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SOUTHERN AFRICA REGIONAL OFFICE

Lilongwe 3, MALAWI P. O. Box 30898 Tel. +265 1 775 335/ +265 1 774 878 Fax . +265 1 775 330 e-mail: oau-saro@malawi.net

**CHALLENGES IN ACHIEVING
REGIONAL INTEGRATION IN AFRICA**

KEYNOTE ADDRESS

AT THE

**SOUTHERN AFRICA DEVELOPMENT FORUM
ON PROGRESS AND PROSPECTS IN
THE IMPLEMENTATION OF PROTOCOLS
IN SOUTHERN AFRICA**

**ORGANIZED BY UNECA-SA
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BY

**PROF. R. OMOTAYO OLANIYAN
AU REGIONAL DELEGATE TO SADC**

Mr. Chairman,

Distinguished Experts and Technocrats,

Distinguished Ladies and Gentlemen,

All Protocols Observed

(I) Introduction

It is a great honor and my pleasure to be here this morning, at this important Forum which will examine the progress and prospects in the implementation of protocols in key Southern Africa regional economic communities (RECs). I bring you warm greetings from the new Chairperson of the African Union Commission (AUC), H.E. Dr. Jean Ping, who has assumed duty with a strong sense of urgency for the promotion of accelerated integration and sustainable development in Africa.

This Forum, as we all know, is very timely, since the outcome of would feed into the forthcoming SADC 14th meeting of the Intergovernmental Committee of Experts to be convened here, in Lusaka, from 2 to 4 June 2008. Also, the outcome of this Forum is expected to enrich the forthcoming meetings of COMESA that would be addressing the deepening of economic integration in that Community. One would therefore like to commend the United Nations Economic Commission for Africa, Southern Africa (UNECA-SA) for its organization of this Forum which is a clear demonstration of its commitment to provision of technical support for the deepening of regionalism in the region.

In addressing the theme of this Keynote I will first like to restate that the enthusiasm for regional economic integration has not diminished in Africa in the

last thirty years. While the initial rationale for economic is the promotion of economic growth and development. The need for it has been reinforced by the recent development in the world economy. The disillusionment in the lack-luster progress in multilateralism, in international trade, illustrated in the World Trade Organization (WTO) negotiations, in the Doha Round, had promoted regionalism world-wide as an alternative, to serve the international trade interests of regional countries. Also, as we negotiated in international trade and other international fora, it became obvious that Africa countries performed well, if they did so collectively. However, these developments notwithstanding, economic integration arrangements in Africa, including those in Southern Africa, have not advanced rapidly as anticipated in the continent. Thus, the search for the levers of regional integration continues to be a priority in our development strategy.

(II) Progress in Regional Integration in Africa

Mr. Chairman, it is well known that there are several economic integration arrangements in the continent. Prominent among these are the Southern Africa Development Community (SADC), Common Market for Eastern and Southern African (COMESA), Southern Africa Customs Union (SACU), East African Community (EAC), Intergovernmental Authority on Development (IGAD), Economic Community of West African States (ECOWAS), West Africa Economic and Monetary Union (UEMOA) Economic Community of Central African States, (ECCAS), Economic Community of Sahelian Countries (CEN-SAD), Arab Maghreb Union, to mention a few. Besides, the Africa Union (AU), which emerged from the Organization of African Unity (OAU) in 2002, is the continental economic integration arrangement for full integration of African countries and peoples. Eight of these (RECs) have been identified as the

building blocs for the AU which aims at the Union Government and the United States of Africa.

Also, as we all understand, the main purposes of these arrangements are to facilitate the economic growth and development of the integrating states; to promote agricultural, industrial, infrastructural and technological development. But since economic integration is not occurring in a vacuum they have, at the same time, emerged as instruments for the promotion of political stability and international cooperation, with other regions of the world.

The formation and operation of the RECs are initially based on the establishing Treaties, most of which are flexible and would require additional Protocols. These Protocols define in detail the character of some integrative measures or institutions and the mode of their implementation. They are instrument for the consolidation of economic integration. Thus, in the spirit of their Treaties integration processes in SADC and COMESA have generated protocols on trade, transport, communications, meteorology and movement of persons, among others, for the advancement of integration.

Furthermore, it is important to add that integration arrangements are in addition guided by "Strategic Plans" designed to prioritize integrative and development measures for accelerated economic development and universal goals which African countries have committed themselves to, individually or collectively; for example, the United Nations Millennium Development Goals (MDGs). Given all these, then the questions are why they have not performed excellently, and what should be done to overcome their challenges?

