity. In addition to those already mentioned, recognized regional and economic integration organizations include the Community

\(^2\)A Preferential Trade Area (PTA) was initially established to cover these countries but was eventually replaced by COMESA a decade later.
of Sahel-Saharan States (CENSAD), the Inter-Governmental Authority on Development (IGAD),
the Southern African Development Community (SADC), and the East African Community (EAC).

What is worrying for regionalism and economic integration in Africa is that, although some
efforts have been made, the full rationale for the formation of the AU, AEC, and the eight
recognized regional blocs (ECOWAS, COMESA, ECCAS, AMU, CENSAD, IGAD, SADC, and EAC) is
yet to be realized. Several conceptual and theoretical critiques have questioned the feasibility
of regionalism and economic integration in the African context, and this paper highlights the
issues raised in those critiques from a conceptual and theoretical perspective. The paper goes
on to discuss concepts and theories underlying regionalism and economic integration in Africa;
challenges presented by regionalism and economic integration in Africa; opportunities to
depth regionalism and economic integration in Africa; and options for navigating the right
policymaking path for regionalism and economic integration on the continent.
CONCEPTS AND THEORIES UNDERLYING REGIONALISM IN AFRICA

Regionalism and economic integration are not necessarily the same concept. Regionalism is a much broader concept based on political, economic, social, cultural, and geographical demarcations; economic integration represents only its economic aspect.

There are various ways to define regionalism. According to Hurrell (1995a), the concept can be viewed and explained under five different headings: regionalization, regional awareness and identity, regional interstate cooperation, state promoted regional integration, and regional cohesion. He defined regionalization as the growth of societal integration within a region and to the often undirected processes of social and economic interaction. To him, this is an informal integration of countries, a non-government initiative that emerges from the actions of private individuals.

Within this context, regionalization can be seen as a process of regional integration driven by the influence of markets through the initiatives of corporate or economic agents of the member countries and not necessarily a government initiated regional trading agreement (Lorenz 1991; Wyatt-Walter 1995). This implies that regionalization, which may be influenced by regionalism, may still occur whether regionalism is operative or not (Hveem, 2000). Regional awareness and identity have to do with the kind of regionalism emanating from countries within a region that share cultural, historical, traditional, religious, or economical traits and ideologies. With this, countries are integrated based on their identities and ideas.

Regional interstate cooperation is the kind of regionalism in which different countries or governments integrate for the rationale of maximizing economic welfare, tackling identical internal or external challenges, and enhancing common values. To Hurrell, this is a formal, government-promoted attempt to come together to pursue issues of common interest and also maximize gains for countries involved. State promoted regional integration involves a deliberate and explicit plan of the governments of countries to eliminate impediments of trade and encourage the movement of capital and people.

Regionalism can refer to the efforts by a group of countries to enhance their economic, political, social, or cultural interactions (Lee 2002). Lee (1999) groups regionalism under four major headings: economic (market) integration, regional cooperation, regional integration, and development integration.

Economic integration is the commercial policy of discriminatively reducing or eliminating protectionist policies only among participating countries (Salvatore 2010). It focuses on widening the market of the countries joining together. Drysdale and Gamaut (1992) define economic integration as a movement toward one price throughout the global economy for goods and services.

Regional cooperation involves cooperation among distinct countries with a shared interest in a particular issue and may include “the execution of joint projects, technical sector cooperation, common running of services and policy harmonization, and joint development of common natural resources” (Lee 2002: 3).
Regional integration is “a process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations, and political activities toward a new centre, whose institutions possess or demand jurisdiction over the pre-existing national states” (Haas 1958: 16).

Development integration involves collaboration by a number of distinct countries whose main objective or agenda is the economic and social development of their region. To Lee, this requires more state intervention, as it was seen as a response to the problems created by economic integration, although it has proved more difficult to implement.

Regional cohesion, the greatest form of regionalism, occurs through the combination of all the above regionalism processes. With this, there is the formation of a unified and united regional entity.

The discussion of regionalism by Hurrell and Lee reveals some interesting similarities and distinctions. Under Hurrell’s classifications, regionalization and regional awareness and identity are not necessarily government induced. However, all the others—regional interstate cooperation, state promoted regional integration, regional cohesion, economic integration, regional cooperation, regional integration, and development integration—are mainly government initiatives. While regionalization focuses more on social and economic benefits with more roles for the private sector, regional awareness and identity stresses the importance of identical traits and ideologies among countries. Other than developmental integration and perhaps regional cohesion—which is also founded on both social and economic benefits like regionalization—regional interstate cooperation, state promoted regional integration, and economic integration all place emphasis on economic gains.

Additional definitions cast regionalization as a political process (political union or integration) characterized by economic policy coordination and harmonization among member countries (Fishlow and Haggard 1992; Dieter and Higgott 2003). However, in some situations, regionalism can be viewed as a socio-political project with aspirations to restore past ethnic and cultural identities and autonomies (Giordano 2000).

Another manner of understanding regionalism in Africa is defining a region. A region may be considered a cluster of countries or pieces of land that have a comparable geographical location. In this context, it can also be seen as units—based on groups, states, or territories—whose members display some identifiable patterns of behavior (Fawcett 2004). Mansfield and Milner (1999), for example, indicate that the definition of regionalism is centered on the relevance of geographical closeness and the nexus existing between economic flows and policy choices. As ECA and AU (2006) note, regionalism in Africa can be seen as modeled around the concepts of geographical closeness, the sharing of a common border, and political collaboration through economic cooperation. It is not surprising that geographical location characterizes the eight AU–recognized regional groupings (ECOWAS, EAC, COMESA, SADC, ECCAS, CENSAD, AMU, and IGAD) in Africa.
Regionalism in Africa can also be understood within the context of social constructivism theory, which views regionalism as a non-material interdependence move for integration and stresses “actors’ subjective and inter-subjective beliefs, focusing on the social construction of collective rules and norms that guide political behaviour” (Fjader 2012:93). To him, integration comes about as a result of commonly shared ideas rather than the economics of material forces. With social constructivism, regions are shaped by the collective perception of identities and meanings, with unclear and ever shifting boundaries (Vayrynen 2003). The formation of regions or integration of countries based on this theory is cognitive and based on the perception of togetherness. This is the situation whereby the “feelings” or perceptions of some identical features among countries instigate integration. These identical features may come in the form of common culture, history, or religion (Hurrell 1995a). It has to do with the perception of regional awareness and the sentiments of belongingness. Social constructivism pertains to a social or sociological framework, exploring how norms and perceptions are socially built and how they become constitutive of international cooperation and conflicts (Yi 2007).

A typical example of regionalism established along the lines of social constructivism ideology in Africa is the Arab Maghreb Union (AMU), which was established in 1989 in Marrakech, Morocco. The members—Algeria, Libya, Mauritania, Morocco, and Tunisia—all have very strong geographical, religious, socio-cultural, and language affinities or similarities: all are Islamic countries where Arabic is the official language. Hanafi (2010) notes that the AMU is more closely linked in relation to climate, landforms, population, economy, religion, language, and history than the rest of Africa. The union’s objectives include: (i) the consolidation of fraternal relations binding the member states and their peoples; (ii) the realization of progress, well-being of their communities, and protection of their rights; (iii) the achievement of free movement of persons, services, goods, and capital among member states; and (iv) the adoption of a common policy in all areas and aspects of their individual states. However, member countries have not taken advantage of their countries’ resemblance in culture and style to agree universally on relevant policies crucial for full integration.

