

# THE HISTORY OF AFRICAN INTEGRATION – A GRADUAL SHIFT FROM POLITICAL TO ECONOMIC GOALS<sup>1</sup>

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## Abstract

*The process of political integration in Africa is progressing slowly, even though it was a priority stated by the African leaders ever since the early days of independence in the mid-20th century. In the field of economic integration, which has a much shorter history, the achievements, albeit insufficient compared to the stated objectives, are significantly more. The paper discusses the historic development of the ideas of regional integration in Africa and their implementation, presenting the defined by the author phases in the integration process. Special attention is paid on the multi-layer approach towards economic integration adopted for the creation of the African economic community.*

**Keywords:** Regional integration, Pan-African integration, Organisation of African unity, African Union, African economic community

**JEL classification:** F15, F55, N77

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## **1. Introduction**

Regional integration in Africa is a stated priority goal of both African governments and international donors since the early days of independence. It should address the dynamics of the globalised economy as a means of ensuring competitiveness through the best options available in the field of international trade. In the case of Africa, it is even more important because of the colonial heritage, poor management and numerous conflicts (ECA, 2010, p. 23). Regionalism is seen as a possible remedy for the political and economic problems of the continent.

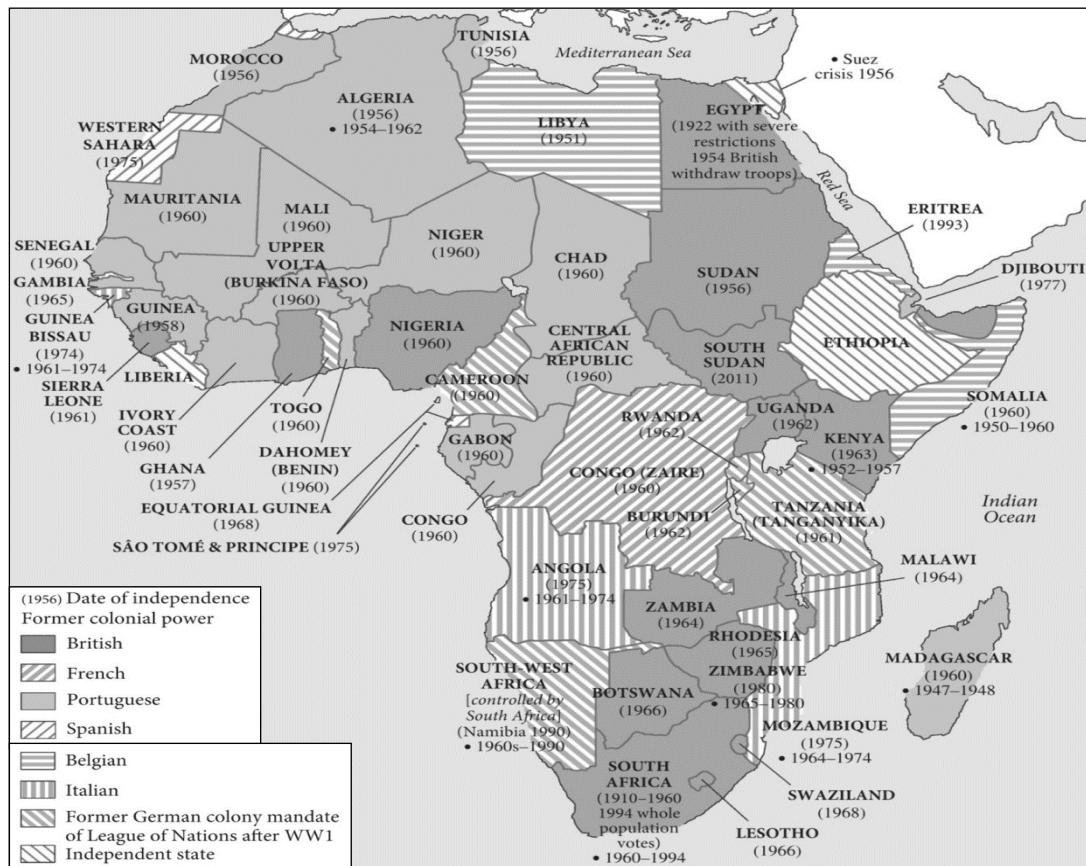
The African idea for integration has its roots in the end of the 19th and the beginning of the 20th century, when pan-Africanism emerges as an answer to colonialism and racism. In the period 1900-1945 many pan-African congresses and conferences took place in which the leaders, intellectuals and members of the African diaspora expressed their views. Although the priority of both ideas and activities was the liberation of African nations from colonial domination as a first and most significant step in the future development of Africa, an important idea of those conferences was the concept of African unity – not so much in an economic or political perspective, but more as ideological and cultural solidarity. Pan-Africanism as an expression of continental identity and consistency distinguishes regional integration in Africa from this in other developing countries regions (McCarthy, 1995, p. 14).

