UNIT 15 ECONOMIC CO-OPERATION: CONTINENTAL AND REGIONAL

Structure

15.1 INTRODUCTION

After attaining independence during the 1950s and 1960s, the African countries embraced economic cooperation and regional integration as a part of the strategy for the structural transformation of Africa. The vision and commitment of African leaders to the ideals and principles of political and economic cooperation, as a means of mitigating the cons aints faced by many small-nation economies led them to establish the Organisation of African Unity (OAU) and the African Development Bank (ADB) in 1963 as instruments for fostering African development and unity. This commitment was later reiterated in the Lagos Plan of Action in 1980 and, subsequently, in the Abuja Treaty of 1991 which envisions the ultimate creation of the African Economic Community.

The desire to overcome the economic disadvantages of fragmentation gave rise to the establishment of a plethora of treaties and regional institutions whose overriding objective was the creation of self-reliant development of meinber states. These include, the Customs and Economic Union of Central Africa (UDEAC, (1964)) which later became the Central African Community (1967-1977); the South Africa Customs Union (SACU, (1969)); the Southern African Development Coordinating Conference (SADCC, (1980)); which was later transformed into tlie Southern African Development Community (SADC, (1992)); and Common Market for Eastern and Southern Africa, (COMESA, (1995)); the West African Economic Community (CEAO, (1972)); the Economic Community of West African States (ECOWAS, (1975)); and the West African Economic and Monetary Union (UEMOA, 1994); the Preferential Trade Area (PTA) (1981)) which was later succeeded by COMESA in 1995; and, the Arab Maghreb Union (AMU (1989). In addition to this first tier of regional bodies, numerous sub-regional organisations have since been established.

In addition to the political objective of continental unity, the African leaders also pursued regional integration in order to overcome three fundamental development constraints characteristic of the African economies namely: (a) small size of the economies (b) the lack of structural complementarities as manifested in the narrow set of similar, low-value primary export products and basic minerals; and (c) dependence on the import of intermediate and final goods. Regional integration was viewed as offering opportunities leading to market expansion, economies of scale and diversification of the economic base.

15.2 CONTINENTAL INITIATIVE IN THE SUB-SAHARAN AFRICA: LPA, AU AND NEPAD

In the 1970s, about a decade after the formation of tlie OAU, African leaders took concrete steps aimed at addressing the plight of the continent. The first significant attempt was the 1973 "Declaratiun on Co-operation, Development and Economic Independence" by the Organisation of African Unity. In 1979, at the 16th OAU Summit, the African leaders adopted the historic Monrovia Declaration, which laid the basis of Lagos Plan of Action (LPA) that was to be adopted in the following year at a special economic summit in Nigeria. The LPA took the Monrovia declaration forward. It set a development agenda for the continent for the 1980s and towards the year 2000. The LPA was anchored on two key principles: collective self-reliance and self-sustaining development and economic growth. According to LPA, 'Africa must cultivate the virtue of self-reliance. This is not to say that the continent should totally cut itself off from outside contributions. I-Iowever, these outside contributions should only supplement our own effort; they should not only supplement our development.'

The following were to be tlie LPA guidelines:

a) Africa's huge resources must be used primarily to meet the needs and purposes of its people;

b) Africa's total reliance on tlie export of raw materials must change;

c) In terms of self-reliance, Africa must mobilise all its human and material resources for her development;

d) These efforts should enhance the move towards African economic integration;

e) National governments should develop economic, social and cultural policies that are informed by tlie LPA objectives.

The LPA identified seven priority areas notably, in food and agriculture (which aimed at achieving food self-sufficiency), human resource developrnent (whose targets included eliminating illiteracy by 2000). transport and communication, and industry. The aim was that the proposed LPA interventions would lead to the formation of sub-regional bodies throughout the continent and the establishment of an African Common Market and, ultimately, an African Economic Community. In this sense, the LPA was seen as the continent's struggle against underdevelcpment.

