The African Union and Regional Economic Integration

Following the wave of independence which swept the African continent in the 1960s, integration schemes became an increasingly important tool for facilitating economic growth and development in recently decolonised African economies.  Visionary leaders such as Ghana’s Kwame Nkrumah advocated for full continental integration as a necessary means to ensure Africa be taken seriously on the world stage, especially as it prepared to take its place as an independent actor in the global economy.  Furthermore, integration was viewed as imperative to address and restructure the skewed neo-colonial relationships and trading practices which had, in the past, maintained Africa’s overreliance on primary commodity exports.

Although this was one motivation for the establishment of the [Organisation of African Unity (OAU)](https://www.sahistory.org.za/topic/organisation-african-unity-oau) in 1963, severe limitations and constraints within the organisation meant that it was just about able to fulfil its primary mandate of ensuring liberation on the continent before it was dissolved and succeeded by the African Union in 2002.  However, the OAU did make a significant stride towards the goal of regional economic integration; in 1991, the organisation adopted the Treaty Establishing the African Economic Community (AEC), also known as the Abuja Treaty, aimed at promoting continental unity through harmonised economic and security policies within Africa’s regional economic communities (RECs).  The Abuja Treaty was again adopted by the [African Union (AU)](https://www.sahistory.org.za/article/african-union-au), which considered regional economic integration to be a flagship project in driving economic development on the continent.  Regional integration is considered the

process where two or more countries in a particular area voluntarily join together to pursue common policies and objectives in matters of general economic development or in a particular economic field of common interest to the mutual advantage of all the participating states.

According to the Abuja Treaty, regional economic integration is to be achieved in stages:

Stage 1: creating new RECs and strengthening existing RECs (by 1999)

Stage 2: stabilizing barriers to regional trade (by 2007)

Stage 3: establishing a free-trade area (FTA) and a customs union for each REC (by 2017)

Stage 4: coordinating tariff and non-tariff systems among RECs (by 2019)

Stage 5: establishing an African Common Market and common policies among RECs (by 2023)

Stage 6: establishing an African Central Bank, creating a continental monetary union and electing the first Pan-African Parliament (by 2028)

The framework of the Abuja Treaty has provided for the existence of eight Regional Economic Communities (RECs) in Africa’s five sub-regions; the Arab Maghreb Union (AMU), the Common Market for Eastern and Southern Africa (COMESA), the Community of Sahel-Saharan States (CEN-SAD), the East African Community (EAC), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS), the Inter-governmental Authority on Development (IGAD) and the Southern African Development Community (SADC).

Together with the Abuja Treaty, the AU also adopted the New Partnership for Africa’s Development (NEPAD) in 2001, advanced by former South African President Thabo Mbeki, with the aim of “repositioning Africa globally, eradicating poverty and placing the continent on the road to sustainable development” (Landsberg, 2008:211).  NEPAD provides a framework which stresses the imperative role played by the abovementioned RECs in the effort to address Africa’s development and integration challenges, as RECs are considered the primary agents designated to implement NEPAD’s agendas and programs.  NEPAD emphasises the importance of African ownership and leadership, based on a neo-liberal framework which encourages privatisation, liberalisation and deregulation.  NEPAD seeks economic development through the attraction of foreign-direct investment (FDI) from highly industrialised countries.

The AU is therefore expected to act as the primary vehicle for the advancement of regional integration, and for the promotion of Africa’s integration into the global economy.  However, success in this venture has been slow and marred by delay and stagnation.  While certain RECs have made progress in some priority areas such as the establishment of FTas in ECOWAS, ECCAS, COMESA and the EAC, and the launch of customs unions in the EAC and COMESA, the benefits of integration have not been achieved as timeously as was intended.

There are a number of explanations as to why Africa has had trouble integrating economically.  These range from the belief that the inherited structures of the AU subject the institution to the limitations of its predecessor in the form of institutional weakness and resource shortages, to the lack of political will on the part of REC member states to relinquish control of state sovereignty to a regional body.

**1. Inherited Challenges**

The project of regional integration has been, according to scholars such as Mohammed (2008:61) and Gottschalk and Schmidt (2004:141), complicated by the fact that the AU has inherited structures from the OAU which were “chronically weak and burdened with financial deficit.”

Concerning to Gottschalk and Schmidt (2004:141), for example, is the fact that the AU Commission acts simply as a secretariat and without powers of its own, inhibiting its efficiency and capacity as it is only mandated to serve as a technical resource as opposed to an organ of implementation.  This power remains largely in the hands of member states that make up the Assembly.

While several provisions are made for the Pan-African Parliament in Article 17 of the Constitutive Act, the organ remains limited and incapable of effectively fulfilling its mandates.   Mbete (2008:308) notes that according to the Protocol to the Treaty Establishing the African Economic Community Relating to the Pan-African Parliament, the PAP is required to perform the function of promoting the “coordination and harmonisation of policies, measures, programmes and activities of the regional economic communities.”  This is to be done by means of conducting annual consultative forums between national parliaments, REC parliaments and the PAP, with the aim of contributing to continental integration through facilitating dialogue between member states, RECs and the AU.  These consultative forums, however, have still not come into effect, and concerns have been raised over the PAP having become a forum for ‘talking shop’ with little facilitation or implementation power of its own.

