CONSOLIDATING MULTIPLE REGIONAL BLOCS: A CASE STUDY OF THE AFRICAN UNION.

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DECLARATION

This research project is my original work and has not been presented for a degree in any University.

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DEDICATION

This work is a dedication to my dear wife Shi and our two daughters Zawadi and Neema. May you always embrace integrity and brilliance. Special devotion to my loving parents Peter Muigai and Lucy Wanjiru for your unwavering support, mentoring and encouragement. To my younger brothers Patrick and Thomas may this work be a challenge.

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To all well wishers I say God bless!

Abstract

The renewed purpose by African leaders to press forward with Pan-Africanism and to reactivate and rejuvenate African partnership both intra and global is of tremendous historic and economic significance. This study has addressed some fundamental concerns about the proposed AEC through a critical analysis of Pan-African integration, provisions of the treaty and the possibility of achieving a united Africa by 2025. The study also examines the thorny issues of rationalization, cooperation and amalgamation of RECs as building blocks of continental integration under Functionalist theory of regional integration.

Similarly the European Union experience, impediments and apparent success have significantly informed this study. The study has also looked at the record of success and failure and the political economic and administrative hurdles attendant to this process and suggests the way forward. In addition, the study has further assessed how African countries' practice of multiple memberships has constituted an obstacle to the success of regional/continental integration. Issues such as civil strife, conflicts and the lack of transport and communications infrastructure have played a negative role and have delayed progress in regional integration. Such are the challenges faced by the Abuja's AEC which now has been converted into the African Union. In reality these are just some of the lessons and challenges that the AU will have to contend with.

List of Abbreviations

ADF	African Development Forum
AEC	African Economic Community
AEMU	African Economic and Monetary Union
AKNF	African Knowledge Networks Forum
ALF	African Leadership Forum
AMU	Arab Magreb Union
APRM	African Peer Review Mechanism
APU	African Parliamentary Union
ARIA	Annual Report on Integration in Africa
ASEAN	Association of South East Asian Nations
CAP	Common Agriculture Policy
CEMAC	Central African Economic and Monetary Community
CENSAD	Community of Sahel-Saharan States
CET	Common External Tariffs
COMESA	Common Market for Eastern and Southern Africa
CSSDCA	Conference on Security, Stability, Development and Cooperation in Africa
EAC	East African Community
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECJ	European Court of Justice
ECOWAS	Economic Community of West African States
ECSC	European Coal and Steel Community
EEC	European Economic Community
EPA	Economic Partnership Agreements
EU	European Union
FDI	Foreign Direct Investments
FTA	Free Trade Area
GATS	General Agreements on Trade and Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product

IGAD	Intergovernmental Authority on Development
MEDA	Mediterranean Agreements
MERCOSUR	Central American Common Markets
NAFTA	North Atlantic Free Trade Area
NEPAD	New Partnership for Africa's Development
OAU	Organization of African Unity
OECD	Organization for Economic Cooperation and Development
RECs	Regional Economic Communities
RIAs	Regional Integration Agreements
RICs	Regional Integration Communities
RTAs	Regional Trade Agreements
SACU	South African Customs Union
SADC	South African Development Community
SEA	Single European Agreement
SSA	Sub-Sahara Africa
UEMOA	l'Union Economique et Monetaire a Quest Africaine
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
VAT	Value Added Tax

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CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND TO THE STUDY

The African Union has set for itself the ambition of building, by the year 2025:

"A united and integrated Africa; an Africa imbued with the ideals of justice and peace; an inter-dependent and virile Africa determined to map for itself an ambitious strategy; an Africa underpinned by political, economic, social and cultural integration which would restore Pan-Africanism its full meaning; an Africa able to make the best of its human and material resources, and keen to ensure the progress and prosperity of its citizens by taking advantage of the opportunities offered by a globalized world; an Africa engaged in promoting its values in a world rich in its disparities.[1]"

Africa's quest for unity has always remained a compelling need. From the 1945 Manchester Pan-African Congress to Lagos Plan of action (1980-2000) culminating in 1991 with the Abuja Treaty, Africa's integration agenda continues to unfold. The Abuja Treaty roadmap proposes to unite Africa in six phases spanning 34 years. The first phase focuses on strengthening RECs to become effective building blocks for African Union. The second stage within a period of eight years focuses on stabilization of tariff and non-tariff barriers while the third stage encompasses the establishment of customs unions. The fourth stage entails the coordination and harmonization of tariff regimes among RECs. The fifth stage envisages the African common market while the sixth stage consolidates into African economic community the basis of African Union.

Accordingly, six RECs within the continent were designated as the main building blocks for such a continent-wide integration initiative.[2] The OAU summit of 1997 designated: the Arab Maghreb Union (AMU), the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS), the Southern

[1] **Vision to Action (2000)**; The key challenges for 2007; A recap of the vision of the African Union

African Development Community (SADC), and the Intergovernmental Authority on Development (IGAD) as the building blocks of African Union.

Elsewhere the all-encompassing trend towards regionalism in the rest of the world such as the EU, NAFTA, LAFTA, the ASEAN, and MERCUSOR is indicative of the pervasive influence of integration.[3] For developing poor countries and Africa in particular, regional integration is essential in confronting the challenges of globalization especially political and economic marginalization. Algerian President Abdelaziz Bouteflika has pointed to two particular "virtues" of regional economic integration. It can reduce the costs of developing essential infrastructure, including transport, communications, energy, water systems and scientific and technological research, which often lie beyond the means of individual countries. At the same time, integration facilitates large-scale investment by "reinforcing the attractiveness of our economies and reducing the risks." Thus the need for Africa's continental integration is likely to intensify rather than diminish in the future.

1.2 STATEMENT OF THE PROBLEM.

This study is premised on the multiple regional arrangements in Africa a phenomenon that has aptly been described as "the spaghetti bowl"[4] against the proposed 34-year Abuja Treaty timetable. The central problem therefore, is whether the 34-year integration framework as envisaged by the Abuja Treaty is tenable in the context of Africa's multiple regionalisms.[5] Commenting on the problems associated with multiplicity of membership and the duplication of institutional structures, the ADB notes: "A situation in which most eastern and southern African states belong to more than one sub-regional organization

[3] see **E. Fajana** ; Economics of integration in an article appearing in the African Perspective Quarterly 2002
[4] What **Bhagwati (1995)** called the 'spaghetti bowl'. ... Multiplicity of regional organizations in Africa).
[5] **Sulinan Yousif 2000** 'Progress of Integration in the ECOWAS region' asks "Do we need to reconfigure... integration in Africa? Should RECs be given supra-national authority to enforce common decisions?

(and in some instances, three) has led to conflicts of allegiance and divided loyalties which must, sooner rather than later, be decisively resolved[6]." Given the large number of protocols, 29 under the Abuja Treaty, and differing protocols of constituent RECs, the realization of a united Africa in 34 years remains a challenge. Coordinating and harmonizing the activities of these RECs remains a critical concern of the Africa's integration agenda. The apparent multiplicity of RECs tends to dissipate collective efforts towards the common goal of the Africa Union and may lead to counterproductive competition among countries and institutions. A country belonging to many RECs not only faces multiple financial obligations but also must cope with other attendant commitments[7]. Moreover, many RECs have yet to align their treaties with the AEC Treaty[8]. As noted earlier the Abuja Treaty is premised on the consolidating RECs, which is a cardinal imperative of the African Economic Community in creating a strong and legitimate supranational authority-'The African Union.'

1.3 OBJECTIVES OF THE STUDY

This research is anchored on the following objectives;

i. To find out if the proposed 34 years six-phase evolution of the African Union is viable.

ii. To assess the institutional capacity of the current African Union structure.

iii. Finally the study will assess the transferability of the European Union integration model to African Union.

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6 **African Development Bank AfDB**, 1993, p.254

7 **Aryeetey and Oduro 1996** quote McCarthy as arguing that "**it is difficult to envisage** how SADC and COMESA.... can live and prosper with overlapping membership of Southern African countries."

8 **Sub regional blocs as Regional building blocks**

1.4 JUSTIFICATION/ SIGNIFICANCE OF THE STUDY.

In Africa the processes of economic integration at the continental, regional and sub-regional levels form a complicated web, and amount to institutional disarray[9]. The main thrust of this study therefore is to investigate the reality of uniting Africa's multiple RECs within the six-phase 34 years timetable as stipulated by the Abuja Treaty. According to a study conducted by ARIA 2002[10] Africa's integration agenda has ineffective coordinating and monitoring mechanism. "The regional and sub-regional economic communities do not neatly fall in line with the design of the AEC Treaty of a co-coordinated and progressive process that systematically evolves into the AU."[11]

Thus this study will contribute to the existing body of knowledge done by other scholars and institutions as well as draw new insights to African continental integration. The study will also find out if there is need to align RECs and identify missing gaps in the African unification process. Furthermore the study will shed light on the way forward in streamlining the process of integration in Africa. Finally the study will attempt to answer the question: Is the 34-year integration period adequate to realize African Economic Community? These are issues of critical concern in light of Africa's myriad problems against the overt desire for integration by the people of Africa. Empirically the study will evaluate the significance of European Union model and integration theories on the African context and propose the most suitable approach for Africa as well as proffer veritable recommendations.

[9] See article entitled 'History and prospects for Regional Integration in Africa by **Prof. Adebayo Adedeji**. CFR at the 3rd meeting of the African Development Forum Addis Ababa 5th March 2002

[10] ARIA draft report on the preliminary findings of more than two years of ECA

[11] see article 88 of the treaty establishing AEC- Attempts at a solution to streamline this network of organizations.

1.5 HYPOTHESES

The road to African Economic Community will traverse the Abuja time frame and requires a veritable institutional framework. The multiplicity of RECs, regional and political conflicts as well as other problems facing Africa today will to a great extent determine the pace and success of consolidating African economies and governments. Principally the process will also draw lessons from other integration cases, particularly the European union. These thematic lines will anchor the study hypotheses.

i. The six-phase Abuja timetable spanning 34 years is adequate time to realize African Economic Community.

ii. The current African Union framework has the institutional capacity for continental integration.

iii. The EU model is not transferable to the African integration milieu.

1.6 LITERATURE REVIEW

Ernst Haas defines integration as a process;

"Whereby political actors in several distinct national settings are persuaded to shift loyalties, expectations and political activities toward a new center, whose institutions possess or demand jurisdiction over the pre-existing national states."[12]

In view of this definition the universe of integration is all encompassing and embraces social, political, economic, security and cultural dynamics of a nation-state and her partners. In this context therefore pertinent issues and past studies on African integration such as theoretical and empirical underpinnings of integration, multiplicity of membership, institutional capacity, impediments and financing form the thematic lines of this discourse.

1.6.1 Theoretical foundations of Regional Integration

The theoretical foundations of conventional approaches to regional integration date back to three important schools of economic thought in the 1960s: neoclassical economics, theory of comparative advantage and development economics. The earliest theoretical work on regional integration emanated from the theory of comparative advantage in international trade and the interest of liberal economists in promoting the reduction of tariff and non-tariff barriers to trade. At issue was the choice of modalities for implementing such policies and the effectiveness of regional integration as a mechanism of trade liberalization.

[12]Haas, Ernst (1958) The Uniting of Europe. Stanford : Stanford University press p.16

The recent integration initiatives are often referred to as 'new regionalism' to distinguish them from the 'old regionalism' practiced in the 1960s and 1970s. The first wave may have faltered, but it seems that the second wave is here to stay. The lack of success, 'first time around' can be attributed mainly to three shortcomings: a misplaced focus on inward-looking economic policies, the absence of basic preconditions, and weaknesses in institutional design. During the 1960s and 1970s, the key development strategy was import-substituting industrialization using high protective barriers. The main theoretical justification for tariff protection was the 'infant industry' argument. The view was that, in order to gain a manufacturing foothold, local companies should have protection from established foreign competitors. At the same time, people were over-optimistic about the capacity of governments to plan economic development. High tariffs were needed to support import substitution, but they also became a useful source of funds for the rapidly expanding public sector. This inward-looking trade policy was reinforced by restrictive foreign exchange policies, which led to overvalued currencies.

Because most developing countries had small economies, it was felt that import substitution would have a better chance if pursued at a regional level and this led to various integration schemes. One element underpinning this approach was regional industrial planning. The idea was that industries would be shared out among participating countries, on the basis that they would then go on to supply the whole regional market. The reasons for the failure of this strategy were massive underutilization of production capacity and a lack of competitiveness. It did not encourage technical innovation and acted as a strong disincentive for export activities. This, however, only partly explains the failure of the first wave of integration. Even if inefficient, one might reasonably expect such a strategy to increase intra-regional trade, but there is little evidence that this actually occurred. There were clearly other problems as well.

Regional integration can only succeed if certain economic and non-economic preconditions are fulfilled. Important aspects here include structural stability (peace and security), the rule of law, good governance, and macroeconomic and monetary stability. In many of the countries that participated in the 'first wave' of regionalism, one or more of these preconditions were lacking. Two examples suffice to illustrate the problem. The absence of good governance can lead to a battery of irregular non-tariff barriers, which restrict the flow of goods across national borders within a region. And if there is conflict or civil strife in one of the member states, it is hardly realistic to expect any meaningful progress towards economic integration.

Variously regionalism has been proposed as an efficient means of fostering closer political and economic co-operation eventually enhancing the participating states' prospects for economic development. Economic integration may be formed at different levels. Starting from the simple arrangements of a free trade area, where two or more countries may form a customs union, a common market, an economic union and/or (ultimately) a political union. Each of the above levels of economic integration requires their own distinct level of commitment and degree of harmonization of policies on the part of member countries. Irrespective of the type of economic integration established, however, all have the following common ultimate objectives. They all seek to benefit from trade creation, economies of scale, product differentiation, and efficiency gains. Regional integration is also expected to reduce vulnerability to external shocks induced by fluctuations, instability, and uncertainty in the rest of the world. Viner's classic article on the subject pointed out that regional economic integration could lead to either "trade creation" or "trade diversion"[13] By reducing trade barriers between neighbouring countries, customs unions and free trade areas could promote economic efficiency in the

[13] **Viner 1950**. Custom Union issue

allocation of resources by contributing to the gradual strengthening of international trade. However, the emergence of such economic entities could also promote trade "diversion" and become a source of economic inefficiency, if the most competitive producers of a particular product suddenly found themselves excluded from the regional market as a result of the customs union.

Though the specific requirements vary on the type of economic unity established, regional integration as a process involves the merging of industrial structures, economic and administrative policies of member countries. Such a process is motivated by the recognition that national welfare could be enhanced in a more efficient way through such partnership than by adopting unilateral policy at each country level. As an extension of this basic principle, therefore, free trade among two or more countries will improve the welfare of the member countries as long as the arrangement leads to a net trade creation in the Vinerian sense.[14] This however serves to provide only a limited practical insight to regional integration.

The Economic geography model[15], which attempts to explain the determinants of regional concentration of economic activity, is yet to be fully explored and its practical relevance tested (particularly in the African context). The basic idea of Krugman's hypothesis is that under assumption of increasing returns to scale, economies of scale and trade cost considerations determine the location of economic activity. The implication of this hypothesis for regional integration in Africa is that regional blocks could enhance economies of scale by locating a production activity in one location rather than each activity in each country. Some scholars[16] argue that one of the reasons for the failure of regional integration in Sub-Saharan Africa (SSA) is the fear of some countries.

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[14] see Jacob Viner 1950 Seminal contribution on integration
[15] Krugman's (1991)
[16] Foroutan, 1993, for instance

particularly the poor ones, that, the few industries they have may migrate to relatively more advanced neighbours. Therefore, while the basic principles of trade theories provide us with some general insights, they fall short of serving as practical guides in managing integration disparities in Africa. For instance, the above briefly cited trade theories raise the following outstanding issues.

Firstly, the standard trade theory is based on comparative advantage, which in turn is premised on each country's relative endowments productivity levels and consumption patterns. The real practical question then is; does this hypothesis provide a useful guide for African economies which (with some exception) could be characterized as producing, exporting and importing goods that could be categorized as substitutes, and not complements?

Secondly, in terms of Krugman's hypothesis of 'economic geography', is the potential migration process of industries unidirectional, or will each participant country benefits equally from such a process?

Thirdly, is it possible to design a compensation scheme whereby countries will be compensated for relocation effects? These and similar questions are at the heart of Africa's regional integration process.

1.6.2 Empirical Foundations of Regional Integration

Limited guidance from the above and similar standard trade theories and the observed lack of progress in the integration process have led some authors[17] to suggest that the focus of regional integration in Africa should be reoriented. In what they referred to as the new paradigm of regional integration, they argue, "regional integration in Africa could contribute to economic growth in a very different way than envisaged previously,

[17] Fine and Yeo, 1997, for instance

namely by helping to underpin stable and sound national macro-economic policies and rapid accumulation of human and physical capital". In addition to reorienting the emphasis of regional integration from trade to macroeconomic coordination, others also argue in favor of focusing on cooperation in infrastructural and natural resource development[18] By contrast, regional cooperation in infrastructure and natural resources is far less demanding. Typically, there are clear gains for all the countries involved in regional cooperation in infrastructure, irrespective of their size and level of economic development.

Another popular model used to evaluate regional integration issues is the gravity model[19]. Whatever its merit, some studies[20] have been carried out to measure the performance of regional blocs in Africa using the gravity model. Though the results of the studies slightly vary, the general conclusion is that regional integration in Africa has been a failure in achieving its objectives of increasing intra-regional trade in particular and fostering policy coordination in general.

The weak intra-regional trade flows and the lack of progress over time despite the multitude of treaties to that effect do warrant further exploration. Should the weak results from regional integration in Africa be attributed solely to lack of (or slow) implementation? Or should it be attributed to some attendant characteristics of African

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[18] (Robinson. 1996). He argues (p. 69) that "the requirements for making reasonably complete forms of regional integration work are demanding: the distribution of gains has to be carefully enumerated, compensation mechanisms established– to make the distribution equitable– and a degree of national sovereignty surrendered in order to achieve the necessary harmonization at the regional level.

[19] This model, as Frankel *et al* (1994) put it, "has a fairly long history and fits the data remarkably well empirically, though its theoretical foundations are limited". One has to add that, since by formulation it cannot capture dynamic gains, the results obtained are far from conclusive.

[20] Among such studies are those of Foroutan and Pritchett (1993), Ogunkola (1994), Elbadawi (1997), and Lyakurwa (1997).

economies[21]? This situation requires empirical investigation beyond theoretical conjectures.

Simultaneous membership of countries in more than one regional group is widespread in Africa (except in North Africa). For instance, in the Eastern and Southern African region, some countries are members of both SACU and SADC and COMESA and SADC at the same time. Similarly in West Africa, many countries that are members of ECOWAS are also members of UEMOA. Various scholars[22] argue that multiple memberships is a hindrance to regional integration since, among other things, it introduces duplication of effort. The issue here is whether sub-regional groups are serving as building or stumbling blocks to a continent-wide integration? Attempts at a solution to streamline this network of organizations must be found but it must be cautiously worked out, keeping in mind the political sensitivities involved.

