The challenges of regional integration in Africa

In the context of globalisation and the prospects for a United States of Africa

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Introduction

It is widely acknowledged that Africa's integration efforts have thus far failed to bear satisfactory fruit. While other regions have successfully used their integration mechanisms to improve their economic welfare, Africa lags behind with respect to GDP growth, per capita income, capital inflows, and general living standards. This is a problem across most of the continent, in spite of the existence of a plethora of policy plans and grand visions.

The first major blueprint for Africa's development – the Lagos Plan of Action and the Final Act of Lagos – was adopted almost three decades ago, and set out a vision of an integrated African market by the year 2000. It was given further impetus by the Abuja Treaty which was approved in 1991 and came into force in 1994. According to this Treaty, the African Economic Community (AEC) would be in place by 2028. Some of its milestones would include strengthening of existing regional economic communities and the formation of the new ones (between 1994 and 1999); stabilisation of existing tariffs, and integration and harmonisation of economic sectors (1999 to 2007); establishment of a free trade area and customs union (2007 to 2017); harmonisation of tariff systems across various regional economic communities (RECs) (2017 to 2019); the creation of a common African market and harmonisation of monetary, financial, and fiscal policies; and the establishment of a pan-African economic and monetary union (2023 to 2028).

This plan envisaged that, through RECs, deep-seated challenges of poverty and underdevelopment would be eradicated. Among the latest initiatives has been the New Economic Partnership for Africa's Development (NEPAD), as well as the vision for the 'United States of Africa'. The establishment of the Pan-African Parliament (PAP) in March 2004 can be regarded as an important achievement towards this strategic objective. While the previous plans placed a premium on intra-regional trade, agriculture, technology and the environment, it would seem as if the new initiatives are emphasising ownership, economic reform and political modernisation. It is unclear if and when the fruits of the latest initiatives will begin to manifest.

> The old model of regionalism, cast on the ideological paradigm of Pan-Africanism ... is incompatible with the new challenges of globalisation

The question is: In view of the fact that the plans that were articulated by the first generation of post-colonial leaders failed to materialise, what gives force to the new-found optimism that characterises today's proponents of Africa's integration? Could there have been something fundamentally wrong with the initial casting of this vision that today's elite can successfully rectify, so that Africa can be set on a promising developmental trajectory? The contention in this paper is that too little has changed since the 1980s to advance regional integration and to ensure developmental progress on the continent.

It would seem that Africa's elites are focusing on the wrong set of priorities with too little genuine commitment towards the goal of Africa's development. For regional integration in Africa to be a success, Africa's leaders will have to move beyond grand gestures and abstract visions. Africa's challenges call for pragmatism and a sense of urgency in action. More focused and gradual steps that are carefully executed at the domestic level may be the best place to start.

The focus of such steps at the domestic level should be on bold and sustainable political and economic reforms. At the regional level the focus should be on developmental coordination and gradual harmonisation of policies and regulations, which could form the foundation for greater integration. As Percy Mistry contends: 'African governments need to be less ambitious and more realistic and pragmatic about the objectives and intermediate targets for integration, taking into account the constraints and capacities of integrating national governments' (Mistry 2000:566) The core of this paper is a discussion in greater detail on what this would entail.

In the paper the theme of regional economic integration within the AU's notion of building a United States of Africa is explored. The validity of the proposition that political integration is a desirable strategy for overcoming Africa's deep-seated developmental challenges is critically assessed. The old model of regionalism, cast on the ideological paradigm of Pan-Africanism with its primary focus on politics rather than economics, is incompatible with the new challenges of globalisation. Lastly prospects for Africa's economic progress, focusing on trade reform under the current political arrangement and in the context of globalisation, is assessed.

Africa's regional integration in historical perspective

After independence regional integration became a pillar of Africa's developmental strategy. Pan-Africanism, an ideology which emphasises continental unity and strong identification with ongoing anti-colonial struggles, was the leitmotif of Africa's developmental framework. This perspective sought to externalise Africa's problems, with much of the blame laid at the door of former colonial powers, with little responsibility and accountability demanded of the post-colonial African elite. Politically this was the safest position to be in as economic failures could always be ascribed to the legacy of imperialism and colonialism. As Mistry (2000:554) points out, 'Africa's commitment to integration appears to have been visceral rather than rational, more rhetorical than real.'

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From the beginning of the decolonisation process in the 1960s, the establishment of sub-regional economic communities was a significant part of Africa's development strategy. Regionalism in Africa began during this period, spearheaded in large measure by the Organisation of African Unity (OAU) and Economic Commission on Africa (ECA), partly as a response to the last vestiges of colonialism as well as to spur political and economic progress on the continent; and partly as a political instrument to deal with the power imbalances in the international system. It is worth pointing out that at independence Africa lacked the human and physical capital that is required for industrialisation.

Initiatives such as the Economic Community of Central African States, the Arab Maghreb Union, and the Preferential Trade Agreement for East and Southern Africa (later the Common Market for East and Southern African States – Comesa) were inspired by this pan-Africanist vision. There are other initiatives that evolved outside this framework, such as the Southern African Customs Union (SACU), the Southern African Development and Coordinating Conference (and later the Southern African Development Community), and the East African Community (EAC).

While colonialism did play a role in Africa's lack of development, the policies adopted by postcolonial leaders as well as their practices in power, denied Africa any room for growth and development. Consider, for example, that the growth path of the post-colonial elite mostly took the form of import-substitution industrialisation. Predicated on substituting domestically produced products for foreign imports and for preserving foreign exchange, this growth strategy constrained the full development of productive forces in most parts of the continent. It produced inefficient and uncompetitive economies, with stunted private sectors.

Such an approach would not help to overcome the intractable challenges of rural poverty; the small size of the economies; the lack of product complementarities as manifested in the narrow set of similar commodities; the low value of primary export products and basic minerals; and the dependence on imports for intermediate and finished goods. As Ndulu and O'Connell (1999:63) observe: 'In choosing state-led and inward-looking industrialisation, Africa's first generation of leaders were captive to ideas rather than interests.'

The foregoing reality has to be viewed within the context of Africa's positioning in the international division of labour, in which the continent is export dependent on oil and non-oil commodities and is import dependent on manufactured goods largely from Europe, and is adversely affected by fluctuating terms of trade. Although there has been a gradual shift by some countries towards exports of processed goods and manufactured items, there are serious supply-side constraints and lack of competitiveness in most of the economies on the continent.