**2. Legal Gaps**

While the Abuja Treaty adopts a framework for regional and continental economic integration that is dependent on the RECs, a major challenge is the fact that RECs are not bound by the Treaty as AU member states are.   RECs exist as stand-alone, legal entities, and While the Protocol on Relations between the African Union and the Regional Economic Communities attempts to legitimise the relationship between RECs and the AU, it “does not create the basis for a binding obligation.”

**3. Resource Shortages**

Funding has been a perpetual source of frustration for the AU’s project of regional economic integration.   Not only are membership fees to inadequate to carry the cost of the AU’s ambitious agenda, but the financial burdens placed on member states to support the AU are not equally distributed.  The few states with higher GNPs tend to bear the financial brunt of the AU’s financial support.  Most member state governments have very little funds available for domestic concerns, and are therefore under significant budgetary constraints themselves: “the continent is so poor that it cannot realistically finance all the multilateral activities necessary.”  Furthermore, the mandate of the AU in facilitating regional integration appears redundant, due to duplications of the projects already undertaken by NEPAD and the RECs.

**4. Sovereignty and Political Will**

A central explanation for the lack of political will on the part of member states to implement regional integration is attributed to neo-patrimonial tendencies, in which “control of the state equates to control of resources and control over power.”  It is then the case that regional integration is, to the neo-patrimonial state, less of a priority than the continuation of personal rule, and translated into a “deep-seated reluctance of African leaders to share voluntarily elements of sovereignty in a regional organisation.”

It is also argued that African governments are unlikely to pursue integration with much seriousness if they do not benefit from integration, giving rise to political indifference.  The issue of foreign aid and aid dependence has continuously been drawn in to the debate on political will, as Bi- and multilateral commitments to aid donors and SAPs may interfere with or take priority over regional agreements.  Aid dependency may lead to the belief that ties to the developed, industrialised world are more beneficial than establishing links with their regional neighbours.  NEPAD, for example, focuses largely on negotiating partnerships with industrialised countries, but has neglected aspects of intra-African cooperation.

Lastly, it has been suggested that the weaker states in a regional arrangement are often more reluctant to participate in regional integration due to suspicion of the regional hegemon (such as South Africa in SADC or Nigeria in ECOWAS).   The tendency to view the big economies as reaping the benifits of regional integration, while the smaller neighbouring states suffer the high costs of integration policies, projects and membership fees (often to multiple RECs) is what underlies the reluctance to implement regional policies.

**5. Overlapping Memberships**

A related weakness in the Abuja Treaty’s legal framework centres on its failure to prevent multiple memberships.  It is suggested that despite the fact that RECs predate the Abuja Treaty, the legal framework of the Treaty should have been appropriately strengthened to prohibit member states from belonging to more than one REC.   While the Abuja Treaty provides for eight RECs in Africa’s five sub-regions, there are currently fifteen regional economic organisations in existence, resulting in inconsistencies, duplication and competition for resources.  This ‘spaghetti-bowl’ membership complicates policy coordination and facilitates confusion and lack of communication between national governments, regional organisations and the AU, resulting in objectives which are incoherent and uncoordinated.

**6. Conflict and Political Instability**

The requirement for peace and security in Africa has been recognised not only by scholars, but also by the AU and NEPAD as a necessary condition for the creation of an environment conducive to regional and continental economic integration.   In comparison with the European Union (EU), for example, the conditions experienced by the integration of Europe were not present at the time of Africa’s independence, and are still lacking.  Constant instability and conflict are not conducive to the effective implementation of regional economic integration, and the recurring nature of these conflicts have negatively affected the ability of RECs, states and the AU to implement integration programmes.  This environment of insecurity forces RECs to halt their integration agendas in order to focus on peace and security, retarding the progress of regional economic integration.  Furthermore, conflict negatively impacts regional integration as a result of spillover effects, spreading to neighbouring states and affecting regional stability and economic prospects.

**7. Lack of Civil Society Participation**

Organs of the AU, such as NEPAD, ECOSOCC and the PAP were created with the intention of fostering civil society participation in regional integration initiatives, although t is recognised that “dialogue on integration so far has generally been monopolised by governments and intergovernmental organisations”.

NEPAD has received criticism for its top-down, elite-driven approach to integration, while  the notion of a ‘partnership’ with the developed world has led to a rejection of the NEPAD integration project by civil society organisations. The concern is that talks on integration are led by big businesses, technocrats and government, which constitutes only a meagre part of society, while the economic desires of the majority of the region’s people go unnoticed and unattended.

A review of the literature surrounding challenges of continental and regional economic integration has thus illuminated the fact that while the AU’s Constitutive Act, the Abuja Treaty, NEPAD and similar frameworks eloquently and vehemently espouse the need and support for economic integration, these theoretical commitments have not fared as well in practice.  Implementation of regional economic integration has been poor, and member states of the AU are in varying stages of implementing the six stages in the creation of the continental Customs Union.  Importantly, the literature has emphasised an underlying lack of understanding, support and political will for integration, not only by governments, but also of civil society.

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