## **2. Pan-Africanism, the Organisation of African Unity and the African Union**

### **2.1. The struggle for independence (1958-1963)**

"Since the late 50s, regional economic integration, even in its lower forms, began to make its way in the Third World" (Malhasian at al, 1977, p. 155). The two decades after the Second World War were a period of decolonisation. Ghana was the first sub-Saharan country to gain its independence in 1957, and by the end of 1963 already about 4/5 of all African countries have rejected the colonial dependence. Great influence on the integration ideas during this period had Kwame Nkrumah, first Prime Minister of Ghana, who organised three conferences of all the peoples of Africa (1957, 1960, 1961). "First, the All-African Peoples' Conferences were held to stimulate independence movements in other colonies. Second, Nkrumah organised the Conferences of Independent African States to establish a diplomatic framework for the political unification of Africa" (Ayitney 2010, p. 89).

**Figure 1: Independence of African countries**



Source: Martel (2015).

At the first conference Nkrumah presented his idea for the political development of the continent in four stages: the first aim was the attainment of independence; secondly this independence was to be consolidated; thirdly the creation of a community and unity among the freed states was aspired; and the fourth step considered the economic and social construction of Africa. Independence and unity were the themes of the second conference, which came with a resolution that addressed the former colonial powers with a request to reduce their methods of „neo-colonialism“, i.e. the economic exploitation of the supposedly free African states. At the Third Conference committees were formed, consisting of representatives of the independent African countries in order to consult on the harmonisation of national policies on economic, security, cultural and political unity (AAPC, 1962, pp. 429-433).

In addition to these conferences, which aimed to bring together non-governmental actors, Nkrumah organised two conferences of independent African states (1958, 1960), at which were gathered government and state leaders of all independent states. The aim was to achieve political unification, "institutionalised in a Union of African States and a Union Government" (Van Walraven, 1996, p. 91). Although the goal remained unfulfilled, the resolutions of these conferences stated that "cooperation between African countries

was essential for the maintenance of their independence and sovereignty" (Johnson, 1962, p. 429).

In the early '60s, the African countries divided into two blocks – the Casablanca group and the group from Brazzaville and Monrovia, each of which perceived itself as the beginning of a continental framework for cooperation. The aim of the first group of countries was mostly to limit the influence of non-African forces on the continent. While this group advocated for supranational institutions with clear powers, the other group set the priority on economic cooperation, avoiding the terms "Union", "unification", etc. and perceiving the ideas of intergovernmental cooperation (Van Walraven, 1996, p. 108). The Organisation of African Unity (OAU) is rather the result of the ideas of the second group (Michel, 2012, p. 37).

Besides the political objectives, during this period emerged the idea of economic independence – “the countries to be able to develop their economy based on domestic characteristics and needs and to participate in international economic relations in accordance with the principles of equality and mutual benefit” (Malhasian, 1979, p. 56).

## **2.2. The Organisation of African Unity (1963-1970)**

On May 25<sup>th</sup> 1963 the Organisation of African Unity (OAU) was founded in Addis Ababa by 32 participating states. It managed to incorporate the countries aiming at instant unification on and those that believed in a gradual process towards unification. The creation of the – albeit intergovernmental – OAU is considered no small feat considering the gap that has separated the radical ideas of the Casablanca group from the more moderate ones of the Monrovia group, although this separation continued to create tensions within the framework of the OAU (Michel, 2012, p. 38).

The OAU was rather an intergovernmental organisation, as its Charter gave it almost no sovereignty to the supranational institutions, and mostly rested on consensus among its member states in decision-making. From the Charter it also becomes apparent that the main concern of the states signing it was the continuation of the process of decolonisation, of maintaining independence of the already freed states, and of respecting the sovereign borders. One of the OAU's main principles was that of non-interference in internal matters – “a policy of non-intervention was applied to the extreme point of African nation-states oppressing their people with impunity and doing little or nothing to prevent massive human rights abuses in their neighbouring countries” (Murithi, 2005, p. 26). Thus, the OAU became a forum for discussion without competences more than anything else, but nonetheless it managed to influence its member states - conflicts in Africa decreased (Michel, 2012, c. 39). There was a clear lack of political will by the member countries to transfer both powers and responsibilities to the OAU.

