

## *Full Length Research Paper*

# **The road to African integration: A historical perspective**

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**The integration of Africa into a full union has always been on the agenda of African politics, yet the African Union still remains an empty box. This paper reviews the history of the activity of a key integrating institution like the OAU, now AU. It is found that two things are critical in explaining the reasons why no consensus has been reached so far: first, lack of a sustained commitment on the part of the African leaders; and second, the countries are not structurally ready, given the very high degree of heterogeneity that characterizes them. The paper recommends the reorganisation of the various regional integration arrangements, by cutting down their number into three delimited entities: West-Central, North, and South, then proceed to the creation of the union, only when these entities start working efficiently. The process should not be long though if the leaders are truly committed.**

**Key words:** Integration, union, commitment, consensus

## **INTRODUCTION**

Africa has tried to unite well before independence, since the “cry” of late Kwame N'kruma in the early sixties. Many organisations have been created just after independence, in the attempt to unify the continent: OCAM and OAU<sup>1</sup> are key examples. Many treaties and agreements have been signed, particularly the Lagos Plan of Action in 1980 followed by the Abuja Treaty in 1991, the Summit of Sirte in September 1999 and recently the Accra summit held in June 2007. However, what had happened in the very recent summit in Accra last June warrants attention for any interested observer. Indeed, as it stands, the African Union remains an empty box. What are the problems, why so many talks, so many meetings yet, no consensus to convert into reality the dream of the late independence fathers?

The world has indeed changed at an incredibly rapid speed: the reunification of the two blocks of Germany and the concretization of the unification of Europe are events that have re-activated the spirit of economic integration in the mind of the Africans. Since these events, regional integration is again an important component of the policy agenda for African States and as a consequence, issues regarding the full integration of the continent have been clearly mentioned in the agenda at every meeting at high level. Yet, the real questions facing them now are the followings: In what social and economic environment, economic integration should take place? What policy package to put forward, both at the macro and sector

levels to make integration successful for Africa as a whole? How to harmonise these policies regionally to get the benefits of economies of scales? How should we go, step wise or once for all wise? Should we build on the existing regional economic communities (RECs) and proceed progressively to converge to the African Union (A.U.) or should we move fast, following the Sirte Declaration because time is running against us?

As it stands, it is still very difficult to find answers to these questions as it is hard to get to consensus among African leaders as it was shown in the recent Accra meeting. Going gradually Vs Going speedily? That has always been and still is the question.

The necessity of integration is well understood by African leaders and organisations, a lot of meeting have taken place, a lot of talks but a little has been achieved; The question is why, why Africans are moving so slowly while economic blocks are formed around them throughout the world?

The objective of this paper is to review the history surrounding the process of the creation of the African union in order to shed lights on the problems and provide some suggestions about what needs to be done in the current context of globalization of the world economy. In so doing, we use a political economy approach to reveal facts regarding the politics and economics surrounding the several attempts to unify the continent.

The paper starts with a detailed review of the OAU's

activities since the early days of its creation in 1963 to show that the awareness has always been present at every meeting, though the commitment has always been lacking. Then, the period preceding the creation of the European Union is compared with the situation of Africa today, where a bit of lessons were drawn that lead to some suggestions and recommendations with regard to the challenges of the global environment in the third and fourth sections of the paper.

## **AWARENESS BUT LACK OF COMMITMENT**

### **The awareness of the African unity**

The Monrovia Conference in 1979 was away ahead in dealing with such issue like “what kind of Africa by the year 2000?” Many intellectuals have participated in that meeting and their views have strongly influenced the resolutions setting the ground for the following Lagos meetings.

The “Monrovia Declaration of Commitment or the guidelines and measures for national and collective self-reliance in economic and social development for the establishment of a new international order” and which, inter-alia, calls for the creation of an African Common Market as a prelude to an African Economic community (AEC).

The Monrovia Declaration was followed by the Lagos Plan of Action for economic development of Africa 1980-2000.

The Lagos Plan of Action dealt more with economic issues than politics. It was primarily devoted, along with the final Act of Lagos, to restructure the economic base of the continent to make it consistent with a far-reaching regional approach based on a collective and self-reliance scheme. The Lagos Plan of Action and the Final Act I of April 1980 reaffirm the commitment of the Heads of States to establish by the year 2000, an African Economic Community in order to foster the economic, social and cultural integration of the Continent. In substance, this extraordinary Lagos session was devoted to materialise the Monrovia Declaration on all economic matters of the Continent.