1.6.3 Rationale for Regional Integration in Africa

Many African countries attempted to form some form of a common front in the political and economic arena following independence. The formation of the OAU and the regional economic cooperation arrangements could be viewed in that context. Further, recognition that their respective economies were small in size, with poor infrastructure, vulnerable to external shocks and dependent on limited primary commodities for exports also contributed to the rationalization of regional cooperation as a means for a successful structural transformation of African economies. Cultural ties and colonial heritage largely dictated the basis of the cooperation (French speaking countries of West Africa and EAC member countries of East Africa are good examples).

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[21] which led Foroutan and Pritchett (1993) to conclude that even in the absence of trade restrictions, the scope for trade among African countries is "intrinsically" modest? If so, does this suggest the need for a new approach to regional integration?

[22] For instance, Aryeetey and Oduro (1996) quote McCarthy as arguing that, "It is difficult to envisage how SADC and COMESA, given their convergence to both sectoral cooperation and trade integration, can live and prosper with the overlapping membership of the Southern African countries".

Additionally, in recent years, the formation and reasonable success of many regional blocks in other parts of the world, the end of the cold war, economic liberalization, democratization and globalization have given further impetus to economic integration. This is widely seen as a way to avoid further economic marginalization of the regions. The regional integration imperative in the face of globalization has been seen as a panacea to issues that impeded progress in the past. The pertinent question is, whether the prospects for establishing a successful continental integration scheme are better now than what has been observed so far? The answer to this question, of course, depends on the extent to which African leaders (and other stakeholders) are ready to overcome past constraints and adopt approaches that are conducive to faster integration.

Three main views on RIC in Africa have been distinguished.[23] The first is optimistic and suggests that most African countries are emerging from crisis and are going through a period of transformation in which regional cooperation has much to offer[24]. A second view suggests that, irrespective of the economic situation and whether or not the preconditions for effective RECs are present, cooperation is essential for longer-term sustainable development. This conviction goes beyond Africa and is most clearly seen in the growth of trading blocs such as the EEC, NAFTA, and MERCOSUR. In this scenario, the argument is that Africa must accelerate its cooperation and integration processes if it wants to compete with other parts of the world. The Abuja Treaty of June 1991 that established the African Economic Community is the most recent attempt by African leaders to fight the growing marginalization of Africa on the international scene.[25]

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[23] Geert Laporte: Regional cooperation and integration in Africa; An agenda for action at the national level. Maastrict 20th April 1993.
[24] CIDA. 1991 A vision for Africa in the 21st Century.
[25] OAU, 1991

The third, and most skeptical view is that integration, although desirable, is unlikely to take primacy in the near future until African economies are stronger. The argument is that periods of economic weakness are not the best time to formulate plans to promote intra-regional trade, liberalize national markets, establish multinational sectoral linkages, and to harmonize macroeconomic policies on a regional or sub-regional basis.[26] Governments in these situations are under pressure to sort out their domestic crises before addressing regional issues.

In a nutshell there are several constraints to integration schemes, not only in Africa but elsewhere in the world. Although most integration schemes in Africa have aimed at achieving a common market, hardly any schemes have graduated towards that goal. Most schemes are dynamic in the initial phase but subsequently; implementation and ratification problems beleaguer them.[27] COMESA has however made some notable progress towards the formation of a customs union by adopting a timetable for the introduction of a common external tariff (CET) and launching a common tariff nomenclature. ECOWAS and IOC have formally introduced free trade areas, accompanied with the partial removal of tariffs. Nevertheless a number of studies[28] have observed that achievement of integration schemes has been minimal and intra-regional trade flows have not grown to any significant levels. On the other hand SACU is distinguished among all regional economic communities for the record of transcending the complete elimination of tariff and non-tariff barriers. SACU is peerless on another score: the overwhelming proportion of its intra-community trade relative to total trade—a status other regional communities can only aspire to in the very distant future. In contrast, the average share of intra-REC trade for the rest, relative to their total trade, barely

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[26] (Bax Nomvete, 1992)
[27] (Langhammer and Heimenz 1991, Hardy 1994, Aly 1994, Mshomba, 2000).

[28] including those by Hardy (1994), Lyakurwa (1996), Aryeete (1996)

approaches ten percent, a very difficult act to emulate by others. By virtue of South Africa's presence in its midst as a critical economic engine, the experience of SACU lends credence to the proposition that the presence of a more developed and dominant economy in a REC serves as a catalytic pacesetter for others to follow in the process of regional integration.

1.6.4 Experiences of managing economic disparities

While regional integration is associated with many advantages arising from trade within larger markets and economies of scale, there can also be internal tensions. Industries and other economic activities may cluster in more attractive locations for business. These locations may be better in terms of market access, supply of business services and access to supplies of intermediate goods and services. A number of authors[29] have underscored the importance of equitable distribution of gains and losses from integration. In a number of reviews, the failure of the original EAC has been linked to the perceptions of skewed distribution of benefits associated with the integration process.

Principally compensation remains a key issue especially in cases where some economies are large and their manufacturing sectors are more diversified than those of its partner members. This problem has led to the search of appropriate mechanisms through which it can be mitigated. These mechanisms include direct compensation of weaker partners through such instruments as budgetary rebates, and establishment of a development fund. Others include; regional programmes fund, investment in common services as well as built in safe guard measures such as appropriate rules of origin and support of infant industries in disadvantaged member states. Allowance of gradual adjustment process in which weaker economies are allowed more time to attain set integrated targets (such as complete elimination of tariffs) is also a viable strategy.

[29] (Hazelwood 1975, Segal 1971 and Mistry 1996)

Globally the experiences of integration is quite mixed in terms of managing disparities. While developed country integrations tend to show convergence the picture for developing countries is more mixed, with some examples of diverging performance.[30] There is therefore a case for drawing lessons from those integrations, which have managed disparities with reasonable success. Studies have shown that some integration schemes have achieved reduction of economic disparities and income differentials. Within EU the divergence narrowed by about two-thirds over the period 1950-1980.[31] This convergence is largely attributed to faster growth of the low-income member countries. Ideally convergence is a potential, which calls for policy action in the respective countries themselves in order to realize the benefits from integration. In the case of Greece for instance, it has been suggested that it did not implement the necessary reforms after joining the EU.[32]

In general however, the poorest partners within the EU have tended to do relatively better, a situation, which has resulted in convergence. Four factors have contributed to this situation.[33]

i. The richer countries within the EU have been ready to contribute considerable resources to investment in infrastructure in the relatively more disadvantaged partners.

ii. The decision to concentrate resources in agriculture, at least in the early years, helped to redress imbalances. The Common Agriculture Policy (CAP), though costly, proved efficient in this respect.

[30] World Bank. 2000

[31] (e.g. the EU, Ben-Davia (1993) observed convergence of per capita incomes in the EU). The per capita incomes of Ireland, Portugal and Spain increased from 61%, 49% and 27% respectively of the large EU countries in the mid-1980s to 91%, 67% and 38% in the late 1990s. This convergence, however, by-passed Greece suggesting that the process is not automatic.

[32] World Bank, 2000

[33] (Pooley, 2000).

iii. Investment has shown a tendency to flow towards the poor countries because these countries had low costs and underdeveloped resources. The flow of investments, however, was encouraged by economic and political stability and a sound infrastructure in the wide sense.

iv. The costs that emerged from the process of integration (e.g. closure of inefficient industries and loss of revenue) were addressed. Means were found to cushion the negative short-term effects by encouraging agricultural trade and introducing VAT. This means that alternative sources of revenue were found to make up for revenue losses resulting from reduction of trade taxes.

Naturally economic integration like any change is likely to produce winners and losers. Losers are often better organized than gainers partly because the winners have nothing to protest about and may not want to make too much noise about the gains that are accruing to them. This situation introduces inherent asymmetry of action. Politicians[34] in Europe have however, taken initiatives to identify potential winners and encourage them to be vocal in order to obtain a balanced view of benefits and costs of particular aspects of integration. A better balance would tend to favour continued action towards higher levels of integration.

1.6.5 Impediments to African integration

Among factors holding back the progress of REC integration programmes, the lack of a strong commitment from member states, as reflected in the gap between the adoption of binding treaties and their timely implementation, and the prevalence of regional conflicts and instability. Other related factors frequently cited as impediments to the pace of integration include a myopic priority order of sacrificing higher long-term gains accruing from trade liberalization for short-term fiscal expediency, undermining programmes of tariff reduction with subtler countervailing non-tariff barriers, mutual

[34] According to Pooley (2000)

conflict between high level of structural domestic unemployment and the regional free movement of labour, the absence of a systematic public sensitization programme targeting a broadly-based audience at the grassroots level, unsound financial policy of over-dependence on external support for the implementation of integration programmes, irregularity of financial contributions by member states to the annual budgets of REC secretariats and overlapping membership in too many regional and sub-regional RECs.

The main obstacles in this context however include the following: multiplicity of membership, poor institutional capacity and unfavourable political environment, preference for developed countries markets, problem on sharing of gains and distractive programmes from international development partners.

1.6.5.1 Poor institutional and political environment.

The causes of institutional weaknesses many and can only be summarized here. They includes; the multiplicity of regional organizations, a tendency towards top-heavy structures with many political appointments, failures by governments to meet their financial obligations to regional organizations, a reluctance by countries to cede power and resources to regional secretariats, poor preparation before meetings, political conflicts, little internal consultation between officials and ministers and lack of follow up by sectoral ministries on decisions taken at regional meetings by Heads of State.[35]

For all intents and purposes regional cooperation is an intense political process. No matter what the rhetoric, political leaders jealously guard their sovereignty and are unwilling to reduce the power and authority of the state.[36] When governments and politicians do not benefit from cooperation, they will not pursue it seriously. Another

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[35] see Bax Nomvete: Economic cooperation in Africa (south of Sahara): problems, progress and prospects. Paper presented in a workshop on promotion of Regional Cooperation in Florence Italy February 26-28 1992

[36] Senghor. J.C Theoretical foundations for Regional Integration in Africa 1990

problem for many African countries is the lack of participation by the general public in discussion on regional initiatives. Instead, cooperation agreements are often considered to be the 'private property' of politicians and civil servants.[37]

It goes without saying that primary peaceful coexistence, takes precedence over economic integration at the regional level. The experience of RECs without the benefit of regional stability notably CEPGL, IGAD, ECCAS and MRU confirms that integration programmes are relegated to the back stage as along as political instability and violent conflicts, both within and between member states, take the front stage.

1.6.5.2 Obstacles to intra-Africa trade

Of the countries on the continent, 39 have a population less than 15 million people while 21 have populations fewer than 5 million. Small populations and low incomes limit the size of Africa's domestic markets. Despite recent growth in recent years, incomes remain low, with the bulk of the population in many countries living in absolute poverty. Thirty-two countries have per capita incomes below $500 a year or 10% of the world average of $5000.[38] And while Africa contains 12% of the world's population, it produces just 2% of its output. This disadvantages Africa's trade potential and actual trade volumes thus jeopardizing its viability as a trading bloc.

On this backdrop the World Trade Organization and various North-South trade and economic arrangements, such as the Cotonou Agreement and the African Growth and Opportunity Act, as well as various schemes for generalized systems of preferences, have provided market access opportunities for exports from Africa. Access to developed country markets has been such a priority that in contrast African regional markets have received relatively low priority. It is established now that South-South trade provides important market opportunities and is in fact increasing at a faster rate than North-South

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[37] Bax Nomvete 1992

[38] World Bank 1999

trade.[39] South-South trade, including intra-Africa trade, should be considered an important and basic component of market access opportunities for individual African countries. The scope of economic integration in Africa does include the creation of intra-Africa and intra-regional infrastructure in the broadest sense, to facilitate intra-Africa and intra-regional trade.[40] Such infrastructure will in turn enhance the international competitiveness of individual African countries and Africa as a region. However the similarity of Africa's produce, lack of elaborate comparative advantages and poor industrial capacity hinders intra-Africa trade.[41]

Apart from poor intra-Africa infrastructure links (roads, communication facilities), intra African trade is beset by pervasive shortage of foreign exchange that discourages formal trade between the African countries.[42] African countries have low foreign reserves to effect payment among themselves. As a result they look for the rich North that can pay in foreign exchange or can offer credit. This has hindered proper trade credit facilities at the regional level such as short-term credit, loans from regional institutions and loans from private financial institutions. However the trend towards acceptance of regional currencies for intra-regional trade offers an outstanding opportunity towards this endevour.

1.6.5.3 Unsatisfactory sharing of gains

Countries join and participate in economic integration arrangements in order to promote their national objectives in the areas of economic development, political stability, cultural and social identity, environment protection, security, and so on. When such national objectives are not pursued in a mutually satisfactory manner among the members, significant difficulties can arise largely based on political and economic considerations. All the treaties on African integration recognize the importance of

[39] World Bank 2000. Trading Blocs. Washington D.C
[40] ECA 1992:8
[41] World Bank 1989:161
[42] Aly 1994

ensuring equity in economic gains for all members. They provide for the establishment of funds or other facilities to specifically target depressed or disadvantaged areas, and generally the less developed members of the organizations. On the whole though, the funds or facilities have not been established, or are hardly operational[43]. The CEMAC and UEMOA model, of designating a bank to collect and disburse development resources, has not been closely followed elsewhere. The Development Bank of South Africa, the East African Development Bank, and the PTA Bank, could also be starting points; but it is important that mechanisms for implementing the provisions on equity in economic integration be operationalized.

1.6.6 Financing regional integration in Africa

African governments and the secretariats of the AU, RECs and sub-RECs routinely deal with a myriad of initiatives from development partners. The initiatives take various forms, including technical co-operation on specific issues, implementation of broad adjustment and poverty elimination programmes, and conflict resolution. African countries and the secretariats have worked closely with development partners on such programmes. Over the years, particularly since the adoption of the Lagos Plan of Action and the NEPAD initiative, it appears that the fate of progress on economic integration programmes has been closely tied to the priority accorded to them by development partners. Goodwill from development partners is welcome and important for the economic integration programmes, and indeed for the economic development programmes undertaken in individual countries. What is required in view of the importance of economic integration as a development strategy for Africa, is that the initiatives should actively support the process of economic integration in Africa, and do so in a manner that promotes coherence among the programmes for economic integration

[43] Foroutan F. 1993 "Regional integration in SSA: Past Experiences and Future prospects. The development banks that operate on the whole do not specifically fit in this scheme of targeting depressed regions and less developed members for action that ensures equity and demonstrates gains from the integration process.

in Africa. If the initiatives from development partners detract from the process for economic integration in Africa, they undermine that process because of the importance attached to the initiatives by individual governments.[44] More specifically, the initiatives should target the obstacles to economic integration and assist in addressing them, particularly through provision of necessary and supportive resources. It is generally recognized that inadequate financing is one of the main barriers to Africa's integration. Whereas resources to support the regional economic communities come mainly from assessed contributions, external assistance has been the prime source of financing their operations. Actual paid contributions have declined over time and external support, in some cases, is no longer as forthcoming and sufficient to meet the needs of the regional economic communities. This disturbing trend needs to be considered against the backdrop of a major shift in the African integration landscape. The inevitable result has been an unhealthy financial situation. Consider the example of three regional economic communities CEMAC, COMESA, and SADC. In some years CEMAC and COMESA have collected less than half the expected contributions of member states. For COMESA and SADC extra budgetary resources have outweighed member contributions. The gap between the needs of the regional economic communities and member contributions is already large, and projections suggest that it will grow.[45]

The financial situation of the afore-mentioned regional economic communities is representative of that of most others:

i. The RECs that require equal contributions from members have to use the capacity of the smallest contributor to set the standard. For these, the budget cannot match needs and may remain too small for a long time.

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[44] Annual Report on Integration in Africa 2002 overview

[45] see Muthanika Bingu in paper presented in a world bank workshop entitled: The role of donor agencies in promoting regional integration; A search for new perspectives 1990

ii. The regional economic communities that base contributions on equity determine members' contributions according to their capacity to pay. While this approach is defensible in principle, over time the major contributors become reluctant to carry the main burden of financing the budget. This led to the collapse of the West African Economic Community (CEAO) when Côte d'Ivoire and Senegal retained funds owed to the organization. Experience shows that these formulas either fail to meet financing needs or become unviable over time. In this regard, the ECOWAS policy of requiring the inclusion of annual contributions to REC secretariat in the annual budget allocation of member states is a best practice that should be emulated by other RECs as a means of ensuring the regular payment of membership fees.

If the Union is to make a decisive difference to the African Economic Community, then the financial institutions envisaged in the African Union Constitutive Act; the African Central Bank, the African Monetary Fund, and the African Investment Bank must be realized and become effective, operational, and sustainable. It is imperative that a holistic financing strategy be put in place that takes into account the short, medium, and long-term financing needs of the African Union, the regional economic communities, and other ancillary entities and technical arms.

1.7 THEORETICAL FRAMEWORK

This study is buttressed on Functionalist theory of integration with Neo-functionalist theory playing a supplementary role. Functionalist theory states that integration results from the need to shift specific functions away from exclusively nation-state control toward supranational institutions.[46] These new institutions would hold the decision making power once enjoyed by the nation-state.[47] According to Mitrany the proliferation of common problems (economic, social, scientific) logically requires collaborate responses from states. He argued that successful collaboration in one particular technical field or functional area would lead to further collaboration in other fields. He called this process ramification. Functionalist strategy of integration entails functional cooperation by participating countries with minimum ceding of national autonomy. It encourages inter-governmental cooperation.[48] Neo-functionalism on the other hand states that the causal mechanism for this transfer is in the increasing complexity of governmental systems requiring a demand for highly trained specialists at the national level who would tend to solve problems at the international level[49]. Neo-functionalism assumes that economic and other welfare concerns are more important than such traditional concerns as national security and interstate rivalry.

Thus industrialization, democratization, modernization, globalization and similar forces have transformed state behavior towards joint collaboration. Seemingly these same forces are now the pedestals on which 'new regionalism' is founded. Neo-functionalists also argue that an integration organization should seek out activities that are specifically defined but also politically important and stresses the development of supranational political institutions, with power superior to that of the governments of the member nations. As the members eventually realize the benefits of the central organization, they

[46] David Mitrany 1975
[47] O'Brien 1995
[48] Lodge Juliet (1983) ed. 'The European Community' Bibliographical Excursions, London.
[49] Haas 1958

cede to the supranational body. The Neo-Functionalist approach posits that regional integration can best be achieved via the creation of specialized administrative institutions at the trans-national level, which demonstrates the relevance of regional integration to member states. This theory has greatly influenced the EU and African Union is fast assuming a similar approach.