Indeed, Africa's challenges are a combination of external and internal factors. In this paper the emphasis is on the latter. Much has been made of the unequal relationship between Europe and Africa, and the adverse effects of the unfavourable external environment on the continent, with little responsibility apportioned to Africa's leaders. As is pointed on in the UNCTAD report, 'even under a favourable external trading and financial environment, considerable domestic policy efforts would be needed to ensure that economies gradually become self-reliant in sustaining rapid growth' (UNCTAD 2001:12).

African leaders have had little success in their integration and development efforts. They hoped to achieve at the continental level what they had failed to do on the domestic level, namely economic development through a combination of sound policies. Thus regionalism as applied in Africa can only be viewed as a form of escapism from real challenges at the domestic level, as well as a strategy to consolidate alliances that would reinforce political sovereignty of member countries. But policy makers cannot completely escape the reality that domestic successes precede continental successes. The measure of progress in Africa should be the success of sound and functional policies at the domestic level.

African countries remained largely internally unintegrated in the post-colonial period. They were not states in the true sense of statehood as reflected, for example, in the states of 19th century Europe. Rather, as Joseph Nye Jr suggests, they bore a close resemblance to the types of 16th- and 17th-century Europe. Today, as then, national consciousness remains a state elite project rather than a process that is driven from the bottom up. As a result, there is no nationalism in the true sense of the word, but only elite nationalistic projects (Nye 2004:112).

This underscores the futility of attempting continental integration on the basis of weak national foundations. In a sense, Africa's regional integration project as well as its slow and tortuous integration into the global economy is an integration of incomplete states; states that cannot fully lay a claim to complete nationhood and suffer from internal insecurities. Thus, as Nye (2004) suggests, internal heterogeneity presents one of the problems for Africa's developmental prospects. The matter is made all the more difficult by the unwillingness of member states to cede or share sovereignty at the regional level by agreeing to a supranational body. If the EAC succeeds in achieving its goal of a political federation by 2010, this would indeed be a major achievement.

Africa's regional integration project as well as its slow and tortuous integration into the global economy is an integration of incomplete states

The balance sheet of regional integration in Africa

African countries have very small markets. In 1998, 36 of the 54 countries in Africa had a population of 12 million, hardly an attractive market (especially given their low levels of purchasing power), and their per capita income stood at US$500 per year (Mistry 2000:554). In landlocked countries transport costs often accounted for between 30 and 50 per cent of the final retail price of consumer goods.

In the past policies that were anti-market, anti-private sector and anti-foreign investment contributed to Africa's stunted growth. There was also lack of trust and faith in the integration process, so that countries were not willing to yield sovereignty to a supra-national regional body. Independent implementation monitoring structures to ensure progress in integration can only succeed if political commitment is expressed by means of a supranational entity. In some instances progress has also been retarded by political conflict and instability, especially in countries such as Somalia, Sudan, Côte d'Ivoire, Sierra Leone, Liberia and, until recently, Burundi, Rwanda and the Democratic Republic of Congo (DRC).

In its observation of the problems that have impeded progress, the Economic Commission on Africa has noted difficulties regarding RECs, such as that created by overlapping membership of various RECs; lack of adherence to the implementation programme; insufficient technical and analytic capacity; divergent and unstable macro-economic policies; and lack of a link with the AEC objectives (ECA 2004). Different countries and regions pursue the goals of integration from the point of view of narrow economic interests, rather than as part of a broader and single vision towards continental unity and development.

In most African countries the propitious conditions for success of regional integration are simply lacking and politicians demonstrate little effort towards creating such conditions. Apart from the often cited problems related to corruption, instability, undemocratic rule and civil strife, there is also a lack of private sector activity in regional integration schemes. In some instances economic reforms have also not been properly designed and implemented. There are indeed very few success stories on the continent in this respect.

There are successes in very limited areas, but even so it is difficult to measure them against the objectives of the AEC as some of the initiatives have been pursued in spite of the AEC. One of the areas that have seen notable success is the establishment of the PAP in March 2004. This has a value for enlarging the space for dialogue and ensuring that actors beyond the executive arms of government participate in shaping continental development and influencing processes of regional integration and cooperation. Significantly, during its seventh session in May 2007, the PAP has also created an opportunity for civil society to engage with its processes and subsidiary structures.

Success in regional economic integration is often mixed and cannot be easily measured against a common standard, because of the different economic levels of countries that are participating in such schemes as well as variations in the number of countries that constitute the different schemes. There are, however, some promising cases.

The Central African Economic and Monetary Community (Cemac) has managed to form a monetary and customs union. There is harmonisation of competition and a business regulatory framework, and there is a move towards macro-economic convergence (ECA 2004).[1] However, the level of intra-regional trade in this group is still very low, but increased trade provides an important spur towards integration in other areas.

Similarly, Comesa has come a long way to strengthening trade among nine members out of 20.[2] There is no fully functioning customs union despite the fact that 2006 was set as a deadline for its formation. (The deadline has been shifted to 2008.) The lack of a common external tariff could be attributed to fear of revenue loss as well as removal of local policies that protect new industries (see Draper et al 2007:10). Comesa has been working hard towards the achievement of macro-economic convergence.

It is important to note that the 20 Comesa members belong to other regional integration schemes as well. Kenya and Uganda for example together with Tanzania form an East African Community Customs Union. Comesa is one of the free trade agreements that have worked relatively well, with simple rules of origin and a determined focus on the simplification of customs processes. Some of its other achievements include the elimination of non-tariff barriers (for example import licensing), removal of foreign exchange restrictions, and removal of import and export quotas (Draper et al 2007:10).

Most Comesa member countries depend on primary products for their exports and there are huge disparities between the four biggest members, namely Egypt, Kenya, Mauritius and Zimbabwe (Lee 2003:87), with Egypt's economy being about eight times larger than the second strongest economy, which is Kenya (ibid). The agglomeration effect – where industries tend to prefer larger economies for location of their production facilities – could well be something of a challenge for Comesa countries in the future. These challenges notwithstanding, Comesa is pursuing comprehensive trade liberalisation and facilitation measures.

SADC signed a protocol on trade in 1996, which came into force in September 2000.[3] While this was a positive step towards greater integration in the Southern African region, it was motivated more by politics than by economic logic. The SADC trade protocol has also established an asymmetrical tariff phase-down arrangement to help less developed members. However, rules of origin have watered down this benefit. These rules are product specific and very complex, and this has served to constrain the trade liberalisation progress. SADC aspires to establish a customs union by 2010, but given the slow pace of tariff phase-down in the region it is unlikely that this target will be met.