However, tlie LPA remained ceremonial as a project for a number of reasons. Firstly, and most important of al I—any attempt to develop an economic recovery programme without addressing the nature of the African issues of democracy arid governance was bound to fail. There was no way that the African leaders, some very brutal, would have had the political will to address the plight of the continent. Second, political divisions across the continent were very deep due to ethnicity, sub-regional and regional dynamics as well as the impact of the Cold War. Finally, was the impact of the deteriorating terms of trade, the 1981-82 recession, the increasing burden ofexternal debt, and natural misfortunes such as famine, floods, desertification and drought, left the countries underdeveloped.

In 1985, at the 21st OAU Summit, there was an attempt to revive the LPA with the adoption of the "African Priority Programme for Economic Recovery" (APPER). In fact APPER was a contribution towards UN special session that was to adopt a "Programme of Action for African Economic Recovery and Development, 1986-1990".

The 1990s created better political conditions for the African recovery attempts. The end of the Cold War not only lessened political divisions of the continent, but also created better conditions for the resolution of intra- and inter-state conflicts. Secondly, the wave ofdemocratisation that hit the continent from 1989, on the one hand, imposed conditions for transformation of the post-colonial state, and on the other, reactivated and mobilised the African masses. Popular participation and public-private partnership gained importance as essential ingredients for the continent's recovery. Finally, the liberation of Namibia and South Africa closed a chapter of the continent's colonial history, and created conditions for a reassessment of the Pan-Africanism.

The adoption of the Abuja Treaty at the 1991 OAU Summit was an important step in this direction. The treaty was an attempt to take forward the LPA vision of regional integration with its objective of creating an African Economic Community by 2025. The Treaty envisages a 34 year long, six stage, linear process through a trade integration approach that begins with trade liberalisation and a custom union, to common market and economic community. The principles of the Treaty include "solidarity and collective self-reliance", recogtiition and protection of human and people's rights, and accountability and popular pat-ticipation in development. The organs of AEC include some of the institutions that were to be incorporated into the African Union, that is, the Pan-African parliament, the Economic and Social Council, Specialised Technical Committees, as well as the Court of Justice.

Another important step was adoption of "Relaunching Africa's Economic and Social Development: The Cairo Agenda for Action" by 1995. The Cairo Agenda identified the following as priority issues for the continent's recovery: (a) governance, peace, stability and development; (b) food security; (c) human resource development and capacity building; (d) resource mobilisation; (e) regional economic co-operation and integration; and (f) structural transformation of the African economies.

Indeed, tlie Treaty has its shortcomings, primarily because of its economistic approach to the regional integration. The OAU Extra-Ordinary Summit in Sirte, Libya, in 1999, put politics in the lend and revised the Treaty's time frames. Furthermore, it also became necessary to review the OAU as a structure and its mandate. Thus, the immediate focus in the post-Sirte phase became the transformation of tlie OAU into an Afsican Union with the Pan-African parliament, financial institutions (Central Bank, Investment Bank and Monetary Fund), Court of Justice and tlie Economic and Social Council as the key organs. Accordingly, African parliamentarians in Pretoria adopted the Constitutive Act establishing the Union as the OAU Summit in Togo in July 2000, and the draft Pan-African Parliament (PAP) protocol two months later.

15.2.1 African Union

The July 2001 OAU Summit of Lusaka saw the birth of the African Union (AU). At the same Summit, another body, the "New Partnership for Africa's Development" (NEPAD), supposed to help the AU realise economic integration and other pertinent issues, was launched.

