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BACKGROUND PAPER

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**FACTORS THAT CONTRIBUTE TO (OR  
DETRACT FROM) SUCCESSFUL OUTCOMES  
IN AFRICAN REGIONAL AGREEMENTS**

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# **Factors that contribute to (or detract from) successful outcomes in African Regional Agreements**

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## **INTRODUCTION AND BACKGROUND**

There has been a worldwide wave of regional integration agreements. Most of these regional integration agreements (hereafter denoted RIAs) were set up in Africa but de facto ended up dormant. The importance of trade within RIAs is paramount because it is the first step towards economic and political integration.

RIAs alone are not a sufficient condition for trade creation. In Sub Saharan Africa, the proliferation of RIAs has not necessarily fuelled intra regional trade compared to other continental blocs. There is a common belief that trade within African RIAs remains unexploited due to narrow product specialization and thus, lack of trade complementarities.

Furthermore, any trade rises might be at the cost of trade with third parties, a phenomenon known as trade diversion (Viner, 1950). While extra output may be generated within member countries because of increased specialisation and economies of scale, such efficiency gains may be offset if trade is diverted away from those countries outside the bloc that have a natural comparative advantage to those within the RTA. In South-South agreements, it is possible for this to lead to divergence in incomes (Venables, 2003). Also, countries that have weak domestic tax administrations (i.e. typically least developed countries) tend to rely heavily on trade taxes for government finances so that lowering or eliminating tariffs on trade can constitute a significant fiscal risk whenever trade flows are proportionately lower than tariff reduction.

This paper first describes the different Regional Integration Agreements in Africa, their history, its members and their reported rationale. It subsequently classifies these RIAs in a taxonomy along three dimensions: 1) according to the different levels of regional integration they have attained; 2) according to three broad triggering motivations for their formation; and 3) according to whether or not they are active. RIAs developed explicitly or exclusively for trade have rarely achieved a high degree of integration. Rather, historical and political features appear to be important in forging bonds between countries. Thereafter, it conducts a preliminary investigation into the impacts of regional integration on trade patterns. This preliminary investigation finds no conclusive evidence of increased trade, nor of trade diversion.

### **I. A list of African RIAs**

Table 1, located at the end of this document, is a comprehensive list of the existing RIAs in the African region. This list constitutes the population of our taxonomy and references to Table 1 will be recurrent in the subsequent classification.<sup>1</sup>

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<sup>1</sup> The very recently resurrected Great Lakes Countries Economic Community is not included in the table.

The list of intra African economic agreements is probably longer than that of any other continent. Thus, one of the first questions to ask is why there is a proliferation of regional agreements in Africa. Broadman (2007) cites inefficiencies in reaching further away markets, yet, most of these inefficiencies (lacklustre transportation and infrastructures as well as market rigidities) are also the same as those faced internally. Garnaut and Vines (2007) argue that regionalization and thus trade liberalization among smaller groups is the result of the difficulties in negotiating the liberalization of trade globally. Geopolitical explanations may also play a role. Besides trade, RIAs may provide an important tool of diplomacy: they help to stabilize neighbouring countries and thus to reduce the probability that migrants or, indeed, bloodshed will spill across borders. RIAs between previously antagonistic states have the potential to reduce tensions and to respond to outside threats by cementing relations between the integrating partners.

Many of the regional blocs listed in Table 1 have overlapping memberships, a phenomenon referred to as a “spaghetti bowl” by Broadman (2007)<sup>2</sup>. Each Sub-Saharan African (SSA) country is on average a member of three RIAs. This spaghetti-bowl situation, besides being a potential source of confusion in customs procedures and rules of origin provisions, is administratively cumbersome to manage. The African RIAs consist primarily of trade blocs and, in some cases their stipulation includes political and military cooperation.

Together thirteen out of the current sixteen<sup>3</sup> African RIAs form the “pillars” of the African Economic Community (AEC), an umbrella organization embedded into the African Union (see Table 1) and formed in 1991 according to the Abuja Treaty<sup>4</sup>. The implementation of the Abuja Treaty is a process that will be carried out in six stages and over a programmed 34 years. These six stages follow closely Balassa’s (1961) six categorizations of economic integration, which will be used for our taxonomy and are discussed below. Several of the AEC pillars also contain subgroups with tighter customs and/or monetary unions of their own. The AEC pillars and their corresponding subgroups are enumerated in Figure 1, together with mean per capita GDP of member states (in 2004 dollars at Purchasing Power Parity) in squared brackets.