1.8 RESEARCH METHODOLOGY

This research project will encompass a critical analysis and appraisal of the proposed six phase evolution of African Union vis a vis the Abuja Treaty and the Constitutive Act of the African Union. This will entail addressing some fundamental concerns about the proposed AEC through a critical analysis of pan-African integration, provisions of the treaty and the possibility of achieving a united Africa by 2025. Thus the methodology derives from a combination of comparative and historical analyses. The nature of data for this study will therefore entail qualitative secondary sources in the form of documents, protocols, treaties and accords across designate RECs. Personal interviews with officials of Kenya's Regional Cooperation ministry and NEPAD regional office in Nairobi will provide much needed insights. Similarly the European Union experience, impediments and apparent success will significantly inform this study. The selection of EU for comparative study is inspired by two factors. First the EU is the world's most advanced regional economic integration. The second factor relates to the subtle and sometimes overt references frequently made in the Abuja treaty to the structure and policies of the EU.[50]

[50] Olufemi Babarinde 'Analyzing the Proposed African Economic Community: lessons from the Experiences of the EU. Third ECSA-World Conference, European Commission 19-20 September 1996.

CHAPTER TWO

AFRICAN UNION -CONTINENTAL FRAMEWORK

2.0 Introduction

This chapter addresses two key areas of focus in the process of politico-economic integration in Africa, namely: the overall integration framework of the process at the continental, regional and sub-regional levels and the main structural obstacles to economic integration in Africa. In Africa African Union is the rallying platform for continental integration, while the OAU Charter and the Constitutive Act spell out the anchoring ideals.[51] The Lagos Plan of Action and the Abuja Treaty establishing the African Economic Community spell out the economic, political and institutional mechanisms to steer the attainment of this goal.

The African Economic Community, as an integral part of the African Union, has been the continental framework for economic integration since 12 May 1994 when the Treaty establishing the Community entered into force.[52] While efforts were being made to operationalize the African Economic Community (AEC) treaty, African heads of state and government took the giant step of signing, in July 2000, the Constitutive Act establishing the African Union whose dual mandate is to accelerate the political and socio-economic integration of the continent.

2.1 Organs of the African Union

Article 5.1 of the Constitutive Act of the African Union specifies that the organs of the Union shall be:

i. The Assembly of the Union;

ii. The Executive Council;

iii. The Pan African Parliament;

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[51] The African Union is therefore the apex institution for political, economic and social integration in Africa, since 26 May 2001 when the Act establishing the Union entered force.

[52] The AEC Treaty, in its Article 6, sets out the concrete programme for establishing the AEC.

iv. The Court of Justice;

v. The Commission;

vi. The Permanent Representatives Committee;

vii. The Specialized Technical Committees;

viii. The Economic, Social and Cultural Council;

ix. The Financial Institutions;

This is an elaborate list, reflecting a model largely drawn from the European Union. The Constitutive Act lays out blueprints for each of these. An appraisal of this structure yields the following observations;

i. *Organizational structure:* The Union cannot function at all without two of the organs, namely the Assembly and the Commission. The Executive Council runs a close third. These are essentially the same organs as under the OAU. However, their governance and administrative responsibilities will be considerably heavier, given the task of setting up and running the other institutions envisaged by the Constitutive Act. If the AU is to truly become a Union, the Parliament and the financial institutions will be key. A genuine motivation and political commitment from African leadership is a critical success factor in this structure.

ii. *Prominence of the institutions:* Theoretically, all are important. However, the importance given to the respective organs will depend on what is seen as the overriding political/economic concerns. Mapping out the components, targets and institutional sequencing of AU is a matter of prime importance. This will offer a much-needed central vision to clarify any duplication or bifurcation of paths. If the principal impetus is for regional economic cooperation and integration, then the Economic, Social and Cultural Council, the specialized committees and the financial institutions should be given more precedence. If the first agenda is governance and democracy, then the parliament and court of justice should be emphasized. Adequate attention must therefore be given to the institutional design and legal framework of these interrelationships to avert institutional disarray. It is of critical importance that member States are active in the design and implementation of the African Union. In this way it will foster a sense of ownership and Member States will be able to address those aspects of the day-to-day functioning of the organization, which will streamline the implementation of decisions.

iii. *Budgetary concerns for AU:* The first issue here is, have the Commission and the other organs been budgeted? And to what extent can their tasks be shared with existing institutions in order to cut down duplication and reduce costs? Second, it is evident that, the AU will be much more expensive than the OAU in terms of its elaborate components and mandates. Where will the resources come from? If these resources are to be primarily membership dues, how will the AU augment its resources in comparison with the OAU, which always had chronic funding problems? Given that most African countries are highly dependent on concessional finance from OECD countries for their basic budgetary requirements, does it make sense for the AU to turn to these governments, or would it be advised to go directly to international aid partners for its financial needs? That in turn, however, has far-reaching political implications for the accountability of the Commission and other organs of the AU. It should be borne in mind that the viability and credibility of the AU will depend critically on its sources of financing[53].

iv. *Technical and manpower requirements for the AU:* One challenge is the expert task of actually designing institutional management systems required. The second challenge is the skilled staff required for managing the institutions themselves.

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[53] Ngu Joseph (1998) Economic Commission for Africa

This may require special training programmes to upgrade the skills of AU staff members. The third challenge is selecting the heads of these institutions, including the Commissioner. In this respect, lessons can be learned from the UN and other international organizations. The AU must be able to attract and retain the very best. However going by previous institutional experiences in Africa especially under OAU the expert task of designing a viable institutional structure, staffing and management system is a tremendous handicap.[54]

i. *Amenability of member governments to AU:* An effective African Union will require substantial changes in the methods of working of member governments, placing additional burdens upon them at the same time as lessening their discretionary powers. Membership of the AU will entail sharing sovereignty in key areas of lawmaking as well as economic measures to lower tariffs and promote economic and financial convergence. There is a pressing need for detailed studies about the additional requirements on member governments. The AU should endevour to acquire independent capacity to contain political interference from members and install acceptable corporate governance.

The central concern underpinning all these considerations is that institution building has eluded Africa, at both national and regional levels. In designing the African Union and building the necessary institutions, it is necessary to review the record of building and sustaining the required governance capacities. In this respect, regional integration can only succeed if certain economic and non-economic preconditions are fulfilled. Important aspects here include structural stability, the rule of law, good governance and macroeconomic and monetary stability. If countries say they want to form a customs union or a free trade area, it is simply taken for granted that they only need a workable scheme on paper. However the actual implementation is a delicate

[54] Towards a united Africa: perspectives on the way forward http://www.uneca.org/adfiii/riefforts/forward.htm

process covering the setting up of realistic targets, negotiation, implementation, control and resolution of disputes. The EU with its strong supranational setup and the recent inclusion of intergovernmental approach to handle foreign and security policy, justice and home affairs under the Maastricht Treaty has managed these challenges with considerable success. For various reasons African countries are not keen on supranationalism and prefer creating weak secretariats with little authority. African Union faces these challenges with its structural organs hampered by lack of resources, political interference and inadequate personnel.

2.2 Continental framework AU, AEC and RECs

Prior to the Lagos Plan of Action of 1980, there was no formal institutional framework of continental scope, apart from the catalytic roles of the United Nations Economic Commission for Africa (UNECA) and the Organization of African Unity (OAU), to provide achievable targets, coordinate, harmonize and monitor the integration programmes of RECs towards a convergent common goal. The institution of the African Economic Community (AEC) by the Abuja Treaty of 1991, designed to accelerate the economic integration of the whole continent by filling the gap, is a significant stride in that direction. The *Treaty Establishing the African Economic Community*, which was signed in 1991 and entered into force in 1994, provides the modalities for the progressive processes of continental economic integration in which regional economic communities form the modular building blocks. The final goal of achieving a fully integrated African Economic Community extends over a transition period of thirty-four years (1994-2027) to forty years (1994-2033), divided into six progressive stages of different duration

The first stage involves the phased elimination of tariffs on intra-REC trade, thus establishing free trade areas. Simultaneously, or subsequently, non-tariff barriers would be eliminated and a common external tariff adopted, forming a customs union. Deeper reform would provide for free movement of goods within the community, free movement of factors of production, thus forming a common market. Finally, economic, social, environmental and other key policies would be harmonized and an economic union or community would be formed.

The process of economic integration in Africa at the continental, regional and sub-regional levels has 14 RECs, in many instances with overlapping membership. Multiplicity of organizations and overlapping membership has institutional and financial implications for members, and if not co-coordinated may complicate the realization of African Economic Community; it may also complicate the process of strengthening individual RECs.[55] What should be required in any case is co-ordination among the RECs and sub-RECs, and co-ordination between them and the AEC/ AU.[56] In structuring the integration process the Abuja Treaty uses the existing major regional groupings as building blocks for integration. In this context, some important questions need to be addressed. (i) How is the process of integration of the various blocs to be approached? (ii) Given country membership of multiple groupings, which have different goals, targets and timetables, in reference to, which should the monitoring be conducted? (iii) Should different targets be assigned to each group or country to implement signed treaties, based on their level of development, or should a common standard be set for all group(s) or countries? The issue of continued overlapping and multiple memberships must also be addressed. These are critical concerns that the architects of AU must first address and seek remedies where necessary.

the AEC will be established through the coordination. [55] In accordance with Article 88 of the Abuja treaty harmonization and progressive integration of the activities of the RECs. To this end, member states are expected to promote this exercise.

[56] The OAU took a decision at the highest level at the OAU Summit of 1997 designating IGAD, COMESA, ECOWAS, SADC, CENSAD, ECCAS, and UMA as the regional economic communities for the various regions that will be the building blocs for the African Economic Community.

The broad consensus inside and outside of Africa for the promotion of regional cooperation and integration is remarkable. The range and the diversity of organizations and governments that are active proponents for regional integration and cooperation in Africa underline the cardinal role that integration is expected to fulfill in the development of the continent.[57] In recent years the Africa Leadership Forum (ALF) has provided trans-continental platforms for these organizations to express themselves on the many issues that are significant for African development. At the Conference on Security, Stability, Development and Cooperation in Africa (CSSDCA) held in Kampala, Uganda in 1991, there was an extensive analysis and synthesis of how to promote regional cooperation and integration for Africa's socio-economic development, security and stability.[58] While reiterating the commitments in the Lagos Plan of Action for regional integration and cooperation, the conference participants declared that "the process of integration is too important to be left to governments alone.... Equally important is the need to encourage and promote active involvement in the integration process of various socioeconomic actors such as trade unions, chambers of commerce, academics, women, youths and other professional associations."

The aspirations of the people of Africa, for a united Africa, will be the basis for any progress in addressing the need for coherence in the processes for economic integration in Africa. The understanding should be that the RECs and sub-RECs are arms and components of the AU and the AEC, and operate as the regional and sub-regional presence of the AU and AEC. The merger stipulated in Article 6 of the AEC Treaty

[57] The President of the African Development Bank, Mr. Babacar Ndiaye, conveyed the consensus of thought when he concluded an address to a conference on Regional Integration in Africa (p.40) by observing "that it is the belief of the [ADB] that economic integration can make a substantial contribution to economic development and social progress in Africa."

[58] The Conference also concluded that "African countries cannot expect to compete or develop individually, in the evolving international economic system dominated by regional economic blocs" (Africa: Rise to Challenge).

would then be implemented in this practical forn. The functions and powers of the coordinating organ should be to reign in the process of African economic integration, co-coordinating and harmonizing it at all levels with the aim of ensuring that they evolve into the AEC within the parameters set out in the AEC Treaty, including the stages in its Article 6 as modified.

On the ground virtually all RECs have made significant efforts to move ahead with the first stage by adopting staged elimination of their tariffs on internal trade. Although there has been some variation in performance, REC members are for the most part adhering to their commitments. The scheme for realizing the AEC anticipates that all the RECs will satisfy the requirements of a free trade area by 2017. COMESA has already achieved the legal launching of an FTA, and some other RECs have made substantial progress ahead of the implementation timetable. UEMOA, SACU, and CEMAC are already fully functioning customs unions. But COMESA, ECOWAS, ECCAS, and UMA have lagged behind. There thus are many problems to be addressed in the drive towards an integrated African market.

Firstly, most RECs seem to be operating as if they are independent entities rather than different arms of the same corporate body the African Union. In spite of this, Stage 2 of the AEC implementation scheme, expected to last to 2007, emphasizes the need for coordination and harmonization. Secondly, there is the problem of multiplicity of regional integration arrangements within the same region. This inevitably yields multiple costs and complications in applying rules of origin and the like. Thirdly, implementing community protocols on trade and market integration may be undermined by concerns about diminishing national sovereignty and the independence of national policymaking as well as possibly losing customs revenue. The expectation is that the AEC will develop its economic, trade and monetary apparatus in a manner considerate of its developmental needs. Not only will this have to be accomplished by accurate planning in the primary plane of economic policy, the developmental economics will have to be right on the mark as well. On top of all of this, the governance structure to accomplish these aims of economic integration will have to be there as well.

2.3 Critical success factors to African integration

The AU and its predecessor the OAU, as well as the RECs, embody the apparent commitment of the people and governments of Africa to economic integration. The unanimity and solidarity of the people of Africa on integration as a strategy for political and economic emancipation faces significant challenges that must be addressed.[59] The main institutional and structural obstacles include: lack of the requisite political environment, poor intra-Africa trade, loss of sovereignty, poor private sector and civil society participation, unsatisfactory sharing of gains and interference from international development partners. There are of course several other obstacles, but for the purpose of this chapter the spotlight will focuses specifically on institutional and structural obstacles of Africa's integration.

2.3.1 Political environment

Much of what has been proposed by the constitutive Act is predicated on a substantial degree of political will. The assumption that there is a sufficient degree of political will has not been interrogated adequately. It is one thing to sign a declaration of intent but quite another to follow these laudable intentions through to their logical conclusions. The experience of the last forty years under OAU casts enough doubt that there is indeed sufficient political will to carry through the objectives of this revolutionary project of the African Union.

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[59] Lykurwa et al 1997 p. 176 further adds that a strong and sustained political commitment and macroeconomic stability among others hinder progress of Africa's integration.

Political conflicts and other forms of animosity or lack of political good will among members of the AU and RECS, has not promoted a collegial approach to economic integration. They have posed critical difficulties to integration and restrict inter-regional trade and other private sector activities. In the recent past, however there has been renewed political will; this should be promoted and sustained to mark a more enthusiastic, coherent and determined era in African economic integration. Towards this end regional integration arrangements can also promote political cooperation, as members commit themselves to common objectives. The arrangements provide a platform for addressing common political problems and external threats. While many regional integration developments have been taking place on the African continent, these are, nevertheless, largely overshadowed by the many conflicts that continue to rage in a number of our countries. The conflict in the Mano river basin involving Sierra Leone, Liberia and Guinea; the situation in Sudan and Somalia are yet to be settled. The great lakes region remains a tinderbox, while the conflict in Angola has experienced no movement towards resolution for quite sometime, the ceasefire agreement in the democratic republic of Congo is yet to be fully implemented. These disturbances threaten and hinder the integration agenda in a significant way. However the ECOWAS partners have launched initiatives to consolidate peace, stability, and security through joint efforts with ECOMOG. IGAD efforts in conflict resolution especially in the greater horn of Africa are remarkable.

2.3.2 Intra -African trade

Despite four decades of integration efforts, intra-African trade as a percentage of total trade remains low. For example, the United Nations Economic Commission for Africa (UNECA) estimates that intra-African trade has increased only marginally from 8 percent in 1989 to 12 percent in 2002. It is therefore not surprising that current account deficits in many countries remain relatively high. The low level of African exports can be partly explained in terms of issues related to market access, inadequate infrastructure and other structural impediments to economic diversification in the various economies. In addition, low productivity and high costs of doing business have been often cited as the main factors undermining Africa's competitiveness. The AU/AEC and RECS provide important frameworks for defining common interests and adopting common regimes including in the area of trade. The various North-south trade and economic arrangements, such as the Cotonou agreement, EU's Economic Partnership Agreement (EPAs) and the African growth and opportunity act (AGOA), have provided market access opportunities for African exports. Access to developed country markets has been such a priority that in contrast African regional markets have received relatively low priority. However, according to available statistics from Export Promotion Council, the bulk of Kenya's exports (35%) is destined for COMESA region. The European Union comes second with a share of 26%, Far East and Australia takes 13%, Middle East 3%, the Americas 2% while the rest of the world takes 8%.

The scope of economic integration in Africa includes the creation of intra-Africa and intra-regional infrastructure in the broadest sense, to facilitate trade. Such infrastructure will in turn enhance the international competitiveness of individual African countries and Africa as a region, which is decisively important for utilizing internal market access opportunities.[60] And because trade demands has low transactions costs, assured payments, and predictable exchange rates, there has to be much more progress toward macro convergence among trading partners. That could induce countries to invest in the physical integration of roads, rails, power lines, air services, and telecommunication. Furthermore, intra-African trade, the engine of integration is at an

[60] Jaycox Edward (1992) 'The Challenges of African Development' World Bank, Washington D.C

infinitesimal level (roughly 8% of Africa's total trade as compared to over 65% with the EU), must be vastly augmented.

2.3.3 Mechanism for sharing of gains

All the treaties on African integration recognize the importance of ensuring equity in economic integration, through gains for all members. They provide for the establishment of funds or other facilities to specifically target depressed or disadvantaged members. On the whole though, the funds or facilities have not been established, or are hardly operational. The development banks that operate on the whole do not specifically fit in this scheme of targeting depressed regions and less developed members for action seeks convergence. The CEMAC and UWEMOA model, of designating a bank to collect and disburse development resources, has not been closely followed elsewhere. The Development Bank of South Africa, the East African Development Bank, and the PTA Bank, could also be good starting points; but it is important that mechanisms for implementing the provisions on equity in economic integration be operationalized. The importance of equity in the integration process and of concretely demonstrating gains for each member cannot be over-emphasized.

2.3.4 Sovereignty factor

Regional integration experience in Africa (and elsewhere for that matter) indicates that countries are hesitant to create supra-national bodies and transfer power to them as a sanctioning authority. Sovereignty is likely to be one of the areas of unmitigated contestation. The secretariats that are formed do not have the legal backing to force countries to fulfill their obligations in accordance to their commitments. Countries are likely to be protective of their vested interests and be hesitant to trade some loss of sovereignty for perceived economic gains from economic integration. African states have hitherto retained total sovereign control of their territories and all aspects of decision-making, and have demonstrated a remarkable unwillingness to cede any part of this authority for the common good of the continent. If it is true that ultimately the Union will have to be based on some degree of power sharing, or rather, the idea that member states will have to cede some of their powers to the Union, then the Constitutive Act remains rather ambiguous. On the one hand, it seeks to defend the national sovereignty of the member states while on the other it proposes to appropriate the right to intervene in the internal affairs of member states. The enormity of the problem of sovereignty therefore becomes obvious. How much of their sovereignty are member states willing to cede to the Union? While there is recognition that this is a potential area of friction, there does not appear to be a clear way forward. One of the outstanding challenges is therefore, to establish an enforceable mechanism that would ensure the implementation of treaties and protocols of integration initiatives, both at the regional and continental level.