The Arusha Symposium in 1984 was the basis for the creation of the African Economic Community (AEC). In 1984, the economic conditions of Africa have been particularly weakened, with severe droughts and famines. The meeting of the Ordinary Session 18-20 July 1985 was devoted to economic and social issues leading to the establishment of the African Priorities Programme for Economic Recovery 1986-1990 (APPER) to concentrate on food production and food security issues in the spirit of self-reliance. In that meeting, an Assembly was called for on the debt problems of Africa which took place at an extraordinary session in Addis Ababa, on November 30-December 1, 1987. That meeting was held to adopt a Common African Position on the External Debt Crisis in

order to ease the debt burden on the basis of sharing responsibilities between donors and debtors. A committee was set-up for the follow-up. Unfortunately, two meetings were held and nothing after. The problem was that the group has been enlarged to a wide variety of people and institutions and the managing of such a group became tedious and cost-inefficient. The APPER, by its objectives, can be viewed as the justification of the Abuja Treaty.

The Abuja Treaty in 1991 gathered 51 Heads of State who have decided to establish the African Economic Community expected to integrate the OAU. This Treaty constituted a turning point of the OAU's agenda, especially on economic matters as it has embraced all the thinkable issues related to economic development. The key objectives of the community are:

- i) To promote economic, social and cultural development and integration of the African economies in order to increase economic self-reliance and promote an endogenous and self-sustained development;
- ii) To establish, at a continental scale, a framework for the development, mobilisation and utilisation of human and material resources of Africa in order to achieve a self-reliant development;
- iii) To promote cooperation in all fields of human endeavour in order to raise the standard of African people, maintain and enhance economic stability, foster close and peaceful relations among member states and contribute to the progress, development, and economic integration of the continent; and finally, to harmonise policies among the existing economic associations and those to be created.

The Abuja Treaty was adopted in 1991 but became effective only in 1994. A Steering Committee was put in place to carry out the reflections on how to bring AEC and OAU together for the General Secretariat to work more adequately.

Again, the objectives are, in both the Monrovia Declaration and the Abuja Treaty, in a kind, a concretisation of the contents of the charter establishing the OAU in 1963: the willingness to unify the Continent; with the exception that the Abuja Treaty emphasises more on economic matters and less on politics and issues related to self-reliance and freedom<sup>ii</sup>.

The Declaration made on the occasion of the 25<sup>th</sup> anniversary of the OAU in 1993, and in particular, the reaffirmation of the commitment of the Heads of States and their determination to take the necessary steps to accelerate the establishment of the proposed African Community led to the Tunis meeting.

The Tunis meeting, in 1994, has reiterated the meaning of self-reliance. The discussions were particularly directed to what Africans can do for themselves. The Tunis report is an important element that has led to the Cairo Agenda for Action in 1995 whose object was to reconsider Africa's economic and social development process:

create a new vision for Africa's development and translate this vision into appropriate programmes.

The Cairo Agenda for Action was adopted at the Thirty-First Ordinary Session of the Assembly of Heads of State and Government of the OAU, in June 1995 at the Headquarters, Addis Ababa where the resolution on the re-launching of Africa's Economic and Social Development has been clearly spelled out.

In particular, the issues were concerned with three fundamental questions: what Africans can do for themselves? What will be required from their development partners and which follow-up mechanism to set up? It requires both political and financial supports and a well coordinated national dialogue conducive to a large consensus on the understanding of development issues. The implementation of the Cairo Agenda Action implies three levels of responsibility: at national governments, sub-regional communities and continental levels.

At the domestic level, domestic policies should be well-coordinated with regard to given objectives. As far as economic policy is concerned, government should put emphasis on the following global objectives: efficient economic development, economic stability and growth, equitable distribution of income and food security, self-sufficiency and nutritional well-being.

At the sub-regional level, the agenda should be submitted to the regional economic communities for immediate implementation.

At the continental level, the Cairo Agenda required a coordination of actions by OAU, the African development bank (ADB) and ECA.

The Sirte Declaration, on September 9, 1999, which was preceded by the Algiers Summit from 12-14 of July of the same year, got tough on the Abuja Treaty establishing the African Economic Community, urging for a speedy process for the creation of the African Union (AU).

In particular, the Sirte Declaration gave instructions for a speedy establishment of all the institutions provided for in the Abuja Treaty: the African Central Bank, the African Monetary Union, the African Court of Justice and, in particular the pan-African parliament. Member States are urged to finalise the process of ratification by December 2000 for a constitutive act to be solemnly adopted in the year 2001 at an extraordinary Summit to be convened in Sirte.