In the time between 1963 and 1970, a total of seven ordinary meetings of the Assembly of the OAU took place that mainly addressed the conflicts on the continent.

The topics of independence and decolonisation were pushed forward. Although there were discussions on the establishment and support of economic cooperation, no actions on its implementation were taken. Economic cooperation was requested and stimulated, although never thoroughly established.

In the '60s mainly aiming to increase their export currency revenues, the countries that produced specific commodities signed many economic agreements – International coffee organisation, Union of the cocoa producing countries, International agreement on sugar, African council on arachis, Intergovernmental council of copper exporting countries, Association of the rubber producers, etc. (Malhasian *et al.*, 1977, pp. 223-226), some of which are still functioning today under some form or another.

### **2.3. Downfall of the efforts for political union (1970-1991)**

In the period between the first years after its creation until the signing of the Abuja Treaty, the OAU became even less noticeable and insignificant. Its main role was to be a mediator in resolving disputes and domestic and international conflicts. Economic issues remained in the background, hence, Mathews describes the Organisation as one being about politics, rather than economics (Mathews, 2008, p. 32). However, during the meetings of state and government leaders the idea of an economic union was conceived and developed, which ultimately led to the signing of the Treaty establishing the African Economic Community (TAEC).

In the '80s, the issue of neo-colonialism emerged. The main idea of neo-colonialism is that "the metropolises achieved their global policy goals through real economic activities in the former colonial world" (Malhasian, 1979, p. 49). In 1980 the Lagos plan was adopted, in which the economic development of Africa was associated with a reduction of the dependence on exports of products of the primary sector, with industrialisation and with an attempt to achieve equality in the trade relations between the countries on the continent, as well as at a global level.

The valid for most African countries problem with foreign debt was also discussed within the OAU, but an agreement on joint action to solve it was never reached.

Another reason for the ineffectiveness of the Organisation resided in the insufficient financial resources available. One of the most important factors to stimulate economic development in Africa was that economic integration was seen as a way to provide resources for international organisations and could be regarded as an indirect means of achieving peace and security on the continent, just as stated by the founding fathers of the EU even in the 1950 Shuman Declaration.

## **2.4. Emergence of the ideas for economic integration (1991-2002)**

The Abuja Treaty, which established the African Economic Community, was signed on June 3<sup>rd</sup> 1991 and entered into force in 1994. It set the plan for the creation of an African economic and monetary union (with a common currency) to 2028 through the subsequent implementation of six stages. The main motive for the creation of the AEC was the need to reduce the economic dependence of African countries from third countries and to stimulate economic development and economic growth. The TAEC provides for the creation of the African Central Bank and for the establishment of the African Court of Justice (which, however, occurs only in 2003 under the African Union). The stages and the process of their implementation are discussed in detail in the next section.

With the exception of the progress made in the field of economics, the importance of the OAU continued to decline in the '90s. One could find the reasons for this downfall in the changes at the global and continental level: the end of the Cold War and the collapse of the Soviet Union, the official end of apartheid in 1994 (with which the objective of eliminating colonialism is formally achieved), the spread of democracy in Africa (democratic multiparty elections were held in over 30 countries), etc. (Mathews, 2008).

In 1999 a special meeting of the OAU was held in Sirte, which adopted a declaration for the creation of the African Union (AU) to replace the OAU. The acceleration of the implementation of the TAEC was also among the objectives of the declaration. On July 9<sup>th</sup> 2002 in Durban the OAU was officially transformed into the African Union. The main initiators of this transformation were the leaders of the most economically powerful countries on the continent – South Africa and Nigeria – Thabo Mbeki and Olusegun Obasanjo, as well as the leader of Libya, Muammar Gaddafi.

## **2.5. The African Union (since 2002)**

Along with the preservation of peace, security and human rights the Constituent Act of the AU sets ambitious economic goals: boosting social and economic integration, taking a worthy place in the global economy, promotion of sustainable economic and social development, and integration of African economies, coordination and harmonisation of policies between existing and future regional economic communities (REC), etc. (CA of AU, Art. 3).