Regionalism in Africa has also been explained within the context of the rationalist’s theories of neorealism and neoliberalism. The underlying assumption of neorealism is that states are dominant and are self-centred regarding issues of international relations. In relation to this, states always want to show dominance and power when dealing with the international community. Thus, matters relating to their interests reign supreme in any decision they make. Given that the international system is typified by anarchy rather than hierarchy (Waltz 1954), this feature makes states prone to conflict and competition (Söderbaum 2004b). As a result of this, states will unsurprisingly chart the course of achieving their independent and national interest through the exhibition of power and sovereignty. Neorealism thus puts heavy emphasis on national interest, security, and power politics for the emergence of regions and posits that regional integration may be formed as a retort to such external threats (Hurrell 1995a). In line with this, countries try to maximize their gains from any given opportunity, in addition to considering their own security before considering that of others.

With neorealism, any attempt to establish a form of community further than the state may aggravate conflicts among states (Cini 2003). Within this context, a wholly cooperative international community may not seem feasible because states are more interested in relative
gains from cooperation than absolute gains (Waltz 1954). Waltz asserts that, in the face of cooperation, a country having the sentiment of insecurity is more interested in who will gain more from the cooperation. Nevertheless, under neorealism, regionalism may emerge as a result of politics of alliance formation among countries and also cooperation for state survival (Buzan 1991).

In Africa, the defunct OAU could be described as being established partly along the lines of neorealism, as core to its objectives were ensuring security and sovereignty and promoting the unity and solidarity of its members. Article III of the OAU Charter lays out the seven basic principles: (i) the sovereign equality of all member states; (ii) non-interference in the internal affairs of states; (iii) respect for the sovereignty and territorial integrity of each state and for its inalienable right to independent existence; (iv) peaceful settlement of disputes by negotiation, mediator conciliation, or arbitration; (v) unreserved condemnation, in all its forms, of political assassination as well as of subversive activities on the part of neighboring states or any other states; (vi) absolute dedication to the total emancipation of the African territories that are still dependent; and (vii) affirmation of a policy of non-alignment with regard to all blocs. Vayrynen (2003) notes that the establishment of the OAU was enhanced by political and security motives affirmed by these basic principles. Roux (2013) further stresses that these principles reflected the euphoria of Africans and their leaders at that time, as they were to enable member countries of the OAU to enjoy freedom, equality, justice, and dignity.

The OAU achieved significant feats in a host of mainly political issues. It maintained a zero tolerance for colonization in Africa. Notably, it made efforts in the liberation of Zimbabwe, Botswana, Tanzania, Angola, Mozambique, Guinea-Bissau, Zambía, Namibia, South Africa, and a host of other African countries. Notwithstanding these successes, these principles have on numerous occasions been violated by incumbent African regimes. Moreover, the OAU failed to achieve most of its mandate on regionalism in Africa, as its vision of forming one economic and political union in Africa is yet to be realized. Moreover, the organization’s policy of non-interference in member countries’ domestic affairs made it difficult for the organization to interfere in certain tragic issues. In the struggle for independence by Eritrea, the OAU could not do a lot because it did not want to commit itself by violating the non-interference stance it had taken. To this day, the death toll from Eritrea’s struggle for liberation from Ethiopia is a scar on the organization’s integrity. Although the organization swore to uphold the UN charter, which had the protection of human rights as an integral objective, it could not honor that, as some African leaders (among them Idi Amin, Muammar Gaddafi, and Charles Taylor) continued to oppress some of their citizens without OAU interference. This was the case because as Roux (2013) notes, the financial needs of the organization were met by the countries that needed the greatest intervention. This was a tricky situation for the leaders of the OAU, as they couldn’t chastise the leaders of these countries for fear of their cutting their budgetary support.

Neoliberalism is not entirely different from neorealism. Both approaches share some issues of national security and the idea that in any form of cooperation among countries, national security should not be undermined. But proponents of neoliberalism advocate for limited government intervention in the economy, deregulation of business, privatization of public activities and assets, elimination of social welfare programs, reduction of taxes on businesses and investments, and monetary and fiscal discipline (Lee 2002; Kotz 2002). Within international circles, they call for
free movement of goods and services across borders. Thus, investors are able to move and/or acquire property across borders. Nevertheless, neoliberalism excludes the free movement of people across national borders.

To neoliberals, “regionalism essentially boils down to material interdependence, the most important areas being the economy and security” (Fjader 2012: 91). They focus on the position of interstate institutions and regional organizations for managing interdependencies and attaining combined goals on a regional basis (Söderbaum 2004b). The expanding nature of interdependencies increases the need for cooperation among countries and institutions to tackle issues generally affecting countries involved.

Neoliberalism is also presented as a means toward cooperative problem-solving among countries. Proponents acknowledge that, as a country cannot live in isolation and will in one way or the other depend on another country, there is the need for countries to cooperate. Regionalism of this sort may result from a direct government response to pressures from interest groups, like firms within a country, to cooperate or integrate with some other countries regarding some concerns that will perhaps widen their market and benefit them (Ravenhill 2002; Brook 2004; Söderbaum 2004b). Within this context, the neoliberal approach offers a better explanation than the neorealist approach regarding the reasons why countries integrate: the reason being that a largely unregulated market economy not only embodies the ideal of free individual choice, but also achieves optimal economic performance with respect to efficiency, economic growth, technical progress, and distributional justice (Kotz 2002).

Per the above analysis, regionalism in Africa can be said to be founded mainly on the basis of the neoliberalism theory, as most of the regional blocs are market and interdependency driven, with trade liberalization at the core of their objectives. Lee (2002), for example, notes that neoliberalism has been at the forefront of economic policies in Africa, and its countries’ membership in the WTO is a very clear example of neoliberalism. Söderbaum (2004a) consents to this neoliberal ideology by asserting that the great majority of present-day regionalist schemes in Africa are founded on the notion that the regional economic integration project should be market driven and outward looking. In addition, it should remove obstacles to the free movement of goods, services, capital, and investment within the regions as well as to the rest of the world.

Recent discussions of regionalism often distinguish between old and new regionalism. The old regionalism, also referred to as the first wave of regionalism, is believed to have surfaced in the 1950s and reached its pinnacle in the 1970s (Hettne and Söderbaum 2000). It emphasized states as the dominant actors in all regionalism initiatives and was often imposed directly or indirectly from above and outside (Breslin and Higgott 2000; Söderbaum 2004b). It had specific objectives and content for its formation and mainly focused on economic and security alliances (Falk 1997; Söderbaum 2004b; IGD 2008).