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<sup>2</sup> For a pictographic representation see Broadman (2007), page 18.

<sup>3</sup> ACP, MRU and the Agadir do not form part of the AEC.

<sup>4</sup> <http://www.uneca.org/itca/ariportal/abuja.htm>

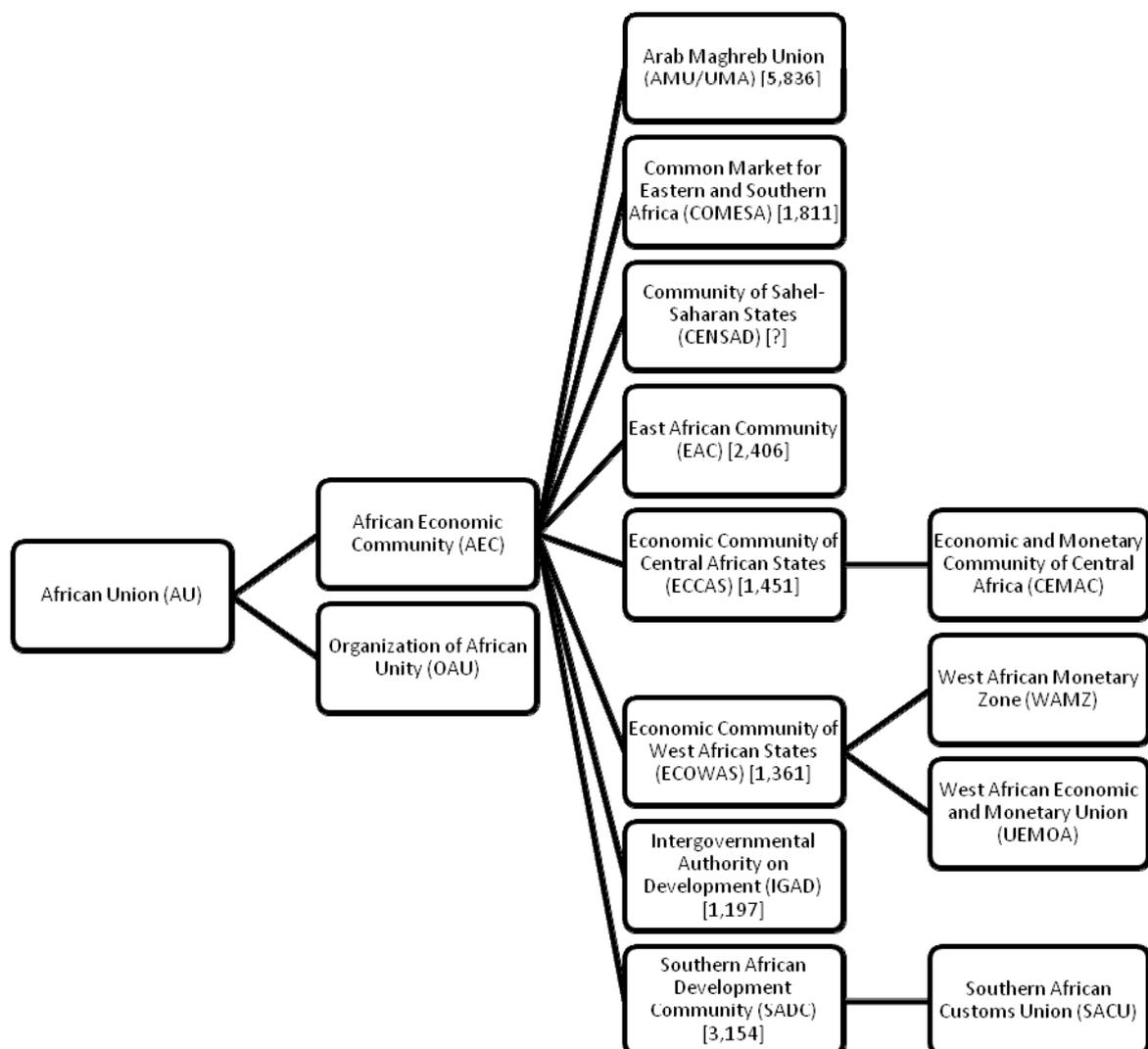


Figure 1: Pillars of AEC

## II. A taxonomy based on different degrees of economic integration

RIAs have different degrees of economic integration. Usually, as economic integration increases, the barriers of trade between markets tend to diminish. Balassa (1961) categorized six stages of economic integration: preferential trading area, free trade area, customs union, common market, economic and monetary union and complete economic integration. The key distinctions between the different degrees of economic integration that will be used to define the *taxa* are elucidated in Table 2. Balassa's categorisation implies that economic communities naturally evolve into political unions over time as supranational common markets generate demand for further integration, not only economically (via monetary unions) but also politically.

<b>Stage</b>	<b>Characterization</b>
<i>Preferential Trading Area</i>	PTA gives preferential access to certain products from certain countries by reducing tariffs, but does not abolish them completely.
<i>Free trade area</i>	FTA usually arises when the economical structures of its members are complementary. They would have agreed to eliminate tariffs and quotas between them but may have different quotas and customs toward non-members. To avoid evasion (through re-exportation) member countries use the system of certification of origin, where there is a requirement for a minimum extent of local material inputs or local transformations adding value to the goods.
<i>Customs Union</i>	A CU is a FTA with a common external tariff.
<i>Common Market</i>	A CM is a CU with common policies on product regulation and freedom of movement of all factors of production among members.
<i>Economic and Monetary Union</i>	It is a CM with a common currency.
<i>Complete Economic Integration</i>	The integrated units have no or negligible control of economic policy, including full monetary union and complete or near-complete fiscal policy harmonisation

Table 2: Stages of Economic Integration

Along the horizontal dimension, Table 3 follows Balassa's taxonomy of regional integration and is populated with eleven of the fifteen groups listed in Table 1.<sup>5</sup> Along the vertical dimension, RIAs are grouped according to three broad triggering motivations for their formation:

- 1) *common colonial ties* (meaning same language vested upon by a shared colonial heritage but also a shared struggle for emancipation or a common external trading partner identifiable as a former occupier).
- 2) *Conflict prevention* (whenever membership to a group entailed a non-aggression protocol or an effort towards post- conflict reconciliation).
- 3) *Trade*. This is the default category but also the headline of those RIAs that perceived free trade across members as a way to overcome their small and fragmented national markets.

A highlighted entry indicates that the block is active whereas an un-shaded entry indicates that the group is dormant. The criteria we used to establish inactivity within a RIA is the lack of interaction relative to its purpose of formation (no stipulations signed or meetings held in the past two years that fulfil their statute) CENSAD is categorized as dormant despite having met recently in Libya in June 2007 to reconcile differences between Chad and Sudan, because it is an emblematic example of how multiple and overlapping affiliations can actually have stalling consequences. CENSAD's FTA never

<sup>5</sup> The AU is too broad while AMU/UMA, IGAD and MRU are not part of the AEC.

became practically implemented across its 25 member countries, because many of its members are overlapping with ECOWAS, ECCAS and COMESA and other trade blocs more advanced in their integration. CEMAC also appears as dormant because despite stipulating the elimination of tariffs within its members in 1994, full implementation of it has not been achieved and as such it is not an economic and monetary union by definition, despite calling itself one by statute. Similarly, ECOWAS forms on paper a common market, yet the only agreements made were signed in the nineties and pertained to military issues rather than economic ones. WAMZ is supposedly a monetary union, but it has not yet introduced a common currency. Talks envisage the inception of Eco notes for 2009.

	<b>Degrees of Integration</b>				
<b>Triggering Motivation</b>	<i>Preferential Trading Area</i>	<i>Free trade area</i>	<i>Customs Union</i>	<i>Common Market</i>	<i>Economic and Monetary Union</i>
<b>Common colonial ties</b>	<b>ACP</b>	<b>ECCAS</b>	<b>SADC</b>	<b>SACU</b>	<b>CEMAC</b> <b>UEMOA</b>
<b>Conflict prevention</b>		<b>CENSAD</b>	<b>EAC</b>	<b>ECOWAS</b>	
<b>Trade</b>	<b>COMESA</b>				<b>WAMZ</b>

Table 3: Taxonomy of RIAs. Highlighted entries are active agreements.