As it evolves from this historical review, the creation of the OAU, some 44 years ago, is a critical event in the African history as it provided a proof of a resurgence of a collective awareness of the African Leaders of all time to put their forces together and act as one. This was clearly a positive attitude towards the integration of newly born independent states to be acknowledged. This awareness has been clearly spelled out in the charter founding the OAU whose objectives are the followings<sup>iii</sup>:

To promote the unity and solidarity of the African States.

- i) To coordinate and intensify their cooperation and efforts to achieve a better life for the people of Africa.
- ii) To defend their sovereignty, their territorial integrity and independence.
- iii) To eradicate all forms of colonialism from Africa.
- iv) To promote international cooperation, having due regard to the Charter of the United Nations and the universal declaration of human rights<sup>iv</sup>.

When such noble objectives have been clearly identified by countries after only few years of their independence and very little has been achieved in the integration front so far, one cannot help but feel sorry for Africa for having taken the lead but ended being the last. Indeed, no affirmative actions have been taken so far to really unify the Continent in practice. Moreover, until the Sirte Conference in year 2000, the quest for the creation of the African Union has been put on hold; recently in Accra, when the issue was brought up, no consensus was reached.

### Two different approaches: Slow speed Vs High speed

At the very recent Accra meeting there were two confronting views: on the one hand, those who think that the creation of the African union involves both costs and benefits that should be weighted properly before taking any action; therefore things should go slowly, step by step. Such idea is shared by a group led by President M'beki of South Africa. On the other hand, those who think that time is running fast, and Africa cannot afford to wait longer therefore, things should go quickly. Such idea is shared by another group led by President Kadafi of Libya.

On the one hand, there is nothing critical that prevents Africans from creating a Pan-African Parliament. Yet, one should think about the costs and benefits of undertaking such action; if we have to do it, then the operating costs should be brought down: it was said at that time that each country will be represented by 20 members that is (20x53) which amounts to 1060 members. How much the operation of such an institution is going to cost to the Africans, whose livelihood is endangered by spread poverty and famine. What is also the cost of limiting ourselves to the existing national parliaments? Or, should we have to do it at all, why don't we reduce the number of the representatives of each country to one or two?

It is also maybe possible to create an African Court of Justice, yet it will need more time because it will require a complete harmonisation of existing national laws to make them compatible to each other continental wise.

Moreover, things get more complicated for institutions like the African Central Bank, the African Monetary Union or African Common Market.

It also takes time to harmonise Policies, macroeconomic as well as sectoral; to build basic infrastructures to link the Continent, to establish the social mixture for peo-

ple to know each other for self-confidence, to create networks at all levels of the social body and in all sectors of activities – sciences, research, economics, business and politics.

On the other hand, time is running fast against Africans, other people are moving fast to meet the globalisation agenda so should Africa. Should Africa unite is one commonly agreed upon thing; how quick we do it, is the critical question. It is possible, to do it quickly, if people and politicians are committed like President N. Kadafi, but how many Kadafi do Africa has on its soil who are really committed that Africa should move forward without further conditions and delay in order to catch-up with the rest of the world? The most optimal framework of economic policies coordination is to reach an economic union. This may justify President Kadafi's determination to accelerate the African Union process. Yet, the critical question remains as what does Kadafi really want? Is he credible enough worldwide to convince the international community? Can he really be the father of the African Unity when many questions of human rights are pending on him? These two sections above have shown clearly that the awareness of a full integration of the continent has always been there. The Lagos Plan of action, the Abuja Treaty and the Conference at Sirte, were salient illustrations of the need for Africa to unite. It has also shown that the how to do it on the ground has always divided the African leaders, making it difficult to reach a consensus. Efforts have rather been diverted from the objectives of the African Unity initially spelled out at the creation of the OAU to the creation of several major economic groupings throughout the continent. These integration schemes are heterogeneous in nature and totally different from each other, hence difficult to put together. What a paradox!

### **A number of regional integration arrangements (RIAs)**

In 1989, among the seventeen Regional Integration Arrangements (RIA) which existed around the world, eight were in Africa (Mistry 1996). They were not very successful with the exception of a few like the CFA zone. Despite their limited success, there is an on-going renewal of interest in the 1990s, enhanced by the creation of the European Union and the reality of the globalisation of the world's economy as a result of a number of dynamic forces of which the end of the cold war by the unification of the two blocks of Germany.