In other developmental cooperation areas, such as for example the power pool, there has been good progress. SADC countries are exploring a developmental fund alongside efforts to expedite trade integration. In addition to this, harmonisation of policies in areas such as taxation, investment, stock exchanges, insurance and macro-economic convergence has been agreed to as part of the Finance and Investment Protocol, which was ratified in 2006. Given the slow progress of trade integration in Southern Africa and the complexities caused by multiple regional integration schemes and overlapping membership, SACU expansion[4] would seem the most credible path to follow. Kirk and Stern have suggested that 'SACU could form the core of a new regional customs union that could gradually expand to include other members of SADC and possibly Comesa' (Kirk & Stern 2003:17). SACU seeks to develop common policies in areas such as competition, industrial development, agricultural policy and unfair trade practices.[5]

Success in regional economic integration is often mixed and cannot be easily measured against a common standard

The EAC has in recent times witnessed significant progress towards integration, having launched a customs union in 2006.[6] This is another promising initiative in accelerating integration in the region. Given the long history of strife between the integrating partners, the EAC has had a great deal to learn about managing tensions in the integration process and reducing the asymmetrical distribution of benefits is indeed one of the objectives of the EAC. Other objectives include establishing a three-year revolving presidency by 2010; electing a president for the entire federation by 2013; and developing common policy frameworks in the areas of competition, customs procedures and trade remedies (Draper et al 2007:19).

Other groupings such as the Economic Community of West African States (Ecowas) are difficult to measure overall as they are pursuing a number of integration efforts.[7] ECOWAS has removed tariffs on raw materials and has made some progress towards macro-economic policy convergence, but tariffs on industrial goods remain high. There is a high degree of success within an offshoot of ECOWAS, the West African Economic and Monetary Union (UEMOA).[8] A customs union has been established and could serve as a fast-track mechanism for the larger group. There is also harmonisation of business regulation and convergence on macro-economic policies.

Despite these successes, it should be stressed that these RECs still have a long way to go to achieve the objectives of the AEC. Various protocols of the community including those to do with trade, customs, dispute settlement mechanisms, infrastructure and sector development have not yet been ratified by most member countries.

African ministers of foreign affairs met in Durban, South Africa, in May 2007 to take stock of the progress so far and explore ways of moving forward. The meeting was designed to pave a way for extensive formal discussions by the AU Heads of State meeting in Uganda at the end of June 2007 when a road map towards building the United States of Africa is expected to be formalised. It is unlikely that any immediate solutions for addressing more deep-seated challenges in the area of for example trade integration will be advanced.

One of the factors that inhibit trade integration is the existence of different rules, regulations and standards as well as divergent customs procedures (Shimuyemba 2000:8). In addition, the levels of intra-regional trade are still too low to contribute significantly to integration. Intra-Africa trade amounts to some 10 per cent of Africa's trade with the rest of the world, hardly a solid basis upon which to build a United States of Africa. Moreover, success with regard to economic convergence would largely depend on sound fiscal and monetary policies at the domestic level. This would have to be combined with firm and clear indicators to which countries will have to adhere, to make macro-economic convergence possible.

Even in Europe convergence was not reached without difficulty and monetary integration was only achieved on the back of the collapse of the Bretton Woods system in the early 1970s. The pivotal states such as France and Germany advocated the integration, with the Deutschmark acting as an anchor for the European monetary system (Munchau 2007).

> Intra-African trade amounts to 10 percent of Africa's trade with the rest of the world, no basis upon which to build a United States of Africa

This is not to suggest that convergence in Africa would require a shock akin to that of Europe or a financial crisis such as the one in Asia a decade ago, but rather that the domestic systems may require a jolt to force them to a real commitment to convergence. Most importantly, it would have to be accompanied by far-reaching economic reforms, with the aim of ensuring that institutions are strengthened, public finances are prudently managed and external indebtedness is reduced.

Even though a number of African countries undertook structural reforms in the 1980s and 1990s when the ideological climate in Africa shifted in favour of neo-classical policies,[9] these were implemented with far less vigour than elsewhere in the developing world. Externally imposed stabilisation programmes have a far smaller chance of success – however excellent these may be – than those that are endogenously driven. Moreover, the transmission mechanisms (institutions) for such reforms were too weak to sustain them into the future.

International financial institutions overestimated the impact of reforms in countries that had weak institutional mechanisms for their implementation. This, coupled with weak political administration, poor design of the structural adjustment programmes, intolerant political cultures in recipient countries and poor timing of the reforms, are some of the reasons cited for the lack of positive results.

With a number of African countries struggling to build well-functioning and properly integrated internal economies, the project of regional integration was always going to experience difficulties. In the view of Oyejide (2000:8), 'regional integration schemes should constitute an extension of the domestic reforms of member countries rather than act as a force to engineer them'. This would require that countries have in place a strong governance culture and financial infrastructure that includes viable public service institutions, that there is macro-economic stability and that they develop the capacity for competitive domestic economy through the development of the private sector.

The economic reform agenda and regional integration

Without a credible infrastructure of governance supported by regular, free and fair elections, and observance of the rule of law, it is difficult to build confidence for economic growth. It is an inescapable reality that in an increasingly interdependent global economy, the critical variables for growing confidence in Africa and injecting momentum for economic progress are normative values that encompass a commitment to democratisation, upholding of the rule of law and respect for human rights.

As far as a reform agenda is concerned, unilateral trade (sometimes managed) liberalisation is the first best strategy and, with proper sequencing with supporting policy measures, including those aimed at strengthening the social infrastructure (health, education, and social welfare), has a better chance of generating economic success than remaining a closed economy. The argument in this paper is that a clear commitment to bold economic reforms and growth-enhancing policies will help to build much needed confidence in the economy. This cannot be achieved through regional integration alone. Instead, regional integration can act as a 'bank' for reforms that have already been undertaken at the domestic level to help sustain the reform agenda at a higher level.

Regional economic blocks are the remaining legacy of the Lagos Plan of Action and, cast in a mould similar to that of Europe, are still the instruments in which state elites place their faith for Africa's development. Oyejide (2000) criticises what he calls the rigid structures proposed by the Lagos Plan of Action and Abuja Treaty, in which RECs are used as agents of continental integration. This is unrealistic as RECs often pursue narrow aims and there is no way of ensuring that all will work towards collectively agreed objectives. As the examples above show, there is a weak link between what is taking place in various regions and the objectives of the AEC.