While Balassa’s analysis suggests a natural progression towards economic integration, a closer look at the “triggering motivation” for economic integration reveals that RIAs developed explicitly or exclusively for trade have rarely achieved a high degree of integration. Rather, historical and political features appear to be important in forging bonds between countries.

That said, the triggering motivation for integration is at times blurred. For instance, conflict prevention has played an important role in the forging of ECCAS and COMESA, although they do not occupy the conflict prevention row. In these two cases, political tensions, guerrilla warfare and massive refugee movements in the nineties throughout the Great Lakes region have hit three members common to these groupings: Burundi, Rwanda and the Democratic Republic of Congo.

The conflict prevention element in CENSAD, EAC and ECOWAS is definitely stronger. CENSAD has made efforts towards reconciling two of its neighbouring members, Chad and Sudan, over the allegedly support of Chadian rebels by the Sudanese government in Darfur. EAC’s five members have different backgrounds: Kenya and Tanzania have had relatively peaceful histories since achieving independence but Rwanda, Burundi, and Uganda have witnessed wars and civil strife. It is however the surrounding instability that has led Tanzania to join the EAC in order to reduce the risk of land grabs in its Northern provinces by the other member countries. ECOWAS nations have signed a protocol of mutual defence assistance and a non aggression protocol soon after formation. Obviously trade is an active component of any process of integration, and per se should be accounted as the triggering factor of any grouping, the often negligible trade volumes and values since the inception of these agreements, conforms to the importance of other considerations.

The element of common colonial ties arises predominantly in three cases: I) direct EU involvement with former colonies where the EU appears as one of the signatories (ACP, ECCAs and CEMAC). II) The group was formed to better coordinate national liberation movements against foreign hegemony

(SACU and SADC). III) Groupings where there is a strong linguistic and common cultural component, as in the case of UEMOA, which is composed primarily of ex French colonies.

Within these agreements, one should point out the special nature of the ACP, whose members were linked by Economic partnership agreements (EPAs) with the EU. Due to its incompatibility with WTO regulations, a phased out removal of all trade preferences established between the EU and the ACP countries since 1975 as well as the progressive removal of trade barriers between the partners is in under way. The fulfilment of the WTO non-discriminatory criterion effectively terminates the ACP group as the main development partner of the EU. The extent to which trade must be liberalised under the new EPAs is still a widely debated issue and it remains to be seen whether the WTO provisions regulating regional trade agreements will be revised in favour of the EPA scheme at the end of the Doha Round. So far the ACP countries have formed six regional groupings (notice how this increased the degree of overlapping membership) in which they intend to enter into EPAs with the European Union. These regional groupings are UEMOA, CEMAC, SADC, EAC and the Caribbean Forum of African, Caribbean and Pacific States (CARIFORUM).

Currently, the most integrated group is UEMOA (i.e. Union Économique et Monétaire Ouest Africaine) comprising Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo. CEMAC and WAMZ are also amongst the most integrated on paper, but are inactive.

SACU is the oldest and perhaps the most successful trading group on the continent since it does not face many of the pressing problems associated with limited market size and concentrated export structures that confront the smaller SSA countries. The South African Custom Union's exports are reported to be 25 percent larger than those of all the other non-oil exporting African countries combined and are also far more diversified in terms of the nature and number of items traded (Yates, 1998). However SACU's unity has recently been jeopardized by recent negotiations over EPAs between SADC and the EU as SACU's five members are also part of SADC.<sup>6</sup>

### **III. Evaluating RIAs**

While section II evaluated the process of integration and the different determinants that may have contributed to the status of agreements, this section shall look at the outcomes of these RIAs.

There is a belief that Sub-Saharan Africa trades too little both with itself and with the rest of the world. Excluding the four major oil exporting countries (Angola, Congo, Gabon and Nigeria), the total 1993 SSA exports (\$19.8 billion) were approximately one-half those of Thailand (Yates, 1998).