Regional integration is not a new phenomenon in Africa (Kebret, 2000). free trade areas and monetary unions emerged under colonialism in most parts of the continent. After independence, economic integration is continually redefined on a voluntary basis to fit the development objectives of the countries. The phenomenon has been reinforced since the last two decades leading to a number of Regional Economic Communities (RECs). Ma-

lor economic groupings of Africa are: The Economic Community of West African States (ECOWAS) which includes the West African Economic and Monetary Union of the CFA zone (WAEMU); the Economic Community of Central African States (ECCAS), the Preferential Trade Area (PTA) for Eastern and Southern African States now called the Common Market for Eastern and Southern Africa (COMESA) since 1994, the Southern African Development Community (SADC) and the Arab Maghreb Union (AMU). In addition to these major economic groupings, there are a great number of sub-groupings encompassing two or three countries throughout the continent<sup>v</sup>. "In 1989, there were more than 200 economic groupings in Africa encompassing both private organizations and government-led institutions"<sup>vi</sup>.

In general, they were not successful because the great number of organisations generates problems of coordination and ends up being very costly in terms of financial and human resources<sup>vii</sup> Tables 1 and 2.

As (Johnson, 1995) and (Lyakurwa et al., 1997) put it: "Though degrees vary among groups, there seems to be a consensus that the success of all the RECs in achieving their objectives has been less than satisfactory. (Johnson, 1995) sees four major reasons for the failure: political sovereignty, the fear of imported inflation from high cost members, obligation to accept unequal distribution of gains and losses and discontinuation of existing ties with non-members. (Lyakurwa, et al.. op.cit.), added to the list lack of a strong and sustained political commitment and macroeconomic instability. These views are shared by Killick (1992). (Oshikoya and Hussain, 1998) argued that the real challenge for economic integration in Africa is the lack of information technology. Tables 1 and 2 show some of the regional integration arrangements (RIAs).

Important and less passionate questions to be asked are: what are the historical experiences in the way to establish the African Union (A.U.); how homogenous are the potential members in terms of certain economic criteria to be established for them that will enable them to enter a Union? To really see where the countries themselves stand in the process, we have chosen to compare the African experience with that of Europe in 1999 in terms of history and preconditions to enter a viable economic union where people, capital and goods move freely across states.

### **THE EUROPEAN UNION (EU) AND THE AFRICAN UNION (AU) COMPARED**

#### **The steps followed by EU compared to Africa**

In 1968, tariffs were abolished: free trade areas in addition to the harmonisation of tariffs on imports from extra-zone.

1986: the common market was established.

1992: the Maastricht treaty was signed.

**Table 1.** Selected economic associations of Africa

<b>Association</b>	<b>Year of formation</b>	<b>Members</b>
<b>ECOWAS:</b> Economic Community of West Africa States	1975	Gambia, Ghana, Guinea, Liberia, Nigeria, Sierra Leone
<b>WAEMU:</b> West African Economic and Monetary Union	1994	Bénin, Burkina, Côte d'ivoire, Guinée Bissau, Mali, Mauritania, Niger, Sénégal, Togo, Cape Verde,
<b>SADC:</b> Southern African Development Community	1981	Angola, Botswana, Dem Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland,
<b>PTA</b> Eastern and Southern African Preferential Trade Area	1992	Tanzania, Zambia, Zimbabwe, Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Rwanda, Somalia, Uganda
<b>UMA:</b> Arab Maghreb Union	1989	Morocco, Tunisia, Algeria, Libya, Mauritania.
<b>ECCAS</b> Economic Community of Central African States		Burundi, Rwanda, Sao Tomé, Uganda
<b>CAEMC</b> African Economic and Monetary Community	1994	Cameroon, Central. Afri; rep., Chad, Congo, Equ. Guinea, Gabon

Sources: African Development Bank; selected statistics on Africa countries

**Table 2.** Basic indicators for selected groups of countries (2006).

	<b>AREA ( 1000 Km<sup>2</sup>)</b>	<b>POP ( mil. Hbts)</b>	<b>DENSITY ( Km<sup>2</sup>)</b>	<b>GNP:K (\$ US)</b>
ECOWAS	6 144	221.7	51.54	373.75
PTA	9294.4	90.3	90	1 698
ECCAS	390.9	61.1	73	814
MAGHERB	61.4	72.74	18.19	271.33

Source: African Development Bank; selected statistics on Africa countries

1993: the common market was practically instituted. In addition economic union was sought; Economic Union includes Common Market + harmonisation of Policies

1999: full integration: E.U.

Though Africa has followed most of the steps, the efforts have been spared, sub-regionally oriented with lack of policies coordination and political commitments to sup-

port the programme. With the Maastricht treaty, the economic entity is no longer the nations of Europe, but Europe itself. Africa is globally far behind in this respect, except the countries of the franc zone that are closer.