2.3.5 Public participation.

The treaties of some RECs draw due attention to the important roles of different stakeholders such as the private sector, civil society and the general public in the achievement of regional integration, but African public consciousness of RECs varies from outright ignorance to benign indifference. By contrast, issues of economic integration are settled by referendum based on the popular participation and informed decisions of the constituency in other economic communities such as the European Union. Hence, a broadly based sensitization campaign about the essence of economic integration at different levels must be initiated by means of regular media programmes, school curriculum, scholarly research and publications, intra-regional and inter-regional track and football tournaments in collaboration with pertinent continental sports organizations.

The private sector and civil society should be actively involved in building and strengthening the political base for economic co-operation and integration in Africa. The implementation of treaties requires the understanding, conviction, and confidence of these sectors. An active involvement of these sectors in particular and the general public at large is crucial. This aspect of the regional integration process in Africa has been singled out as one of the major weaknesses of the initiative.[61] Such practices that government policies are formulated with little or no input from the general public are prevalent in Africa's economic integration process. The point is if economic integration is to succeed it has to involve the maximum participation of the relevant stakeholders in society, particularly the private sector, civil society, the media and the different layers of government. There is very little evidence that the rank and file of the populations have entered the political terrain of the AU project with their own independent political demands. A related question is one of the representiveness of the Pan African Parliament. To what extent will it be capable of becoming a genuine representative of the will of the majority of African people?

2.4 Harmonizing Protocols and RECs Convergence

Coordinating and harmonizing the activities of the regional economic communities have been among the key concerns of the African integration agenda. The OAU Protocol on the relation between the AEC and the RECs provides a good starting point and should be reinforced with the establishment of the African Union. It would appear that a more cogent approach is appropriate, to effectively address and contain any lack of coherence between the economic integration processes at the continental, the regional and sub-regional levels. The AU protocol on its part requires that the established RECs and sub-RECs promote the achievement of the continental objectives, and in this respect progressively phase into a continental institution.[62] The African Economic Community Treaty devotes an entire chapter to the need for the communities to march in

[61] Aryeetey and Oduro. 1997.
[62] A Protocol on the relation between the AU, AEC, RECs and sub-RECs, under Article 6 of the AEC Treaty, the Sirte Declaration, the Protocol on the Pan African Parliament and the Court of Justice, are appropriate instruments.

unison. The Constitutive Act of the African Union reiterates the importance of a harmonious approach to realizing the Union.

In West Africa the growing rapport between ECOWAS and UEMOA has borne fruit in a common programme of action on trade liberalization and macroeconomic policy convergence. ECOWAS and UEMOA have also agreed on common rules of origin to enhance trade, and ECOWAS has agreed to adopt UEMOA's customs declaration forms and compensation mechanisms. In Central Africa ECCAS is adopting a trade regime that takes into account the dispensations in CEMAC. In East and Southern Africa IGAD and IOC are applying most of the integration instruments adopted by COMESA, while the EAC and COMESA have concluded a memorandum of understanding to foster harmonization of their policies and programmes. COMESA and SADC have set up task forces to deal with common issues and to invite each other to policy and technical meetings. UEMOA and CEMAC are making significant headway on this front, and ECOWAS, COMESA, and the EAC have established parameters for macroeconomic convergence to help orient their member states' efforts towards macroeconomic reforms and stability. But it has not been easy for many countries to climb to the desirable heights of macroeconomic convergence, and there is very little indication that all members are moving in this direction.

Subsequently, it is difficult to assess how policy convergence, as a total package, is helping to generate macroeconomic discipline within the RECs and across Africa. UEMOA, CEMAC, ECOWAS and COMESA have put a high premium on macroeconomic convergence by agreeing on and introducing parameters to move their member states towards policy harmonization and stability. But they are at different levels of progress in their design of convergence criteria. UMA and SADC have not yet established their convergence parameters. These initiatives improve the prospects of narrowing discrepancies among the regional economic communities, overcoming the problems of overlapping membership, and accelerating progress towards African Union. Because most of the protocols, decisions, and agreements for economic integration are to be implemented at the national level national mechanisms are needed to plan, organize, coordinate, and follow up on each country's commitments. Some countries have already established such a mechanism, including specific ministries to deal with integration issues. Others have yet to do so. The design of institutions for economic integration directly affects the implementation of regional economic integration agreements.

Institutional mechanisms for measuring and monitoring regional integration will be an important contributor to the integration process. The Annual Report on Regional Integration in Africa (ARIA) is a significant step in this direction that warrants support and cooperation. This mechanism should also serve as a forum for sharing best practices, learning lessons, and exploring modalities for deepening regional integration. Although some RECs have formulated the parameters for macroeconomic convergence and adopted multilateral mechanisms for monitoring the convergence of integration, the requisite authority of enforcing policy decisions is wanting. In this regard, ECOWAS deserves recognition for identifying primary convergence criteria that will be subject to sanction for non-compliance in the future. In the absence of a supra-national body with the power of sanctioning non-compliance with integrations targets, extending the scope of the African Peer Review Mechanism on political and economic governance to incorporate performance on economic integration merits consideration in the context of commitment to regional integration. Based on an effective monitoring system at reasonably short intervals, designed to enable a timely course correction towards convergence, member states may be cajoled to move faster through peer pressure.

Mechanisms for measuring and promoting compliance with treaty obligations will be an important component of regional economic integration, to help overcome past disappointments.[63] A continental framework for regional integration in Africa will among other challenges face the following convergence problems.

2.4.1 Lack of complementarity across RECs Protocols

Most regional economic communities now have a protocol on trade and other sectors. But these protocols differ. Priorities vary from one community to another, and so the protocols emphasize different issues. This compounds the difficulties for countries belonging to more than one regional economic community: They must implement programmes that vary in intensity, schedule, effect on national policies, and other features. Some countries show little eagerness to join their partners in signing and implementing certain protocols. That has understandably been so for island countries, which have little interest in protocols on rail, road, or inland waterway transport. In other cases countries have signed protocols to show their commitment, but with no intention to ratify them because they stand to gain little, or even to lose. This points to the need to prepare protocols that consider the concerns and interests of respective parties[64].

2.4.2 Slow negotiation and implementation process.

Protocols are needed to put treaties into effect. Protocols take a long time to conclude. This is especially so for trade protocols, because some member states fear prospective losses. Some member states do not sign or ratify them or submit their ratification instruments in a timely way. The resulting delays make it difficult to adhere to the provisions of the treaties. For example, a treaty might provide for a regional economic community to reach the stage of a free trade area by a given date but negotiations on the trade protocol may take so long that the protocol may not even be signed by the target date. Thus many and perhaps all trade liberalization schemes end up

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[63] The African Court of Justice, as stipulated in Article 18 of the Constitutive Act of the African Union, is a core institution for the promotion of economic integration and the core values contained in the Constitutive Act of Union.

[64] Bax Nomvete underscores the need to observe protocols in an article entitled 'Regional Integration in Africa: A path strewn with obstacles' published in the magazine The eye on Ethiopia and Horn of Africa Vol. 16 No.39 April-May 1997.

being rescheduled. Consider the case of SADC. The SADC Summit has reviewed and approved 15 protocols. The Democratic Republic of Congo has neither ratified nor signed any protocol. Seychelles has ratified no protocol, although it has signed three. Angola has signed three and ratified three. No member country except Botswana has ratified more than 11 protocols. All these delays in signing and ratifying agreements contribute to a loss of momentum in integration.

2.5 African Union, NEPAD and Democracy.

The African Union is a political, economic and social project. It aims to create a democratic space across Africa, to promote economic development, and to reflect a common African identity. These elements cannot be separated. Thus success of the AU will depend on good governance, human rights and democratization at all levels. The criteria for a country's continued membership in the AU should include a commitment to respect human rights, democracy and the rule of law. Africa needs to refine the principles of constitutionalism, and strengthen the basic principle enunciated in Article 30 of the Constitutive Act of the African Union, namely the suspension of governments that come to power through unconstitutional means from participation in the activities of the Union. Minimum democratic standards should be set and only countries that meet these standards should be represented in the Pan African Parliament. All human rights instruments, adopted by the OAU and ratified by African states, should be incorporated in the Constitutive Act of the African Union, thus making them integral components of the African Union.

While the African Union is a political union of sovereign states affirmed by the treaty, NEPAD is a programme of support to the African Union, adopted by the OAU Summit in July 2001. NEPAD goals, inter alia, are to achieve the Millennium

Development Goals adopted at the UN Millennium Summit. Its development programme places Africa at the apex of the global agenda by; creating an instrument for advancing a people-centered sustainable development in Africa based on democratic values and providing a common African platform to engage the rest of the international community in a dynamic partnership. The primary objective of NEPAD is to eradicate poverty in Africa and to place African countries both individually and collectively on a path of sustainable growth and development and halting of Africa's marginalization in the globalization process."[65] NEPAD is being elaborated as a continental instrument to advance people-centred development, based on democratic values and principles. It functions internally to commit African governments to good governance and to detailed programmes of action and to projects linked to specific timeframes. Externally, NEPAD represents a platform for Africa's engagement and equal partnership with the broader international community. It therefore provides a strategic framework for the establishment of partnerships aimed at encouraging development initiatives and programmes in Africa. In this sense NEPAD has brought about a veritable paradigm shift in the restructuring of the continent's patterns of interaction, particularly with the highly industrialized countries of the North.

Whereas AU concerns itself mainly with the creation of a political infrastructure that should promote greater continental coherency and unity, NEPAD contains the blue print for Africa's socio-economic strategy towards economic growth. In terms of implementation of NEPAD programmes and projects, the RECs, as the building blocks of the African Union, form the regional level for planning, coordination and monitoring of the integration process. To this end the RECs will operate through their secretariats, commissions or technical units to facilitate the development and implementation of

[65] The African Opinion Leader Survey on NEPAD and AU-2002 Preliminary Report by Centre for International and Comparative Politics in cooperation with Konrad-Adenauer-Stiftung.

programmes. The RECs will also have the principal responsibility of enlisting the participation of all regional stakeholders in the planning and implementation stages of their respective projects.

Essentially AU/NEPAD share the same basic principles seeking an integrative response to Africa's plight, and adding a powerful economic and partnership dimension. The secretariat of NEPAD, as currently constituted, need to engage the institutional and political infrastructure of the AU, and other specialist multilateral institutions including ECA and AfDB, if it is to succeed. NEPAD need to establish a forum for engagement with Africa's elected representatives through the mechanism of the African Parliamentary Union (APU). Integration of parliamentarians into NEPAD's envisaged peer review and self-monitoring mechanism (APRM) is essential.

The success of NEPAD and the AU depends to a large degree on the extent to which African ownership and control of the two initiatives can be created and maintained. It is however, apparent that those countries directly involved in the drafting and implementation of the NEPAD initiative display significantly higher levels of confidence in NEPAD than those countries not directly involved. The fact that only 23 out of 53 African states have committed themselves to the African Peer Review may be indicative of the underlying sentiments among African leaders not included in the drafting of the NEPAD initiative that the interests of their respective states have not been adequately taken into account. Interestingly, two African countries that have not yet signed up for peer review are Botswana and Mauritius. Since these two countries are generally regarded as among the most democratic and better governed on the continent, their refusal to commit to peer review raises concerns regarding the credibility of NEPAD among the well governed. Does this not perhaps suggest that such states feel they do not need NEPAD and that they would rather belong and lend their allegiance to AU?

The AU Commission and the Secretariats of RECs must be fully equipped to participate in the activities of NEPAD and UNECA.[66] The institutional and functional relationships between NEPAD and AU as well as NEPAD and RECs must be clearly defined.[67] In addition the involvement of the African population (civil society, trade unions, academicians, professional associations and African diasporas etc.) in formulating policies and strategies form an integral success ingredient for AU. In various instances, popular participation of African citizenry on NEPAD initiatives has been less than impressive when compared to the support expressed by elites, civil servants and politician counterparts. This signals the disconnect expressed by civil society and the public at their exclusion from the drafting and formulation of the NEPAD policies. In order to prevent such sentiments from hampering the credibility of the NEPAD initiative as well as its parent organization the African Union, the architects of the plan (most notably Mbeki, Wade, Bouteflika, Obasanjo and Mubarak) will have to spend an increasing amount of time selling the NEPAD agenda to their African counterparts, while ensuring that programmes aimed at promoting these initiatives at the grassroots level are initiated and supported.

According to Kinuthia Muratha the Public Relations and Communications Officer NEPAD Secretariat Nairobi regional office, "the complementarity of NEPAD and the AU depends on the extent to which a common African identity can be called upon to uplift the continent, and find realization of Pan African concepts of African unification and integration." He adds, "Although NEPAD programmes have received support from the international community the success of NEPAD depends on whether African

[66] African forum for Envisioning Africa Focus on NEPAD, organized by Mazingira Institute, African Academy of Sciences and The Heinrich Boell Foundation Nairobi 26-29 April 2002.

[67] Leading to African Heads of State and Government Implementation Committee (HSGIC) to indicate that the AU needs supranational clout to enforce AU interests.

governments and institutions of state do in fact possess the capacity to implement them." Following the Summit in Evian, South African President Thabo Mbeki addressed these capacity concerns and asserted that Africa may have bitten off more than it can chew. As captured in the notion of 'African solutions to African problems', African leaders will have only themselves to hold accountable should AU/NEPAD fail. Issues that need urgent attention include democratizing AU/NEPAD so that it reflects the needs and aspirations of both civil society and smaller African countries. Here the role of business and media in the AU/NEPAD process should not be underestimated. Issues of national sovereignty will also have to be addressed so as to ensure that the AU and NEPAD structures can be successfully put in place. Eventually, African governments will have to ensure that the institutions responsible for implementing the AU/NEPAD policies do in fact have the capacity to do so. Inspite of the above criticism and shortcomings leveled on NEPAD one must appreciate that in terms of content, vision and creativity, it is a bold, ambitious and innovative idea from Africa which has captured the attention and imagination of many. However, more needs to be done as regards the implementation of this vision into policy actions that can remedy Africa's myriad problems. The fact that NEPAD has been endorsed as the economic arm of the African Union attests to the wide support and popularity within the African leadership and their resolve to uplift Africa from the malaise of underdevelopment and harness her potential through collective synergy that continental integration presents.

CHAPTER THREE

AFRICAN UNION AND THE EUROPEAN UNION MODEL

3.0 Introduction

The EU is the most successful instance of regional, political and economic integration in modern times, and its successes deserve study and, where possible, emulation.[68] If the EU is not always perceived as the ultimate model for regional integration processes, it is at least commonly referred to as a chief example and a likely benchmark on regional integration. Hence, regional integration in Africa has commonly been compared to the EU process, either to point out its limitations and narrow approaches, or on the contrary to stress its (over) ambitious objectives and grand-vision of integration.[69] Similarly, the concerns about the threat posed by a 'Fortress Europe', has triggered greater attention around the globe on its implications to other regions. This chapter will assess the extent to which the EU can serve as a relevant model for Africa.

For various reasons, the architects of the African Union have sought a blueprint inspired by the strongest and most effective model of regional unification that exists, namely the European Union. But it is worth considering the factors that may have contributed to Europe's success. The EU as it is today, took half a century based upon a major investment of resources by industrialized nations. A substantial part of its political motivation was to guard against the excesses of totalitarianism, which had rampaged over national frontiers in the 1930s and '40s; it emerged from member states that were anxious to pool their sovereignty in order to safeguard their freedoms. As industrial nations they also sought bigger markets, and recognized the economic and political disasters that had followed from the protectionist regimes of the 1920s and '30s.

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68 Council of the European Union and European Commission (2002) 'The European Community's Development policy'

69 Mutai, Henry (2003) 'Regional Integration Facilitation Forum; A simple answer to a complicated issue? The Tralac working paper No.3/2003 july www.tralac.org

3.1 The EU as reference model

When considering regional integration processes around the world, the experience of the European Union (EU) is a recurrent point of reference. Because of its long history, broad scope, further deepening and successive enlargements, the European Union is often viewed as the epitome of regional integration. This is the case to some extent for many regional integration programmes in Africa and Latin America.[70] In other regions, in Asia for instance, the European integration experience is rather perceived as an "anti-model", a form of deeper integration that countries do not want to pursue.[71] In any case, regional integration initiatives across the world are often compared to the European model. The AU, which is still in its early formative stages, is largely structured around the institutions of EU- Executive Council, Commission, Parliament, Court of Justice, Financial institutions etc. This ignores the fact that, EU emerged from a combination of totally different circumstances and employed a step-by-step approach towards building these institutions. This 'gradualism' has led to landmark results in the areas of customs union, single market, monetary union and membership enlargement. It may therefore be shaky to merely replicate the EU integration process; nonetheless there are essential lessons from the EU experience.[72]

Elsewhere Africa had other potential models to follow, from across the globe. These vary from the Gulf Cooperation Council, which is a common security pact, to MERCOSUR in Latin America, which focuses on sub regional economic integration including infrastructure. But perhaps the most relevant example is the Association of South East Asian Nations (ASEAN), which has sought sub regional integration along a rather different path from the European experience. ASEAN was created in 1967 and has achieved the elimination of armed conflict between its member states, alongside a

[70] Langhammer and Hiemenz, 1991; Lee, 2003
[71] Lim, 2004
[72] Shams, Rasul (2003) 'Regional Integration in developing countries; some lessons based on case studies' HWWA Discussion paper 251 Hamburg Institute of International Economics. www.hwwa.de

convergence of economic policies based on open capitalist economies. Its model is based on state-to-state relations, focusing on security and stability, emphasizing non-interference with sovereignty and excluding reference to human rights, democracy and civil society. The basic motivation was that these countries, each of which felt their sovereignty imperiled by either the Communist threat, or secessionist tendencies, or both, would cooperate for mutual interest. The institutional apparatus of ASEAN is far more limited than the ambitious mechanisms established in Europe, with much resting on the personal interaction of heads of states and senior government officials from the member states. As with EU, ASEAN began with like-minded states, but included a mandate that allowed it to incorporate others over time. In contrast to the European model, the democratic component has been weak, and in some cases non-existent.

In comparison the African Union, while on paper resembling the EU, is politically more sympathetic to the ASEAN model. It is based on governments whose immediate priority is to preserve their national sovereignty, not to pool it. However, lacking the strong state structures, common security interests, and dynamic economies of South-east Asia, the question begs whether the ASEAN model is also easily transferable. The European Union, for its part, has since a long time been in favour of regional integration among other countries, its neighbours or in other parts of the world. The EU has often provided support to such initiatives, and over the last decade has entered into more formal political and economic cooperation agreements with some regions. In its approach, the EU has often claimed its willingness to help regional initiatives, including by sharing its experience. The biggest flaw however, in the EU model has been its reliance on a bureaucratic road to unity. In Africa, such an approach is particularly objectionable because there is no forthright commitment on the part of African rulers to dilute sovereignty.