The forms of regionalism that began in the 1980s represent new regionalism (Hettne and Inotai 1994; Hettne 1999; Söderbaum 2004b). New regionalism reflects an increasing interdependence of countries in the recent global economy (Söderbaum 2004b; Mulaudzi 2006; Söderbaum and Sbragia 2010). It represents a second wave of regionalism that is not exclusively a state
phenomenon, but involves many other non-state institutions and organizations within a country (Hettne 1999). It includes interactions with multinational corporations, emerging civil society organizations, and other non-governmental organizations and actors (Breslin and Higgott 2000) and is geared toward neoliberalism (economic mindedness) rather than protectionism and the exhibition of supremacy. Warleigh-Lack (2006) adds that new regionalism is more global in nature and also founded on the grounds of neoliberalism. To Omotola (2010: 109), new regionalism in Africa implies “new effort towards fostering greater integration, interdependence and partnership among African peoples, governments and economies, with the aim of deriving additional leverage in relations with the outside world, particularly on the economic front.” Within this context, the transition from OAU to AU can be seen as a clear instance of new regionalism in Africa.

Hurrell (1995b) compares new and old regionalism and comes up with five distinctive characteristics of new regionalism, which:

i) appears very broad in its scope and has a variety of structures or procedures for forming regionalism;

ii) does not restrict regionalism or integration among countries just in a particular geographical location or stage of development. It expands to even partnerships between countries on different continents and at different levels of development (among developing and developed countries);

iii) differs greatly in the level of institutionalization of the different regions;

iv) presents itself in a multifaceted manner, going beyond a particular focus (be it social or political); and

v) entails the formation of a regional sense of identity.

It is important to note that despite the various concepts and theories explaining regionalism in Africa, all recent forms of regionalism are classified under new regionalism regardless of the initiating entity, whether government, non-government, or both.
CONCEPTS AND THEORIES UNDERLYING ECONOMIC INTEGRATION IN AFRICA

The conceptual and theoretical aspect of economic integration shares some parallels with neoliberalism. But here, emphasis is placed on trade among member countries and the widening of markets through integration. As earlier stated, economic integration represents a set of concepts and theories explaining integration among countries based purely on economic grounds. Balassa (1987) recognized economic integration as a process and a state of affairs and defined it as measures designed to eliminate discrimination among economic units that belong to different countries. This definition takes cognizance of the fact that the process could be gradual and continuous. On the static front, economic integration represents the absence of various forms of discrimination among countries. The recognition of the concept as a progressive act received a further boost from Kahnert et al. (1969). To them, economic integration is the process of removing progressively those discriminations emanating from national borders.

Generally speaking, the various theories explaining economic integration are free trade areas, Customs unions, common markets, monetary unions, and economic unions (Hansen and Nielsen 1997; Aguello 2000; Salvatore 2010; Hosny 2013) and what Dieter and Higgott (2003) term “monetary regionalism.” Although some of these theories overlap (as with monetary union, economic union, and monetary regionalism), the majority of regional groupings in Africa were formed along these lines. It is also within the context of economic integration that preferential trade arrangements (PTAs) and the recent proliferation of regional trade agreements (RTAs) across the globe (and in Africa, in particular) are often discussed.

While PTAs can be seen as a unilateral and non-reciprocal preferential trade arrangement among countries that reduce tariffs and other trade barriers for certain products to the countries that sign the agreement, RTAs represent reciprocal trade agreements among two or more partner countries. According to the WTO (2013b), RTAs include free trade agreements and Customs unions. PTAs can also be seen as a system whereby a number of countries come together to lower trade barriers among participating countries but maintain stringent trade restrictions with non-participating countries. It is often seen as the lowest form of economic integration. Magee (2003) indicates that countries that enter into PTAs are often influenced by the potential trade creation impacts of the agreements.

Globally, the Global System of Trade Preferences among Developing Countries (GSTP), Asia-Pacific Trade Agreement, South Asian Preferential Trade Arrangement, African Growth and Opportunity Act (AGOA), and African, Caribbean and Pacific Group of States (ACP), among others, can be cited as examples of PTAs. Among these PTAs, AGOA is specific to sub-Saharan African countries. It is a United States Trade Act that enhanced U.S. market access for beneficiary sub-Saharan African countries. AGOA originally provided trade preferences for quota and duty free entry into the United States for certain goods, notably textiles and apparels. AGOA came into being in 2000 and was expected to end in 2008 but in 2004 was extended to 2015.

Empirically, the trade implications of PTAs in Africa have been analysed by Kwentua (2006) for South Africa and SACU relations. All in all, the author suggests that trade arrangements
encourage and generate large volumes of trade among member countries, but surprisingly identified that the trade creation effects of SACU were negative, whereas the trade-diverting effects were positive. This presupposes that the formation of PTAs does not necessarily divert trade with non-member countries. Turkson (2012) utilized the gravity model to evaluate whether trade preferences with the EU and sub-Saharan Africa trade have had positive effects on African trade in a total of 48 sub-Saharan Africa countries and 25 EU countries from 1960-2006. The study revealed that trade agreements in ECOWAS and SADC have significantly increased bilateral trade, while there has been a reduction in bilateral trade in ECCAS countries with EAC and IGAD, showing inconclusive results. The study recommends that these countries focus on enlarging their markets by integrating the sub-regions to increase intra-African trade.

A free trade area (FTA) is an economic integration whereby countries agree to eliminate all trade restrictions or barriers among themselves, but each country maintains its trade restrictions with non-participating countries. Here, trade is absolutely or completely liberalized among participating members. It must be noted that in order to ensure sufficient trade flows between the countries signing the agreement, countries involved in the pact must ensure that the discrimination against third parties holds. This normally entails strict adherence to rules of origin and extensive Customs inspection to curb trade deflection. The European Free Trade Association (EFTA), South Asian Free Trade Agreement (SAFTA), ASEAN Free Trade Area (AFTA), European Union Free Trade Agreements (EUFTA) and the North American Free Trade Agreement (NAFTA) are examples of FTAs.

With regard to FTAs in Africa, all the recognized RECs aside from IGAD have some agreements at least in the form of free trade (Chiumya 2009). IGAD, which initially planned to establish its own free trade area by 2012, is still in the process of achieving this objective. It is expected that by 2017, all eight FTAs will be operational and will be integrated into the proposed Grand Africa Free Trade Area, which was initiated by EAC, COMESA, and SADC in 2009.

A Customs union—an upgrade of a free trade area—removes all trade barriers among member countries in addition to formulating common trade policies against non-member countries. Here, participating countries may decide to set the same tariff rates against non-participating countries. Strict adherence to the common tariff structure against third parties is crucial for the success of Customs unions. Notable Customs unions, include the Customs Union of Belarus, Kazakhstan, and Russia, the –EU–Turkey Customs Union, Southern Common Market (MERCOSUR), the –EU–Andorra Customs Union, and the –EU–San Marino Customs Union, among others.

A common market has all of the above-mentioned economic integration characteristics in addition to unimpeded mobility of capital and labor among member countries\(^3\). Here, member countries make a joint decision on common policies that guide and regulate factor flows with non-participating countries. The Caribbean Community (formerly the Caribbean Community and Common Market, or CARICOM), is a typical example of a common market.

\(^3\)The mobility requires that members design a common visa policy and a stance on residency of its members across member countries (Anadi 2005)
Monetary unions retain the characteristics of a common market and create a common currency for all participating countries such that economic transactions within the union are not affected by exchange rate uncertainty (Hansen and Nielsen 1997). The Eurozone is an ideal form of a monetary union. Economic union—the most advanced form of economic integration—shares all the characteristics of PTAs, FTAs, Customs unions, common markets, and monetary unions, but unlike these, member countries create and share common “monetary, fiscal, industrial, and welfare policies, as well as, the establishment of a common pattern of foreign relations” (Aguello 2000: 5). The Benelux Union is an ideal example of economic union.