The Maastricht treaty is the most important step towards the full integration of Europe; its key features are:

1) One single money: the Euro

**Table 3.** Convergence criteria for the Franc Zone.

	Budget deficit/surplus %GDP	Budget* deficit/surplus %GDP supplementary indicator	Average inflation rate	Plausible** inflation rate	Internal and external debt %GDP	Cumulated arrears Billions CFA	
						External	Internal
Norms	≥0	≥0	≥3	≥3	≥70	0	0
WAEMU	-2.1	-0.6	2.3	2.4	52.8	451.1	Na
Benin	+0.0	+0.8	3.8	3.9	14.8	0	0
Burkina Faso	-3.9	-1.4	2.4	2.5	17.1	0	0
Côte d'Ivoire	-1.9	-1.9	2.5	2.5	80.5	402.5	23.7
Bissau Guinea	-7.3	-2.2	2.0	2.2	323.8	21.8	Na
Mali	-0.8	+2.9	1.5	3.6	23.9	0	0
Niger	-2.7	-0.5	0.1	0.7	25.6	0	Na
Senegal	-3.0	-1.1	2.1	1.6	40.5	0	0
Togo	-0.1	-0.1	2.1	1.8	95.9	26.8	Na
CEMAC	+11.7	+2.6	5.2	3.3	32.6	25.3	Na
Cameroon	+5.4	+3.8	5.4	3.9	20.7	0	0
Central A. Republic	-1.5	-4.6	6.5	5.8	68	18.9	Na
Congo	+23.7	+2.0	4.0	3.6	99.8	6.3	Na
Gabon	+9.8	+5.0	3.9	1.3	30.4	0	0

Source: Economic Commission of WAEMU; Secretariat of CEMAC

As the table above shows it, it appears that no country of the CFA zone fulfil all the criteria that they have elaborated themselves. The CFA is actually three currencies in one with three different central banks: the CFA of the west, the CFA of the centre, and the Comorian CFA; consequently, there is no one single monetary policy. The debt burdens for Côte d'Ivoire, Congo, Bissau Guinea and Togo are particularly high; this compelled us to suggest a program for debt relief for them as well. These facts clearly are major weaknesses of the effort of the countries that are members of an apparently unified body by the use of one currency, not to talk about the rest of the countries for which such criteria do not exist. From this comparison, what lessons to draw?

- 2) One Central Bank with full ability to create money (Art. 105A)
- 3) One monetary Policy including exchange rate policy (Art. 3A)
- 4) Sustainable fiscal policy (Art. 104C).

In the case of Maastricht a set of "convergence criteria" were elaborated on interest rates differentials, inflation rates, public deficit, and public debt. To be a member of E.U., each country has the obligation to fulfil the following conditions:

Inflation should be contained and no higher by 1.5 point the average of the three countries that have the lowest rates.

Public deficit should not be higher than 3 percent of GDP.

Public debt should not be higher than 60 percent of GDP.

Long term interest rates should not exceed by 1.5 point the average of the three countries that rank best.

In 1999, eight European countries have fulfilled these criteria and the E.U was created consequently. To have an insight of the situation in the case of Africa, we have chosen a group of countries that have had some good experience in terms of monetary union (Allechi and Niamkey, 1993), Boughton, 1991) and Guillaumont, 1994) and compare their current situation to that of the E.U in 1999.

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## REASONS FOR FAILURE AND LESSON TO LEARN

### Reasons for fettered results

Should we learn any lesson from the appealing situation, we need to know first why Africans are still lagging behind other parts of the world on the integration front.

Why attempts to fully integrate Africa have failed? The following are sought to be the main causes of the failure:

First, there were many economic groupings in Africa whose implementation generates problems of coordina-

tion and cost in terms of both financial and human resources.

Second, an economic integration implies treaties and conventions; and for governments, that means a loss of political sovereignty which weights heavily in their lack of full commitment. Indeed, the success of any organisation is the respect of what the late Nobel Prize J. Tobin called "The rules of the game" that is the obligation of each member to comply and submit itself to the rules that established such organisation. Most of African organisations have failed because some of the countries are playing the game of not paying their contribution.

Third, the poor record of integration experiences in Africa could be partially explained also by the excessive politicalisation of the integration process, the exclusion of the ordinary people from the process and the lack of involvement of the private sector.

Fourth, Africa also lacks cooperation that focus on key basic infrastructures (transportation, communication and information systems). The absence of basic integrated infrastructure schemes impedes free movement of capital and labour, the promotion of cross-border investment, intra-regional trade and the functioning of regional stock markets. In West Africa for instance, The regional stock market hosted in Abidjan, the Lagos stock market and the Accra Stock market function without any connection to each other.