Suggested explanations for poor performance include protectionist trade policies (Collier 1995) and high transport costs due to poor infrastructure (Amjadi and Yeats 1995). Broadman (2007) suggests that inadequate economic policies, infrastructure unavailability and political instability constitute important obstacles to trade expansion. For instance, the cost of hiring and firing is higher in Sub Saharan Africa as a whole than in any other developing region. Trade in general is characterized by high transaction costs. Broadman reports as a major impediment to trade the fact that the sub-Saharan average time required for merchandise to be shipped off is 48 days, on top of this one needs 8 or 9

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<sup>6</sup> See for example <http://www.businessday.co.za/articles/topstories.aspx?ID=BD4A656989>

documents and over 18 signatures. There is lack of skilled labour but also lack of access to reliable and inexpensive financing. The demand for trade finance in Africa far exceeds supply from commercial or non-commercial sources, foreign or local.

Yates (1998) has pointed out the "non-complementarity" problem in Africa. Complementarity is achieved when the composition of import needs in an importing country matches the export bundle of an exporting country. The World Bank (1995) evaluated the importance of trade complementarity for the success of policy-driven regional trading arrangements (RTAs). The results clearly show higher trade complementarities for successful arrangements such as the EEC, Canada-US Free Trade Area, and NAFTA; while lower trade complementarities emerge for unsuccessful arrangements.

However, perhaps Africa's trade is not that uncharacteristically low. Rodrik (1998) finds that Africa's marginalization is mainly due to low income growth. Indeed, relative to the size of their economy, African countries are as open as any other, as illustrated by Figure 3. In 2004, sub-Saharan Africa's trade in goods as a percentage of Gross Domestic Product (GDP) was 55 percent. This figure is only 5 percent less than China, and it is more than double that of India, where the trade to GDP ratio is 20 percent.

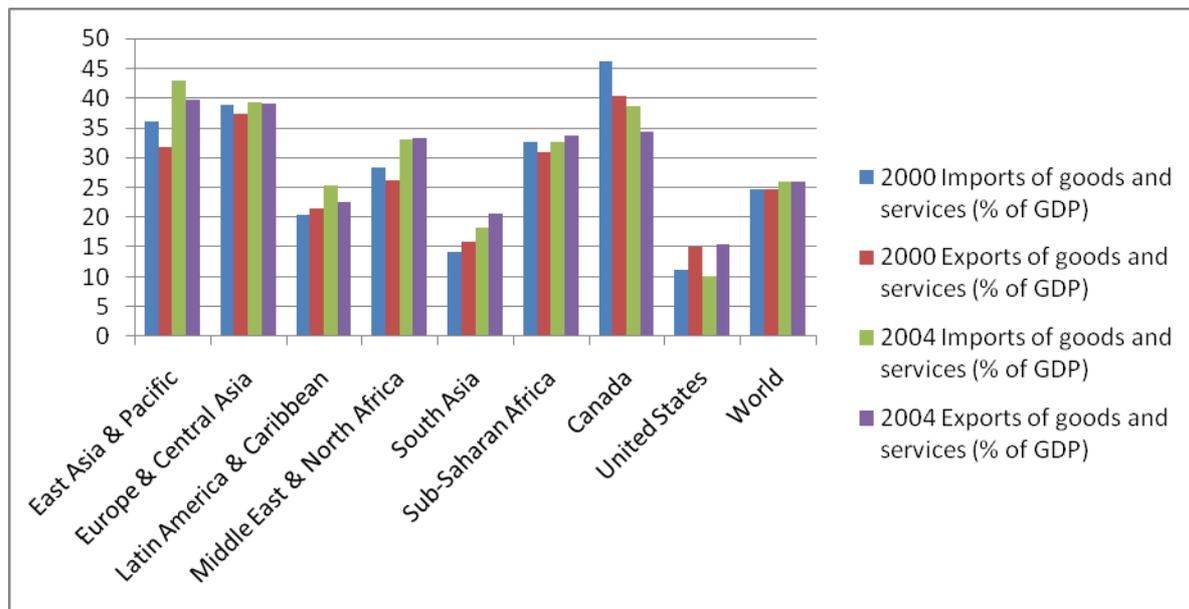
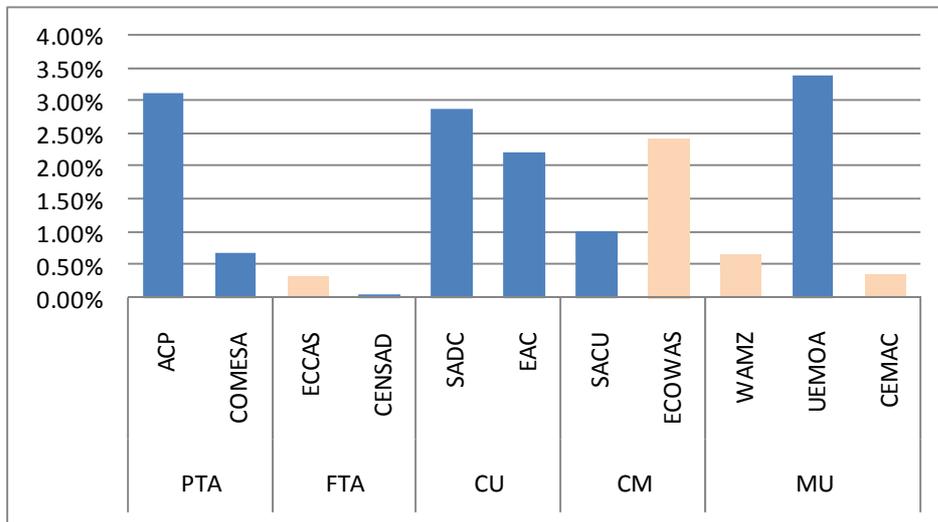