However, since its creation, the AU has been under criticism for merely being “a reincarnation of the OAU under another name”, and it has been doubted whether its structure was capable of facing the twin-challenges of globalisation and the new regionalism (Michel, 2012, p. 45). Nonetheless, in contrast to the OAU, the AU is granted various supranational powers – the creation of a Pan-African Parliament, an African Court

of Justice, the right to intervene in a member state in case of war crimes, genocide and crimes against humanity. The AU has implemented three peacekeeping operations – in Darfur, Sudan (2006), in Somalia (2007) and in Anjouan, Comoros (2008), as well as three interventions in support of constitutionality – in Togo (2005), Mauritania (2005-2007) and Mali (2012-2013).

Further important steps in African integration are the New Partnership for Africa's Development (NEPAD) from 2001 and the creation of the Peace and Security Council in 2003, both of which operate under the African Union's framework.

In 2007 the AU adopted a Protocol on the relations between the AEC and the RECs which is extremely significant for the development of the process of economic integration in Africa and aims to solve the complicated issue of the coexistence of multiple regional integration organisations with overlapping membership, diverging mandates and without clear coordination principles. The complex relation between the AU, the AEC and the RECs are discussed in detail in the following sections.

In 2008 the AU adopted the Protocol Establishing an African Court of Justice with jurisdiction over all aspects concerning the Constitutive Act and the African Union's decisions, but also over any question of international law.

## **2.6. The way forward**

One could see the launch the Tripartite Free Trade Area – planned for mid-February 2015 – the beginning of a new period in the development of the integration processes in Africa – one even more focused on the strict implementation of the provisions of the Abuja Treaty, namely to develop and deepen economic integration on the continent. The Tripartite FTA popularly known as the Grand Free Trade Area, will be the largest economic bloc on the continent and the launching pad for the establishment of the Continental Free Trade Area. Probably the most meaningful effect of the Tripartite FTA negotiations is the building-up of strong political will and commitment that is demonstrated by the participating countries. These could act as a catalyst for the further development and deepening of the integration processes in Africa. The negotiations have already motivated the leaders of African countries to state a commitment to accelerate the process of establishing the African Economic Community by the creation of an African free trade area with a deadline set for 2017.

## **3. African economic community**

The Treaty for the establishment of the African economic community (TAEC) was signed in 1991 and came into force in 1994. It establishes the AEC as a part of the African union. The Treaty defines six stages that should be completed for the gradual creation of the AEC for a period of 34 years (TAEC, Art. 6). The Treaty adopts an

integration approach that to a great extent depends on the success of integration processes within the regional economic communities (Mlenga, 2012, p.2). The Treaty explicitly states that the AEC will be established mainly based on coordination and gradual integration of the activities of existing RECs. Thus RECs are defined as the building blocks of the AEC. The idea of this stage approach is that integration should firstly be ensured at a regional level through the creation and strengthening of the regional economic communities which in a certain moment will merge into the AEC.

### **3.1. Stages of the TAEC**

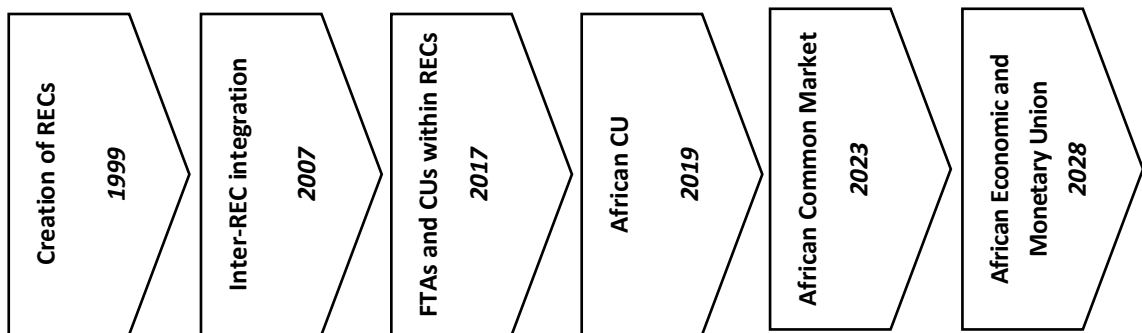
The first stage includes the strengthening of existing RECs and creation of new ones where there are no existing and should last till 1999 (TAEC, art. 6). At the time when the TAEC came into force in Africa existed the Maghreb union (UMA), the Common market of Eastern and Southern Africa (COMESA), the Economic community of West African States (ECOWAS), the Economic community of Central African States (ECCAS) and the South African Development Community which included all countries on the continent. Until 2001 the General assembly of AU accepted three more communities – the Intergovernmental agency for development (IGAD), the Economic community of Sahel-Saharan states (CEN-SAD) and the East African community (EAC). In 2006 a decision was made that no other RECs will be acknowledged as building blocks of the AEC.