Fifth, on the policy coordination front, African countries have bad record in coordinating policies at all levels: domestic, regional and continental<sup>viii</sup>.

What kind of policies to initiate, macroeconomic as well as sectoral, that will link countries within blocks as well as across-blocks throughout the whole of Africa and link the Continent as a whole to the rest of the world? Indeed, the harmonisation of policies of OAU member States is an essential component of their policy agenda.

In particular, we learnt from Timbergen that for a policy framework to be coherent, the number of policy instrument must be at least equal to the number of policy objectives which stems from the mathematical condition for a system of equations to have a solution, the number of the equations must at least be equal to the number of the unknowns. Also, since Mundell (1968), consistent domestic policy coordination requires that fiscal policy should be used to fight against internal disequilibria (unemployment inflation...) and monetary and exchange rate policies for external balance (balance of payment disequilibrium). Yet, in today's world of globalisation, such policy assignments at the national level have to be paired with the policy goals of neighbouring countries at the regional level and this is most often never the case.

At the regional and continental levels, the attempt to create the African Union has failed because it lacks policy harmonisation even at the regional level where regional harmonisation of policies is often overlooked not to talk of the harmonisation at the continental level. Each country is individually concerned with restoring its macroecono-

mic imbalances using policies designed for national objectives rather than undertaking coordinated and collective regional actions to break up regional disparities in order to take advantage of economies of scales.

Going back trying to compare concrete collective actions taken by leaders on the ground consistent with any Declaration or Resolution of the OAU, one finds a big gap between declarations made or resolutions taken at the OAU Assemblies and their practical applications<sup>ix</sup>.

### The lessons

The first lesson to be drawn is that the success of OAU in ensuring independence to its Member States in the early 60s depended on two main reasons:

First, the international environment was profoundly marked by human right activists like Martin Luther King Jr. and Malcolm X of the Diaspora whose voice's echo reached their brothers of the mother's land like Kwame N'Krumah of Ghana and many others who were very preoccupied by the liberation of Black people and their unity and freedom at that time.

Second, the people of Africa and the African Leaders were all truly committed to fight for independence, there were no concessions to make over their freedom and their convictions were spelled out clearly to the face of the world; where there were resistances, independence was earned at the price of a war; in Algeria for instance, then Zimbabwe and Namibia.

The second lesson is that Africa lacks good institutional arrangements for a good follow-up in many respects; indeed, the pre-conditions to enter a union do not mean much, more critical is how the institution lasts once established. Institutional stability and sustainability in Africa still remain a key issue to be addressed, particularly with regard to membership obligation defaulting.

The third lesson is, unlike Europe, Africa represents very little in the world trade. In addition, its trade flows are predominantly directed to Europe based on colonial ties. Intra-trade accounts for 17 % in the Franc zone, 11% in ECOWAS, 16 % in SADC, and 8.7 % at the continental level. This is to be compared with the E.U., where intra-trade accounts for 60 %. Patterns of regional integration tend to confirm the view that usually trade has preceded trade agreements. For East-Asia integration with the global economy was a strong impetus for regional integration (World Bank, 2005, P.51). In Africa, regional intra trade is so small to booster regional integration. Indeed, the existing recent regional trade agreements have had more impact on outward-looking trade liberalization, thus on external trade than on intra regional trade and as a consequence, the economic impact of these agreements appears to have been small. (World Bank, 2005, p. 52).and (Ademola, 1997)

The fourth lesson is that with respect to macroeconomic policies, fundamental question need to be addressed

with regard to the Maastricht treaty itself: theoretically, the treaty is founded on liberal monetarism: it gives monetary policies the ability to fix once for all the exchange rate and to secure price stability. In addition, the convergence criteria are key feature of market economies. The ensuing consequence of such framework is to forgo fiscal policies of the Keynesian type. The question therefore is that of flexibility: is the treaty flexible enough to adapt to changing economic conditions for example, in a case of severe recessions? The lack of flexibility in the Maastricht treaty is a strong case for its renegotiation some time in the future. This lack of flexibility inherent in the Maastricht treaty should serve as lesson for Africa in its endeavour to establish the African Union (A.U.).

The fifth lesson is that on the political front, Maastricht may not have resulted from a friendly political cooperation. Indeed, economic unions are most often occasions for major economies to politically dictate the "rules of the games" by turning the decision into their advantages: the USA in the world economy; Germany in Europe...are critical examples of this kind; the lesson is that economic cooperation is not neutral in theory as well as in practice; yet, for a union to succeed, it should be free from theoretical and political considerations. It rather should have the adhesion of international cooperation and solidarity with the rich making concession to help the poor in time of hardship: this natural African philosophy should guide the Africans of the 21<sup>st</sup> Century in integrating the various parts of Africa into one to create the nations within a period of ten years.