The establishment oftne AU is another major landmark event in the history of Africa. Africans are confident of the AU and look to it as a body that will unite the whole continent and fulfil its expectations. They loolc forward to a smooth and event free transition from the OAU to the AU. They expect the AU to muster greater efforts by not only consolidating all that the OAU achieved before it, but also more especially by emphasising on the economic development. It has been realised that many African countries have lost much time and missed numerous opportunities as well as wasted the scarce but precious resources that would have enhanced the development process. Moreover, in terms ofmandate, unlike the OAU which was merely political, the Afi-ican Union (AU) is both a political and economic formation; it is not just a Pan-African platform for leaders to pronounce themselves on common position, but aimed at creating a community—an integrated political, social and economic whole. Furthermore, the OAU objectives put more emphasis on sovereignty and 'non-interference', with no reference at all to the issues of democracy, governance and human rights. For its part, the AU not only addresses the later issues, there is even a qualification on 'non-interference'. Article 4(h) in the AU Act recognises "the right of the Union to intervene in a member state pursuant to a decision of the Assembly—in respect of grave circumstances, namely, war, crimes, genocide and crimes against humanity". Nor will the AU be silent on coups as it happened with the OAU. Article 30 of the AU Act is very unambiguous on this: "Governments which come to power through unconstitutional means shall not be allowed to participate in the activities of the Union".

The priority areas of AU:

i) fostering greater unity and solidarity in Africa; ii) promoting and maintaining peace and stability in the continent; iii) promoting gender equality, human rights and the rule of law; iv) fostering good governance by applying democratic principles; v) executing suitable programmes and policies of reform to bring about accelerated social and economic development in order to improve living standards and the lot of the people; vi) taking deliberate but very definite steps to achieve economic integration; vii) promoting social and economic cooperation across African states; and viii) attracting into Africa more investments in order to enhance the growth and expansion of industries and the creation of jobs.

15.2.2 NEPAD

In taking the continent forward, in line with the establishment of this new multilateral organisation, in their last OAU Summit in Lusaka (July2001), tlic African leaders acloptcd an economic blueprint for Africa's recovery, namely the "New Partnership of Africa's Development" (NEPAD), to be better able to respond to tlie challenge of a changing international environment. This new developmental model is a comprehensive, integrated strategic framework for the socio-economic development of Africa, which has, as its primary goat, tlie eradication of poverty in Africa and to place the African countries both individually and collectively on a path of sustainable growth and development. During this Summit, the African Heads of State and Government instituted the NEPAD Implementation Committee (NIC), which was then charged with the task of translating NEPAD's commitments into a practical and implementable programme. The New Partnership for Africa's Development (NEPAD) is the development arm of the African Union.

The key objective of the NEPAD is to prevent tlic marginalisation or the exclusion of Africa in the globalisation process.

With the finalisation of the NEPAD Strategic Framework Document in February 3002, a 15 member African task force has established live teams to identify and prepare specific projects and programmes according to the live priority areas of NEPAD's Programme of Action, namely :

Capacity building on peace and security; Economic and Corporate governance; Banking and the financial sectors; Regional infrastructure projects; and Agricultural developtnent and market access for continental products.

The 12th Summit of the World Economic Forum in Africa was held in association with the NEPAD Steering Committee in Durban, South Africa from 5 to 7 June, 2002.

The Summit focused primarily on the following themes:

a) The Role of Africa: Good Governance, Stability for Development and Investment; b) the Response of Africa's International Partners: Market Access, Debt Relief and ODA; c) Business Engage NEPAD: Seizing the Opportunities Presented; d) The Way Forward: Collaborative Strategies for Success; e) Bridging the digital divide; and f) The Global Health Initiative.