The second stage, planned for 8 years, has the objective for RECs to decrease or abolish tariffs, quotas and other restrictions to intraregional trade. Together with this, the Treaty envisages coordination of policies in the areas of trade, finance, transport, communications, industry and energy as well as coordination and harmonisation of the activities of existing RECs (TAEC, art. 6). There is a progress in the strengthening of many REC sectors and despite the challenges the efforts are directed towards the requirements of the second stage of AEC establishment (Mlenga 2012, p. 7).

The third stage should be completed till 2017 and envisages all trade barriers to be abolished through the creation of free trade areas (FTA) in the RECs and the enforcement of common customs tariffs through the creation of customs unions (CU). Almost all RECs have completed the third stage to some extent except UMA, IGAD and CEN-SAD. Differing from all other RECs, the CU is the first step of the creation of the EAC (in 2005). Progress towards the accomplishment of the third stage of the establishment of AEC is satisfactory, though for the communities that have not accomplished the set goals in periods of relative tranquillity the future accomplishment will be hampered by the recent conflicts as in the case with UMA (Mlenga 2012, p. 8).



**Figure 2: Stages of creation of the AEC**



Source: created by the author.

The fourth stage is to be completed until 2019 and the goal is the establishment of an African customs union through harmonisation of the common customs tariffs of all RECs. As a positive step towards the completion of this objective could be seen the creation of the tripartite FTA between COMESA, SADC and EAC in 2008 through which the three communities abolish trade barriers between each other (ECA, 2012, p. 10).

There is no progress made in completing the fifth and sixth stage – the establishment of an African common market and of a continental economic and monetary union. These stages should be completed respectively in 2023 and 2028.

### **3.2. AEC and the regional economic communities (REC)**

The AEC must be created mainly through coordination, harmonisation and progressive integration of the activities of the RECs (TAEC, Art. 88), while according to the Protocol on the relations between AEC and the RECs ultimately the RECs should merge and absorb to form the AEC (Art. 5). This is a unique and quite complicated approach towards the achievement of economic integration. Until today the only successful similar attempt is the merger of the European Free Trade Area and the European Community to create the European Economic Area (Oppong, 2010, p. 93).

Although RECs are the building blocks of AEC, they are not themselves its members or parties to the TAEC. Individual African countries are members of both the AEC and RECs, moreover, often of more rather than one. This raises the question whether the decisions of the AEC are binding to the RECs and, besides, on what legal basis they will be merged into the AEC and what will be their status under these circumstances (Oppong, 2010, p. 94). These questions are answered neither in the TAEC, nor in the Protocol on the relations between the AEC and the RECs. The questions remain unanswered in the Treaties of the RECs themselves, although they were drafted and signed after the signing of the TAEC.

The UN Economic commission for Africa considers the future relations between the AEC and the RECs in the following manner: "After achieving customs unions and common markets within them, RECs will merge to form the African common market, which will be followed by the full establishment of the AEC. The AEC will take the lead in the relations with member states while the functions and structures of RECs will be revised to serve the implementation of the objectives of the AEC "(ECA, 2004, p. 94).

Another major issue related to the envisaged merger of the RECs is the different stage of the integration process specific for each individual REC. It is doubtful that the communities that have achieved a higher level of development of the integration process will be willing to merge with those that are at the lower stage, thereby losing the already received benefits from integration.

Another serious problem is the overlapping membership of countries in more than one REC. Member states must decide mainly based on economic criteria which community best suits their needs, taking into account the prospect of creating a functioning AEC. On the one hand this would concentrate their efforts while on the other it would contribute to the greater efficiency of integration processes and the reduction of the obstacles for the merger of RECs in the AEC.