Figure 2: Relative to GDP, African trade is not particularly low. Source: Author's own graph. Data: World Development Indicators at <http://devdata.worldbank.org/data-query/>

Consistent with this, Foroutan and Pritchett (1993) argue that the level of intra regional trade in SSA is not lower than what should be expected: they employed a gravity flow model to predict the level of trade that should occur based on African countries distance from each other, the relative size of their economies as measured by gross domestic product, and other economic characteristics. For the 19 countries in their sample, the median sub-Saharan African share of intra-trade in imports and exports was 8.1 percent while the gravity flow model predicted a slightly lower median of 7.5 percent. Interestingly, Fouroutan and Pritchett (1993) find that distance is insignificant and as such not a great barrier to intra SSA trade, so small GDP plays an important role in the results.

In contrast, Limao and Venables (2001) find argue distance is particularly costly in Africa. After controlling for infrastructure, intra-SSA trade is 105 percent higher than would be expected.

Continuing within a gravity framework, Manners & Behar (2008) find an index of logistics quality is a significant determinant of trade. African countries typically under-export to countries outside their own region, while they export about as much to countries within their region as would be expected given their economic size. While this would be indirectly suggestive of a positive effect of RIAs on trade, it is not a direct comparison across RIAs in sub-Saharan Africa.



**Figure 3: Within-RIA exports as a percentage of GDP (2005): ECCAS, ECOWAS, WAMZ and CEMAC are inactive**

Figure 3 shows for each of the RIAs in our taxonomy the level of exports weighted by GDP within each grouping. ACP is an outlier because it has been historically the most active group, with the highest number of African members. This success is due to the fact that all the agreements within the group have been chaired by the EU and followed a precise agenda of particular sectoral trading. The fact that the ACP has not evolved further is precisely due to the heterogeneity of its composition. UEMOA, the most integrated group, also has the highest intra-group trade. However, Figure 3 provides no obvious pattern suggesting a positive relationship between degree of integration and intra-regional trade.