The sixth lesson is that African countries by all indicators are far behind Europe. More important, situations got worse from 1999 to now. Indeed today, none of them fulfilled the criteria of the Maastricht conditions: inflation rates, public deficit, public debt ratios stand particularly higher. Though the CFA zone countries are closer in terms of inflation rates, and monetary policies coordination; yet, they are not different from other African countries in terms of public deficit and public debt.

By and large, African countries need to do more with respect to their twin problems of high debt and high budget deficit to meet the Maastricht standards.

From all indications, Sirte is far from Maastricht. Yet, Sirte may be close to Maastricht if the heads of states are strongly committed. It will require hard work, more commitment, true solidarity and a sustained rather than a flashy awareness. This of course constitutes a real challenge of the future.

## **THE NECESSITY TO CHALLENGE THE GLOBAL MARKET**

### **Suggestions for policy coordination**

As the global market opens up new horizons for Africans, it also requires from them a great deal of courage to change and coordinate their policies. The rationale for po-

licy coordination is that national economies are so linked in such a way that, what one can achieve or change, depends strongly on external factors. For example, the activities of the small cocoa farmer in Côte d'Ivoire or Ghana is well influenced by the monetary policy of the federal Reserve bank for the simple reason that the fluctuation of the dollar are so determinant in the setting of cocoa price. In such conditions, should not these two countries gain from coordinating their trade policies to ease the negative effects of the unpredictable variations of the terms of trade. In June 1999, South Africa and the European Union concluded a sweeping trade agreement without consulting its neighbouring COMESA member States, Botswana, Namibia, Lesotho and Swaziland in particular, which will lose up to 15 percent of fiscal revenue (Jacqueline Irving, 1999, 1) To ease the loss, they are constrained to be de facto followers for a decision that South Africa has taken for its own sake. By the same token, in July 2007, Uganda and Tanzania, members of the East African Economic Community, got tough on Kenya, as the latter intended to settle alone trade agreements with the European Union. Finally, decision to negotiate under one roof was reached at a meeting of government officials of these countries including those from Burundi and Rwanda, new members, at Arusha mid July, 2007.

In addition, without coordination, Policy initially oriented to attain certain national goals ends up to misleading results. For example, suppose that a country is willing to enhance growth by the call for more investments; for that purpose, the government decides to decrease interest rate by an expansionary monetary policy, informed economic agents with financing capacity will put their money abroad at a higher expected return. Consequently, the country will experience capital out flow and sooner or later, this same country will be forced to undertake a restrictive monetary policy which may end up by hindering economic growth, the opposite of the initial objective. At the end of the day, it is the foreign country that has benefited from the policy initiated at home. This trend has been observed between CFA countries and France from 1962-1973 when interest differential was in favour to France. If the country, instead chooses to stimulate growth by a fiscal deficit "à la Keynes", such a policy may not lead to growth. Indeed, due to the weight of external constraints, the multiplier's effect comes to play abroad if the propensity to import of the country is high. It is to avoid these kinds of misadventures that integration through policy coordination among partners is necessary, otherwise, the loss to an individual country may be great while within an integrated scheme, the loss will be shared among all those who have participated in the decision-making process.

First, it is important to know that coordination of policies at the regional or continental level doesn't necessarily mean that the countries will be compelled to conduct the same policies at the same time, it is often rather the opposite; it means that each country should act as quick-

ly as possible as to preserve the harmony of the group. For example, a deficit country should take restrictive monetary measures as to tighten domestic credit, seek out for external loans or to devalue its currency; while a surplus country should try the reverse to get an appreciation or a re-evaluation of its currency; if these two types of countries were fully integrated, they will benefit from devaluation and overvaluation at the same time and share the costs associated to these two types of policies. Harmonisation cannot occur unless countries act in this manner and agree on national and international policy objectives and priorities.

### Union as a necessity

Globalisation of the world economy is a reality that we have to live with, be it bad or good; Africa must live its time, face firmly the challenges in order to take over the opportunities that the global market has to offer; the competition is tough.

The opportunities are many: indeed, globalisation

- Opens up the horizons for Africa.
- Makes resources available to every one.
- Makes financial resources flow where profitability conditions are excellent.
- Makes information accessible to every part of the world through Internet.
- Brings technological know-how to the awareness of people around the world.