Variously many regional integration initiatives have been inspired by the EU experience, in terms of policy agenda or institutional development. A case in point is the West African Economic and Monetary Union (UEMOA).[73] This development can be traced back from the colonial past of this region and its cultural, political and economic close ties with France, as well as the endogenous belief by West African countries that regional integration will foster development and strengthen their position. More generally, many other regions have followed a similar approach, adopting economic integration objectives and institutional designs that resemble, at least in their form, some of the features of the EU model. The situation in West Africa also illustrates that beyond the desire to emulate the EU experience, institutional development also depend on the effective degree of integration pursued. Yet, many observers have noted that developing countries have had a tendency to engage in deeper regional integration agenda, which do not correspond to their effective regional interests.[74] Either rhetoric has been ahead of real political will or economic, political and geo-strategic conditions have not been conducive to the implementation of ambitious integration agenda. Most developing countries, while calling for greater integration, have also resisted the delegation of sovereignty preferring to rely more heavily on an intergovernmental model of integration.[75]

A noticeable exception as earlier noted is the integration process in ASEAN, where cooperation (as opposed to institutional integration) has played a much more important role, and the EU model has largely been avoided.[76] It is important to note, however, that the lack of supranational institutions, such as a powerful regional Commission (like the European Commission), is not a problem *per se*. Many observers

[73] Claeys and Sindzingre (2003) precisely analyse the extent to which UEMOA attempts to mimic some of the norms, legal provisions, institutions and policies of the EU.
[74] (Edbald, 1996; Langhammer and Hiemenz, 1991; Mutai, 2003; and Shams, 2003)
[75] Mattli, 2003
[76] Lim, 2004

have criticized the lack of strong regional institutions at the regional level, calling for instance for the reinforcement of the regional Secretariat (as in the case of SADC for instance) or the establishment of regional Commission with delegated authority (MERCUSOR for instance). Yet, the institutional development should follow the effective political commitment of the member states of a region, rather than precede it.

On the other hand, the role of supranational bodies as front-runners for a grand vision at the regional level, as partly experienced in the EU, should not be underestimated. The European Commission strongly believes in the merits of regional integration, including as a tool for development. According to the Commission, regional integration among developing countries, if carried out in a transparent and open manner (i.e. open regionalism), contribute to their integration in the world economy and plays a key role in conflict prevention and peace consolidation.[77] The European Parliament also shares a similar view on the important role that regional integration and free trade agreements can play "in the establishment of a more equitable world trade system" and therefore fully support and encourage regional integration among developing countries.[78] This support to regional integration initiatives takes various forms. It is in part a political support on the principles of regional integration. That is, the EU should embrace and facilitate open regional integration initiatives among developing countries, which are perceived as a complement to multilateral trade integration. In this context, the EU is also willing to share its experience on regional integration matters with developing countries, acknowledging that each region has its specificities.

3.2 European Union, EPAs and Africa

Besides political support and experience sharing, the EU has also committed a sizeable share of its development aid and technical assistance to regional support, which

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[77] European Commission, 1995b, 2002
[78] European Parliament, 2002, p.14

is one of the six priority areas of its development assistance.[79] In the framework of its partnership with the African, Caribbean and Pacific states (Cotonou Partnership Agreement) and the Mediterranean countries (MEDA), the EU has jointly elaborated regional indicative programmes in complement of its national support. In parallel, the EU also believes that, in complement to regionalism among developing countries, regional integration between developed and developing countries can also be beneficial. The EU therefore promotes both North-South agreements, and building on Southern regional integration, what it calls South-South-North free trade agreements[80]. In that respect, the EU has also shown greater interest to regions that are following regional integration processes close to its own. This is the case for instance with MERCOSUR, where historical and cultural links and a shared vision have contributed to bring the two regions closer together.[81]

In geo-strategic terms Africa could also be put in the difficult position of having to speak with one voice during the negotiations with the EU. While this is to be expected from a customs union with a common external policy, it is unusual for individual countries with full sovereignty in the determination of the external trade policy. A common position therefore requires a strong, well-developed coordination process among the member countries. Even in the presence of explicit commitment to negotiate as a group, weak institutional capacity may prevent Africa from effectively defending the interests of its members during the negotiations with the EU. For the sake of illustration, what would happen to COMESA were Egypt unwilling to sign a common regional EPA with the EU. Would the integration process of COMESA, due to become a customs union, be compromised? This is a hypothetical example, which could be replicated with

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[79] Therefore, the EU, "in light of its experience and of the instruments at its disposal", provides support to developing countries in their regional initiative (Council of the European Union and European Commission, 2000).

[80] European Commission, 2002

[81] European Commission (2004b), 'Implementing the future EU-Mercosur Agreement

most countries in the various African regions. The point is that unless all countries of a region can agree on a common EPA, the partnership with the EU may seriously disrupt the regional integration process. How, in such circumstances, would RECs become the building blocks to the AU integration process? Moreover different regional EPAs should be based on a similar framework that will eventually reinforce the AU integration agenda. On the other hand EPAs may complicate the integration matrix. First, EPA negotiations pacts will force countries to choose one region over another in the case of multiple membership and such external considerations as driven by AU may prevail over domestic (national/regional) concerns. The vexing issue for the AU thus is whether foreign forces such as EU/EPAs or endogenous process will drive its integration agenda.

3.3 African Union evolution versus European Union

Let us consider the EU model of integration, against the African Union six-phase integration programme. There is no doubt that the architects of the 1991 Abuja Treaty employed the European Union as a model. This is evident from a perusal of the AEC treaty, and from the discussion in the preceding section. It is, therefore, against the background of the foregoing that the discussion in this section will attempt to contrast the objectives and structure of the AEC with the vast experience of the EU over the past four decades. Since the EU is the most successful and most sophisticated regional integration model in contemporary times, it is only fitting that we analyse the AEC and its aspirations against the experience of the former. It is, however, admitted that there are limits to the interpretation on comparisons between the EU and the AEC, especially because of their different cultural milieu, and other peculiarities, which are social, economic, political, and historical in nature. The following is a comparative tabulation of dates for the various proposed AU stages of integration against the EU evolution history.

Table 1: European Union evolution Versus African Union Timetable.

Major EU milestones	AU Timetable
ECSC (1951)-Treaty of Paris Sectoral Trade Agreement	(1994- 1999)-Abuja treaty Strengthening RECs
EEC (1957) Free Trade Area (FTA)	(2007) FTA designate date for all RECs
EC (1967) Customs Union (CU)	(2017) (AEC) -All RECs form a Customs Union
Single European Act SEA (1986) Common Market (CM)	(2023) Consolidation of African Common Market
EU (1992/2002) Economic and Monetary Union (EMU)	AU (2023-2025) (AEMU) African Economic and Monetary Union

Source: Author

In the EU case the process started in 1951 with the European Coal and Steel Community, this was a trade agreement to create a common market for the coal and steel sectors. The community was placed under the control of a parliamentary assembly, which would become the forefather of the European Parliament. This was immediately after the war; coal and steel were key resources in war so this agreement was considered to be a vote for peace. In the case of AU strengthening RECs and establishing new ones where they don't exist correspond with EU's Sectoral Trade Agreement. After six years, EEC was formed, the European Economic Community. This was a free trade area, which entails the removal of tariff barriers and quotas. The estimated date is 2007 of attaining free trade areas among RECs in Africa. The European Atomic Energy Community (1956) (EURATOM) was established. In 1957, the European Economic Community was established and this heralded the inception of a customs union (basically a FTA with a common external tariff thereby allowing the free movement of goods). AU expects to achieve a customs union by 2017 a ten years transition period from FTA and similar to EU experience.

Getting to the next stage took a great deal of trust and shared decision making, it took Europe nearly 20 years before signing the Single European Act (SEA), which created a common market which is a customs union plus the free movement of the factors of production, free movement of labour/people, and the free movement of capital. Compared to the EU model, AU could have a Common Market by the year 2023 a feat slated for accomplishment in six years in contrast to EU's 20 years duration. Then in 1992 an agreement created European Union, this is a Common Market plus a single currency and a common monetary policy. This was not fully implemented until, 2002. Again, for AU a full union with a singular currency is slated as early as 2025. Although the AU timetable seems laudable, it may be over ambitious. Take, for example, the call for a monetary and currency union in Africa within 34 years, following the adoption of the treaty in 1994. How realistic is this AEC goal? Even after four decades of cooperation, the goal of an Economic and Monetary Union (EMU) has not been fully realized. That is not to say, however, that African countries have to experience such a prolonged period before achieving this goal. According to the Principal Economist at the Ministry of Foreign Affairs (Nairobi) Mr. Njogu Ngariama, "the requisite foundations for an African Economic and Monetary Union (AEMU) are inadequate. A monetary union requires participating countries to cede their sovereignty, meaning loss of control over monetary policies, among others. How is this likely to happen in a continent whose leadership lack monetary and fiscal discipline?"

3.4 Implementing the AEC: Lessons from the EU

If the prospects for Africa do not seem very bright, what can African Union learn from the EU experiences? In Europe, economic growth, good governance, political stability, and strong institutions have all been necessary for effective regional cooperation. Looking at these same factors in Africa, these preconditions are either not present, or are not well developed. Regarding good governance, most African countries face unstable political environments as well as regional tensions and instability. Effective implementation of regional cooperation frameworks will only take root in healthy and democratic environments where economic management is both transparent and accountable.[82] Building this kind of political infrastructure requires leaders with a vision and the will to implement change. In Africa it is almost the reverse. Most leaders seem to want it, but forget that building integration, like building a house, one must start with the foundations not the roof. It's a slow process, building brick by brick, floor by floor. And, like building a house, if you take shortcuts, skipping a few bricks here and there, your house would be unstable and the first ill-wind that blows, will have a domino effect.

Undoubtedly, one of the most important lessons to draw from the 50-plus years of the EU is that regional integration is not an event. Rather, it is a process. It is apparent from the EU's experience over the past four decades that the edification of European integration has taken time, patience, and steadfastness. It is arguable that a second important lesson from the experience of the EU is the fact that the evolution of the EU, to date, has been a function of the economic realities, which exist in Member States. Thirdly, progress in the EU has also depended on the "political will" of participating countries. The direction, pace, and the process of European integration has largely been consensual. At any rate, while the architects of the Treaty of Abuja must be commended

[82] Bax Nomvete, 1992

for their commitment to a timetable, in all likelihood, it will take more than the 34 years scheduled by the treaty to achieve the AU. The AEC process, if it is to succeed, must be gradual and exhibit unwavering commitment on the part of the contracting countries. Some of the compelling reasons for this viewpoint are expounded below.

3.4.1 Political Compatibility

This entails compatibility in terms of ideology, problem-solving methods, and shared political and economic goals. This is necessary for two reasons. Firstly, if countries have the same political goals, they are a lot less likely to disagree about overall direction of policy. For Europe the goal was peace and economic recovery after the war. Secondly, if there are similar methods of resolving problems, it's a lot less likely to have disagreements about how to resolve them. In the case of Africa, the countries have political similarities but the similarities are not always in areas that promote cooperation.[83] All have great hopes of democracy, but in reality have become systems of illiberal democracy, with slow progress in political reform, and reversal of reforms in some of the countries. Some examples from recent events in the continent include; regional conflicts, military coups, extension of terms of office, rule by presidential decree, arbitrary decisions, high levels of corruption and a lack of transparency. The reason that this is critical is because lack of transparency in governing methods leads to a lack of stability, which greatly reduces the momentum of integration. It deters investment across borders greatly reducing one of the major benefits of integration (that capital will find the most profitable and efficient projects). Finally, it limits the levels of trust between governments and trust is essential for a successful integration. When we compare the African scene to the origins of the EU, we can see that with EU trust was built at the very bottom. The two European wars acted as catalyst to align political goal for peace. It was only because the leaders and populace believed, truly believed, that if

[83] Nyerere Julius (1963) 'A United States of Africa' Journal of Modern African Studies

they did not cooperate their survival was jeopardized.[84] There is no doubt that peoples of Africa want to cooperate, but very few actually believe that their survival depend on it.

3.4.2 Democratic decision-making and entrenched political traditions

One aspect of the EU model that has not been followed in Africa is the centrality of elections and democratic referenda to approve countries' accession to the Union and its key components. In all cases in which European countries joined the EU and its precursors, or adopted the single currency, the issue was either a major theme of a democratic multi-party election, or a referendum, or both. The weakness of this democratic component in the AU process is an important issue that warrants careful attention. If every member has a veto on every issue, the progress in cooperation would be very slow. If you have a system of majority voting, then states must be willing to let go of some of their sovereignty. This is an inevitable tension point, and is constantly being discussed in the AU. Most EU members for example have clear coordinating procedures that work out compromises at country/regional levels including lobbying, national referenda and qualified exemptions like the Euro currency and the British choice to retain the Sterling pound.[85] Thus the variable geometry approach can also appropriately be employed in Africa as well.

In Africa Ministries for integration and regional cooperation rarely exist or are ineffectual.[86] Without strong structures African national and regional convergence seems unattainable. The problem to watch for in Africa is that authoritarian systems, do not lend themselves to majority voting for union decisions. If, for example, the Zimbabwean

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[84] One only has to look at the speeches of the leaders at the time. For example, the words of the French Foreign Minister in the Shuman Declaration:

[85] Lodge Juliet (1994) 'Transparency and Democratic Legitimacy' Journal of Common Market Studies

[86] Gruhn Isebill (1997) 'Regionalism Reconsidered, The ECA Boulder Colorado

President is not willing to let the people of Zimbabwe have a say in how to run the country, what are the chances that he will let the other nationals have a voice at the AU? Letting teachers decide education policies, committees of environmental scientists to set policies for environment requires a level of decentralization that is wanting in Africa. The systems remain extremely centralized with nearly all decisions made by the highest levels of government (club of presidents).

In order for an economic community to function and have longevity, the experience of the EU demonstrates that the contracting parties have to commit themselves to a democratic style of decision-making. The principle of majority rule and minority rights has prevailed in West European societies during the post-WW II period. Hence, it was only appropriate that the tradition be continued at the supranational level. Member countries of the EU have also been typically guided by the politically permissible of their respective societies when agreeing to policies at the EU level. That is, they are cognizant of the fact that they are democratically elected governments, which have to periodically submit themselves to the scrutiny of voters at home. Hence, member governments are unlikely to adopt politically unpopular policies, which could lead to their demise at home. In essence, the European peoples have a say in what goes on at the supranational level, albeit indirectly.[54] This overarching commitment to a multi-party democratic tradition is not only stated in the legal documents of the EU but is also demonstrated time and again by the EU as a precondition for accession.[87]

It is this lack of a sustained democratic tradition, which is troublesome about the AEC. Contracting African countries in general, lack a credible track record with respect to democratic principles. What is more, the AEC Treaty is not explicitly reassuring on this point. Since the advent of independence in Africa, only a handful of African

[87] Third ECSA World Conference 'The EU in the Changing World' European Commission, 19-20 September 1996

countries have remained steadfast in their pursuit of multi-party democracy. The implication and, indeed, the reality is that African governments are prone to use coercion via the centralization of power in their decision-making endeavor. How then, it must be asked, will 54 African leaders or governments reach decisions in a democratic fashion? Will the AEC subscribe to a consensual system, a majoritarian approach, or both? When crucial decisions are to be made, how can one be sure that some countries and/or leaders will not seriously disrupt operations or threaten to withdraw unless their views are adopted?[88]

Furthermore, how likely is it that the views and interests of the African peoples will be represented at the supranational level by the governments of, among others, Lansana Conté, Robert Mugabe, Paul Biya, Obiang Nguema, M. Qaddafi, and so on? If these heads of state are not accountable to the African peoples at the national level, how likely are they to be at the supranational level? The point here is that the contracting African countries will need to agree on a democratic operational framework because competing egos may mean that African leaders will put their own selfish interests ahead of the collective supranational interests. Moreover, even though the Treaty provides for a democratically elected parliament, how attainable is this objective when such democratic practices are absent in many African countries? For this reason, perhaps the culture of a transparent legitimate decision-making, must, first, be nurtured and deeply rooted at the national level.

3.4.3 Competing but complementary economies

Competitive economies mean there is production of similar goods but at different levels of efficiency. Once they form an FTA, everyone can start buying from the cheapest producer. That producer then benefits from economies of scale, and their products get

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[88] Adetula, Victor 'Regional Integration in Africa: prospect for closer cooperation between West East and Southern Africa' 2004 Centre for Development Studies, University of Jos Nigeria.

even cheaper. Complementary economies require dissimilarity that is they produce different things. For example if one country produces steel and the other cars, each can specialize in their area of comparative advantage, in different stages or types of production. This analysis works well for the EU countries. In postwar Europe, German industry and France's agricultural sector complemented each other, later Britain joined with its strong financial services sector and so on. Therefore, for integration to be successful, there need to have economies that are both competitive (similar) and have the potential to be very complementary (dissimilar). In the case of Africa, the economies are competitive, with multiple producers of agricultural produce and unprocessed minerals. However, the overlap is predominantly in the export of primary goods, which the economies are dependent upon.

Another problem is that the African economies, based on current trade flows, are not complementary. The colonial economic system did not create complementary or competing economies. The low trade levels in Africa can be attributed to three factors: Firstly, the coveted trading partners are outside of Africa. Thus, reducing local tariffs is not going to greatly affect current export revenues. Secondly, the main imports are brought in from outside Africa. Again, there would be little immediate benefit from reducing local tariffs. Thirdly, the products that African countries import tend to be the same (machinery, chemicals and electronics). This again reduces the potential benefits of trade relocation. For example, if there is a reduction in local trade barriers, Kenya will not start importing its computers from Togo (or any other African country) rather than Germany, because Togo is not exporting them. Both Kenya and Togo are dependent on importing them outside Africa.

Unlike the EU, which started off with six relatively equal and functioning economies, the AEC is a collection of low income, middle-income third world economies.[89] Closely related to this factor is the economic philosophy shared by the EU countries and the lack of a shared philosophy by African countries. Whereas EU countries, by virtue of their membership in the Western camp during the Cold War era, subscribe to the market-oriented economic framework, the same cannot be said of Africa.[90] The Cold War may be over, and Africa may be in a transitional phase, but many African governments continue to pursue varied state-centred economic policies where whimsical government interventions remain the norm. In these circumstances, it is difficult to envision how member countries would implement the plans of the AEC with their differing dogma.

That aside, not only do the 54 countries of Africa exhibit different levels of economic development, but also their sizes, measured in GNP, are equally vastly different. What is more, some African economies are inherently weak and are unlikely to be responsive to the AEC stimulus, at least in the short term. Besides, if we accept the postulation that countries join integration schemes because they expect to benefit from them, it is arguable that the gains that will actually accrue to participating states will be a function of their economic capacity, degree of involvement, and level of development. If so, unless the AEC is equipped with fair re-distributive mechanisms, many poorer and weaker African countries may clash with the more fortunate ones, and even resign their membership. Such was the nature of the disagreements between Kenya and her weaker partners, which led to the collapse of the EAC in 1977. Early bickering and withdrawal from the AEC would deal it an almost fatal blow. In addition, even the collective lot of Africa may prove too weak, politically and economically, in view of the age-old colonial links, which are unlikely to abate anytime soon. It is thus imperative that member

[89] Overturf, Stephen (1986) 'The Economic Principles of European Integration New York
[90] Olufemi. A.B (1996) 'Analyzing the proposed African Economic Community: lessons from the experience of the EU', EU Commission Brussels.

countries pay attention to their individual macro-economic policies and agree at least a minimum level of policy coordination.