A uniform approach to integration does not take into consideration the unique circumstances of the different regional groups. What is clear is that genuine regional integration is unlikely to emerge as a result of a top-down approach. It is more likely to evolve over time together with a convergence in political norms of the different countries, and as a function of competitive pressures or the demonstrated effect that integration has on success and competition of economies of the region. European integration was incremental and the criteria for membership included democratic indicators, fiscal prudence and monetary policy variables.

Thus African countries should spend less effort and resources on the creation of an unworkable model of regional integration and more on undertaking far-reaching economic reforms and building the competitiveness of their own economies. The task of ensuring regional integration with the aim of achieving economic and political union will be complicated all the more by the lack of shared values and common interests.

Countries should focus on milestones that can be achieved, and in this respect particularly on infrastructural development. Indeed, the AEC already has protocols in place for cooperation in a range of areas including science and technology, energy and natural resources, environment, transport, communication and tourism, education and training, human resources, health and social affairs.

Over and above macro-economic reforms and strengthening governance mechanisms, attention needs to be paid to improving the transport and telecommunications infrastructure and domestic regulatory environments to create a more predictable investment climate for business. Already, intergovernmental agencies such as the World Bank are channelling massive financial resources towards the improvement of the infrastructure is areas of water and roads, public financial systems and local economic governance in various countries.

> Without credible governance supported by regular, free and fair elections, and the rule of law, it is difficult to build confidence for economic growth

Towards a new understanding of regionalism

It should be pointed out that even though the vestiges of Pan-Africanist ideology – with regard to its aim of creating economic enclaves insulated from the rest of the world – are still hard to dislodge in the current integration process, there has been a growing crop of elite who is predisposed towards policies that are oriented outward. The colonial era left most African nationalists, as George Ayittey (2005:29) has observed, with a loathing for capitalism, which led to socialism being seen as the route to Africa's development. However, an emerging group of African reformers are increasingly realising that history's inexorable evolution is not to the socialist nirvana of autarchy and self-reliance but to a market-based economy and global interdependence.

Indeed, since the 1990s there has been a noticeable trend in some parts of Sub-Saharan Africa towards 'structural reforms', including macro-economic reforms, privatisation and liberalised trade. Although these constitute positive steps towards a new approach, the reforms have not by themselves produced spectacular results. The fact that the structural adjustment programmes did not meet with much success explains the succession of interventions under the rubric of enhanced structural adjustment programmes, World Bank initiatives and the Poverty Reductions Strategy Papers.

Nonetheless, the Pan-Africanist ideology is slowly becoming eclipsed by pragmatism. Notions such as *Ujaama* or African socialism coined by Julius Nyerere are gradually losing their popular appeal, as various African countries start to favour market-based approaches. Leaders such as Kwame Nkrumah (Ghana), Ahmed Sékou Touré (Guinea), Modibo Keita (Mali), Gamal Abder Nasser (Egypt), Julius Nyerere (Tanzania) and Kenneth Kaunda (Zambia) – most of whom expounded Pan- Africanism and played key roles in decolonisation efforts on the continent – were also committed to socialist systems.

Similarly, countries like Angola and Mozambique experimented with African versions of Marxism-Leninism. The programmes usually took the form of import-substitution industrialisation, collectivisation of agricultural production, and state control of marketing boards. Needless to say, these approaches did little to advance development in these countries. In some instances failures were accelerated by lack of accountability and growing corruption among state elites.

The character of Africa's post-colonial development is excellently summed up by Ayittey who calls it 'one giant false start', characterised by a wrong political system (one-party states); a wrong economic system (statism); a wrong ideology (socialism); and a wrong growth path (industrialisation via import substitution) (Ayittey 2005). It should be noted that not all Africa's leaders fell for the elusive appeal of socialism – although statism was particularly powerful because of its link to sovereignty and the natural inclination of newly independent African states to assert and jealously guard their new-found status.

The journey towards stable democratic rule and market-based economies in Africa is by no means going to be an easy one

Some of the notable exceptions that eschewed the socialist path were Félix Houphouët-Boigny (Côte d'Ivoire), Abubaker Tafawa Balewa (Nigeria), Hastings Banda (Malawi), and Daniel arap Moi (Kenya). Their questionable democratic credentials notwithstanding, these leaders favoured more pragmatic approaches that emphasised fostering entrepreneurship and attracting foreign investments (Ayittey 2005). However, their good economic approaches were undermined by their personal corruption, so that the economic potential of their countries was not fully realised under their rule.

The journey towards stable democratic rule and market-based economies in Africa is by no means going to be an easy one. The underlying political values and economic systems still prevailing in many countries do not live up to the demands of modern economic systems. But the current approach by reform-minded African leaders towards integration into the global economy could lead to a more cosmopolitan brand of Pan-Africanism – one which articulates Africa's identity as part of the narrative of globalisation, and links its destiny to that of the global economy. In the absence of such an integration into the global economy, Africa's chances for development are pretty slim. It is from this platform that the renewed efforts towards building the United States of Africa should be launched.

Most of Africa is playing catch up to other developing countries, especially the Asian newly industrialising countries (NICs). One of the marked features of the success of these countries is their close integration into the global economy. They attract large flows of foreign direct investment (FDI) and are now emerging as sources of such investment (UNCTAD 2006). Measures aimed at developing human capital and increasing domestic savings in the economy enabled the East Asian countries to build competitive economies. It is precisely difficulties in raising the domestic savings to levels that could support rapid capital accumulation and growth that have hampered African countries in the past (ibid).

Rethinking regional integration schemes in Africa, and basing them on an outwardly oriented approach aimed at integration into the global economy, is no longer an option for Africa. It is a necessity if economic progress is to be achieved, and if regional integration is to be meaningful.

Regional integration and liberalisation of the domestic polity

In the post-colonial era the use of state power as a means for self-enrichment and patronage by the political elite was the norm in most parts of the continent. The use of public resources and patronage to preserve political power were some of the most shameful aspects of this period and defined Africa's political character throughout this period. While the underdevelopment of Africa has its origins in colonialism, it worsened as a result of the post-independence political mismanagement by the new leaders. They created a new form of underdevelopment, because the state was used as an instrument for personal enrichment, diverting resources away from the poor.