(III) Critical Issues in Regionalism

To begin with, it is important to highlight the good news on the RECs and AU. They have, over the years, promoted good relations among African countries; the political leaders and experts like we are today, are meeting regularly to lay the foundation for the advancement of political, economic and socio-cultural development. But if they have not progressed as rapidly as expected then we should seek explanation in the framework of the opportunities and challenges in the environment of their operation. Integration processes in the continent are hindered not only by the remnants of the political and socio-economic hangovers from colonial past but also from the deficiencies in the political, economic, social, administrative and cultural systems of African countries as well as unforeseen developments in the international economy.

There are some common challenges to regional economic integration arrangements in Africa; the RECs and AU inclusive. Economic integration in Africa differs from those of the more developed countries because the latter enjoys political stability, and have advanced economies with requisite institutions and infrastructure, but these are lacking in Africa. In other words, certain fundamentals in economic growth and development that are required for rapid regionalism in Africa are absent. Let us now look at some of the critical challenges.

Political Stability and Integration

The first important challenge in the economic integration process in Africa is political stability. Not all countries enjoy an enduring political stability. Political instability in its subtle form has been expressed in stresses and strains in the political system and at the other extreme in civil disorder and war. Political

instability often emerges from poor governance, weak development of national unity and inequitable economic development. Regional economic integration has been severely disrupted in regions where Member States experienced civil wars, such as in the ECOWAS.

Sovereignty and Nationalism

The concept of sovereignty represents a major challenge in regional economic integration process in Africa. The idea of sovereignty is associated with the preservation of national identity. Adherence to sovereign is very strong given the fact that integrating states are young; most acquired independence in the 1960s after the end of the Second World War. There is the resilient tendency for the countries to assert themselves individually in international relations. They operate collectively in international relations largely from the premises of preservation of national sovereignty and interest. The loyalties of Member States have not totally shifted to the ideals of supranational authority and the long term benefits of integration.

Non-State Actors and Integration

As of now, the principal actors in regional economic integration are the governments of the Member States. Governments initiate the establishment of the Communities and are by and large responsible for the implementation of integrative measures and development programs. Other national actors that are stakeholders are currently been encouraged to participate in economic integration process. There is a hiatus in the mobilization of non-state actors to the understanding of the importance of regionalism and mainstreaming them in the process. In addition, most of the non-state actors are institutionally and operationally weak.

Weak Infrastructures

Most countries are characterized by deficiencies and poor infrastructures. Inadequate infrastructures in both, within and among countries in Africa, have posed considerable challenges to integration and development process. The network of roads, railways, waterways, ports, airways, telecommunications are poorly maintained and inadequate. The infrastructures inherited at independence were inadequate and many countries have failed to bring about substantial improvements because of sufficient resources or the failure to accord them adequate priorities they deserve.

Weak Institutions

The institutions of most of the regional economic integration arrangements are weak. Human resource capacity is inadequate for efficient running of the institutions. The institutions do not have the manpower for technical studies and implementation of measures on integration and development. They also lack sufficient financial resources for the implementation of regional integration and development programs. In effect there is reliance on development partners for the implementation of regional integration and development programs and projects. The good news here is the recognition of this challenge and that there are actions underway for some solutions. For example, SADC is at this moment undertaking the strengthening of its Secretariat. Also, the on-going process of consolidating the AUC and continental integration could be further strengthened through adoption of some of the recommendations in the Audit Report on the AUC.

Weak Implementation of Protocols

The important challenge which is the focus of our discussion here is the lack-luster implementation of Protocols. Regional economic integration arrangements adopt a number of protocols to address specific integrative measures and deepen integration. However, the experience in most Member States is that these protocols are not effectively implemented. One of the reasons for this failure is the delay emanating from the process for legislative approval within Member States which is cumbersome and time consuming. Legislative approval could be delayed if there are perceived detriments in the protocols. Secondly, implementation is delayed or frustrate in Member States without specific institution to articulate and disseminate information on the protocols to all stakeholders in the government establishments, private sector, civil society etc. Besides, where Protocols have been adopted implementation runs into difficulties for lack of capacity and resources to implement them

Multiplicity of RECs and Integration

The multiplicity of RECs in the regions, with attendant overlapping membership by countries, is an important issue affecting the pace of regional and continental integration. The reasons motivating countries to belong to more than one REC are to be found in historical, political, strategic and economic imperatives. Political and strategic consideration derive from national security needs while economic imperatives are based on perceived economic, trade, investments etc that could rapidly accrue to the country in an integration arrangement.

(IV) Recommendations

Mr. Chairman, distinguished participants, ladies and gentlemen. The next logical questions are what specific actions should be taken on the most critical

issues in order to release the energies for rapid integration in the continent? I will in response to these questions like to flag the following:

- a. **Political Stability:** This should be accorded the pride of place by Member States. Regional economic integration could only be promoted in a politically stable environment which would allow Member States to promote national economic development and implement integration measures. Political instability such as civil war normally diverts attention from regional integration and its consolidation as regional efforts would be towards ending the war and preventing it from spilling over to neighboring countries. Thus, support should be given to Member States to enhance democratic process, good governance, accountability, and the promotion of human rights and the rule of law that are the ingredients of political stability.

