Overview on the African Regional Processes

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Abstract

Regional integration in Africa is deemed as fundamental by many of the continent’s policymakers and as a result, there is growing support for regional integration in Africa amongst the continent's international development partners and African elites. The success of regional integration, development & cooperation and social policy are dependent on multilateral regional associations of nations. However, little progress has been made, and one of the challenges and criticisms of the institutions’ efforts towards achieving the African Integration Agenda, is overlapping membership.

The paper examines the AU and RECs structures and role as regional integration bodies. Then, the research discusses and evaluates the challenges, and these regional bodies encounter six decades later. The research asserts that genuine progress towards deeper and swifter integration can only be attained through the active support and participation of Member States.

Keywords: African Union, regional policy, regional integration, Regional Economic Communities

JEL: R0, R58

Introduction

Regional integration initiatives have proven to enhance economic growth, especially in western economies. Regional economic integration was introduced in African nations to join forces in an effort to par with the western countries. However, since the formation of the Organization of African Unity (OAU) in 1963, African economies did not fully acknowledge the role of regional integration (Madyo, 2008). Realization of Africa’s delay in progress in terms of poverty eradication, low share of world trade, poor human capital development, and generally slow economic growth led to the formation of the African Union (AU) in 2002 to promote unity in spurring economic development and promoting international cooperation. The continent currently hosts numerous regional trade agreements (RTAs) or trade blocs, many of which form integral components of more comprehensive regional integration initiatives (Nagy, Káposzta, & György, 2018).

Regional integration has considerable potential for driving more robust and equitable economic growth as well as promoting poverty and unemployment reduction in Africa. Experience has shown, however, that these opportunities only result from the careful harnessing of the opportunities for deeper regional integration (Kayizzi-Mugerwa et al. 2014). African regional integration has had a remarkable new beginning since the formal beginning of the African Union in 2002. Currently, African region-building efforts are going through a formative period comparable to the period Europe went through between the mid-1940s and the mid-1950s. As Haas (1970), stated that regional integration even among the European Union (EU) members faced a significant level
of resistance from within particular countries. People are reluctant to let foreigners into their economy for fear of trained cultural attributes, and suppression of local production among other shortcomings.

Following the Treaty of Abuja, in force since 2004 and envisaging an African Economic Community in six stages by 2028 and following the New Partnership for Africa’s Development (NEPAD), since 2002 a mandated initiative of the African Union including NEPAD’s unique African Peer Review Mechanism (APRM) for the measuring of good governance, the AU has become the frame for a new African regionalism. The new beginning in African integration was impressive, promising and creative. Amidst the African crisis, a new beginning became inevitable. The term “African Renaissance”, introduced by South Africa’s President Thabo Mbeki, became the proud expression of a new vision. It was echoed by initiatives to better link economic development, social stability and political security with the need to redefine Africa’s own responsibility and a stronger popular ownership in the future of the continent (Kühnhardt, 2009).

In a general sense, regional integration induces heightened competition within local markets, subsequently fostering enhanced productive efficiency and convergence in prices across countries and regions. This integration also serves to facilitate the dissemination of technological inovation, empowering nations to contend with more advanced economies on the global stage. Furthermore, it establishes incentives for governments to adopt less distortionary domestic policies and exercise more disciplined macroeconomic management. Additionally, regional integration can incentivize economies of scale, enabling the development of supply capacity and bolstering competitiveness. Through the strategic development of regional infrastructure, Africa can address critical gaps, connect 1.2 billion people in the continent, most of whom are youth, and implement reforms conducive to cross-border trade, investments, financial flows, and migration (Magoke & Oke, 2023). Achieving greater and deeper integration holds the potential to bolster food security by promoting increased intra-African trade in food products, fostering the development of international production chains, and enhancing value addition within Africa (Kayizzi-Mugerwa et al. 2014).