It is interesting to note that the EAC is the only recognized REC that has attained the status of a common market in Africa. The EAC reached the stage of Customs union in 2005 and launched its own common market for goods and services in 2010. Although EAC leaders proposed having a common currency in 2012 and a political union in 2015, the goal of common currency was missed. ECOWAS is still in the process of finalizing the establishment of its common external tariff, which will prepare the ground for a Customs union as part of the efforts toward the realization of financial and monetary integration. COMESA launched its own Customs union in 2009 but has yet to reach the stage of common market. SADC is already in a free trade area but still in the process of establishing a Customs union within its Regional Indicative Strategic Development Plan4. This target was initially scheduled for 2010, and then for 2013, as the 2010 target was missed. This delay implies that their aim of attaining a common market and a monetary union would be delayed. ECCAS is at the stage of free trade area and has plans to launch a Customs union. This objective was initially scheduled for 2010, though it is yet to be realized.

It is worth mentioning that, although none of the eight recognized AU regional blocs has reached the stage of monetary union, several sub-regions within these regional blocs have some sort of common currency in operation or are in the process of adopting one. Mention can be made of ECOWAS, which has been working toward the adoption of a single currency by the year 20205. In 1994, the West African Economic and Monetary Union (WAEMU), consisting of eight ECOWAS member countries6 that currently share the common currency CFA Franc, created the first Monetary Zone within the ECOWAS region. In 2000, five non-CFA ECOWAS member countries, including The Gambia, Ghana, Guinea, Nigeria, and Sierra Leone, launched the West African Monetary Zone (WAMZ)7, with the aim of introducing a common currency, the ECO, but this is yet to be realized due to the countries’ inability to meet the necessary convergence criteria. The WAMZ was launched to complement WAEMU so that the two Monetary Unions can be merged into a single Monetary Zone with a common currency by the year 2020 (Sakyi 2013).

Beyond these theories, Dieter and Higgott (2003) stress the importance of what they call “monetary regionalism,” which allows participating states to enter a process that will lead at least to the creation and stabilization of a common currency. Within this context, the integration

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4 This is a comprehensive development and implementation plan (formulated in 2001 and adopted in 2003) guiding the SADC agenda over a period of fifteen years (2005-2020).
5 The story is not entirely different when we consider some of the other recognized regional blocs in Africa
6 Benin, Burkina Faso, Côte d’Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo
7 Liberia joined this group in 2010, and Cape Verde, the only ECOWAS member country that is not a member of either of these two groups, is expected to join one of these
process could be organized in four stages: the creation of a regional liquidity fund, regional monetary system, economic and monetary union, and political union. Here, the participating countries have to give up their sovereignty and independence in addition to each country's ability to issue its own currency.

According to Dieter and Higgott (2003) the first stage of the integration process should involve the creation of a regional liquidity fund. This is a fund created by all member countries within a region to act as a cushion for the countries in times of financial crisis. This pool of funds can also serve as security for countries in the discharge of their financial obligations with regard to borrowing. This is solely a government affair, as each member country assigns part of its foreign reserves to the fund. The second stage focuses on the creation of a regional monetary system, which is expected to further prepare the region for a monetary union. At this stage, regional monetary systems and exchange rate bands are adopted among participating countries, with the aim of attaining macroeconomic stability. This approach permits adjustments of exchange rates within the set bands, which the authors say is advantageous over a system with permanently fixed exchange rates. The third stage involves the creation of an economic and monetary union. This stage requires the harmonization of monetary and fiscal policies among countries. At this stage of the monetary regionalism process, transaction costs are minimized permanently, and competition among members of the union is intensified. Dieter and Higgott further add that at least a Customs union among the participating countries is a prerequisite for this stage to be reached. The fourth and final stage focuses on the creation of a political union. This has to do more with political willingness and initiatives than economic policies and is characterized by the formation of a multinational centralized political decision-making body.

In the framework of monetary regionalism, some regional blocs in Africa have established regional funds like the COMESA fund (UNECA 2012), the EAC Partnership Fund, the proposed EAC Development Fund, and the proposed SADC Regional Development Funds, similar to the liquidity fund outlined by Dieter and Higgott (2003). However, not all of these funds are set up necessarily as a liquidity buffer as those authors advocate. In most cases, these funds rather aim at mobilizing resources for regional development and deepening integration in the region. The COMESA Fund has two facilities, one for infrastructure and the other for adjustment costs. As UNECA (2012) notes, the infrastructure facility aims to mobilize resources for building and maintaining infrastructure of the participating countries, while the adjustment facility addresses costs from regional integration measures, including revenue losses from trade reforms. In the area of revenue losses from trade reforms, countries like Burundi and Rwanda have already benefited from this facility. Likewise, the regional development fund of SADC has as its main goal to help SADC finance transnational structuring projects, with emphasis on transport, energy, water, information technology, meteorology, tourism, and industrial development (Angola Press Agency 2013). The EAC Partnership Fund established in 2006 is a pool of funds for member countries in the EAC, which sources funds from development partners (the EC, the World Bank, Belgium, Canada, Denmark, Finland, France, Germany, Japan, Norway, Sweden, and United Kingdom). The fund is aimed at supporting projects and programs that are geared toward regional integration (EAC 2012). The purpose of the proposed EAC Development Fund is to cater to infrastructural development issues, development imbalances, investment promotion, and other development issues in the EAC member countries for the progress, deepening, and acceleration of integration (EAC 2013).
It is worth emphasising here that although Africa is characterized by some regional monetary systems\footnote{For example, The West African Monetary System (comprising the West African Monetary Zone and the West African Economic and Monetary Union) and Central African Economic and Monetary Community.}, few follow the approach of Dieter and Higgott (2003). This is not surprising given the experience with the European Monetary System, which operated successfully only until 1992 and made regional monetary systems less attractive globally. With regard to the stage of economic and monetary integration and that of political union, Africa has not yet done enough to reach either of these two stages, although several treaties aimed toward achieving these goals have been signed in the last few decades.

It is important to note that, although various authors approach the theories of economic integration differently, the discussions above clearly show that economic integration is an ongoing process occurring at different stages, including preferential trade agreements, free trade areas, Custom unions, common markets, monetary unions, economic unions, and political unions. No one can yet predict when the eight AU–recognized regional and economic blocs will reach advanced stages of monetary, economic, and political union for a complete economic integration in Africa.
CHALLENGES OF REGIONALISM AND ECONOMIC INTEGRATION IN AFRICA

The motive of regionalism and economic integration in Africa is for its countries to come together to achieve large markets for themselves, reap the benefits of economies of scale, and attain a coherent political cooperation. These benefits notwithstanding, regionalism and economic integration in Africa has often been plagued with several challenges, which include transportation and mobility of factors of production, multi-memberships and duplication of programs and procedures, minimal intra-regional trade, macroeconomic divergence, and conflicts.