- b. **Sovereignty:** Regional economic integration entails the integration of the markets of the integrating states. It in this context involves the coordination and harmonization of national economic policies towards the formation of regional economic policies. This process thus, inevitably implies the surrender of national policies to the supranational authority for the consolidation of regional economic integration. It is therefore necessary that Member States should yield to gradual surrender of sovereignty to strengthen integration process which would ensure long term benefits for integrating states.

- c. **Actors:** Regional economic integration is a political, economic, social and cultural process. The leadership of governments is vital as they

are the authorities in Member States. RECs are presently taking measures to engage the private sector, labor unions, academics and the civil society. This process should be expedited. They should be effectively involved in the articulation and implementation of declarations, decisions and protocols as the ultimate goal of integration is the promotion of economic growth and development. These are important actors in national development process. The more the private sector, labor unions, academics and civil society are involved the faster would be the pace of regional integration.

- d. **Infrastructure:** Regional economic integration will not be beneficial in the context of inadequate regional infrastructure. Most of the RECs have elaborate studies on regional infrastructure but which are not implemented for lack of funds. The Member States should allocate more budgetary resources to infrastructure and attract foreign direct investments to complement their efforts. Regional economic integration is about free movement of goods, capital and labor. The trade and investment benefits of regional economic integration to Member States would be minimal as long as the infrastructures are inadequate both with and among them.
- e. **Institutions:** The Secretariats of the RECs represent the moving force in regional economic integration. It is imperative that excellent coterie of technocrats should be recruited to ensure their day-to-day operations. Secretariat technocrats should be in the position to assist in the articulation and preparation of protocols. The Secretariats should play leading role in advising Ministers and Summits of

integration as stipulated in their Treaties in order to deepen regional economic integration. The more the expert advice and leadership role of the Secretariats the faster would be the movement of the RECs in the attainment of its objectives. At the national level, efforts should be made by Member States that have not done so, to create sound Ministry as focal point for the coordination of regional integration activities; its articulation and dissemination to all stakeholders for effective implementation. Regional integration will stagnate if there are no strong national institutions for coordination, implementation and oversight at the national level.

- f. **Protocols:** Protocols are important instruments for the intensification of regional economic integration. Member States should expedite the ratification of protocols and provide adequate institutional arrangements, improve capacities and provide adequate resources for their effective implementation, by all stakeholders, at national level. Regional economic integration would spill around if protocols are not promptly implemented. There could be frustration and unwillingness by Member States to embark on the adoption of further protocols that are necessary for the amplification of integration.
- g. **Membership in RECs:** Membership in more than one REC poses challenges especially when RECs are in the phase of Customs Union when they erect common tariffs against third countries. The AU is engaging the RECs at the Expert and Ministerial levels to address this challenge. One important outcome of the Ministerial Meetings was the Declaration at the Ouagadougou Meeting to recognize eight

RECs as the building blocs of the AU. The Declaration also, placed a moratorium on the creation of new RECs. The discussions are still on-going on the harmonization and/or rationalization of the RECs. Another Ministerial Meeting was held in Abidjan, Cote d'Ivoire on this subject from 19 to 23 May 2008. The solution to this problem seems more in the political realm; that is a political decision encapsulated in some economic benefits justification. It is envisaged that these processes would in due course result in mutually acceptable formula on this subject.

- h. **Finance:** Like any organization, finance is an important determinant of the process of regional integration. Thus far, regional integration arrangements in the continent rely essentially on the assessed contributions from the Member States for operational and program activities. But the contributions of many Member States are irregular and in arrears. This implies that the operational and program activities of these bodies have been compromised. The tendency as a result has been the questionable increased reliance on the support of development partners. It is doubtful if this is the route to proceed in the RECs. The paucity of funds should be resolved through innovative sources, including part investment of available resources in high-interest yielding portfolios. Integration and development would stagnate with irregular contributions and or unpredictable financial support from development partners.

(V) Conclusion

In conclusion, Mr. Chairman, distinguished ladies and gentlemen, allow me, on behalf of the AUC, to once again warmly commend, the UNECA-SA for convening this important forum. The challenges in regional integration, as we know, require immediate solutions as the continent, like other regions, is confronted with uncertainties about future economic growth and development, in wake of the unprecedented third world oil price shock in our life time. High oil and food prices could reverse the recent gains in economic growth in most of the non-oil producing countries in Africa.

But I have no illusions that the experts and technocrats assembled here this morning will at the end of this forum come up with robust recommendations on the way forward. Also, your recommendations would ultimately assist in the movement to full continental integration and the dream of Union Government for Africa.

I wish you successful deliberations.

I THANK YOU FOR YOUR ATTENTION.

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Olaniyan AU Regional Delegate to SADC

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