Despite six decades having passed since the commencement of Africa’s integration initiatives with the establishment of the OAU, minimal advancements have been achieved. Numerous impediments have been encountered in the pursuit of integration, and there are various reasons why the ongoing approach to integration is yielding unfavorable outcomes. Achieving regional integration in Africa proves challenging due to factors such as the need for State building in certain states, inadequate basic infrastructure hindering integration efforts, interstate rivalries hampering cooperative arrangements, insufficient financial and technical resources for integration objectives, debt and Western dependence constraining resource utilization, uneven distribution of integration benefits discouraging collaborative efforts, deficient governance and institutional frameworks essential for integration implementation, and uncontrolled population growth strain- ing public service provision alongside integration goals, among other challenges (Chingono and Nakana, 2000).

Because of the limitation of this being a desktop study, the author contributes an overview of the current African economic regional integration. Our attention to the regional integration agenda in this review briefly highlights the challenges that exist on the continent while discussing opportunities that exist. This review aimed to raise awareness and provide a basis for further research. Further in-depth analysis using case studies would help contribute to ongoing research in this area. The paper discusses the regional integration theories in relation to Africa; explores the origins of the AU and its integration agenda for Africa; examines the RECs and AU’s integration agenda in relation to EU. The research asserts that there needs to be coherent and efficient coordination.
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between RECs and the AU for enhanced regional integration in Africa. The achievement of deeper and swifter integration can only be realized with the active support and participation of Member States.

Theoretical Overview

Various theories on regional integration provide insights into the phenomenon based on different schools of thought. The significance of these theories lies in their ability to elucidate the historical evolution and present condition of an integration cluster, as well as to make predictions about its future status. Initially developed to comprehend European integration, the prominent theories include Neofunctionalism and Intergovernmentalism. In recent times, the emergence of the New Regional Approach (NRA) introduces a contemporary perspective to explain regional integration. The NRA theory stands out as a noteworthy addition to the existing theories.

The New Regional Approach (NRA) emerges as a significant framework for understanding and explaining contemporary regional integration, particularly in the context of Africa. In contrast to traditional theories such as Neofunctionalism and Intergovernmentalism, the NRA offers a fresh perspective that addresses the unique challenges and dynamics of regional integration on the African continent (Hettne & Söderbaum, 1998). The NRA recognizes the evolving nature of regional integration and acknowledges the diverse factors influencing the process. Unlike earlier theories that may have been Euro-centric, the NRA takes into account the specific historical, economic, and political contexts of African nations. It emphasizes the need for flexibility in adapting integration strategies to the multifaceted realities of African states (Hettne & Söderbaum, 1998).

A key feature of the NRA is its consideration of non-state actors and bottom-up processes in driving integration. This aligns with the complex socio-political landscape of many African countries, where non-governmental entities, regional organizations, and civil society play pivotal roles. The theory underscores the importance of inclusivity and broad participation in the integration process (Hettne & Söderbaum, 1998). Moreover, the NRA recognizes the significance of economic diversification and sustainable development within regional integration efforts. It goes beyond a narrow focus on political cooperation and economic union, taking into account the socio-economic challenges faced by African nations. This holistic approach aims to ensure that integration efforts lead to tangible improvements in the quality of life for the citizens of participating countries (Hettne & Söderbaum, 1998).

Methodology

To fully address the aims of this review, various pieces of accessible “grey” literature were explored using a content analysis. This primary method of data collection included analysing documents that made reference to the “African regional integration”, “economic integration”, or “regional governance”. This method was adapted from Bueger (2015), who used a three-tier approach to examine a governance “buzzword”. This process entailed the examination of three crucial aspects of regional integration: the way the term is seen and used in comparison to other concepts (regional integration as an ideology), what is considered as a component of the regional integration (determining the scope of the regional integration), and best practices in regional integration (adopting regional integration) [14]. The majority of the literature that was analysed consisted of policy documents, conference proceedings, position papers, academic articles, and governmental reports, which were derived from two primary methods:
1. A broad web search for scholarly literature using the terms “regional integration” and “African Union.”
2. A targeted web search of known agencies, organizations, and non-government organizations actively involved in regional integration (e.g., the African Union, African Union Commission, the United Nations Economic Commission of Africa, etc.). Nonetheless, this is not the complete list but an attempt to show the ongoing dialogues in the regional integration grey literature from Africa.