The issue of transportation is imperative to the smooth functioning of regionalism and economic integration, as with integrated economies, people have to be able to move easily from one place (economy) to the other, with no structural impediments. A developed transport system is necessary for economies to operate efficiently, enhancing trade by minimizing cost and time of moving people and goods to where there are jobs and markets (KPMG 2013a). Teravaninthorn and Raballand (2009) indicate that improvement of a region’s transportation system is an ultimate priority for regionalism and economic integration. However, the landlocked status of some African countries, bureaucracy, high insurance costs, difficult Customs arrangements, bribery and corruption, and poor transport infrastructure, among others, account for the continent’s high transportation costs (Abuka 2005; Teravaninthorn and Raballand 2009). So severe is the problem that the costs of transportation in Africa impede trade more than import tariffs do (Amjadi and Yeats 1995). At times, it is even cheaper to transport things outside the region, even to as far as Asia, than to transport into the region. A scenario is given by the ECA (2004a): shipping a car from Japan to Abidjan cost only US$ 1,500, and shipping that same car from Addis Ababa to Abidjan could cost US$ 5,000. At some point in time, traveling from New York to Amsterdam costs US$ 164, relative to US$ 395 from Abuja to Bamako, which is a shorter distance (Njoh 2008).

Another key feature of transportation in Africa is the underdeveloped nature of the transport system linking countries. Many road, air, and rail systems in African countries are unconnected (ECA 2004b). A survey by KPMG (2013a) indicates that only Morocco, Tunisia, Egypt, Namibia, South Africa, and Swaziland have better rail systems than the world average, and only 11 African countries have road systems that rate above the world average. Air transport in Africa is also very limited. As KPMG (2013a) notes, an estimated 62 million passengers travelled by air within Africa during 2010, compared with the 457 million that travelled by air within Europe the same year.

It is important to note that an efficient transportation system will effectively link suppliers to consumers of a variety of goods and also labor to employers (ILO 2006; Ondiege et al. 2013). The transportation system can, if efficient, guarantee the safety of both goods and people crossing borders as well as the movement of workers to and from work. This notwithstanding, the transportation system in Africa is not as efficient as it should be. Barka (2012), for example, points out that delays, corruption and multiple border entry checkpoints often characterize the transportation system in Africa. This also accounts significantly for the high transportation cost, which ultimately results in a lower volume of goods crossing borders and scares off potential
and prudent investors who want to do business in Africa. According to the AfDB (2010a), these transportation problems in Africa result in lower intra-African trade.

Although some regional blocs in Africa have made it their prerogative to aid the free movement of goods and factors of production as part of their treaties, the high transportation cost and bureaucracy at the border points of entry makes it difficult to cross their home borders. For instance, though there is supposed to be easy movement of ECOWAS members within the region, people do face a lot of challenges in trying to cross borders beyond their home countries. This is all as a result of lack of enforcement of the policies and regulations put forward by these regional communities. According to Adepoju (2002), it is therefore important for countries to go a step further by aligning their domestic laws with regional treaties to deal with factors that are inhibiting the free movement of goods and factors of production, such as strict employment laws that make it difficult for labor to seek employment in other foreign member countries.

The challenge of transportation infrastructure faced in Africa (and most especially sub-Saharan Africa) is a result of various governments’ making little or no effort to improve the transport system (Njoh 2008; Olievschi 2013). Undue delays created in the course of transportation also act to impede the smooth transit of people and goods across countries. The Customs service sometimes creates unnecessary delays at the airports, borders, and ports making transportation in Africa cumbersome. In Ghana, for example, it is more difficult and time consuming to export or import goods to or from an African country than to engage in foreign trade with countries in Europe.

There is a long history of bureaucracy (characterized by bribery and corruption) in moving people and goods among African countries. Such delays reduce exports (Freund and Rocha 2010) and contribute to associated economic costs. Many regional economic communities in Africa have policies on free movement of their people; however, the majority of them have yet to implement and enforce these policies. Regionalism and economic integration cannot function effectively if, as a result of these problems, people and goods are unable to move freely within the continent. Another challenge of regionalism and economic integration in Africa is the existence of multi-memberships. These multi-memberships sometimes have overlapping and conflicting objectives, and this usually leads to duplication of programs and procedures. There are currently about 14 regional and economic groupings in Africa, and as already mentioned, only eight of these are recognized by the AU. All 14 groupings have common objectives of ensuring peace and development across the region. Out of the 54 African countries (table 1 in Appendix), one country belongs to five groups, seven countries belong to four groups, 23 belong to three groups, 19 countries belong to two groups, and three countries belong to one group.

West Africa alone has six of these regional and economic groupings, with each country having at least two memberships. Multi-membership and duplication of programs and procedures poses serious inefficiency problems to regionalism and economic integration and acts to impede the promotion and progress of interregional trade (Yang and Gupta 2005; Asche and Brucher 2009; Saurombe 2009).

According to EAC and AU (2006), multi-memberships pose difficulties to member countries in meeting their contributions and obligations, in addition to increasing the risk of low
implementation of the programs they put forward. With regard to the contributions member countries pay, multi-memberships imply that countries will be contributing in multiples. Considering the economic hardships African countries face, it is difficult for them to meet all these obligations. The argument here is that if countries were in just one or a few regional and economic groups, they would be able to successfully and easily meet their financial obligations to ensure the smooth running of their economies. Also, fewer memberships will enable them to properly implement their policies and programs. This is because the various memberships come with different procedures and decisions, and the concurrent implementation of these different decisions slows the pace of their implementation.

Minimal intra-regional trade continues to be a challenge to regionalism and economic integration in Africa. Trade among countries in regional and economic groups is relevant to the development of the region. Intra-regional trade contributes positively to the widening of the markets; has a high capacity of creating jobs and speeding investment and growth; and has the ability to position countries to take advantage of even greater trade with countries outside the region. Moreover, increased trade within regional and economic groups in Africa has the potential to develop its communication infrastructure, transportation, and financial market, as these are essential for smooth trade. Despite these potential benefits, African countries have not made enough efforts to enhance intra-regional trade (UNCTAD 2013). Poor transport infrastructure and limited access to finance to support trade have often been cited as hampering intra-African trade (Longo and Khalid 2001; UNCTAD 2009; World Economic Forum 2010). UNCTAD (2013) adds that African leaders have over-concentrated on the removal of trade barriers at the expense of developing productive capacity that will enhance trade and have also neglected Africa’s private sector in integration initiatives and efforts.

Trade creation, trade diversion, and economies of scale form the basis of regionalism and economic integration among countries (ECA and AU 2006). However, the situation on the ground is that African countries trade very little among themselves, despite the numerous regional and economic integration programs and measures to ensure intra-regional trade. It is interesting to note that intra-African exports and imports during 2004–2006 accounted for just 8.7 percent of total exports and 9.6 percent of total imports (UNCTAD 2009). Intra-African exports during 2007–2011 accounted for just 11 percent of total exports, compared with 50 percent intra-developing Asia, 21 percent intra-Latin America and the Caribbean, and 70 percent intra-Europe trade (UNCTAD 2013).

Another characteristic of Africa’s trade is that it imports mainly from outside the continent, with the majority of imports from advanced countries. Such huge importation from outside the continent implies that Africa pays more to the rest of the world in trade than it pays its own countries. This deprives Africa of some revenue that it could use to develop, as more trade within Africa would imply more internally generated funds to support the integration process and development of the continent. According to Yeats (1999), there have not been any remarkable changes in trade that can suppose that regional and economic integration in Africa have transformed economies of the continent. This is because it is through trade that countries may get the necessary financial resources to transform their economies. Olubomehin and Kwawonishe (2004) argue that the slow pace and low trade among African countries is as a result of the fact that most countries produce mainly raw materials for which there is virtually no demand in other African countries.
However, these countries are more interested in finished products that can largely be gotten from the developed countries.