3.4.4 Distribution of investments

Uneven investment could create an even higher level of distortion. In EU experience, much of the central budget goes to redress the unequal pace of economic development within the bloc. The rich countries benefit from higher levels of trade, but have to pay taxes to a central budget to help develop poorer members of the Union. Such a commitment calls for strong political convictions and leadership. In Africa, this is an area that may be problematic. South Africa, Nigeria and Egypt are already wealthier than their African counterparts. Of greater concern, also is the variation in the levels of direct foreign investment. Generally FDI levels are low given the size of African economies, but, even at the low levels, richer countries attract much higher proportion of investments than the others. For integration to work, richer countries would be ready to work out a mechanism of sharing (and/or compensating for) on the distribution of new industries and FDI with poor partners. This seems a contentious prospect in Africa.

3.4.5 The EU initial membership Size

This factor is one of the most important lessons from the evolution of the EU to employ in predicting the future of the AEC. Although purely accidental, the relative small size of the European Union during its formative years has turned out to be a blessing. The first enlargement of the EU did not occur until 1973, subsequent inclusions have brought the membership of the EU to its current 25 members.[46] Lately, in spite of some turbulent moments in the experience of the EU, several European countries have lined up for membership.[47] In other words, had the EU portrayed an image of failure, it is doubtful that other countries from Europe would be clamouring for membership. The argument can also be advanced that the reason for the EU's success, to date, is its small initial membership size. By starting out with six members, the EU was able to overcome some profound problems, which potentially could have wrecked it.[91]

Thus, to start off with 54 countries, as suggested in the proposed AEC, may be a recipe for disaster, especially in light of African governments' poor record on respecting and implementing OAU accords and declarations. For its effectiveness and survival, it is critical that the AEC, in its formative years, be associated with at least some successful developments, and not with failures. This indispensable goal is attainable with a handful of disciplined and committed countries than with all members of the OAU. It would be much easier for a handful of countries than for 54 member states to achieve consensus, especially on critical issues. Besides, it would amount to a psychological boost of an inestimable worth for the AEC members if African states were queuing for membership instead of quitting it. However the Abuja Treaty's core cluster of six regional groupings reinforces and prevaricates the multitudinous problems associated mass membership. This thinking would indeed be consistent with the EU's Neo-functionalist approach, which leaves room for increasing membership and expanding supranational functions.

3.4.6 Leadership of African Economic Community

In the immediate post-World War II era, France and the United Kingdom jostled for position in Europe, but it was the Franco-German alliance, which formed, and continues to dominate the leadership in the EU.[92] Although the motivation for increased membership was mainly political, there was an inherent economic consideration involved as well. When invitations to join the EU were extended to other countries, they were extended, mainly, to affluent Nordic and Alpine Western European countries, but not to the poorer countries of Europe. In any event, by starting off with six affluent countries,

[91] Council of European Union (1995) 'Regional Economic Integration Efforts Council Resolution of 1st June 1995
[92] ibid

and with the quick economic growth, which was evident in these countries, there was a sense of accomplishment. Member countries and, certainly, other European countries came to appreciate the relevance of the Neo-Functional arrangement. Thus, non-members began to explore the possibility of joining as early as 1960. What is, therefore, advisable is for, say, a small group of less than five African countries to provide leadership, similar to the EU's Paris-Bonn axis to anchor the gradual evolution of an authentic AEC. Undeniably, there will be disagreements and other contentious issues but when there is reliable leadership, such conflicts can be resolved easily. The concerned countries must have an almost unwavering belief in the vision of the architects of the Abuja Treaty. They must be ready to place the collective interests ahead of their parochial interests.

3.4.7 Supranational Authority

Various scholarly and journalistic analyses of the EU have come to the conclusion that the evolution of the EU has been aided by the presence of functioning supranational EU institutions. This fact is closely related to the foregoing discussion on democratic institutions. A perusal of the Treaty of Abuja reveals that relevant supranational institutions have been created for the AEC, but their powers remain vague. The Treaty is very vague regarding the enforcement of decisions by supranational organs. In any case, these supranational entities, from past experiences elsewhere, appear to be essential to the realization of economic communities. Take the Commission of the EU, for example. This body has contributed immensely to the success of the EU to date. It has been responsible for the initiation of policies, implementation of policies, and the promotion of European interests. The Commission has also functioned as the guardian of the establishing treaties and acted as the principal public relations agent of the EU, via the dissemination and the gathering of information from the public.[93]

[93] Daltrop Anne (1986) Political Relities; Politics and the European Community Longman London

Conversely, it is not evident from the Abuja treaty that the Commission's AEC counterpart, the General Secretariat, would be accorded the competence and powers like those of EU Commission. Instead, there seems to be multiple institutions with overlapping functions. For example, the Economic and Social Commission, the seven functional committees, and the General Secretariat may soon engage in struggles over jurisdictions. It is therefore imperative that the General Secretariat have clear-cut mandates, if nothing else, in order to promote supranational interests through policy formulation and implementation. Equally important to the advancement of the EU have been the periodic meetings of the Council of Ministers and, very recently, the European Council. Delegates at these two EU bodies are renowned for their promotion of individual national interests and ultimately agreeing to EU policies. Although such forums already exist under the AEC framework, only time will tell if they are able to carry out their mandates.

Another EU institution of importance and relevance to the AU is the European Court of Justice (ECJ). The ECJ has successfully acted as the final arbiter on disputes between different parties within the EU. The ECJ has such an impressive record that some "Euro-watchers" have proclaimed that "the Court of Justice constituted the European Community," because during the two-decade period of inaction and paralysis in the EU, it was the ECJ that kept alive the vision of European integration.[94] It must also be noted that the emergence of the ECJ as a vital organ of the EU was gradual, beginning with its landmark decisions during the early-1960s when the Court established its relevance to EU activities and the supremacy of EU laws over national ones.[95]

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[94] Shapiro, 1992: 123

[95] Bilal Sanoussi 'Can the EU be a model and driving force for regional integration in developing countries?' European Center for Development Policy Management. www.ecdpm.org, www.acp_eu_trade.org

In the manner the AEC is conceived, it is unclear from a perusal of the treaty if its adjudicating and arbitrating institutions would be assured non-interference from member states. It is also highly unlikely that African countries will, anytime soon, accept the principle of allowing AEC laws to supersede national laws. Consequently, African countries must endeavor to establish a pervasive respect for rule of law and due process at the national level. In general, the point of the argument being advanced here is that independence of supranational institutions, such as the bureaucracy and judiciary, is critical to the ultimate success of the AEC. They are essential tools of rule making, ruie implementation, and rule adjudication, which constitute the foundation for the success of any regional integration. Although a bureaucracy and a Court of Justice exist under the AEC framework, they must be accorded binding powers.

From the foregoing on this chapter it is clear that the EU was and continue to be based on needs at particular points in time. It has also taken states that are ready to pool sovereignty together in order to safeguard their freedoms, create bigger markets and enhance their geo-strategic position globally. For Africa therefore to benefit from the pathfinder, trail blazer role of the EU it is imperative to take a critical perspective and enjoin constructive engagement with the EU experience to buttress her integration agenda. Such a critical appraisal is espoused by this study in the next chapter.

CHAPTER FOUR

CRITICAL ANALYSIS

4.0 Introduction

This section appraises the viability of Africa's continental integration in the context of the 34 years six phases AEC timetable, the adequacy of the current African Union institutional framework and ways in which the metamorphosis of the European Union foreshadow lessons for the African experience. This section also examines some inherent obstacles to the realization of these expectations and tests the study hypotheses. According to the preceding chapters, it is apparent that Africa is in political and economic doldrums, a situation that requires urgent attention and a workable holistic solution. One such proposed solution is a Pan-African economic integration.

According to the Abuja treaty, the process of Africa's continental, regional and sub-regional levels, requires rationalization and harmonization in order to attain the objective of building the African Economic Community.[96] The extent to which individual RECs can be truly considered as building blocks depends on the political commitment collectively displayed by the member states in moving integration forward. The first requirement is to rationalize their structure and their interactions with national governments, which have to recognize their current commitments. In this background African leadership is unanimous that RECs will be the building blocks for integration. Nevertheless Africa's RECs vary in design, scope and objectives. Similarly, their treaties are less than understood, their protocols less than observed, their agenda less than what might ever be accomplished. Thus the idea of a pan-African economic integration, while laudable, must be greeted with caution. Several concerns some of which fall under the

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[96] As captured by Article 3 of the AU Constitutive Act

study hypotheses, and as noted above, must be dealt with before one can hope for a veritable AEC.[97]

4.1 Hypothesis One:

The six-phase Abuja timetable spanning 34 years is adequate time to realize African Economic Community.

In Article 6, Chapter II of the Abuja Treaty, it is clearly stated that the Community shall be created gradually over a 34-year period.[98] The metamorphosis of the AEC, according to the treaty, shall involve six stages, with a set timetable for each stage, culminating in the African Economic Community by 2025.

4.1.1 The six phase programme in perspective

4.1.1.1 First stage (1994-1999) - Strengthening RECs and establishing new ones where they do not exist.

This stage advocates the strengthening of existing regional economic communities and, within a period of 5 years from the date of entry into force of the treaty and establishment of RECs where they do not exist. On a positive note by the expiry of the 1999 at nominal level RECs had been formed across Africa and countries subscribing at will in a number of RECs. This has however created the attendant problem of multiple and overlapping membership that has over-stretched country commitments and obligations to multiple RECs, thus rendering them weak.

Systems theory warns that the potential breakdown of a system increases with the complexity associated with the number of component parts. The proliferation RECs and their overlapping membership can prove counterproductive by turning them from the desired building blocks of economic integration to undesirable stumbling blocks, as the metaphor goes. The task of the inter-regional coordination and harmonization of programmes becomes more difficult as the number of RECs and the redundancy of

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97 African Economic Community 'History and present status OAU Addis Ababa, 2000
98 AEC Treaty popularly known as Abuja Treaty outlines the six-phase AEC evolution framework, ratified in May 1994

membership increase: the smaller the number of RECs, the fewer the number of programmes; the fewer the integration programmes, the easier the task of programme harmonization and coordination. The complexity of the scenario will be felt particularly when the level of integration evolves from the regional to the inter-regional level after the third stage of the integration modalities (2016-25). This membership multiplicity is as illustrated in table 2 below.

Table 2: Major RECs in Africa and country membership status

Grouping	Year of Es	Member States
Central African Monetary and Customs and Economic Community -CEMAC	1998	Cameroon, Central African Rep., Chad, Congo, Equatori Guinea and Gabon.
East African Community I & II EAC	1967, 199	Kenya Uganda Tanzania
Southern African Customs Union SACU	1969	Botswana Lesotho Swaziland South Africa
Mano River Union MRU	1973	Liberia Sierra-Leone Guinea
Economic Community of West African states ECOWAS	1975	Benin Burkina Faso Cape verde Cote d'IvoireGambia Ghana Guinea. Guinea Bissau Liberia Mali Mauritania Niger Nigeria Senegal Sierra Leone Togo
South African Development Community SADC	1992	Angola Botswana DRC Lesotho Malawi Mauritiu Mozambique Namibia Seychelles South Africa Swaziland Tanzania Zambia Zimbabwe.
Common Market for Eastern and Southern Africa COMESA	1993	Tanzania Kenya Uganda Ethiopia Madagascar Mozambiqu Sudan Zambia Swaziland Lesotho Namibia Mauritius Rwanda
Economic Community of Central African State ECCAS	1984	Burundi Cameroon Central African Rep. Chad Togo Equatorial Guinea Gabon Soa Tome & Principe DRC
African Economic Community AEC	1991	All members of OAU except Morocco
Arab Magreb Union AMU		Algeria Libya Mauritania Tunisia Morocco
Inter Governmental Authority on Development IGAD		Kenya Eritrea Ethiopia Djibouti Somalia Sudan Uganda
West African Economic and Monetary Union UEMOA	1994	Benin Burkina Faso Cote d'Ivoire Guinea-Bissau Mali Togo Niger Senegal

Source: Author

The analysis of membership by 53 countries in table shows that a representative country has an average overlapping membership in 2.3 RECs with following distribution:

single membership (7 countries), double membership (24 countries), triple membership (21 countries) and quadruple membership by one country. The Democratic Republic of Congo holds the dubious distinction of the maximum membership in four RECs.

The issue of overlapping membership arises largely from the existence of too many RECs with similar missions, for which the first stage of the modalities most apportioned part of the blame. It stands to reason that a new REC cannot exist without new members. Since new RECs must have new members, the problem of overlapping membership is exacerbated by the provision sanctioning the conditional creation of new RECs as deemed necessary. What the establishment of the AEC actually needs in the interest of convergence is the consolidation and merger of already existing RECs, much more than the creation of new ones.

On this issue AEC lacks the mechanism for ensuring that RECs will be locked into the community agenda and compelled to accept or respect community decisions and regulations. Despite the fact that this problem was addressed by signing a protocol articulating the relationship between the RECs and AEC, the RECs do not seem primed for continental integration. Furthermore, although the Protocol also empowers the AEC Assembly and Council "to give directives to any REC whose policies, measures and programmes are at odds with the objectives of the treaty", there are no firm indications of the political will within some of the RECs party to the Protocol or sanctioning powers to ensure compliance. The AU will most likely continue to experience this problem if not properly addressed.

4.1.1.2 Second stage (1999-2007) -Preparatory phase for FTAs and Customs Union at regional levels.

There are three sub-stages within the second stage. Firstly, at the level of each REC and within a period not exceeding 8 years, there should be a stabilization of Tariff barriers and Non-Tariff barriers, customs duties, and internal taxes existing at the date of entry into this treaty. Secondly, there shall be prepared and adopted studies to determine the time-table for gradual removal of Tariff barriers and Non-Tariff Barriers to regional and intra-Community trade and for the gradual harmonization of customs duties in relation to third states. Thirdly, strengthening of sectoral integration at the regional and continental levels in all areas of activity, particularly in the fields of trade, agriculture, money and finance, transport and communications, industry and energy.

The problems as well as the challenges to the AEC in this stage are enormous. As mentioned in the preceding sections most African countries have multiple memberships to many of the existing RECs. As a result the same country will therefore find itself progressing towards economic integration at different speed in different communities to which it belongs. At the present time several sectoral programmes are afoot and the road to customs unions through FTAs are at various stages in COMESA 2008 (tentative year), SACU already operational though the inclusion of other SADC members is still pending. UEMOA/ECOWAS the modalities are underway and the tentative date of 2006 is within the time frame. Table 3 below indicates the relative pace and progress towards customs union status against the respective RECs tentative dates. Above average denotes near attainment, average indicates 'on course' whereas below average denotes erratic momentum.

Table 3. Relative Pace of integration, by RECs (1994-2005)

Above average	Average	Below average
UEMOA	EAC	IGAD
SACU/SADC	UMA	ECCAS
ECOWAS	COMESA	MRU

Source: Author

Of the designate RECs, SADC, COMESA, and ECOWAS appear to have made good progress through 2004. UEMOA, the clear star in integration, appears to have been consolidating and building on earlier success, particularly in macroeconomic convergence. Lagging behind are CEPGL, ECCAS, IOC, IGAD and MRU, given the instability in those regions. In a nutshell this stage will have to surmount substantial trade disputes within the remaining two years to the 2007 deadline. Thus prospects of this preparatory stage being realized within the designated time frame seem attainable.

4.1.1.3 Third stage (2007-2016) -Intra–REC free trade area and common external Tariffs

The third stage committed member countries to advance from Free Trade Areas through the observance of the timetable for the gradual removal of Tariff barriers and Non-Tariff barriers to intra-community trade and the establishment of a Customs Union by means of adopting a common external tariff. This was to be done at each regional economic community within a period not exceeding 10 years. At this phase of integration, whereas external tariffs will be common to a particular REC, they will vary among them. If all goes as planned, the abolition of tariff and non-tariff barriers becomes a common denominator across all RECs by 2016. COMESA has its customs union date at 2008; SADC has slated 2010 as the inception date while ECOWAS/UEMOA has a tentative date of 2010 as well. On the ground this stage will be riddled with intricate trade disputes and tariffs complexities of which the EU experience exceeded 12 years to surmount. Considering EU as the benchmark and the apparent five years difference from RECs customs Union tentative dates (2010) and the due date of 2016 the apportioned ten-year period falls within the time frame.

4.1.1.4 Fourth stage (2017-2019) - Preparatory stage for African Common Market

The fourth stage like all the other stages had its time frame as well. This stage would take 2 years. It called for the coordination and harmonization of tariff and non-tariff barriers along with common external tariffs at inter-REC level to establish a Customs Union at the continental level. Considering the myriad protracted trade disputes towards customs union status experienced by COMESA, SACU among others at intra-REC level, two years to implement an inter-REC trade harmonization is surely a Herculean task and ambitious within this time frame.

4.1.1.5 Fifth stage (2019-2023) – The African Common Market

An establishment of an African Common Market was envisaged. This would take 4 years. There were certain issues that were seen as significant for the establishment of a common market.[99] These included the adoption of common policies across several sectors. Moreover, monetary, financial and fiscal policies also need to be harmonized as well as the application of the principle of free movement of persons and the provisions regarding the rights of residence and establishment. This is an onerous requirement towards convergence of the national laws, regulations and financial systems with complex mechanisms for enforcement and sanctioning of the rules of the Union. Considering how controversial and treacherous the EU sectoral policy harmonization from customs union level (1967) to the Single European Act of 1986 creating the European Common Market, a duration of 20 years against Africa's 6-year period for such a complex task is inadequate time for Africa to accomplish this feat.

4.1.1.6 Sixth stage (2023-2025) – Consummation of African Economic Community

The Sixth and final stage is the defining moment in the efforts to create an AEC. The AU will have to oversee the implementation of this stage. It entails the intensive consolidation of common market structures and the creation of complementary continental institutions. This stage stipulates that within a period not exceeding 5 years, certain objectives should be met. These include the following:

[99] African Common Market also required the proper resources of the community as provided for in paragraph 2 of Article 82 of the Treaty.

i. Implementation of the final stage for the harmonization and coordination process of the activities of regional economic communities,

ii. Implementation of the final stage for the setting up of an African Monetary Union, the establishment of a single African Central Bank and the creation of a single African Currency,

iii. Implementation of the final stage for the setting up of the structure of the Pan-African Parliament and election of its members by continental universal suffrage. A nominal pan-African parliament has already been expedited though not elected on universal suffrage as stipulated.

iv. Implementation of the final stage for the setting up of the structures of African multi-national enterprises in all sectors,

v. Implementation of the final stage for the setting up of the structures of the executive organs of the Community.

vi. There should also be an integration of all sectors; namely economic, political, social and cultural, as well as the establishment of a single domestic market and a Pan-African Economic Monetary Union,

vii. There should be a consolidation and strengthening of the structure of the African Common Market, by including the free movement of people, goods, capital and services, as well as the provisions herein regarding the rights of residence and establishment.