#### **4. External influence on African integration – the case of West Africa**

Integration in Africa is not a closed process – there are many external factors that influence it. Integration processes in Africa are first and foremost an endogenous process, but the role that external partners play in them should not be undermined – numerous factors, ranging from historical and geopolitical to economic and ideological have their influence. Former colonial powers – broadly speaking the European Union, have had a key impact on the contours, structure, content and dynamics of West African integration. But they are not the only ones. Some international organizations also have an impact on integration processes in Africa. Increasingly, emerging players may play a role as well, among others. (Bilal, 2013, p. 33).

The experience of the European integration has been widely perceived as not just an example, but also a model for regional integration. The European Union strongly believes in the merits of regional integration, including that of a tool for development. Therefore, the EU provides various forms of support to developing countries in their regional initiatives – political support on the principles of regional integration, development aid and technical assistance to regional support, financial assistance, as well as direct support by EU member states through their bilateral development cooperation programmes. One of the most ambitious agendas to strengthen African integration rests with the ongoing negotiations on the Economic partnership agreements between African regions and the EU. Paradoxically, however, it may also turn out to be one of the greatest threats to West African integration process, as

according to many African researchers (Nkululeko Khumalo, Mbeki Thabo, Atirno Ndomo, etc.) their immediate impact is the even greater fragmentation of existing regional economic initiatives.<sup>3</sup>

It is important to recognize that if Europe is a major source of financial support to regional integration in West Africa, it is by far not the only one. Multilateral Institutions and Facilities, such as the World Bank, the African Development Bank and UN agencies, as well as the Enhanced Integrated Framework have delivered substantial assistance to West African countries. Their role has been predominant not only in terms of financial assistance, but also technical assistance, policy advice and knowledge partners.

The rising influence of emerging economies such as China, Brazil, India but also Turkey, South Korea, Indonesia, etc., is also strongly felt in West Africa. In considering the role of such emerging players in the integration process of West Africa, one must bear in mind two key considerations - first, emerging players are not donors; and second, most emerging players have engaged more in bilateral relations, so far somewhat neglecting the regional dimension of cooperation.

Although the conclusions in this section are drawn from the experience in West Africa, they are applicable to all regions on the continent.

## **5. Conclusion**

Although the process of political integration in Africa is a priority stated by the African leaders ever since the early days of independence in the mid-20th century, it is progressing slowly mainly due to the inadequate political will of African countries. In the field of economic integration, which has a much shorter history, the achievements, albeit insufficient compared to the stated objectives, are significantly more.

There has been significant progress in the implementation of the stages of the creation of African economic community. Most regional economic communities fulfil their obligations under the AEC Treaty on schedule, in some there is a delay, and some are even ahead of the deadlines. Although the regional communities are making a lot of effort for the realisation of the first three stages set in the Treaty by adopting a gradual abolition of customs duties in intraregional trade, there are many differences among them – some regional economic communities still cannot create a free trade area, while others already have an operational customs union. The pace of progress is not the same and overlapping membership of many countries in two or more regional communities makes it obligatory for strategic decisions to be taken as well as action towards the creation of a continental free trade area as a first step towards a continental customs

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<sup>3</sup> For a more detailed analysis of the influence of the EU on integration processes in Africa, see Marinov, E. 2013. Impact of the European Union on Regional Integration in Africa. In: *Financial and Monetary Economics – EFM 2013*. Centre for Financial and Monetary Research at the Romanian Academy, pp. 229-239. ISSN 2344-3642.

union, a common market and the ultimate goal – a fully functioning African economic community.

One could see in the emergence of the ideas for integration in Africa a pattern opposite to the one that was proposed and implemented by the founding fathers of the EU – “to realise simply and speedily that fusion of interest which is indispensable to the establishment of a common economic system; it may be the leaven from which may grow a wider and deeper community between countries long opposed to one another by sanguinary divisions” (The Schuman Declaration – 9 May 1950), namely to start from political unification as a basis for everything else. However, the historical development of the processes on the continent – the weak political will and commitment, the different economic and geopolitical objectives pursued by the countries, the inability to set and implement common political goals – just affirms the ideas of the EU founding fathers for a step-by-step economic integration, which could be seen in Africa as well - the shift from political to economic goals to be implemented along the steep way towards the creation of a continental union.<sup>4</sup>

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<sup>4</sup> One should bear in mind another major difference in the start of the institutionalised integration efforts in Europe and Africa – while in the first case the process was initiated between just six countries that were quite homogenous in terms of both their economic features and their social development, the integration in Africa was initiated as a means to unite all the countries on the continent with all the differences in their history, society and economy.

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