Since this period of authoritarian rule Sub-Saharan Africa has come a long way. A wave of democratisation has swept over it since the 1990s. Countries affected include the DRC, Liberia, Malawi, Nigeria, Ghana, Kenya, Rwanda, Tanzania and Zambia. It is still difficult to judge whether elections were free and fair in a number of instances, such as in Nigeria in 2007. Unfortunately, the obverse of the democratisation in the form of a descent into autocracy, is also seen on the continent in countries such as Zimbabwe, which makes the prospects of continent-wide democratisation doubtful. Yet, Africa's future economic prospects are conditional upon the existence of a strong democratic polity. The shift from one-party states and military juntas to multiparty systems was not achieved lightly and although some changes seem small, it certainly represents a step towards a better future for the continent.

However, there must be a convergence of democratisation and the promotion of human rights as cardinal principles underpinning integration if its progress is to gather pace. This will require a departure from the current paradigm of *negative sovereignty*, which is state-centric and anti-imperialistic, to a willingness to explore more positive expressions of sovereignty that take into account the importance of non-state actors in promoting development. It includes recognition of the role of civil society and independent institutions such as the media. Some of the measures that should be implemented include the introduction of checks and balances in the form of an independent judiciary, clear separation of powers, and plurality in party politics if permanent economic reforms are to be secured.

The notion of sovereignty derives its force from international law. It is an essentially normative, juridical concept which, according to Robert Jackson (1990:5), was applied in contexts in the Third World that was not ready for it. Jackson argues that these states appeared to be 'juridical more than empirical entities, and should be given a designation of quasi-states' (ibid).These entities could not give substance to the concept partially because of the challenge of weak institutions and underdevelopment. Indeed, in the aftermath of decolonisation the state forms that were bequeathed or rather transplanted onto much of the Third World did not resonate with the long-established traditions, institutions and the language of authority (Jackson 1990) and there was no strong normative framework for human rights and democracy which corresponded to sovereignty.

While there seems to be a commitment towards human rights promotion, as expressed in for example the AU's Courts of Justice and Human and People's Rights, there is still an inclination towards personal rule in some parts of Africa. Mugabe in Zimbabwe and Museveni in Uganda personify African rulers who hold tight to state power, to the extent of amending the constitutions of their countries to ensure yet another term in office. Such practices dim optimism about Africa's future and cast doubt on the durability of reforms. As Rotchild and Haberson (2000:8) point out, although variables such as transparency, non-corruptibility and accountability 'can in principle be nurtured in non-democratic political regimens, they can more plausibly survive over time in a democracy because these elements are regarded as part of its definition'. Regional integration mechanisms on the continent will have to make tough decisions about the appropriateness of political norms which should underlie the integration process, and agree on a system of incentives and punitive measures for those who either flout them or condone it.

As Schiff and Winters observe, integration schemes are most effective when they impose 'club rules' such as democracy and human rights (Schiff & Winters 2003:188), something that is generally lacking in African regional integration schemes. The dilemma often faced by such schemes is that members would find it difficult to impose strictures or conditions at the regional level when they themselves are guilty, too. But regional integration schemes can derive their effectiveness from a strong domestic institutional polity of their members. Furthermore, it can only be on the basis of 'pooled sovereignty', which in itself is a product of political willingness to cede sovereignty, that political institutionalisation can take firm root at the regional level.

> There must be a convergence of democratisation and the promotion of human rights as cardinal principles underpinning integration

An example of such 'club rules' is found in the *Mercado Comun der Sul* (Mercusor) integration process.[10] In June 1996 the presidents of the four countries making up Mercusor signed a declaration on democratic commitment in Argentina, making democracy a precondition for membership. In June 1998 this was extended to the FTAs between Mercusor and Bolivia and Chile, in the Protocol of Ushaia (Schiff & Winters 2003:199). Such rules could thus serve to ensure accountability by members.

In Africa such accountability should extend to domestic public finance. Most African countries were affected by uncontrolled expenditure and embezzlement of public funds after independence. Today, public finances in most countries are still far from stable, and corruption is still rife, a situation that is exacerbated by an absence of independent central banks in a number of these countries. Even though UEMOA for example has a condition that the budget deficit should be kept below 4 per cent of the GDP, inflation at below 5 per cent and foreign reserves be increased to an agreed upon level, such targets have proven to be unrealistic.

As Ayittey (2005:142) observes: 'The absence of independent central banks means that monetary policies are subjected to the fiscal whims of the central government.' The advantage of an independent Central Bank is transparency, predictability, and accountability in monetary policy. This lends credibility to the economy and insulates monetary policy, especially interest rates, from being manipulated by politicians for short-term gains. Many countries have compensated for reckless expenditure by simply printing more bank notes, which perpetuates the problem. The net effect of this has been that private sector investment has dwindled, due to fears of rising inflation and high interest rates.

With Africa's central banks in a chaotic state, it may be difficult to establish a supra-national African Central Bank that would be able to bring about harmonisation and overall coordination of monetary policies. This is nevertheless an extremely desirable development, provided it also receives the necessary authority to impose uniform standards and enforce financial accountability from member governments. But with the exception of plans for an Africa-wide single currency, these reforms may not become a reality for many decades if there is no commitment to a supra-national authority. Essentially, there needs to be credible and sustained reforms at the domestic level before harmonisation at regional level can become possible.

> With Africa's central banks in chaos, it may be difficult to establish a supra-national African Central Bank that would be able to bring about harmonisation

The challenges of globalisation and Africa's integration

During the period between 1960 and 1970 Sub-Saharan Africa experienced something of an economic boom. This, however, was short-lived. Africa was severely affected by the steep increase in oil prices by the Organisation of Petroleum Exporting Countries and the debt crises of the early 1970s. It ushered in a period of economic decline, aptly characterised by African scholars as the lost decade. It is a trough from which Africa is still struggling to recover.

The economic strain experienced during this period made itself felt both in production and social structures, with literacy and life expectancy rates beginning to decline.[11] Internal factors, such as ill-conceived domestic policies, overvalued exchange rates, the inefficiency of parastatal organisations, and excessive regulation of domestic economies further contributed to the poor economic situation.

Rostow notes that Africa's share of global GNP dropped from 1,9 per cent to 1,2 per cent between 1960 and 1989; its share of global trade fell from 3,8 per cent to 1 per cent during this period; the decline in commodity prices of exports cost Africa some US$50 billion between 1986 and 1990; Africa's external debt has tripled since 1980, and debt service stands at about 19 per cent of total exports of goods and services; and by 1987 nearly one third of Africa's skilled workers had moved to Europe (Rostow 1999:33). Even the Highly Indebted Poor Country Initiative launched in 1996 has not been very effective in stemming Africa's indebtedness. This initiative was also marred by insufficient funding, excessive stipulations, restrictions on eligibility and inadequate debt relief (UNCTAD 2001).