In total, 21 policy documents from the AU regional integration were used in this analysis. To better address the identified gaps in this review, the findings were further supported by examining published scholarly literature from academics researching the development of the regional integration in other regions of the world. The different ways that the term “regional integration” is utilized and understood in different scholarly literature was examined by means of a content analysis. This process involved repeat coding and grouping recurring themes or concepts found within abstracts and introductions of each document.

**Results**

**Continental integration: OA to AU**

The integration of the continent has gone through different stages. The development of the idea of pan-Africanism was the first stage, followed by the second, the founding of the Organisation of African Unity (OAU), in 1963. The establishment of the AU in 2002 began the third stage. However, the AU was formed precisely so that there could be pan-African solutions for African problems, and it should therefore resume ownership and become accountable to its members. The building of the AU into a viable institution is still work in progress. The challenges identified here notwithstanding, the organization is putting in place institutional and normative infrastructure in the economic, peace and security, and political fields that will surely deliver Africa to the promised land of continental integration (De Melo et al., 2015).

However, an objective reality evolved, namely the consensual recognition of real regional integration as the frame for a new beginning in Africa’s development. This consensus was based on a notion of African unity that was no longer related to an anti- or post-colonial definition of Pan-Africanism. For the century ahead, Pan-Africanism was to be achieved by means of regional integration. Regional integration is no substitute for reforming the nation-state across Africa. Successful regional integration requires a solid preparation of each member state of a regional grouping (Kühnhardt, 2009). The most comprehensive argument for region-building in Africa is twofold: Region-building is the reaction to the limits of autonomous state activities in generating and distributing public goods. At the same time, region building provides the means and the potential to enhance the actor-ness of Africa as a whole and of all of its societies and states in the age of globalization. Regional integration is about the pooling of limited resources and the advancement of distributing public goods under the global conditions of the twenty-first century. In order to increase the sense of ownership and the degree of inclusivity of citizens in the life of Africa, regional integration provides an additional level of governance and the management of public affairs. Region-building is about building up tools to better generate public goods and objectives for a more sustainable distribution of public goods. But region-building only works if it is law-based and driven by a common legislation (Kühnhardt, 2009).
The African Integration Agenda

The concept of continental integration played a pivotal role in the establishment of both the OAU and the AU. To comprehend the continental integration envisioned by the AU, it is essential to refer to the Abuja Treaty of 1991, officially known as the Treaty of the Establishment of the African Economic Community. This treaty outlines the framework for the African Economic Community (AEC), a structural outcome aimed at achieving full regional integration across the continent, as outlined in Article 2 of the Abuja Treaty. The ultimate goal is to realize a unified economic and monetary union encompassing the 55 Member States of the AU.

An assessment of progress toward the AEC indicates that the continent is far from attaining this objective. The establishment of the AfCFTA in 2018 signifies that the organization is currently positioned at the third stage of the six-stage plan. Notably, it lags behind the stipulated deadlines for achieving the AEC within 34 years, with the timeframe not exceeding 40 years from the initiation of the treaty in 1991. In addition to overarching integration objectives, the AU's Agenda 2063 outlines sector-specific integration goals. The African Multidimensional Regional Integration Index (AMRII) serves as an evaluative tool, measuring regional integration across eight dimensions: trade integration, infrastructure integration, free movement of persons, social integration, financial integration, monetary integration, environmental integration, and political and institutional integration (African Union, 2021a, p.12). The AMRII assesses the implementation of the African Integration Agenda as outlined in both the Abuja Treaty and Agenda 2063.

AU and EU

Africa can draw inspiration from Europe as it charts its path toward economic regional integration. The disparities in economic development across regions, a challenge faced by both continents, can be addressed by learning from Europe's experiences (Olivier, 2015). Despite setbacks such as the Eurozone crisis and uncertainties within the EU, Europe has persevered in its integration efforts (Laurent, Mignolet & Meunier, 2009). Since the establishment of the African Union (AU) in 2002, there have been indications of Africa following a similar trajectory to Europe-an regional integration. The institutional features adopted by African regionalism efforts, mirroring those found in European integration processes, demonstrate the potential for transfer and convergence between the two continents. The strategic partnership sealed between the EU and the AU in 2007 further solidifies their close collaboration (Fioramonti & Matteis, 2016).