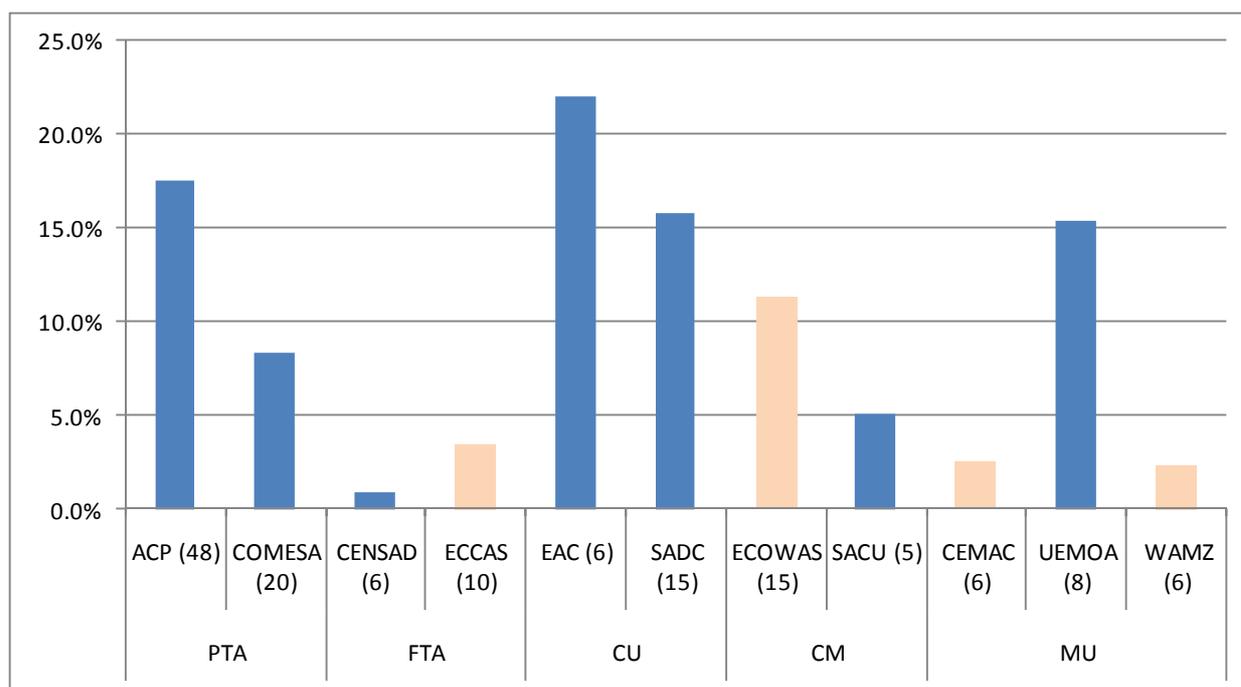


Figure 4: Ratio of within-RIA bilateral exports to overall exports of the RIA in 2005. Cream bars are inactive agreements. Numbers in brackets indicate number of member countries.

Figure 4 reports the ratio of within-RIA bilateral exports to the overall exports of the RIAs in 2005. In parenthesis we denote the number of members within a grouping, because the ratio should be higher for bigger groupings. Comparative information from Figure 4 should be treated with caution due to a lack of data availability and possible misreporting. The EAC has a high percentage, despite having relatively few members and being in the middle stage of integration. UEMOA trades with itself more than the inactive monetary union members. ECCAS and ECOWAS have a high number of members, but they seem to trade more internally than their active FTA and CM counterparts. At first sight, there appears to be no overwhelming evidence of a link between the degree of integration and intra-RIA trade.

Generally, it has been argued that regional trade agreements (RTAs) among developing countries may induce potential adverse effects on trade patterns among RTA members and between them and third countries. In particular, pessimistic conclusions have been advanced about the impact of RTAs in Africa. For instance Schiff and Winters (1998) argue that any RTA between small developing countries will most likely induce a replacement of cheaper imports from the rest of the world with more expensive intra-RTA products from less efficient suppliers, a phenomenon referred to as trade diversion (Viner, 1950). Given the lower intra-trade shares of South-South RTAs (especially African RTAs) compared to North-North or North-South RTAs, the suggestion is that South-South RTAs are potentially more trade diverting than other RTAs. Cernat (2001) however finds a positive impact of several South-South agreements, in particular African RTAs, not only on intra-RTA trade but also on the absolute level of trade with the rest of the world. For instance, in the case of SADC, in 1994, his estimated results suggest that both intra- and extra-regional trade increased five times and 40 per cent respectively.