In the years since the crisis of the early 1970s Africa's position has continued to worsen, exacerbated by its marginalisation from the global economy. By the beginning of the 21st century, Africa's socio-economic profile had not changed much from that time. Africa's contribution to the global GDP and world investment flows remain negligible at 1 per cent and 3 per cent respectively (Soko 2005:273; see also UNCTAD 2006).

Africa is also a continent that is adversely affected by soaring foreign debt and is highly dependent on flows of overseas development assistance – most of which is re-channelled to developed economies and multilateral credit institutions to service debt. Much has already been written about Africa's debt crisis and the role of foreign aid and will not be repeated here, except to briefly refer to the negative implications this has had for Africa's integration into the global economy.

Unlike the first generation of post-colonial elite, present-day African leaders have demonstrated some willingness to take on the challenges of globalisation. This has however mainly been restricted to participation in the global governance structures and signing of bilateral investment treaties. Africa's position in the international market as an exporter of primary commodities and the unfavourable external trade environment, with for example barriers to access in key developed markets, also act to limit the scope for Africa's integration into the global economy (Oyejide 2005:19). There is also still some resistance to globalisation, which is still regarded more as a threat than an opportunity.

This dual view of globalisation is likely to persist, particularly as globalisation does entail real risks which are difficult to defend to domestic social groups. Some of these risks concern the loss of autonomy over some aspects of macro-economic policy management. On the whole, however, there is more risk attached to being outside the global economy. Buffer mechanisms such as a development fund which may be created with the assistance of external partners, may help alleviate some of the risks associated with globalisation.

While there is growing appreciation of the imperatives of globalisation, bold action is required regarding trade reforms and the adoption of policies that are conducive to a better investment climate in African countries. Improvement of policy mechanisms is especially important to give Africa better access to capital in global markets (Helleiner 1999:121). As Hausmann (2006) observes: 'Successful integration is important in the sense that the countries that grow fast also have a very fast growth in exports.'

Export growth, especially in dynamic sectors, can best be facilitated by the inflow of technology, know-how and innovative methods that usually accompany FDI. The current lack of integration has a negative impact on how foreign private investors assess the continent. This in turn negatively influences Africa's development of its productive capacities and diversification away from primary products.

A lack of or insufficient technological diversity which under ideal circumstances follows political and economic liberalisation in the form of better governance mechanisms, vigorous macro-economic policies and commercial frameworks, sound regulatory policies (including transparency in the tax structure), and easing of trade restrictions, confines Africa to a static production phase. However, as Schiff and Winters suggest, if regional integration is set on a right path and accompanied by a genuine desire to improve efficiencies, to create larger markets, to encourage more competition and to improve policy credibility, the incentive for investment increases as well (Schiff & Winters 2003:17).

> While there is growing globalisation, bold action is required regarding trade reforms and the adoption of policies that are conducive to a better investment climate

It is important that not too much emphasis is placed on the above reform measures, as policies and practices aimed at human capital development, infrastructure development, sound regulatory measures, and a business-friendly environment are equally important in ensuring good long-term prospects and transparency in the investment climate.

Rodrik (2002:201-223) also suggests that better diagnostic tools need to be used to identify inherent constraints to growth. Such diagnostic tools would go beyond orthodox prescriptions for growth and concentrate on factors unique to each situation. They include social return to accumulation (including physical capital, human capital, entrepreneurship and technology); the extent to which social return can be appropriated by private entrepreneurs; and the cost of financing accumulation (ibid). A commitment to improving the social infrastructure in the areas of health care provision and provision of basic social services can be a powerful indicator of the long-term developmental potential of the country.

The role of FDI in regional integration and economic growth

Capital inflows and higher investment, improved technology and expanding export markets – which in turn contribute positively to growth – can only be possible in an enabling environment for economic reform and with policies favouring integration into the global economy. Africa is more in need of increased investment to accelerate its economic progress than any other region in the world (see Camdessus 1995). Regional integration is likely to be more successful if it is outwardly oriented and promotes global integration, than if its focus is inward. Africa should learn not to repeat the mistakes of its failed import-substitution industrialisation programmes of the past.

It is therefore obvious that one of the crucial factors for success in Africa's regional (and global) integration is the maintenance of close economic relations (integration) with rich countries in the north as they tend to be the sources of knowledge and capital investment.[12] (This does not mean that other developing countries that could be new sources of investment should be ignored.) But, as Bhagwati and Panagariya (1996:43) caution, such relationships should not be oriented to serving the interests of the northern countries at the expense of improving economic welfare in southern countries, especially with respect to free trade agreements.

Africa has witnessed a consistent rise in FDI flows, especially during the last three years. For example, FDI to Africa grew from US$17 billion in 2004 to US$31 billion in 2005 and it currently stands at US$38 billion (UNCTAD 2006). These numbers look impressive until they are compared to FDI to regions such as Southeast Asia, which has attracted US $165 billion, constituting 18 percent of the total global FDI flows.

FDI flows to Africa still largely relate to natural resources such as petroleum as well as diamonds, gold and platinum. Countries that have benefited the most include Algeria, Angola, Chad, Equatorial Guinea, Sudan, Morocco, Libya and Tunisia, while countries with limited natural resources have been bypassed (UNCTAD 2003:32; ECA 2005:29). Countries such as Morocco have benefited from investor-friendly FDI policies (ibid). FDI driven by natural resources and services are likely to continue experiencing growth for some time in the future, but more efforts need to be devoted to the development of labour-intensive manufacturing capabilities.

Manufacturing attracts less FDI, while this is precisely the type that is required for structural transformation in those African economies that are still trapped in primary production activities. The spill-over effect of FDI to domestic firms, resulting in 'backward' and 'forward' links, may help with the diversification of the overall domestic production base from static primary to dynamic secondary products in both vertical and horizontal directions. Specifically, benefits could be in the form of integration into the international production, marketing and distribution networks of transnational corporations (UNCTAD 2006:111).

On the regulatory side there are promising signs that a number of African countries are improving their policies with a view to attracting FDI, as more than 500 bilateral investment treaties and 365 double taxation treaties by African countries testify (UNCTAD 2003:37). As Oyejide (2005:17) points out, 'all West African countries offer further international protection to foreign investors through their membership to the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for the Settlement of Investment Disputes (ICSID)'. Countries in Central, East and Southern Africa provide similar guarantees in varying degrees.