While Pan-Africanism defines Africa as geographically consistent, Europe's geography and identity are in flux. Nevertheless, the cultural ties provided by Pan-Africanism could serve as a rhetorical cloak to unite Africa, despite divisions and a lack of a common approach to governance (Cerutti and Lucarelli, 2008). Learning from the European experience, Africa should focus on fostering a common approach that transcends mere rhetoric and contributes to economic entanglement and social cohesion. The comparison between the AU and the EU reveals institutional differences and distinct historical integration experiences. Africa's initial emphasis on strong sovereign states hindered the progress toward deeper integration, much like the challenges faced by certain European countries before joining the EU (Olivier, 2015). The need for trust, commitment of resources, and the willingness to share decision-making are crucial for successful integration.
**RECs as Regional Integration Bodies**

RECs represent the most visible and direct mechanisms for fostering regional integration across the African continent. These communities are established by states to collectively pursue shared objectives. Each REC is guided by specific goals that vary based on its formation, with some emphasizing trade, others focusing on peace and security, and others targeting environmental concerns. Despite their diverse objectives, the RECs share a common overarching goal of fostering unity among the countries within a given region. They serve as the predominant and tangible means for achieving regional integration in the different sub-regions of Africa.

The notion of regional integration is not novel to Africa, as historical precedents include early cooperation agreements such as the South African Customs Union (SACU) established in 1910 and the East African Community (EAC) formed in 1917. SACU, comprising South Africa, Lesotho, Swaziland (present-day Eswatini), and Botswana, emerged under the auspices of colonial powers in southern African countries. Meanwhile, the EAC of 1917 initially operated as a customs union between Uganda and Kenya, later welcoming Tanganyika (present-day mainland Tanzania) in 1927. These early RECs were driven by the common objective of stimulating economic growth within their respective regions (Magoke & Oke 2023).

**Hinderances to the Regional Integration Agenda**

The drive for regional integration in Africa, despite being initiated six decades ago with the formation of the OAU, has encountered significant challenges, leading to limited progress. The economic underdevelopment, poverty, political instability, and armed conflicts persist across the continent, hindering the realization of substantial regional cooperation and integration. Unlike the EU, which serves as a successful example of integration, Africa's integration process remains stagnant, primarily due to minimalist sub-state and intergovernmental cooperation (Laurent et al. 2009). The continent's diverse socio-political and economic landscape, coupled with the historical context of post-colonialism, has influenced the approach towards integration. While the EU and AU share some structural similarities, Africans are wary of perceived 'Eurocentrism.'

The second phase of African integration witnessed a shift towards sub-regional economic cooperation driven by market-oriented strategies. The creation of economically viable sub-regions, such as North Africa, West Africa, East Africa, Central Africa, and Southern Africa, aimed to enhance economic survival, renegotiate global positions, and attract foreign aid. Despite the formal establishment of RECs like UMA, ECOWAS, CAEC, COMESA, and SADC, the practical implementation of ambitious integration plans has been hindered by challenges stemming from Africa's post-colonial history (Olivier, 2010).

Efforts to revitalize Africa's economy in response to post-colonial economic failures emphasize the need for revised development strategies focused on sustainable, self-reliant development. However, achieving economic integration that fosters African solidarity and reduces dependency on foreign aid has proven challenging (Olivier, 2010). African governments often prioritize short-term political interests over the long-term benefits of regionalism, perceiving economic transformation as costly and risky. The lack of political will and leadership, combined with a tendency to freeload on others' efforts, further complicates the realization of effective regional integration in Africa.
Challenges of RECs

The RECs in Africa, envisioned as key drivers of economic regional integration, face formidable challenges stemming from political motivations, geographical constraints, and an unequal distribution of gains. Despite the potential efficiency gains in integrating the small, sparsely populated, fragmented, and isolated economies across Africa, the lack of complementarities among partners, diminishing returns to resource exploitation, and the uneven distribution of resources have hindered the success of regional integration policies (De Melo & Tsikata, 2015). The pursuit of a 'linear model' of integration, encompassing stepwise integration of goods, labor, and capital markets, has faced obstacles such as the delayed completion of goods markets integration due to the absence of adjustment funds addressing imbalances across partners (De Melo et al. 2015).