15.3 REGIONAL INITIATIVES: EAC, ECOWAS, SADCC, COMESA

15.3.1 What is 'Regional Economic Integration'?

"International economic integration" is a relatively new econotnic term and no evidence of its use prior to 1942 has been found. By 1950, however, the term began to be used more generally within the context with which it is most commonly associated today, namely, as a term to denote "...a state of affairs or a process involving the combination of separate econotnies into larger economic regions". The term "regional economic integration" has no clear-cut meaning. Indeed, a whole spectrum of definitions exists, ranging in meaning between two opposite extremes. At the one end of the spectrum, the mere existence of trade relations between two independent economies is considered as a form of economic integration, while at the other end, nothing short of the total unification of two or more independent national economies is regarded as economic integration. The investigation of a number of alternative definitions is, therefore, essential if we are to come to an understanding of this concept. The concept of sub-regional and regional economic cooperation is not new to the African countries. Even during the colonial times, there were a number of regional organisations by way of customs unions, or even more formally organised regional groupings such as tlie East African common market of Kenya, Tanganyika and Uganda dating back to 1917. The common market was upgraded as the East African High Commission in 1947 when administration of common services was added to the operation of the de facto common market. With the independence of Tanganyika in 1961, the East African Common Service Organisation (EACSO) replaced the High Commission. In 1967 East African Community (EAC) was established which replaced EACSO. The basic aim of the community was "to strengthen and regulate the industrial, commercial and other relations of the partner states to tlie end that there shall be accelerated, harmonious and balanced development and sustained expansion of economic activities the benefits whereof shall be equally shared. Tlie new provisions were tried for almost ten years, but ultimately in 1977, the three countries found them unworkable and the common services broke down. The defunct East African Community (EAC) has been revived and re-established. Under the Treaty, which was signed by member states on 30 November 1999, Kenya, Tanzania and Uganda undertook to establish a customs Union, a Comtnon Market and, subsequently a monetary Union. Their ultimate objective is the establishment of a political federation. The member states also agreed to strengthen their industrial, commercial, infrastructure, cultural, social and political relations and to harmonise their development policies in order to achieve sustained economic development.

As it is, ever since their independence, the African states have shown persistent interest in cooperation, both at the economic and political levels. The formation of the Central African Customs and Economic Union (UDEAC), the West African Economic Community (CEAO) and several other smaller organisations are some examples. The reasons for this are not far to seek. Internally the small size of their market, with an average population of around nine million per country, warped pattern of development inherited as a colonial legacy and uneven resource endowment, are some of the factors which make it abundantly clear that their development on the national scale is not going to carry them very far, and that there was a built-in need for them to widen the horizon of such development through cooperation. But none of these integration schemes have lived up to the expectation. The main reason being that they are generally moulded in the colonial frame largely in conformity with the principles of classical economic doctrine.

There are a number of factors that account for the limited progress of such regional organisations during the period of the 1960s and early 1970s. Among others, six basic threats to regional integration schemes in developing countries are: (i) unequal distribution of benefits between members; (ii) ideological differences between members; (iii) weak institutional structures; (iv) intrusive power involvement; (v) politicisation of integration issues; and (vi) nationalism.

Some of the Important Regional Organisations in Sub-Saharan Africa During the period 1970-1990:

15.3.2 Economic Community of West African States (ECOWAS)

The idea of forming regional economic groupings in West Africa may be dated back to the initiatives emanating from the UN Economic Commission for Africa (ECA) which made it abundantly clear that the most important key to economic progress in Africa lay in the economic cooperation among the African countries.

On 28 May 1975, ECOWAS Treaty was signed by Fifteen West African states, These are: Benin, Gambia, Ghana, Guinea, Guinea Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo, Upper Volta (now Burkina Faso). The ECOWAS Treaty, containing 65 Articles arranged into 14 Chapters, has its central aim the creation of an economic community of West African states in which free trade and free mobility of labour and skill would enhance the harmonisation of economic development, embracing agriculture, industries, transport and communications and training of skills. It is envisaged that the establishment of the Customs Union would take a transitional period of fifteen years after the Treaty has come into force. Within this period, all existing customs and other barriers to free trade would have to be gradually whittled down and finally eliminated, giving way to common customs tariffs and nomenclature for the Community against outside countries.

Aims of the Community

The aim of the Community will be 'to promote cooperation and development in all fields of economic activity, particularly in the fields of industry, transport, tele-communications, energy, agriculture, natural resources, commerce, monetary and financial questions and in social and cultural matters, for the purpose of raising the standard of living of its people, of increasing and maintaining economic stability, of fostering closer relations among its members and of contributing to the progress and developmerit of the African continent.