On theoretical grounds, there are more benefits small countries can expect from integration and cooperation than large countries (Lyakurwa et al. 1996). In the context of the global economy, Africans are concerned, more than ever, that integration could help them achieve both political cohesion and economic efficiency.

For full integration of the continent to be a reality, it will require a high degree of democracy, good governance, peace, security, stability and sustainability, food security, capacity-building and human resources, structural Adjustment of the African economy, effective mobilisation and efficient use of resources, and regional economic cooperation.

For these requirements to be met, what is required from outside will include: Understanding, appreciation and support of Africa's development effort, fair trade and reconsideration of the Africa's external debt problem.

For the African leaders to be fully committed, some misunderstandings have to be clarified. They should know what globalisation is like today: for that purpose, let's present the following picture: A train is at the station, about to leave; the last passenger is coming late for the trip; he has two choices:

- i) Run and get into the train.

- ii) Make the trip alone, in the desert.

He has no choice, for his best interest, than getting into the train. Once in this crowded train, he will fight his way through to get a seat in a crowded locomotive where some of the people are already seated and the others are actively looking for seats. The train, you may have imagined is globalisation and the passenger, any African state. If the passenger is not alone, but a member of an important group of people, the train will have to wait a little bit to make place for them because of what they represent in terms of income for the train company; alone, this passenger will be probably left and make the long journey through the desert alone.

This short picture shows that Africa has no choice but to embark with the global market now and work harder to make its way out; this is more likely, should Africa act together as one.

The far-reaching goal of this endeavour is to realise the African economic development guided by the idea of self-sufficiency in the framework of an integrated Africa leading to the realisation of the African Economic Community and finally the African Union. The alternative is marginalisation.

### CONCLUSION

This paper has addressed the important issue of how to integrate Africa into a one economic entity like Europe. As it has already been argued, it was observed that since the early days of independence, the awareness has always been there, but this awareness has never been followed by an affirmative action regarding what needs to be done, when and how. The integration of Africa into a full union has always been on the agenda of African politics, yet the African Union still remains an empty box. This paper reviews the history of the activity of a key integrating institution like the OAU, now AU and extended the review to see whether or not the African countries are objectively ready for a full integration. It is found that two things are critical in explaining the reasons why no consensus has been reached so far: first, the lack of a sustained commitment on the part of the African leaders; and second, the countries are not structurally ready, given the very high degree of heterogeneity that characterizes them. The paper recommends therefore the re-composition of the various regional integration arrangements, by cutting down their number into three major and well delimited entities according to various arrangements including culture, tradition, tribes, languages, colonial ties geography and history, current political and economic organizations that exist: West-Central, Northern and Southern<sup>x</sup>. After this delimitation is done, then proceed to create the union, only when these three blocks start working efficiently. The process should not be long though if the leaders are truly committed.

## End Notes

<sup>i</sup> OCAM: organization commune Africaine et Malgache dead; OAU: organization of the African unity, now AU: African Union

<sup>ii</sup> All the remaining Southern States of the USA were freed from slavery and apartheid was dismantled by that time.

<sup>iii</sup> Confer, OAU Charter, Art.2

<sup>iv</sup> Dr. Salim Ahmed Salim's address on the occasion of the 30th anniversary of the OAU in 1993

<sup>v</sup> Countries of the Mano River : Sierra Leone, Guinea, and Liberia ; Les pays de l'entente : Cote d'Ivoire, Burkina, et Niger ; Fédération du Sénégal : Mali, Sénégal ; to name but a few for the West.

<sup>vi</sup> Banque Mondiale, l'Afrique Sub-saharienne ; de la crise à une croissance durable, 1989, P 178

<sup>vii</sup> Through it should be recalled that ECOWAS, PTA and the CFA zone have done satisfactory job in holding their respective sub-groups together.

<sup>viii</sup> The case of the late Air Afrique is a good case in kind.

<sup>ix</sup> Any declaration or resolution of OAU starts by: "We, heads of State ..... We commit ourselves individually and collectively, on behalf of our governments and peoples to ....." at the meeting place, but from there to the next meeting, no concrete action is taken.

<sup>ix</sup> West-Central will include The ECOWAS and Central African countries using the CFA as currency: From Senegal to Congo Brazzaville. Northern will include all the arabophone countries of the North, namely: Mauritania, Morocco, Libya, Algeria Tunisia, Egypt, and Sudan. Southern From Eritrea-Ethiopia to South Africa: all the SADC and COMESA members including East African community and RDC It is important to notice that this re-composition will put an end to the problem of multiple memberships .

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