The realization of the above catalogue of events within two years is a gigantic task though the Pan-African parliament has already been expedited. If the EU experience can be used as a guide this is inadequate time compared to EU's 16 years duration from common market stage to Economic and Monetary Union, which still has friction areas.

A critical look at the Abuja timetable, one would decipher that the drafters realized and probably learned from the EU that integration is a process and not an event.

A comparison of the EU and AEC timetable graphically shows two different approaches to integration. In the European case the duration allocated to various stages increase with the progression of the integration hierarchy. Conversely, the African case embraces longer time duration at the base and allocates lesser time with progression of stages. According to the tasks for each of the successive stages it is apparent that the depth and complexity increases progressively and thus commensurate time would therefore be required as demonstrated by the EU case that is still unfolding.

That it took EU, with strong economies nearly 50 years to achieve what Africa seeks to realize in 34 years, it is without prejudice to the latter that this feat seems challenging to Africa especially when AEC Treaty is silent on political integration. One crucial lesson from the EU experience is that economic union and political union are knotted and not mutually exclusive. The composition of the six stages as the crux of achieving the goal of the AEC faces serious structural problems. The completion of one stage is the start of the next one and so on, forming a chain. However, if one or more of the sub regional groupings is not able to meet the conditions of say, the third stage, then the whole process is likely to be delayed and create differential progression. The idea of sequencing reflects the expectation that all RECs would simultaneously attain the objectives of each stage, and preferably as rapidly as possible within the time frame accorded. In the worst-case scenario, progress towards the formation of the AEC could very well depend on the speed at which the slowest groupings move towards attainment of the basic objectives marking each stage. This portends a bleak future for African unity and puts reservations about the feasibility of the Abuja treaty time framework. The fact of the matter is that requisite foundations and progress towards AEMU appear inadequate and the 34-years framework untenable. This study rejects this hypothesis on the basis of the preceding analysis. The 34 year time framework is inadequate especially the time allocations at the higher and more complex stages towards the African Economic Community.

4.2 Hypothesis Two:

The current African Union framework has the institutional capacity for continental integration.

An integrated continent needs to be systematically interlinked and yet the African continent has huge problems in this area. Overcoming this obstacle is therefore one of the key first steps to undertake in integrating the continent. Institutionally the Constitutive Act entrusts the accomplishment of the goals and ambitions of the African Union to different institutional players, each with its specific role: the Commission (as the engine of the Union); Member States (as the political project managers); the Pan-African Parliament and ECOSOC (as democratic control and monitoring organs); the RECs (as building blocks of the Union); the Court of Justice (as judicial and arbitration body); and the African Court of Human and Peoples' Rights. The success of the African Union will, to a large extent, depend on effective collaboration between these various organs as discussed in chapter two. Such a framework must be an effective configuration that is all encompassing and largely relevant in the African milieu. The table 4 highlights the specific organs of the African Union and their respective functions.

The Commission of the African Union, which is supposed to be the engine of the Union and of the integration process, does not yet posses the necessary capacities to achieve the stated objectives. The institutional heritage of the OAU is characterized by numerical and qualitative staff shortage, ineffective structures, a highly hierarchical and bureaucratic organizational structure, and systems and procedures that do not enhance modern, transparent and results oriented management. In the economic field alone this inheritance led to multiplicity of RECs. Inevitably the resultant interlocking and overlaps result in confusion, most evident when coordinated action is required, for instance during international negotiations. The complexity of negotiations with the current EU EPA trade arrangement with Africa illustrates this well. Fundamentally, one of the key aims of the African leaders who established the African Union was to bring together the large number of continental and sub-regional institutions established in Africa over the past 50 years and make them work together in one inter-related and well organized whole.

Table 4: The structure of the African Union

Regional Communities	Commission/ Secretariat	Council	Parliaments	Court of Justice	Other organs	Regional Bank
African Union (AU)	**The Commission** =AU Secretariat - Represents and defends AU interests. -Promotes coordination and harmonization of AU and RECs policies.	**The Assembly** –Supreme organ of the Union comprises heads of States and governments. **The Executive Council-** comprises Foreign Affairs Ministers of Member States. **The Permanent Representatives Committees** – prepares work for Executive Council.	**Pan –African Parliament=** Bureau - AU governance and consultative and advisory powers only and aims to become an institution with full legislative powers.	**The African Court of Justice** (African Court on Human and Peoples rights) - Oversees cases pertaining to the African Charter on Human and People's Rights.	**Special Technical Committees** -Peace and Security Council (PSC) **Economic Social and Cultural Council** (ECOSOC) -Advisory organ **African Economic Community**	**African Central Bank** **African Monetary Fund** **African Investment Bank**

Source: Author

Up to now the AU process has been driven almost exclusively by governments. It is necessarily a sovereign process, but the experience of EU indicates that success will depend upon broadening the ownership of the process. To that extent, the process has neither been participatory nor inclusive. In order to achieve the objective of democratic governance as well as to succeed in its overall mission, AU must broaden participation to include representatives of CSOs, professional bodies, research institutions and the private sector. Apart from dialogue forums, between the AU and these sectors, competent representatives from these sectors should be recruited to contribute to the capacity building and implementation of the mandates of some of the constitutive organs of the Union. In short, civil society and other organized non-state actors should become genuine stakeholders and an important resource on which to build the Union

In supranational terms, the institutional architecture of the RECs lacks the authority, power, and resources to enforce decisions and see the implementation of programs through to their logical conclusions. Successful integration requires secretariats with the staffing, financial resources, and authority to act on member states. Regional economic communities must be able to sanction indifferent performance or failures to fulfill commitments to protocols and treaty obligations. Once expected to serve as the building blocks of the African Economic Community, the RECs are now expected to form the basis of the African Union. But the communities show too much independence in their integration agendas, and their treaties appear to take precedence over the Abuja Treaty in formulating and implementing policy. No hard and fast rules bind integration agendas to the continental framework, and no supranational authority provides oversight, leaving several broad issues to be addressed:

- The relationship between the Abuja Treaty and the African Union is still ambiguous.
- Continental blueprints for integration have served mostly as loose frameworks, not as rule-based points of reference requiring all RECs and member states to comply. They rely mainly on the "best endeavour efforts" of communities and member states.
- Mechanisms for coordinating, monitoring, and following up on Africa's integration agenda at the national, sub regional, and regional levels are inadequate and ineffective.

Thus creating a sustainable and credible rights and obligations regime requires strong monitoring and surveillance mechanisms. African Union in its current form lacks institutional capacity and universally agreed-upon mechanisms of censure, at country, regional and continental levels. The inclusion among the objectives of AU Act, of the clause of non-interference of any member in the Internal Affairs of another, has a negative effect that is likely to dilute if not completely impair the effective implementation of the very positive objectives on the promotion of democratic governance, human rights and the rule of law provided under Article 3 clause (i), (m) and (n) of the Charter. In this regard, it will be recalled that one of the major factors contributing to the poor performance of the OAU arose from the application of the Clause of non-interference. The old argument of non-interference in the internal affairs of other African countries should be abandoned altogether or further clarified.

Other institutional inadequacies include the manner in which decisions are taken at the regional level; relying on unanimity to carry decisions, and the lack of transparency of regional organizations. The African Union cannot simply depend on loose non-enforceable protocols whose implementation depends on the best endevour efforts of member states. The decisions by AU and regional economic communities should not be implemented only when a member state is ready and willing to abide by them, they should be implemented as a legally binding undertaking and should invoke sanctions in default thereof[100]. The NEPAD APRM voluntary review mechanism needs to be augmented with supranational clout to fully reinforce its ideals. The AU must also be equipped with a monitoring capacity to review the compliance of member states and RECs.

On the democratic front, the process and criteria of selection or election of people's representatives in AU Parliament, is extremely important and will determine whether or not the parliament is going to be truly people's parliament or another high-level political talk shop. If the membership of this August institution is amorphously

[100] ILEAP Advisory Brief No.4 May 10 2004 '**Streamlining The Process of Economic Integration in Africa'.**

constituted and short of public ownership, it is likely to end up with individuals termed "people's representatives" but who for all practical purposes, are highly partisan appointees of the Heads of States and Governments or at best with some marginal and partisan representation of registered political parties, as happened in the recent case of appointments made to the new EAC Parliament. The current nomination style of the Pan-African Parliament leaves a glaring democratic deficit.

From a historical perspective, there is no structural relationship between the (O)AU and RECs. The immediate question is; What kind of interface is desirable between the AU and the RECs? Should there be several structures specific to the functions of RECs (e.g. one for peace and security, one for economic integration, etc) or is one single interface required? Does the AU propose to integrate RECs into its structure, or to cooperate with them? Will the RECs continue to exist as autonomous entities as the AU is established or is it envisaged that, over time, they will gradually be absorbed into the AU? If the 'integration' or absorption scenario is followed, how will this occur? If the 'cooperation' scenario is followed, which is the most realistic given the relative capacities of these organizations as they exist today. A Suitable mechanism therefore will be required to promote and monitor consistency between RECs' policies and their compatibility with the long-term aim of regional and continental convergence. Doing so will make it easier to harmonize national policies with the objectives, strategies and commitments to AU, NEPAD and RECs. On the leadership front, the emergence of Abuja-Pretoria axis in what is amounting to a new chapter in intra-Africa politics offers the much needed integration leadership that the rest of Africa can gravitate around. Though Abuja and Pretoria are perceived gradual towards integration their pace is rather worthwhile than the 'crash plan' approach unveiled by Qaddafi at Sirte. The Qaddafi

American-style United States of Africa was rather overzealous as opposed to the Abuja treaty that proposes gradual nation-state based EU model.

The apparent dichotomy between NEPAD and AU on the other hand bodes ill for continental unity and might compel 'an either or scenario'. Thus the extent to which African leaders can reach consensus on the goals of the AU and NEPAD and prioritize these goals accordingly will undoubtedly have a successful synergy of AU and NEPAD to a united Africa. The point therefore is that AU take embrace NEPAD so that the latter can serve as a political and economic framework for implementing AU objectives rather than work at cross-purposes.

There is, across the continent, an apparent lack of confidence in political institutions and political leaders as a result of the exclusion of citizens from structures and processes of governance. Thus, most view government driven initiatives with suspicion and/ or indifference. And yet, for AU to succeed there is need for it to build people's faith in its institutions, with a view to exploiting the enormous potential, human and material resources that have been mismanaged or underutilized in almost all African countries. The AU should therefore, work out viable strategies for galvanizing African peoples to serve their continent. Popular participation at all stages and levels of AU process, should be viewed as an invaluable investment that will payoff in the form of peoples support and willingness to contribute both human and material resources needed strengthening of AU.

Thus a synergetic institutional capacity towards a united Africa is weak within the current integration framework. What perhaps needs to be augmented is political will, strengthening the AU and infusing supranational clout, eradication of poverty and conflicts that combined greatly impede the integration agenda. This study thus rejects the hypothesis that the current African Union framework has the institutional capacity for continental integration.

4.3 Hypothesis Three

The EU model is not transferable to the African integration milieu.

Undoubtedly, the EU has an ambitious agenda for regionalism among developing countries. Indeed, the EU is at times extremely keen on defending its interests and exporting its experience, if not its model.[101] Although this comment was made in relation to services, it reflects a broader perception, by the European Commission at least, that the EU integration process can somewhat be replicated in other regions. In this respect, the EU does not provide a gentle encouragement to its regional partner, in this case AU, to integrate faster. It is an explicit compulsion in the context of its trade negotiations. The objective of closer economic and political cooperation with EU naturally lends itself to the logic of regulatory convergence of the partners. The EU being the dominant partner, it is to be expected that African Union will adjust its integration system to be amenable with EU.[102]

Some of the approaches and mechanisms from Europe that may be useful in Africa are the principle of subsidiarity; targeted policies to reduce welfare disparities between regions and the role of small countries and gradual implementation of policies at different speeds (variable geometry). Experience in Europe has underscored the importance of the principle of subsidiarity. That each issue has to be dealt with at the appropriate level with the understanding that integration will always require partial or total surrendering of national sovereignty whenever regional solutions are required.

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[101] In the case of its trade negotiations with Mercosur, the EC noted that "[a]n approach towards an EU-type integration is […] a long march. It took 35 years for the EU […]. Given that the EU has already shown the route to follow, we expect (and *request*) that the process is substantially accelerated in Mercosur" (European Commission, 2004b, p.7; *emphasis added*).

[102] Example DG. Trade 2004 Egypt/EU Agreement was instrumental in bringing Egyptian law and economic reform in line with EU legislation.

Under variable speed a common set of objectives is agreed, but differential implementation is allowable. The application of variable speed can be traced to the enlargement of the European community. The transitional arrangements for the accession of new members are a form of variable speed. Variable geometry has been practiced in the EU in the social field and movement of persons. For Africa variable geometry and variable speed can be of significance in solving the problem of duplication and RECs rivalries as well as overcome some of the current institutional overlaps.

Financing integration in EU offers valuable lessons for Africa. Traditionally the contribution from every member state corresponds to the size of their economy. Countries with struggling economies or inefficient farming sectors and weak infrastructure have received more significant cash injections. Data on growth rates, inflation, trade and exchange rates are used to calculate how much each Member State should pay into the EU budget each year. New data as illustrated above shows that 20 out of 25 Member States will see their contributions reduced. The reason for the reduction differs from country to country. For Germany, slower economic growth than forecast means lower contributions in real terms. Belgium and Spain have revised their estimated VAT and GNI bases upward, and the net customs duties have increased, giving rise to higher contributions. For Poland, Czech Republic and the UK, exchange rate fluctuations significantly influenced the budget contribution estimates – up for Poland and Czech Republic, down for the UK. However, these currency-related gains and losses have no direct impact to their contributions to the budget, as payments to the budget are made in their national currencies. This model is worth emulation by the African Union as opposed to assessed membership contribution based on rather spurious variables than economic size of member countries.

Following a re-draft of the budget it is anticipated that some of the new member states from central Europe will become major net recipients of EU funds as shown on the table 5 below.

Table 5: Contributions to EU budget 2005 by Member States

Amounts in € million – figures rounded to nearest million

Member State	Previous financing by Member State to budget 2005	Reduction due to surplus of the 2004 budget	Change due to revised economic data and surplus of Guarantee Fund	New financing by Member State to budget 2005
Belgium	4 034	-76	133	4 091
Czech Republic	932	-21	89	999
Denmark	2 130	-52	-12	2 066
Germany	22 209	-576	-320	21 313
Estonia	101	-2	1	99
Greece	1 882	-45	12	1 848
Spain	8 954	-216	163	8 901
France	17 296	-433	25	16 888
Ireland	1 341	-33	58	1 366
Italy	14 354	-359	1	13 996
Cyprus	145	-3	16	157
Latvia	115	-3	13	126
Lithuania	222	-5	-6	211
Luxembourg	241	-6	2	238
Hungary	1 003	-22	-85	896
Malta	57	-1	-5	51
Netherlands	5 551	-122	-17	5 412
Austria	2 307	-61	-37	2 209
Poland	2 098	-50	318	2 367
Portugal	1 442	-36	-22	1 385
Slovenia	300	-7	-8	285
Slovak Republic	393	-9	-2	382
Finland	1 544	-40	8	1 512
Sweden	2 832	-74	59	2 817
UK	13 732	-485	-909	12 339
Total	**105 216**	**-2737**	**-526**	**101953**

SOURCE: Adapted from European Commission report

On the African scene, the AU approved a budget of US$ 158 million for the year 2005. The AU budget for 2004 was US$43 million. In the 2005 budget, $75 million is earmarked for peace and security, less than half the $200 million sought by the commission. About $63 million will cover AU's administrative costs. On the whole AU member state will finance $63 million of the budget with the extra $95 million expected to come from discretionary payments by member states and western partners. Five countries termed as ceiling states due to their significant contribution to the AU budget. These ceiling states are; Egypt, Libya, South Africa, Nigeria and Algeria. By July 2005 member states have only contributed US$79 million of the US$158 million budget according to AU Commission. The key question now is whether the whole budget will be met. African Union Commission President Alpha Omar Konare has expressed concern over default rates from 75% of member states. In a report presented to the African Summit Konare said the arrears, as at July 2005 amounted to over US$ 60 million. With such a deficit situation prevailing the EU financing model is worth emulation due to its success and compliance rates as opposed to assessed and discretionary contributions based on spurious other than economic size/performance indicators.

There are no simple recipes or models to political and economic integration. At a glance the African union is a hybrid or a modification of the European Union. A comparison of these two models (EU/AU) reveals that structurally they are alike in terms of structures, organization and functions. However success or failure hinges on the specific context and environment in which the cooperation is to operate, and care must be taken not to transplant or borrow the EU model in a cut and paste manner. Copying the EU blue print per se would obscure the African experience and obviate a mechanism to overcome hurdles that Europe has surmounted. The European model is slow paced, based on a series of stages of development and taking time to build trust. The AU must therefore adapt the EU model and domesticate it to the local needs and realities. A comparison of these structures yields the following similarities.

The Pan-African parliament, located in Midrand, South Africa, composed of elected representatives from the five regions of Africa. This institution is similar to the Parliamentary Assembly of the Council of Europe and the European Parliament. The African commission, comprises of 10 commissioners (including a chair and deputy chair) and staff. As the secretariat of the African Union, it is responsible for administrative issues and co-ordination of African Union activities and meetings. As of 2004, the Chairman is Alpha Oumar Konaré, former president of Mali. This institution is similar to the European Commission.

The African court of justice, will rule on human rights abuses in Africa. The court consists of 11 judges, elected by the Assembly. This court is similar to the European Court of Human Rights.The Executive Council is composed of ministers designated by the governments of members states. It decides on matters such as foreign trade, social security, food, agriculture and communications, is accountable to the Assembly, and prepares material for the Assembly to discuss and approve. This is similar to the Council of the European Union.

The Assembly, comprises of heads of state and heads of government of member states. The most important decision-making body of the African Union, it meets once a year and makes its decisions by consensus or by a two-thirds majority. The current Chairman of the Assembly is Olusegun Obasanjo, president of Nigeria. This institution is a mix between the European Council and the United Nations General Assembly. Permanent Representatives' Committee, composed of nominated permanent representatives of member states. It prepares the work for the Executive Council. This institution is similar to the Permanent Representatives' Committee (COREPER) of the European Union.

The Peace and security council was proposed at the Lusaka Summit in 2001; a protocol to establish this group has not yet been ratified. It would have 15 members responsible for monitoring and intervening in conflicts, would be advised by a council of elders, and would have an African force at its disposal. This institution is similar to the Security Council of the United Nations. Economic, Social and Cultural Council, an advisory organ composed of professional and civic representatives. This institution is similar to the European Economic and Social Council. Table 6 below graphically compares these two models.