More still needs to be done in many countries to increase the size of foreign investments on the one hand, but at the same time further the development of indigenous economic activity, and both aspects will benefit from a reduction in bureaucracy, enforcement of contracts, simplification of procedures and reduction of taxes for preferred production activities. These regulatory issues also need to be factored into regional integration mechanisms.

One should however not lose sight of the fact that an improvement of the investment climate hinges on much more than this, and especially on the long-term predictability of the macro-environment and political stability. According to Collier and Gunning (1999:80), 'the single most important deterrent to investment [is] the fear of policy reversal, [currency] inconvertibility and confiscation.' Such risks would be mitigated if better domestic and regional agencies, in the form of better governed and autonomous institutions, are in place as Africa would then be in a position to improve its investment prospects regarding economic development.

Research on the relationship between FDI and regional integration suggests that low trade restrictions are likely to attract investment flows (Blomstrom et al 2000:111). This precludes 'tariff jumping' types of FDI, which is attracted by high tariffs mainly in a limited set of sectors such as clothing and textiles, automotive production and parts. Such FDI is less desirable as it has a short lifespan and can actually lead to a reduction in domestic economic welfare (Schiff & Winters 2003:118).

One problem with the flows of FDI in the integrating region is the agglomeration effect. Regional integration tends to pull firms towards central (as opposed to peripheral) locations that offer attractive features such as trade cost advantages and proximity to other industrial activities and suppliers (see Venebles 1999). While agglomeration takes place at the expense of smaller countries in the short term, its benefits outweigh this problem in the long term. As firms become more familiar with their environment and search for lower labour costs, cheaper sources of production and proximity to markets, smaller countries become more attractive. Moreover, the investment opportunities should prompt smaller countries to improve their investment climate and to seek opportunities for their private sector in value-chain links with larger firms at the centre.

Primary factors of success for regional integration in Africa would require firstly political liberalisation and sound macro-economic reforms

The future of regional integration in Africa

It has already been pointed out that primary factors of success for regional integration in Africa would require firstly political liberalisation and sound macro-economic reforms. This should be underpinned by infrastructure development, attracting and nurturing private economic activities, supporting socially and economically viable indigenous practices, and creating the right climate for the expression of a plural and divergent political voice in civil society. These factors together could contribute significantly to the vitality of Africa's integration process.

In most countries on the continent the state, through parastatal organisations, still plays a dominant role in the economic sphere, and this sidelines private sector entrepreneurs, generates rent-seeking behaviour and perpetuates inefficient practices. As Nkurundzinza and Bates (2003) observe, this could also act as a drain on the fiscus. National legislation, policies, rules and regulations will have to accommodate change if integration is to be a success. Such flexibility would further have to translate into subordination of domestic political interests to common regional goals (Mistry 2000:557).

Another area that would need to receive attention is that related to high dependence by a large number of African countries on external financing. In 2003 the net developmental aid to Africa reached a record of US$26,3 billion (ECA 2005:33). This places these countries at the mercy of the developed countries and international financial institutions. This dependence on aid flows is partly caused by an absence of strong capital markets and poorly developed financial systems (Draper et al 2007).

In the past aid has not reached areas that truly need development, but has found its way into government coffers, with little accountability on its use. Even though the provision of aid has been conditional, the conditions were not sufficient to ensure that it prevented recipient governments from spending it as they deemed fit (Collier & Gunning 1999:74).

In this respect continued links with providers of aid, such as countries and institutions in Europe, could serve as the much needed agencies of restraint, even though such links may not be desirable in the long run. Appropriately managed, these could inject dynamism into Africa's integration efforts. The agents of restraints would have to offer realistic incentives as well as mete out penalties if there are failures or delays in implementation. They should be backed up by independent monitoring structures that have the full political support of the relevant governments. Such a system, together with external actors that have power to provide the necessary incentives, can be crucial to the success of regional integration in Africa.

At the regional level, regional integration agreements need to ensure that recipients cannot deviate from the agreed-upon reforms. As the experience of Sub-Saharan Africa has shown, the existence of regional integration schemes does not automatically ensure reform progress. Again, credible punitive measures and incentives should accompany aid to regional integration schemes. For regional mechanism to have credibility, larger countries or groups within the integrating regions need to play a more active and influential leadership role. This will also create a more conducive climate for investment.

At independence the existing agencies, in the form of imperial colonial administrators, were removed which left Africa's leaders with limitless room for manoeuvre and nobody to whom they were effectively accountable (see discussion in Collier & Gunning 1999:74). Bad policy decisions, including massive nationalisation, trade restrictions and deficit-financing increased political risk, which in turn removed certainty and predictability from government decision-making, and reduced investor confidence. The only certainty that remained was that of institutional mismanagement.

As the experience of Sub-Saharan Africa has shown, the existence of regional integration schemes does not automatically ensure a reform process

A high level of macro-economic convergence in the integrating economies, including stabilising cross-regional exchange rates, achieving intra-regional convertibility and establishing common regional currencies, are some of the steps that need to be taken in building a viable regional integration mechanism on the continent. This should be accompanied by efforts aimed at reducing tariffs and tariff barriers, harmonising customs procedures and improving transport and telecommunications infrastructure in all participating countries.

As Schiff and Winters (2003:20) suggest, policy integration or harmonisation at the regional level can help pave the way for much deeper integration at a later stage. It may not be possible to pursue these at the same time, as some regional groupings are trying to do, in view of the high demand for resources of such efforts. Rather than attempting to achieve everything at once, progress should be a gradual process in which one step is followed by another.

Much hope has been placed on the Cotonou Agreement and the Economic Partnership Agreements between Europe and African countries that were launched in 2003 to act as external driving forces to push the regional organisations to rationalise and harmonise their regional trade arrangements. It is unclear how successful this process could be, but it is hoped that they could at least force various countries to establish customs unions and reduce overlapping memberships. With regard to the latter Draper et al (2007:25) suggest that the SACU and EAC could help to consolidate other organisations, such as Comesa and the SADC, by absorbing them. Burundi and Rwanda (both members of Comesa) have for example already acceded to the EAC, though not yet to the common external tariff. Whether this would be achieved through the rationalisation efforts of the agreements or by member states own commitment to deepening integration is a different matter. Similarly, Mozambique, a SADC member, has in recent past explored the possibility of joining SACU. Draper et al (2007) further suggest that states such as Zimbabwe, Zambia, Malawi and Tanzania could be drawn into an expanding SACU.