The Community shall, by stages, ensure:

the elimination, as between the member states, of customs duties and other charges of equivalent effect in respect of the import and export of goods;

- the abolition of quantitative and administrative restrictions on trade among the member states;
- the establishment of a common customs tariff and a common commercial policy towards third countries;
- the abolition as between the member states of the obstacles to the free movement of persons, services and capital;
- the harmonisation of the agricultural policies and the promotion of common projects in the member states notably in the fields of marketing, research and agro-industrial enterprises;
- the implementation of schemes for tlie joint development oftransport, communications, energy and other infrastructural facilities as well as the evolution of a common policy in these fields;
- the harmonisation of the economic and industrial policies of the member states and the elimination of d isparities in the level of development of member states;
- the harmonisation, required for the proper functioning of the Community, of the monetary policies of the member states;
- the establishment of a Fund for Cooperation, Compensation and Development; and
- such other activities calculated to further the aims of the Community as the member states may from time to time undertake in common.

The ECOWAS Treaty establishes a number of institutions as part of its structure. The principal organs or institutional structures of the ECOWAS are as follows:

- Authority of Heads of State and Government
- Council of Ministers
- Executive Secretary
- Tribunal of the Community
- Technical and specialised Commission
- The Social and Cultural Affairs Commission

15.3.3 Southern Africa Development Coordination Conference (SADCC)

SADCC was formed by Lusaka Declaration in 1980 by nine Southern African countries which included Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe. The basic aim in the formation of SADCC was the establishment of collective self-reliance. There were four principal goals of SADCC: (a) the reduction of economic dependence, pal-titularly (but notonly) in the Republic of South Africa; (b) the forging of links to create genuine and equitable regional integration; (c) tlie mobilisation of resources to promote the implementation ofresources to promote the implementation of national, inter-state and regional policies; (d) concerted action to secure international cooperation within the strategy ofeconomic liberation.

The membership of SADCC grew from nine to eleven when Namibia and South Africa joined it in 1990s, after achieving independence. In 1992 SADCC became SADC. On 17 August 1992, the Southern African Development Community (SADC) was born through tlie signing of Windhock Declaration.

The Windhock Declaration was signed in answer to the challenge posed by the changing milieu in which Southern Africa found itself and which would affect regional policy formation. The process of democratisation in South Africa, the end of cold war and pan-Africanist initiatives like the Lagos Plan of Action, brought the leadership of Southern Africa to the realisation that the formalisation of the SADC had become necessary. The formalised SADC envisages cooperation on projects within different sectors (as did the SADCC), but the scope of its objectives and activities has been expanded.

SADC aims for "deeper economic cooperation and integration" on the basis of balance, equity and mutual benefit, providing for cross-border investment and trade and free movement of factors of production, goods and services across national borders.

The objectives of the SADC have been fairly enlarged in the Treaty. These are as follows:

- Achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the people of Southern Africa and support the socially disadvantaged through regional integration;
- Evolve common political values, systems and institutions;
- Promote and defend peace and security;
- Promote self-sustaining development on the basis of collective self-reliance, and inter-dependence of member states;
- Achieve complementarities between national and regional strategies and programmes;
- Promote and maximise productive employment and utilisation of resources of the region;
- Achieve sustainable utilisation of natural resources and effective protection of the environment; and
- Strengthen and consolidate the long-standing historical, social and cultural affinities and links among the people of the region.

In order to achieve the aforesaid objectives, the SADC shall harmonise political and socio-economic policies and plans of member states; encourage the peoples of the region and their institutions to take initiatives to develop economic, social and cultural ties across the region, and to participate fully in the implementation of the programmes and projects of the SADC; create appropriate institutions and mechanisms for the mobilisation of requisite resources for the implementation of programmes and operations of the SADC and its institutions; develop policies aimed at the progressive elimination of obstacles, to the free movement of capital and labour, goods and services, and of the peoples of the region generally, among member states: promote the development of human resources: promote the development, transfer and mastery of technology; improve economic management and performance through regional cooperation; promote the coordination and harmonisation of the international relations of member states; secure international understanding, cooperation and support and mobilise the inflow of public and private resources into the region; and develop such other activities as member states may decide in furtherance of the objectives of this Treaty.