Table 6: Comparative table European Union versus African Union organs

Union	Commission/ Secretariat	Council	Parliaments	Court of Justice	Other organs	Regional Banks
European Union	**European Commission-** Executive organ. legislates, manages and implements EU policies and budget, represents EU internationally.	**European Council** -Handles political issues -Decision making body of the Union	**European Parliament** Elected by peoples of member states. Legislative Parliament together with Council Legislative Budgetary and Supervisory roles.	**European Court of Justice** (ECJ)- Supreme Court of the EU. upholds laws of the Union.	**European Economic and Social Committee** – Responsive to civil society concerns. **European Ombudsman** - Deals with EU malpractices cases.	**European Central** Bank deals with EU Monetary & Fiscal policies. **European Investment Bank**- finances investment projects.
African Union (AU)	**The Commission** -AU Secretariat - Represents and defends AU interests. -Promotes coordination and harmonization of AU and RECs policies.	**The Assembly** Supreme organ comprises heads of States and governments. **The Executive Council**- comprises Foreign Affairs Ministers **Permanent Representatives Committees** – prepares work for Executive Council.	**Pan –African Parliament** -Nominated MPs by National governments - AU governance and consultative and advisory powers only and aims to become an institution with full legislative powers.	**The African Court of Justice** (African Court on Human and Peoples rights) - Oversees cases pertaining to the African Charter on Human and People's Rights.	**Special Technical Committees** -Peace and Security Council (PSC) **Economic Social and Cultural Council** (ECOSOC) -Advisory organ and comprises professionals from Member States. **African Economic Community** (Community)	**African Central Bank** **African Monetary Fund** **African Investment Bank**

Source: Author

Elsewhere, Africa can also learn from the ASEAN model, which has elements in common with the European case. It is akin to the European experience, in that capitalist countries threatened by Communism, under a U.S. military umbrella, provided the impulse towards integration. However, from this point on, East Asian experience is sharply divergent, in two major respects: Politically, the integration is marked by institutional simplicity and a continuing respect for national sovereignty and non-interference in the internal affairs of member states. Economically, it has been 'open integration', powered by multi-national companies seeking global markets. The East Asian case is the clearest example of a general pattern for regional integration: it spreads out from a more developed core that plays a hegemonic political and economic role. This has been called the 'flying geese' theory of economic development. In this case the 'lead goose' is Japan, at the cutting edge of technological development. As it develops, the less advanced sectors are passed to the following geese (countries such as Thailand and Malaysia), where labour costs are lower, which in turn pass on their less developed sectors to the geese following them (e.g. Indonesia). This model though loosely formulated and safeguarding sovereignty is not ideal for Africa, as the 'lead goose' phenomenon cannot be easily replicated in Africa as well as the Abuja framework that seeks supranational clout for African Economic Community/African Union. The African economic core is not well developed and the 'flying geese' theory is hard to configure. The ASEAN model in this case seeks to illustrate the need to domesticate its integration process.

In a nutshell Africa needs to promote these economic, political and value-based imperatives and combine them with its elaborate current structure (akin to EU) in order navigate and capture irreversible momentum. There are concerns about the Abuja Treaty's silence on political integration, especially in light of the demand for an African Economic and Monetary Union (AEMU). One of the harsh lessons from the experience of the EU is the realization by the EU in 1990 that economic union and political union are intertwined and not mutually exclusive. This reality is reflected in the 1993 European Union Maastricht Treaty. For its effectiveness and survival, it is critical that the AU, in its formative years clarifies the membership status of countries as well as that of RECs in the integration process. This is a fundamental ingredient that harnesses institutional capacity and bolsters institutional synergy. With this context pervading in Africa replication of the EU model line hook and sinker is unlikely to effectively drive African quest for unity. However the EU model to a greater extent is relevant to Africa and offers significant pathfinder lessons substantially transferable with contextual modifications allowable. This study confirms the hypothesis by accepting the non- transferability of EU model to Africa.

CHAPTER FIVE

CONCLUSION/RECOMMENDATIONS

This final chapter intends to capture and encapsulate the road map, achievements, recommendations and a synthesis of Africa's integration under the African Union. According to Functionalist theory and as applied in this study it is apparent that Africa needs collaborate responses to her common problems. It is only through continental synergy that such collaborations and responses can be perceived, formulated and executed to solve Africa's social, political and economic challenges. Thus the realization of a united, functional and integrated Africa will necessarily take time to achieve. However, what is more important is the launch of the process, irreversible momentum and establishment of definite milestones. The Abuja Treaty quite understood this imperative, as it has marked out six intermediate stages that should culminate in African Economic Community. Similarly, the African Union, which has fully taken on board the objectives enshrined in the Abuja Treaty, has retained a gradual approach for harmonious progress towards the full integration of the continent. On this score, acceptance by member states of gradual transfer of sovereignty and delegation of power at regional level might lead the RECs to evolve from intergovernmental management approach to con-federal, and later, federal management. This development will, in turn, dictate the evolution of the African Union.

As acknowledged by the Treaty of Abuja, RECs have to be consolidated as a prerequisite for the AEC. Multiple, uncoordinated and poorly funded RECs will not be solid enough building blocks to create the African Union. In the meantime creation of additional RECs and Sub-RECs should stop and member states should now seek to rationalize membership with a view to eventually belonging to only one community. Likewise, if the AEC is to take off requisite democratic institutions must, first, be constructed at the national level. If the AEC is to succeed, public participation must guide decision-making at the national and supranational levels. There is the additional, related problem of representation at the regional and continental levels. Representation deficits domestically are inevitably duplicated at the continental level. This results in the anomalies of repressive states and states at war agreeing at gatherings of Heads of State and Government to abide by democratic principles. While President Bashir of Sudan may sign the AU Constitutive Act, for example, he does not speak for a unified Sudan. The same applies in a number of other African states where armed conflicts at varying levels of intensity continue.

Regional cohesion is indeed important, in the EU experience, national interests continually compete with supranational ones. To that end, a revised and more people driven process is cardinal to AU success. The AU should also consider fine-tuning the Abuja Treaty to reflect a more democratic inclusion and involvement of various stakeholders. All things considered, AU can draw a vital lesson from the EU experience. There can be no effective regional integration without national integration and participation. The European experience shows that national level arrangements such as Inter-ministerial coordination committees, or consultation mechanisms with chambers of commerce, trade unions, and pressure groups are essential for effective participation in regional initiatives. Efforts at the regional level can only be sustained if African countries can first put their own national policies in order.

The financing gap depends pretty much on the scope of cooperation. Given the many overlapping memberships, it has often been suggested that the integration process would be more effective if there were fewer RECs and if member states were limited to membership in only one. An apparent flaw with AU its weak financial plan for its establishment and sustenance. Africa's integration and AU cannot be funded solely by the traditionally unreliable financial contributions of member states or outside support. Relying principally on assessed contributions has proven unsustainable for RECs and dependence on external assistance, decreasing lately, is not a viable way to buttress AU. Building an effective AU and ensuring a brighter future for Africa's integration require more than a precarious dependence on these limited traditional sources of financing. It calls for more innovative and sustainable approaches to achieve an autonomous and self-dependent integration process. In light of Africa's financial predicament AU needs to emulate the EU's innovative and sustainable financing mechanisms, including selected imposition of taxes. Today the EU-financed budget runs into the billions of dollars, with a significant share used to level the playing field by supporting weaker economies under the Structural Fund.

For all intents and purposes, Africa's unification demands special efforts and considerations from Africa's development partners. The combination of the Millennium Development Goals, support from the group of G8, encouragement from EU and the adoption of NEPAD provides an unprecedented unifying vision and framework for Africa's development over the coming decades. The special features of this partnership include its African ownership, its focus on monitorable outcomes accepted by all, and its move away from an exclusively inter-governmental level towards a development strategy that deals with Africa as a cohesive entity.

It is necessary to seek harmonization and coordination between the peace and security functions of the African Union and those of the RECs. The African Union should seek means of clarifying the roles and responsibilities of these different African organizations, and should create a formal mechanism for cooperation between them. The African Union should consider establishing an African council for security, to coordinate the peace and security functions of the AU with inputs from the Conference on Security, Stability, Development and Cooperation in Africa (CSSDCA), NEPAD, and the RECs, as well as providing an interface with the United Nations Security Council. In this respect, the AU should seek to accelerate the resolution of conflicts and to facilitate the establishment of capable governments that can ensure peace and security in conflict-stricken countries.

By strengthening regional communities, it is hoped that broader representation and peaceful persuasion through norm sharing and complementary institutions can converge to bolster the collective objectives of the new African agenda. However, a gap between policy and implementation still exists. This study contends that the gap between policy and implementation may be filled by regional organizations that are accountable to and representative of the people they represent. One of the proposed cornerstones of continental governance is the APRM. This mechanism, as an instrument of self-monitoring, represents a new and unique opportunity for continental governance. However, its efficacy in serving as a tool of norm sharing and, at the extreme, coercion to democratic practice, is compromised by voluntary membership clause. Currently only 23 African countries are members of NEPAD's APRM initiative and not all have effectively acceded to the core tenets. This nonetheless would undermine the obligatory nature of good political governance as contained in the Constitutive Act, by subsuming them under the voluntary NEPAD review system. The reversal of Togo military disregard of constitutionalism after the death of long serving President Eyadema vindicates the Constitutive Act and is a decisive win to the African Union.

Finally the perceived undercurrents of antagonism between AU/NEPAD analogous to sibling rivalry need to be settled without delay. This dichotomy must be addressed as a matter of immediate priority. The question of legitimacy, acceptance and higher profile apparently accorded to NEPAD more than AU leads to a critical conjecture whether to abandon AU and seek Africa's unification through NEPAD. A continental framework for the future of Africa and her people will only be feasible if these two initiatives dovetail their objectives. The fact remains, however, that NEPAD and the AU represent bold initiatives designed 'for Africans by Africans' that have the potential to uplift and revive the African continent. Admittedly, regional integration in itself has not failed in Africa, but rather progress has been hampered by the lack of political will in implementing and accumulating the necessary resources for the success of it. It needs to be said that the Abuja Treaty spelt out clearly Africa's desire for change. The Abuja Treaty can be interpreted as the landmark of change in the policies and implementation of regional integration, but lacks proper institutional support system. This treaty further paved the way for a debate in moving to a closer form of continental integration, unlike the loose organization of states, which prevailed under the OAU. In addition, the study has further assessed how African countries' practice of multiple memberships has constituted an obstacle in the success of regional integration. Issues such as civil strife, conflicts and the lack of transport and communications infrastructure have played a negative role and have delayed progress in regional integration. Such are the challenges faced by the Abuja's AEC which now has been converted into the AU. In reality these are just some of the lessons and challenges that the AU will have to contend with.

Without a doubt then, and in light of the foregoing discourse, Africa needs to integrate for its survival and advancement. Regional integration, however conceived, must not be an alternative for Africa's development, but a facilitator of it. UNECA and the AfDB by undertaking research that will fill knowledge gaps in trade, investment flows and trade policy will immensely smoothen the integration process. Perhaps a special unit could be established to pay special attention to the needs of the participating countries, and to work towards a strategy that identifies the implications of integrating economies of different sizes and levels of development. Consequently, the emergence of UNECA's Africa Knowledge Networks Forum (AKNF) and the African Development

Forum (ADF) is a major step in seeking consensus of ideas to solve Africa's integration of disparate economies.

Reality has now dawned, that Africa's survival weapon against political and economic marginalization hugely depends on a successful African union. In the words of South African President Thabo Mbeki, "the ball is now in Africa's court".

APPENDICES: OUTLINE

Illustration 1: Abuja Treaty 36 years six-phase integration timetable and stipulations

Tables and Institutional structures of some regional groupings

Table 1: Major regional integration agreements in Africa

Table 2: The European Union

Table 3: African Union

Table 4: Central Africa –CEMAC

Table 5: South Africa –SADC

Table 6: West Africa –UEMOA and ECOWAS

Table 7: Asia – ASEAN

Table 8: Caribbean – CARICOM

Table 9: Latin America - MERCOSUR

Illustration 1:
Abuja Treaty 36 years six-phase integration timetable and stipulations.

First phase, 1994–99.

Strengthening regional economic communities and establishing them where they do not exist.

Second phase, 1999–2007.

Freezing tariffs, non-tariff barriers, customs duties, and internal taxes at their May 1994 levels and gradually harmonizing policies and implementing multinational programmes in all economic sectors—particularly agriculture, industry, transport, communications, and energy.

Third phase, 2007–17.

Consolidating free trade zones and customs unions through progressive elimination of tariffs, non-tariff barriers, and other restrictions to trade, and adopting common external tariffs.

Fourth phase, 2017–19.

Finalizing coordination and harmonization of policies and programmes in trade and other sectors as a precursor to full realization of the African Common Market and African Economic Community, with all regional economic communities. This phase should result in the free movement of people, with rights of residence and establishment among the regional economic communities.

Fifth phase, 2019–23.

Consolidating the continent wide African Common Market resulting from the fourth phase.

Sixth phase, 2023–28.

Realizing the vision of the African Economic Community, with complete economic, political, social, and cultural integration and with common structures, facilities, and functions, including a single African central bank, a single African currency, a pan-African parliament and a pan-African economic and monetary union.

Table 1: Major RECs in Africa and country membership status

Grouping	Year of Est.	Member States
Central African Monetary and Customs and Economic Community -CEMAC	1998	Cameroon, Central African Rep., Chad, Congo, Equatorial Guinea and Gabon.
East African Community 1 & 11 EAC	1967, 1999	Kenya Uganda Tanzania
Southern African Customs Union SACU	1969	Botswana Lesotho Swaziland South Africa
Mano River Union MRU	1973	Liberia Sierra-Leone Guinea
Economic Community of West African State ECOWAS	1975	Benin Burkina Faso Cape verde Cote d'Ivoire Gambia Ghana Guinea Guinea Bissau Liberia Mali Mauritania Niger Nigeria Senegal Sierra Leone Togo
South African Development Community SADC	1992	Angola Botswana DRC Lesotho Malawi Mauritius Mozambique Namibia Seychelles South Africa Swaziland Tanzania Zambia Zimbabwe.
Common Market for Eastern and Southern Africa COMESA	1993	Tanzania Kenya Uganda Ethiopia Madagascar Mozambique Sudan Zambia Swaziland Lesotho Namibia Mauritius Rwanda
Economic Community of Central African State ECCAS	1984	Burundi Cameroon Central African Rep. Chad Togo Equatorial Guinea Gabon Soa Tome & Principe DRC
African Economic Community AEC	1991	All members of OAU except Morocco
Arab Magreb Union AMU		Algeria Libya Mauritania Tunisia Morocco
Inter Governmental Authority on Development IGAD		Kenya Eritrea Ethiopia Djibouti Somalia Sudan Uganda
West African Economic and Monetary Union UEMOA	1994	Benin Burkina Faso Cote d'Ivoire Guinea Bissau Mali Togo Niger Senegal

Source: Author

Table 2: The European Union

Regional Communities	Commission/ Secretariat	Council	Parliaments	Court of Justice	Other organs	Regional Bank
European Union Customs and Monetary Union + Single Market has 25 members founded in 1956 by the Treaty of Rome -All EU decisions and procedures are based on the Treaties agreed by all members.	**European Commission-** Executive organ, legislates, manages and implements EU policies and budget, represents EU internationally.	**European Council** -Handles political issues relating to EU integration Council of the European Union – decision making body of the Union	**European Parliament-** elected by peoples of member states. Legislative Parliament together with Council Legislative Budgetary and Supervisory roles.	**European Court of Justice** (ECJ)- Supreme Court of the EU, upholds laws of the Union.	**European Economic and Social Committee** responsive to civil society concerns. Committee of the regions **European Ombudsman** deals with EU malpractices cases.	**European** Central Bank deals with EU Monetary & Fiscal policies. **European Investment Bank-** finances investment projects.

Source: UN Economic Commission

Table 3: The African Union

Regional Communities	Commission/ Secretariat	Council	Parliaments	Court of Justice	Other organs	Regional Bank
African Union (AU) -Replaced OAU and promotes socio-economic integration of the continent. -Promotes peace stability and security.	**The Commission** =AU Secretariat - Represents and defends AU interests. -Promotes coordination and harmonization of AU and RECs policies.	**The Assembly** –Supreme organ of the Union comprises heads of States and governments.	**Pan –African Parliament**= Bureau - AU governance and consultative and advisory powers only and aims to become an institution with full legislative powers.	**The African Court of Justice** (African Court on Human and Peoples rights) - Oversees cases pertaining to the African Charter on Human and People's Rights.	**Special Technical Committees** -Peace and Security Council (PSC)	**African Central Bank**
		The Executive Council- comprises Foreign Affairs Ministers of Member States.			**Economic Social and Cultural Council** (ECOSOC) -Advisory organ and comprises professionals from Member States.	**African Monetary Fund**
		The Permanent Representatives Committees – prepares work for Executive Council.			**African Economic Community** (Community)	**African Investment Bank**

Source: http://www.au.int/index

Table 4: Central Africa –CEMAC/ECCAS

Regional Communities	Commission/ Secretariat	Council	Parliaments	Court of Justice	Regional Bank
CEMAC/ ECCAS Communaute economique et Monetaire d'Afrique Centrale- -Founded in 1994 and has six members Comprises 2 unions UEAC and UMAC	**Executive Secretariat** –Prepares and controls decisions and implementation, expresses opinions and recommendations	**Heads of States Conference** - Supreme organ. **Council of Ministers** –Ensures direction of the union and adopts budgets **Inter State Committee** –Prepares deliberations of Council of Ministers.	**Community Parliament** -Legislative role	**Community Court of Justice** - Composed of a judicial chamber and Auditors chamber. Controls the accounts of the union.	**UEAC** -Banque de developpement des Etats D'Afrique Centrale **UMAC** –Banque des Etats de l'Afrique Centrale Institution de Financement du developpement

Source: http://www.cemac.int/index

Table 5: South Africa –SADC

Regional Communities	Commission/ Secretariat	Council	Parliaments	Court of Justice	Other organs
SADC Southern Africa Development Community Founded in 1992, has 14 members. Promotion of sustainable and equitable economic growth and Socio-economic development.	**Secretariat** -Strategic planning and management of the SADC programme. Implementation of Summit & Council decisions. -Harmonization of policies -Finance and administration -Monitoring and evaluation of regional policies and programmes.	**The Summit** (Heads of State and Governments) -Supreme policy making institution **Integrated Committee of Ministers (ICM)** -Ensures policy guidance, coordination and harmonization of cross-sectoral activities. **The Council** Organs on politics, defence and Security		**Tribunal** -Ensures adherence and interpretation of SADC Treaty and subsidiary instruments. -Adjudicates disputes.	**National Committees** -Provides inputs from national level in the formulation of national policies and their implementation Standing Committee of Senior Officials -Technical advisory committee of the Council.

Source: http://www.sadc.int/index

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