The different stages of development and particular policy focuses of development of the various African countries constitute a hindrance to regionalism and economic integration. For such integration to be made possible and successful, certain levels of growth and development are set to be attained. These levels of growth and development come mainly in the form of achieving certain macroeconomic benchmarks. The quest for regionalism and economic integration cannot be attained unless there is sustainable macroeconomic convergence, which includes programs intended to enhance policies and strategies to ensure that member countries achieve monetary cooperation, secure macroeconomic and financial stability, and intra-regional trade (BIS 2010). Macroeconomic convergence emphasizes setting benchmarks for some fiscal and monetary indicators, namely inflation rate, budget deficit, public debt, and external current account balance (Maruping 2005). The problem, however, is that while a country such as Ghana may be pursuing currency stability against its major trade currencies, Nigeria might be battling with inflation rate. Regional and economic blocs on the continent are highly associated with remarkable differences in tariffs, inflation rates, exchange rates, debt-to-GDP ratios, monetary growth, deepening of financial markets and institutions, and other relevant macroeconomic factors necessary to enhance economic integration (Kumo 2011). This hinders and slows the pace of integration.

In assessing macroeconomic convergence for EAC member countries for the formation of a monetary union in 2015, Kuteesa (2010) indicates that macroeconomic convergence has been very slow. She concludes that the formation of the monetary union by 2015 faces a tremendous challenge because the countries involved are struggling and are far from attaining the convergence benchmarks set for them. For the WAMZ, in the ECOWAS region, the attainment of economic convergence for the formation of the same currency among the countries involved has been very slow. This has forced the date of formation of the WAMZ to change several times (Sakyi 2013), initially from 2005, then to 2009, and most recently to 2015. It has thus been difficult for all countries to attain convergence at the same time for the formation of monetary unification. This suggests that the formation of AEC might be a mirage if convergence is an accurate indicator.

Conflicts present another important challenge that is hindering regionalism and economic integration in Africa. The efforts of the AU, ECOWAS, IGAD, SADC and all other regional economic communities in conflict resolution in Africa must be commended. Despite these efforts by the regional economic communities in resolving and ending conflicts in Africa, conflicts are still prevalent on the continent. It is very difficult for countries to be fully integrated when they still engage in conflicts. Regionalism and economic integration can be attained in an environment of peaceful co-existence among and within countries in a given sub-region (Anangwe 2004). From coups d’état to election misunderstandings, political turmoil has generated conflicts in Africa. Recent examples of political conflicts may be found in São Tomé and Príncipe (2003), Guinea-Bissau (2003 and 2012), Mauritania (2005 and 2008), Madagascar (2009), Niger (2010), Mali (2012), Egypt (2013), and Central African Republic (2013).

Earlier discussions on the subject of regionalism, economic integration, and conflict were through the “liberal peace” view held by earlier political scientists such as Kant, Angell, and Schumpeter.
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(see Lee and Pyun 2009). Proponents of this theory hold the view that tight bilateral economic interdependence between countries reduces the use of “military force in interstate relations” (Lee and Pyun 2009). They explain that a state that relies heavily on another state in terms of trade has a lower incentive to provoke its trading partner to war. In view of this, integration and the deepening of the economic relations between countries in a regional bloc should reduce conflict. Notwithstanding the efforts by the various regional blocs in Africa to deepen interstate relations through regionalism and economic integration, there are still cases of conflict on the continent. Utilizing a large panel of data from 1950 to 2000, Lee and Pyun demonstrate that an upsurge in trade among countries and global trade openness encourage peace. This supports the liberal peace view.

The major worry related to these conflicts in Africa is the devastating consequences they have on development and lives. With conflicts, countries tend to invest in ammunitions and combatants at the expense of the pressing needs of agriculture, health, education, and other infrastructure facilities. Conflicts lead to the loss of precious manpower (resulting from death, excessive migration, and the creation of refugees) and property. As Cilliers (2003) notes, an estimated 40 percent of Rwanda’s people were either killed or displaced as a result of war. Development and peaceful ambiance are also needed for smooth regionalism and economic integration. Notably, in the 1990s, ECCAS underwent a period of inactivity owing to armed conflicts and the absence of a regional mechanism for conflict prevention and management in most member states (Awoumou 2008).

In July 2013, Egypt overthrew its first democratically elected president and this has resulted in the loss of lives and destruction of property. We have seen in the past similar conflicts in Liberia, Côte d’Ivoire, the Democratic Republic of Congo, Rwanda, Burundi, Somalia, Ethiopia, and Eritrea, among others (Draper 2010). Such conflicts ravage economic prospects of countries initiating the conflicts and also on neighboring countries (Collier et al. 2003). The implication is that conflicts pose dangers to the entire region where these conflicts start. During the political upheavals in the last election of Côte d’Ivoire, its trade with Ghana was hard hit, though Ghana is an independent country and had no hand in the upheavals. Goods and people from Ghana and other countries in the region were denied entry into Côte d’Ivoire. Perishable goods perished and some contracts were abrogated. These definitely adversely affected all economies involved. Conflicts therefore have the potential of restricting trade and narrowing markets. Political and economic destabilizations are the inherent consequences of conflicts.

A recent addition to the causes of conflicts in African countries is terrorism. Wanta and Kalyango (2007: 436) define terrorism as “the unlawful use or threat of violence by disgruntled factions or extremists who have an ethnic, social, religious, or political agenda against state actors, or a group of citizens, with intentions to intimidate, frustrate, or coerce a government, individuals or groups, or any sector thereof.” However, to Cilliers (2003: 91), it is the “unlawful, or threatened, use of violence against individuals or property to coerce and intimidate governments or societies for political objectives.” According to the United States Institute of Peace, the Horn of Africa is the greatest point of entry of terrorism in Africa because it provided refuge to terrorists,

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9Notably Democratic Republic of Congo, Nigeria, Somalia, Sudan, Kenya, Mauritania, and Mali
including Osama Bin Laden in the 1990s (USIP 2004). This refuge led to terrorist attacks in the region, including the famous deadly attacks on Americans in Sudan and Kenya in 1993 and 1998, respectively (USIP 2004). Terrorism has been exported to Africa as a result of people’s dissatisfaction with some ethnic, religious, social, or political systems (Wanta and Kalyango 2007). To Dagne (2005), severe poverty, corruption, and political, religious, and ethnic tensions make Africa a very attractive destination of terrorism, which is now rampant in countries like Nigeria, Somalia, Mali, and recently Kenya. These acts of terrorism pose dangers to the development of these countries and the success of regionalism and economic integration.