The key target areas of SADC are transport and communication, agriculture, telecommunication, energy and food and agriculture.

15.3.4 The Common Market for Eastern and Southern Africa (COMESA)

The Common Market for Eastern and Southern Africa (COMESA) exists 'as an organisation of free independent sovereign states which have agreed to cooperate in developing their natural and human resources for the good of all their people'. With its 20 member states and population of 385 million, it forms a major integrated trading bloc, and its current strategy can be summed up as "economic prosperity through regional integration".

In the mid-1960s, the countries of Eastern and Southern Africa initiated the process towards creating an Eastern and Southern African cooperation arrangement, and convened a meeting, under the aegis of the United Nations Economic Commission for Africa, to consider proposals for promoting sub-region economic integration. The terms of association to govern the interim arrangements before the signing of the formal Treaty were adopted and signed at the first meeting of the interim Ministerial Council held in Addis Ababa, in May 1966. The signatories were Burundi, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Somalia, Tanzania and Zambia.

Despite the failure of earlier efforts to establish a sub-regional economic cooperation arrangement, the countries of Eastern and Southern Africa recognised that there was no alternative to reducing their traditional economic dependence on the industrialised countries of the north and that this could only be done through the adoption of self-sustaining development measures in all sectors.

After completion of the preparatory work, a Treaty establishing a Preferential Trade Area (PTA) for Eastern and Southern Africa was signed in 1981. The PTA Treaty envisaged its transformation into a Common Market, and thus the Treaty establishing COMESA was signed in 1993 in Uganda and ratified in 1994 in Malawi.

COMESA consists of 20 members and accounts for about 40 per cent of Africa's geographical area. The member countries are Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

Objectives of COMESA

COMESA aims to foster sustainable growth and development among its member nations by consolidating the strength and resources of each member. To achieve this end, the objectives of COMESA are:

- to promote joint development in all fields of economic activity and the joint adoption of macro-economic policies and programmes to raise the standard of living of its peoples, and to foster closer relations among its member states;
- to co-operate in the creation of an enabling environment for foreign, cross-border and domestic investment, including the joint promotion of research and adaptation of science and technology for development;

  to co-operate in the promotion of peace, security and stability among the member states in order to enhance economic development in the region.
- to co-operate in strengthening relations between the Common market and the rest of the world and the adoption of common positions in international fora; and
- to contribute towards the establishment, progress and the realisation of the objectives of the African Economic Community.

Thus, the organisation's strategy is to deepen and broaden the integration process through measures like the complete elimination of tariff and non-tariff barriers to trade and elimination of customs duties; through the free movement of capital, labour, goods and the right of establishment; by promoting standardised technical specifications, standardisation and quality control through the elimination of controls on the movement of goods and individuals; by standardising taxation rates (including value added tax and excise duties), and conditions regarding industrial co-operation, particularly on company laws, intellectual property rights and investment laws; through the promotion of the adoption of a single currency and the establishment of Monetary Union; and through the adoption of a Common External Tariff (CET).

15.4 PERFORMANCE

This assessment of the impact of Africa's initial efforts to integrate between 1960 and 1990 suggests that the expected benefits have eluded the continent. The participation of sub-Saharan Africa and, indeed, the continent in the world trade, prior and following the attempts to integrate, remains negligible at 2 per cent (1990); in some areas, the level of participation has even declined. This compares to Asia's share of World Trade of 16.2 per cent in 1991; and Latin America, 9 per cent. Intra-regional trade has remained low, amounting to only 6 per cent of total foreign trade with Japan, was about 35 per cent in 1991; 41 per cent for the North American Free Trade Area (1990); and 14.2 per cent for the Central American Common Market area. Furthermore, intra-regional export trade within the major regional groupings in Africa has also been negligible. For example, between 1970 and 1990, trade within UDEAC declined from 2.9 percent to 2.1 per cent; for the ECOWAS sub-region, the percentage fluctuated from 5.2 per cent in 1985 to 8.3 per cent in 1990 and to 7.2 in 1992. Only the CEAO sub-region showed a steady but modest increase, from 8.9 per cent in 1980 to 10.5 per cent in 1990.