Moreover, the unequal distribution of gains has impeded progress, particularly with the 20th-century model of regional integration in Africa, marked by an exchange of market access at the expense of outsiders. The traditional 'linear model of integration' has largely overlooked behind-the-border measures to reduce trade costs, hindering progress until recent times. In the 21st century, regionalism in Africa is shifting towards a new bargain, emphasizing domestic market reforms in exchange for Foreign Direct Investment (FDI) and participation in the global value chain. However, the historical focus on barriers to goods trade, neglecting the importance of addressing impediments to trade in services, has been criticized in light of the changing global economic landscape (De Melo et al. 2015).

The intricate relationship between the AU and RECs adds complexity to the integration agenda. Challenges arise from a lackadaisical approach to the legal aspects of economic integration and a conflation of economic integration with political unification. Policymakers' reliance on the newly established African Union Commission on International Law is indicative of a need for a more nuanced consideration of legal issues in economic integration. Furthermore, the intertwining of economic integration and political unification hampers effective institution-building and may not serve the true needs of integration. Addressing the legal aspects of economic integration in Africa, divorced from political unification agendas, is crucial for the success of regional economic integration efforts (Frimpong Oppong, 2010).

Regional economic integration challenges

Regional economic integration has been a longstanding aspiration for African countries, aiming to foster the free movement of goods, services, people, and capital across national borders. Despite the consensus on the benefits of economic integration, progress has been slow and characterized by episodic developments (Kayizzi-Mugerwa, Anyanwu & Conceição, 2014). Since gaining independence approximately 50 years ago, African countries have sought to achieve regional economic integration as a means to enhance their competitiveness and address economic disparities (Kayizzi-Mugerwa et al. 2014). However, the path to deep integration, involving the removal of trade barriers, harmonization of policies, and regional value chain development, has faced numerous obstacles (Draper & Nene, 2015).

A key strategy has been the strengthening of RECs, which play a pivotal role in advancing economic integration (Ben Hammouda et al., 2009). RECs have streamlined their mandates, considered closer political unions, and established platforms for potential monetary unions in East and West Africa. RECs have played a significant role in promoting regional integration. The creation of regional trade blocs and the establishment of a continental free-trade area reflect the commitment to intra-African trade. The AU's transformation from the Organization of African Union in
2002 marked a continental shift towards a unified integration agenda (Arthur, 2017). Access to regional markets and participation in sophisticated regional value chains can enhance competitiveness and facilitate graduation into global markets. Regional integration provides a solution to the constraints imposed by small national economies, promoting export competitiveness, product diversification, and economic growth (Tavares & Tang, 2016).

Despite efforts, challenges persist, including infrastructure limitations and the need for coordinated policies to address diverse impediments (Hasse, 2013). Specifically, despite the repeated commitment of African governments to achieve regional economic integration, national priorities consistently take precedence over regional objectives. Consequently, the implementation of these commitments has frequently faced substantial challenges, if not insurmountable barriers (Ben Hammouda et al. 2009). Effective progress in regional integration necessitates the consideration of policies seemingly unrelated to this goal. For instance, the persistence of high transportation costs in many African nations can be attributed to quasi-monopolistic trucking sectors shielded by regulatory measures (UNDP, 2011). Addressing this issue falls within the purview of regulatory reform and competition policies, where improvements in infrastructure and border procedures alone cannot rectify the problem (Asante, 2016).

Furthermore, progress has been hindered by soft and hard infrastructure constraints (especially poor or non-existent road and rail networks), paucity of productive capacity, non-tariff barriers, slow implementation of agreements, and overlapping memberships in RECs. Currently, there are 17 regional trade blocs on the continent (with overlapping memberships), of which eight are officially recognized by the African Union. The latter are considered by the African Union as the building blocks of the future African Economic Community as laid out in the Abuja Treaty that came into force in May 1994. The limited role of the private sector and impediments to external market access further complicate the integration process (UNCTAD, 2013; Kayizzi-Mugerwa et al. 2014). Ernst & Young (2012) have observed, most African economies are still unable to produce the types of goods (essentially manufactured) that they demand (especially the middle class): in 2011, just 8 percent of Africa’s demand for machinery, electrical and electronic equipment, vehicles and ships/boats was met from African suppliers. Also, Africa’s weak industrial base limits demand for its abundant commodities: in 2011, almost 75 percent of Africa’s total exports consisted of four categories of hard commodities, only 6 percent of which were absorbed regionally (Kayizzi-Mugerwa et al. 2014).