It is very difficult for countries plagued by conflicts and terrorism to catch up with the requisite development needed for complete integration. For example, while a country like South Africa will be using its resources to tackle health issues, Mali will be investing its scarce resources in ammunition to combat conflicts and terrorism. These divert scarce resources that could have been used to pursue development and champion regionalism and economic integration.
OPPORTUNITIES AND POSSIBILITIES OF DEEPENING REGIONALISM AND ECONOMIC INTEGRATION IN AFRICA

In spite of the multiple challenges to regionalism and economic integration in Africa, there exist numerous opportunities and avenues that the continent could exploit to form a united Africa to its advantage. It has been the hope of many economists and policymakers that a united Africa will offer more opportunities to Africans in terms of growth and development compared with the solo efforts of individual countries. According to Olubomehin and Kwawonishe (2004), integration is not just about political decorum, but rather is an inevitable strategy of survival and development. Countries thus adopt regionalism and economic integration for motives that are rooted in economic, political, and socio-cultural gains. Indeed, gains exist in a number of areas and sectors, particularly the power and energy sectors, the manufacturing sector, and in public-private partnerships.

It is important to note that coordination and collaboration in the energy sector will help mitigate the power crisis that has been the bane of many African countries, particularly those in sub-Saharan Africa. Indeed, potential exists in Western, Southern, Central, and North Africa for power and energy generation. Stenzel and Sara (2013) report that exports of just 0.3 percent of North Africa’s desert solar power potential could serve the entire Europe–Middle East–North Africa (EU–MENA) electricity demand. How much more of Africa, where there are fewer industries compared with Europe? WEC (2005) further states that significant benefits could be amassed from the development of the power and energy markets on a regional basis. This is a possibility because linking national petroleum and electricity industries can help mobilize private and domestic investments by the expansion of the market size for power and energy in Africa.

In addition to solar energy potential, the continent is also well endowed with hydropower generation potential that needs to be exploited. Very little of Africa’s hydropower potential has been exploited despite its huge water resource. According to the FAO (2008), Africa has exploited just about 20.3 GW of its hydropower generational potential of 76,000 GW per annum. Democratic Republic of Congo, with its Congo River, has the potential to boost the electricity capacity of the whole continent (Tshombe et al. 2007). Within this context, the proposed Grand Inga Dam Project in Democratic Republic of Congo, with expected generating capacity of 39 GW and a completion date slated for 2020, is a move in the right direction. In particular, the project is considered a sustainable antidote to the problem of power deficit for many countries in the SADC region and the entire continent (Kadiay 2013). However, given the many constraints usually involved in such projects, we believe that a united Africa could boost, and even extend, such huge investment projects to other regions, especially given that this project will absorb only 20 percent of the energy requirement of the continent by the year 2020. African leaders should thus focus more on the potential of regional power and energy integration to hasten the integration process for a united Africa. This is crucial because as WEC (2005) notes, regional power and energy integration in Africa will lead to: (i) improved security of supply; (ii) higher economic efficiency; (iii) enhanced environmental quality; and (iv) a wider deployment of renewable energy resources.
Another crucial area a united Africa could exploit for its benefit within the power and energy sector is oil and gas. Africa is gradually becoming an oil and gas hub, and for that matter, issues regarding oil and gas should be of regional concern, considering their growth and development potential. We advocate for the adoption of what UNCTAD (2013) calls a “developmental regionalism” strategy with the continent’s oil and gas resources. Developmental regionalism could be seen as cooperation and coordination among countries transcending the conventional trade liberalization and integration processes to cooperation in investment, research and development in areas such as industry, and infrastructural development. We urge African leaders to regionally apply this strategy in the oil and gas industry to the benefit of all Africans.

It is important to note that if decisive measures are not taken, Africa’s oil and gas resources will benefit other continents more than itself. The continent has a substantial amount of oil and gas resource that, if exploited strategically, can help boost growth within it (AfDB 2009). Africa has approximately 124 billion barrels of oil reserve, an estimated 100 billion barrels awaiting discovery offshore, and some 509 trillion cubic feet of natural gas reserves (KPMG 2013b). Currently out of the 54 African countries, several of these are either oil producing or in the process of becoming oil producers. East Africa/tops the latest discoveries with five countries (Madagascar, Tanzania, Mozambique, Uganda, and Kenya) recently having found oil in commercial quantities. In 2010, Africa’s oil production accounted for approximately 12.4 percent of global crude oil production (KPMG 2013b). Keen interest in the oil and gas industry has attracted many multinational oil and gas corporations to the continent. These multinational corporations include ExxonMobil, Total, Royal Dutch Shell, Anadarko, BG Group, Statoil, Petrobras, GalpEnergia, Tullow Oil, Kosmos Energy, Ophir Energy, Cove Energy, Pancontinental Oil and Gas NL, and Premier Oil. It is interesting to note that almost all of these multinational corporations are of foreign origin, and the oil produced is often not refined on the continent.

Why are African companies not more involved in oil and gas exploration? Huge investment is involved, and only a united Africa could create such opportunities for indigenous companies in the areas of oil exploration and refinement. Most of the oil produced in Africa is exported unrefined and then re-imported refined at an extra cost for domestic usage. Huge opportunities thus exist in the oil and gas industry for Africa, and African leaders must wake up to utilize these resources and opportunities for the good of the continent’s growth and development. The creation of regional refineries to engage in the production of these products would have tremendous impact on revenue generation and employment for the development of the continent. An existing project within this context worth mentioning is the West African Gas Pipeline, a natural gas pipeline that supplies gas from Nigeria to ECOWAS countries Benin, Ghana, and Togo. Such projects could be enhanced by strengthening regionalism and economic integration in Africa.

As earlier argued, trade among African countries is minimal; however, there is a far higher volume of trade with developed countries. This causes a huge movement of funds from Africa to other parts of the world. African countries could empower themselves to produce and trade

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10The oil producing countries are: Algeria, Angola, Cameroon, Chad, Democratic Republic of Congo, Republic of Congo, Côte d’Ivoire, Egypt, Equatorial Guinea, Gabon, Ghana, Kenya, Libya, Madagascar, Mauritania, Mozambique, Niger, Nigeria, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Tanzania, Tunisia, Uganda, and Zambia.
more among themselves most of the things they need. This can happen only through capacity building, massive infrastructure development, and introduction of new approaches to free trade agreements. Many challenges, including the high cost of transportation, lack of interconnectivity among countries, tangled bureaucracies, lack of trade finance, undue delays at the ports, and the production of primary commodities, among others, have been enumerated as the factors impeding trade in Africa.

African countries import almost everything they consume from abroad. Lately, China has become a giant trade partner of Africa, beating countries such as the United Kingdom and the United States. The Chinese have flooded African markets with cheap and usually shoddy products. The greatest challenge of production in Africa is industry. Africa has to embark on a tremendous industrialization project to ensure that it produces for itself. Africa produces primary products for export to countries outside the region and, as with oil, re-imports these products converted into semi-finished and finished products. Ghana and Côte d’Ivoire, for example, have for decades been exporting their cocoa to regions outside Africa and importing products (such as cosmetics, cookies and candies) made of cocoa from these countries. It is worth mentioning that the government of Ghana has in recent years made strides toward increasing value addition in the cocoa industry. One of the major goals of the Ghana Cocoa Board in the cocoa industry is to export at least 50 percent of its cocoa as processed (Essegbey and Ofori-Gyamfi 2012). This value addition intention has seen the emergence of government licensed cocoa processing companies like the Barry Callebaut, Afrotropics, Cargill, and Archer Daniels Midland. In addition, the government privatized the Cocoa Processing Company, which currently operates with improved capacity. These companies undertake primary processing (paste, butter, nibs) and secondary processing (chocolate, cocoa beverages, cocoa powder, chocolate candies, and ice cream) for local consumption and export (Essegbey and Ofori-Gyamfi 2012; Asante-Poku and Angelucci 2013). Although these efforts are commendable, we believe that the 50 percent export target for processed cocoa as a major goal of the Ghana Cocoa Board is a bit on the low side. Why not export all cocoa products processed? We also believe that such policies could be extended to several other primary commodities that are often exported unprocessed. It is important to note that the sustainability of this value addition policy could be enhanced even more within a united Africa, as this will open up a larger market for such opportunities. Africa will even earn more from its trade with the rest of the world if it is able to convert its primary products to semi-finished and finished products before exporting.