Equally noteworthy is the absence of any significant change in the structure of the African economies. Exports are still confined to basic minerals and primary products. There is no clear evidence of a casual link between the proliferation of regional and sub-regional institutions and the development of regional infrastructure. In spite of the latter's enormous potential, its development has not progressed commensurate with the expected benefits.

The dismal outcome of Africa's initial efforts to integrate can be attributed to the low level of structural complementarities of the economics. This, in turn, has inhibited expansion in production and opportunities for trade creation and led to the fulfilled expectations about gains from integration. Several other factors have also contributed to the poor outcome. These include:

Lack of political will to establish supranational institutions and to implement agreed treaties and mandates. African governments showed little desire to subordinate domestic political and economic interests to supranational institutions with long term regional goals. Consequently, there was a proclivity to create inter-governmental institutions with multiple and overlapping protocols and mandates and little enforceable mechanisms. In effect, national sovereignty and interests have often been placed ahead of long-term regional goals. Furthermore, member states showed little commitment and enthusiasm to implement the mandates of their various sub-regional organisations. *Pursuit of import substitution policies* have led to the establishment of inefficient industries protected by high tariff barriers and the maintenance of overvalued exchange rate systems. *Heavy reliance* on *tariffs for fiscal revenue* has stifled official inter and intra-regional trade, encouraged parallel markets with rent-seeking characteristics. In a perverse way, this has also limited the scope for fiscal revenue expansion given the small size of each protected economy. *Over-ambitious goals of regional organisations coupled with unrealistic time frame for achieving these goals* has led to unrealistic expectations concerning the gains from trade that, for the most part, were not met, *Pervasive weaknesses* in *regional structures* is exemplified by the existence of weak industrial structures and the absence of intra-industry linkages, which was compounded by poor or lack of transport and communication infrastructure and, except in the UEMOA and CEMAC areas, the non-convertibility of currencies in most countries; overlapping membership since most countries belonged to several regional groupings with duplicative mandates and structures, thus leading to inefficient use of resources; inadequate mechanisms for equitable sharing of the costs and benefits of regional arrangements, which ultimately eroded members' commitment to and support for the regional groupings; antipathy to markets and state domination of production through pervasive and inefficient parastatals, which depended on state subsidies; lack of policy credibility resulting from vacillation and reversals in the implementation of reforms; endemic political instability, which, in some cases, has led to debilitating civil conflicts; and lack of rule of law and good governance.

15.5 SUMMARY

The fragmentation of Africa into many nation states with scant economic coherence led the African leaders, following political independence, to embrace regional integration as a central element of' their development strategy. The small size and the primary production structure of the typical African economy provided the rationale for pursuing mutually beneficial economic cooperation and regional integration particularly among the adjacent states. Apart from the economic motivations, Pan-African political aspirations for continental identity, unity and coherence also influenced the early drives for regional integration in Africa. The pursuit of these ideals derives mainly from the desire to overcome the vestiges of Africa's colonial past, which led to the political and economic fragmentation of the continent. Over the time, this political aspiration for the African Unity has reinforced the desire for regional and inter-regional economic cooperation as the integral building blocks for continental cooperation and economic development.

15.6 EXERCISES

1) What are the aims and objective of the Lagos Plan of Action?

2) What led to the establishment of the African Union?

3) When was NEPAD established and what are its priority areas?

4) When was ECOWAS formed? What are the objectives of ECOWAS?

5) When was SADCC replaced by SADC? What are the aims and objectives of Southern Africa Development Community?

6) Assess briefly the impact of Sub-Saharan Africa's efforts to regional organisation.