RECs could establish policies for democratic governance, transparent management of natural resources, fair competition, and uniform labor standards. Initiatives like the tripartite agreement between EAC, COMESA, and SADC exemplify the broadening regional integration agenda. Kayizzi-Mugerwa (2014) suggests that the continent will require a significantly increased number of business professionals. Regional financial institutions, exemplified by the African Development Bank, will need to enhance their endeavours and demonstrate greater innovativeness in fostering regional integration throughout the continent. A multitude of possibilities exists, encompassing the implementation of dedicated regional integration strategies and policies, engagement in lending, grants, and technical support activities, facilitation of new partnerships and regional initiatives through direct brokerage, exemplified by the African Development Bank’s Africa Fund, and active advocacy in both regional and international forums (Foster & Briceño-Garmendia, 2010).

Lastly, recognizing the importance of knowledge as a key driver of technical progress and regional growth, the text concludes by highlighting the role of human capital. Investments in human capital, as conceptualized by Theodore W. Schultz (1902-1998), is crucial for sustainable development and economic growth. Drawing on growth theories and emphasizing on knowledge as the
key to technical progress. Investments in human capital is a crucial factor in economic development, and there is a need for continuous learning and knowledge creation. The human factor, particularly knowledge, is identified as an indispensable condition for technical progress and overall development. The analysis above raises questions about the how much is invested in human capital in Africa to support economic integration if commitments to regional integration is not prioritised.

**AU-Recs Relationships on Regional Integration**

The African Union functioning as a coordinating entity, has played a pivotal role in providing platforms for RECs and Member States to convene and deliberate on the progress, challenges, solutions, and strategies for advancing integration. Trade integration has seen notable advancements as the AU, in collaboration with the RECs, has not only encouraged inter-REC integration but has also worked towards fostering continental trade integration through initiatives like the African Continental Free Trade Area (AfCFTA). Additionally, in the realm of peace and security, the coordinated efforts between the AU and RECs/Regional Mechanisms (RMs) contribute to conflict prevention and resolution at various levels—State, REC/RM, and AU—enhancing over-all effectiveness (Magoke et al. 2023).

However, it is crucial to acknowledge that the AU’s impact on sub-regional integration has not always been positive. The top-down approach, diminishing the authority of RECs/RMs, undermines their influence within their respective sub-regions (Magoke et al. 2023). This is particularly evident when AU decisions and mandates do not align with those of the RECs/RMs, leading to criticism and undermining of the latter by the AU. Despite occasional conflicting interests between the AU and RECs in implementing their integration agendas, the achievement of deeper, more efficient, and effective integration necessitates enhanced coordination and collaboration between these institutions, rather than their separate and isolated efforts. Therefore, there is a pressing need to intensify efforts aimed at fostering better coordination between the AU and RECs/RMs.

**Conclusions**

The study on the overall regional integration in Africa has delved into regional integration theories pertinent to the continent. It has explored the integration agenda of the AU, scrutinized the RECs, and critically examined the shortcomings of the integration agendas six decades later. The examination revealed that the complex relationship between the AU and RECs adds another layer of challenges, involving a lackadaisical approach to legal aspects and a convolution of economic integration with political unification. Furthermore, despite the potential benefits of regional integration on the continent, various factors such as political motives, geographical constraints, and an uneven distribution of gains have impeded progress. To expedite progress, both the AU and RECs need to enhance, fortify, and expedite their coordination efforts. Coherent and efficient coordination, supported by well-crafted and implemented regulatory frameworks, coordination activities, principles, and instruments, is imperative for realizing integration objectives.
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