It should be clear at this point that measures have to be put in place to ensure increased trade within the continent, given how crucial this requirement is for effective regionalism and economic integration. The low intra-African trade can also be explained by low preference of Africans for made in Africa goods. Two major factors believed to be preventing Africans from patronizing made in Africa goods have to do with cost and quality. One way of ensuring effective intra-African trade to reduce cost is through the development of the transport system. A well-developed transport system will ensure the easy movement of people and goods across the region, which will translate into a cheaper cost of moving goods and people, as well. Sensitization of Africans to consume made in Africa products is also much needed in this trade campaign. With respect to the textile industry, some countries in Africa, such as Ghana, have adopted made in Africa wear on Fridays. Although this policy is in the right direction, we believe much more could be done in this area by extending this to all working days of the week. This policy could also be
extended to products in other industries. This is crucial because it is through a high demand that producers take advantage of economies of scale to produce at a lower cost. With regard to quality, measures have to be put in place to ensure the production of quality products. This can be done by empowering the institutions charged with the maintenance of standards and quality of goods produced in the various countries.

One other promising area worth exploring is public-private partnerships. Regional public-private partnerships (PPP) have high potential to deepen regionalism and economic integration in Africa. In today’s economic environment, PPPs are defined as “contractual agreements between a public agency or public-sector authority and a private-sector entity that allow for greater private participation in the delivery of public services, or in developing an environment that improves the quality of life for the general public” (Witters et al. 2012: 81). Modern governments often turn to this mechanism to accomplish their responsibilities in the provision of public infrastructure and services (IIISD 2012). Public-private partnerships distribute resources, risks, responsibilities, and rewards between the public and private sectors, which allows governments to overcome fiscal constraints and fill the funding gap in modern infrastructure (UNCTAD 2013).

It is high time for Africa to utilize PPP initiatives to the benefit of the region, as lately the role of private entities in contributing to development cannot be understated. AfDB (2010b) believes the best way African governments can close the present huge infrastructure gap is to open up to all kinds of investors, especially in the private sector. Africa’s government fiscal budgets are often constrained, given the huge infrastructure deficits. Given this unfavorable condition, “infrastructure development by the public sector has often been slow and inefficient. In such an environment, Public-Private Partnerships (PPPs) are an important way forward: they can accelerate infrastructure development by tapping the private sector’s financial resources and its skills in delivering infrastructure effectively and efficiently…” (World Economic Forum 2013: 14). The creation of regional public goods such as road networks, railways, communication facilities, and the amalgamation of combined energy and water projects is critical for boosting regionalism and economic integration in Africa (Keet 2002). This calls for active PPP, as governments alone cannot accomplish this.

There exist vast opportunities in infrastructure development on the continent that could benefit from PPP agreements. Worth mentioning is the PPP agreement between the Lesotho government and private entities to construct a state-of-the-art 425-bed capacity National Referral Hospital to replace the old-fashioned main hospital in 2006 (IFC 2011). UN-Habitat (2010) notes that a PPP agreement helped tremendously in reducing slums from 20 percent to 13 percent between 2000 and 2010 in North Africa. There is also a PPP agreement between Tamoil of Libya and the governments of Kenya and Uganda in the construction of the Kenya-Uganda Oil Pipeline (AU/NEPAD 2009). This project is expected to lead to constant supply and lower energy cost. Mention can also be made of Aliko Dangote’s signing of a deal to invest up to US$ 8 billion to construct Africa’s largest oil refinery in Africa (BBC 2013); this will enable Nigeria to export refined petroleum products. Fully realizing the essence of PPP with the African private sector and efficiently adopting it represents a very good prospect for regionalism and economic integration in Africa.
To sum up, there is the need for Africa to build capacity both at the regional level and at the national level. Capacity building “involves individual and organisational learning which builds social capital and trust, develops knowledge, skills and attitudes, and when successful, creates an organisational culture which enables organisations to set objectives, achieve results, solve problems and create adaptive procedures which enable it to survive in the long term” (DFID 2013:3). The very nature of regional blocs in Africa emphasizes the importance of capacity building of the RECs and the individual countries. Chiumya (2009) suggests that capacity building programs should be focused on the institutional set up and human resource abilities of Customs authorities in Africa. This indeed is a commendable proposition given that Customs authorities are frequently baffled by the interpretation of different rules of origin, owing to the multiplicity of membership in RECs in Africa. Sako (2006), however, identifies the need to strengthen institutions at the national level. He advocates the strengthening of various foreign affairs and trade ministries and national trade policy centers in order to harmonize their national policies with regional policies. If Africa’s integration is properly structured and implemented, it could strengthen its capacity to participate in world trade (Sako 2006).
CONCLUDING REMARKS

Regionalism and economic integration can be described as an effort by a number of countries to integrate with the objective of coordinating and enhancing their geopolitical, sociocultural, and economic interactions for mutual benefit. Regionalism and economic integration, like globalization, have become worldwide phenomena that have come to stay, and Africa must not be an exception. The study has identified that (i) the rationalists theory of neorealism and neoliberalism, (ii) the social constructivism theory, and (iii) several theories of economic integration are key in explaining regionalism and economic integration in Africa. Nevertheless, theories of economic integration that share some parallels with neoliberalism theory and focus on trade, economic interdependency, and monetary, fiscal, and political policy coordination are seen to be at the forefront of regionalism and economic integration in Africa.

Despite the undeniable fact that regionalism and economic integration in Africa have achieved some successes, most of the regional and economic blocs are plagued with several challenges. Notable among these challenges are transportation and mobility of factors of production, limited intra-African trade, multi-memberships, macroeconomic divergence, and conflicts that have slowed down Africa’s ultimate vision of attaining full integration. Though the challenges are problematic, and have to a large extent slowed down Africa's ultimate vision of attaining full integration, there are glimmers of hope for regionalism and economic integration of Africa. Solace could be found in the lightning speed and enthusiasm with which leaders of the continent ratified the Consultative Act of the AU, the Pan African Parliament, and embraced the NEPAD. Perhaps they now understand the urgency and prospect of a united Africa.

As the study has shown, opportunities and possibilities of deepening regionalism and economic integration in Africa exist in a number of areas and sectors, particularly the power and energy sectors, the manufacturing sector, and in public-private partnerships. These opportunities could be explored to hasten the pace of regionalism and economic integration in Africa. In addition, it is incumbent on leaders of the continent to wake up and provide the conduit for all institutions of African integration to fully function to achieve the broad goals of regionalism and economic integration in Africa.
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### APPENDIX

#### Table 1: African Countries and Regional and Economic Groupings

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