Benefits such as a share in the common revenue pool and developmental assistance are likely to be strong considerations for drawing other countries into customs union arrangements. There does not seem to be active and deliberate efforts towards rationalisation of RECs along such obvious lines by the AU. Although the possibilities are there, these have not been formally discussed in RECs such as Comesa, the EAC and the SACU. It would thus seem as if the possibilities for rationalisation would require an as yet unconsidered commitment from member countries. This is something that cannot be left to the indeterminate agreement processes.

A further negative aspect is the slow pace with which the agreements are being negotiated. The growing influence of China in Africa could also undermine the long-standing relationship between the EU and African countries, especially if China also starts to provide developmental assistance.

Finally, regional integration in Africa should be oriented strongly towards producing developmental outcomes. In other words, this must in the first instance be a *developmental regionalism* as opposed to *integration-focused* regionalism. Whereas the latter follows a linear path along the EU lines and places more emphasis on trade creation and unilateral liberalisation, the former emphasises removal of supply-side constraints and infrastructure development and views trade in a more integrated manner, linked to domestic developmental challenges.

Increasing emphasis on the developmental nature of regionalism by some African scholars (see Asante 1997) cautions against uncritically following the linear approach exemplified by the EU which – though attractive – may not necessarily accord with regional developmental challenges in Africa. The thrust of developmental regionalism is to contribute to 'collective betterment' beyond mere trade expansion and, as Asante contends, to encourage development of new industries, help diversify national economies and increase the region's bargaining power with the developed economies (ibid) by for example multilateral trade negotiations.

If the 'United States of Africa' is not to be another still-born dream, it will have to begin with gradual and pragmatic steps

A premium should be placed on infrastructure-related or project-based regional cooperation to manage regional public goods, rather than on the creation of region-wide import-substitution schemes. An example of project-based cooperation is the Great Limpopo Transfrontier Park that was officially opened in August 2006 to preserve biodiversity and facilitate tourism between South Africa, Zimbabwe and Mozambique. Another example is the Inga Power Pool, an initiative between Angola, Namibia, the DRC, South Africa and Botswana and supported by the World Bank, with the aim of pooling regional energy resources.

Conclusion

Regional integration in Africa has repeatedly met with failure in the past. Wrong priorities have hindered success. Much has been written about the lack of 'political will' without an accompanying explanation as to what it really means.

In this paper an attempt was made to highlight the challenges related to non-implementation of commitments and to trace its reasons to a lack of focus and willingness by leaders to transcend narrow nationalistic concerns. In other words, defending sovereignty has been more important than the real commitment to growth and development which is the means to a well-managed integration process.

The argument was put forth that a strong base for regional integration is bold economic reforms that are undertaken at the domestic level. Such reforms should not focus solely on improving the macro-environment or stabilisation. While political and economic reforms should begin with strengthening the infrastructure of governance, according importance to the rule of law and human rights, stabilising the macro-environment and creating the right climate for investment, should transcend these minimalist objectives.

Building a strong social infrastructure (especially improving land management, education and the health care system), as well as addressing other constraints to growth may differ from country to country. Such constraints include a large and unregulated informal sector which may hinder private sector investment and productivity; high transaction costs for formal sector business; corruption; lack of entrepreneurial skills; and low returns on social investment. Rather than assessing the constraints from a macro-economic perspective, each country should be examined individually to determine which of these aspects are present there.

What is abundantly clear is that African leaders will not achieve success at the regional level if they fail to do so at the domestic level, and therefore sound policies that focus on economic development must be in place. If the 'United States of Africa' is not to be another still-born dream, it will have to begin with gradual and pragmatic steps. Perennial problems such as small markets, a narrow production base, poor infrastructure and a high dependence on external financing can only be overcome by determined efforts to improve the overall political and economic environment, which would in turn stimulate investment in the region.

Furthermore, normative values that capture a commitment towards democratisation, upholding of the rule of law and respect for human rights are needed if progress is to be sustained. This, along with greater integration with developed countries in the north, will help create the necessary conditions for restraint that will guard against reversal.

At this stage it is far too early to expend resources on deepening regional trade integration while countries are still reluctant to liberalise their trade policies. Progress is likely to be achieved gradually through developmental coordination and infrastructure development in the region. If RECs are rationalised, it could be the first step on the path towards a successful regional integration that supports the objectives of the African Economic Community.

Notes

1 Cemac is made up of Cameroon, the Central African Republic, Chad, the Republic of the Congo, Equatorial Guinea and Gabon.

2 Comesa is made up of Angola, Burundi, Comoros, the DRC, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe.

3 Angola, Botswana, the DRC, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

4 This comprises Botswana, Lesotho, Namibia, Swaziland and South Africa. Lesotho, Swaziland, Namibia and South Africa are members of the Common Monetary Area anchored by the South African rand.

5 This is according to articles 38, 39, 40 and 41 of the SACU Agreement 2002.

6 Kenya, Tanzania and Uganda are the founding members. Recently, Rwanda and Burundi have acceded.

7 Ecowas is made up of Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

8 Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.

9 These policy positions were reflected in various World Bank reports, principally the Elliot Berg Report in 1981, as well as the subsequent stabilisation programmes. Africa's Priority Programme for Economic Reform, implemented between 1986 and 1990, signalled the end of the Lagos Plan era.

10 Mercosur is a regional trade agreement between Argentina, Brazil, Uruguay, and Paraguay founded in 1991.

11 For a more comprehensive discussion of Africa's growth challenges, see Ndulu and O'Connell (1999:41-66).

12 Maurice Schiff and Alan L Winters allude to evidence in literature that suggest support the assertion that North-South integration promotes growth and investment in southern countries. See Schiff and Winters (2003:18).

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About this paper

This paper seeks to explore the theme of regional integration with reference to the establishment of a 'United States of Africa'. The paper critically assesses the validity of the proposition that integration is a desirable strategy for overcoming Africa's deep-seated developmental challenges. For regional integration to succeed it has to be based on effective national growth and development strategies. Furthermore, there needs to be a normative convergence on the issues of democratisation and promotion of human rights. This will require a departure from the negative sovereignty, which is decidedly state-centric and obsessed with anti-imperialism, towards the exploration of more positive expressions of sovereignty that take into account the importance of non-state actors in promoting development.

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