In a recent theoretical contribution Venables (2003) argues developing countries are likely to be better served by “North-South” than by “South-South” agreements. He shows that a country’s comparative advantage – relative to the world as a whole and relative to its partners in a customs union (CU) –

yields predictions about the winners and losers from CU formation. One should see comparative advantage as a spectrum of labour force skills or technology along which countries are ranked. If for example two countries are abundant in unskilled labour relative to the rest of the world but one country is also abundant in such a factor relative to its partner then the former country has an “extreme” comparative advantage, while the latter one an “intermediate” comparative advantage. It turns out that countries with a lower “extreme” comparative advantage in a CU will generally be more vulnerable to trade diversion than are those with an “intermediate” comparative advantage. If comparative advantage is associated with per capita income (via physical or human capital endowments) then CU membership will lead to convergence of income levels within a union composed of high income countries, and divergence in a union composed of low income members. Perhaps the best documented example of this is the concentration of manufacturing in the old East African Common Market. In the 1960s Kenya steadily enhanced its position as the industrial centre of the Common Market, producing more than 70% of the manufactures, exporting a growing percentage of them to its two relatively less developed partners (i.e. Uganda and Tanzania), and achieving faster GDP growth. The Common Market collapsed in 1977, partly because of the internal tensions that this divergent performance created (Venables, 2003).

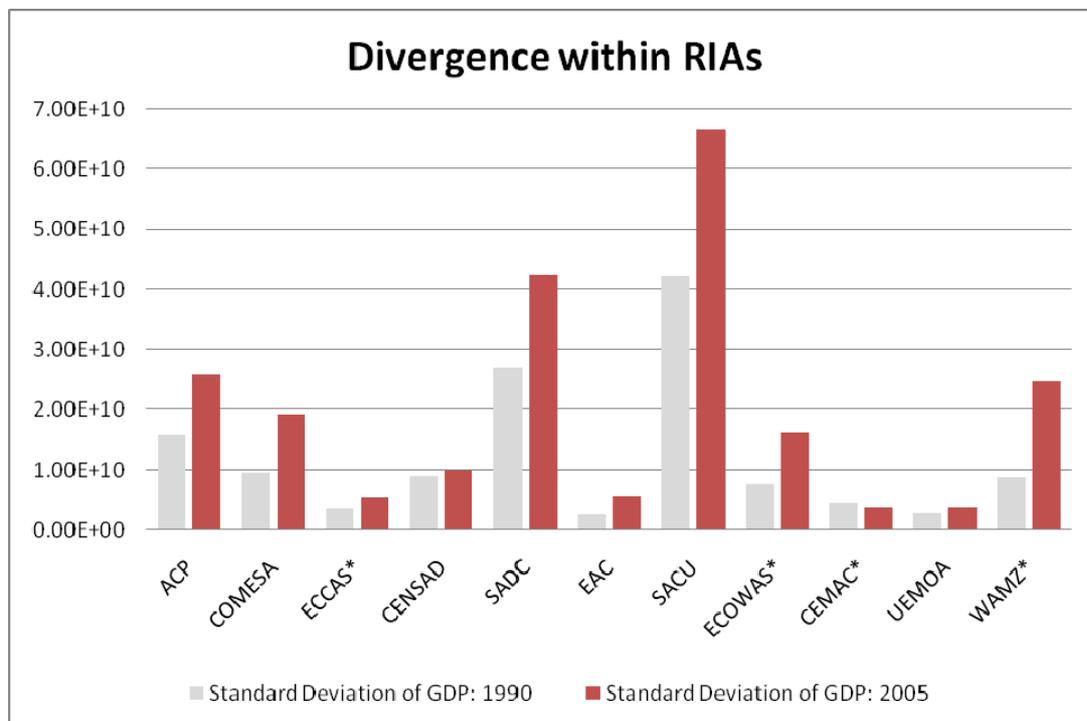


Figure 5: Divergence of GDP within RIAs. \*denotes inactive

Consistent with this view, Figure 5 shows that there seems to be a pattern of divergence between the GDPs of countries within RIAs, with the exception of (inactive) CEMAC. However, ACP also reports divergence despite being a North-South agreement.

A further potential downside of advanced stages of economic integration is that many African governments rely heavily on tariffs and other trade taxes for their operating revenues and have expressed concerns that their liberalization, on a regional or general basis, would cause major fiscal problems. The fact that regional import shares vary so widely suggests the initial fiscal impact of any regional exchange of preferences would have quite different national impacts. The consequences for countries like Angola, Benin, or the Congo - where less than 5 percent of all imports originate in other

SSA countries - would in all likelihood be minor. However, for Mali, the Seychelles, or Tanzania, where 50 percent or more of all imports come from the region, the consequences would probably be far more important. Thus lowering or eliminating tariffs on trade can constitute a significant fiscal risk whenever trade flows are proportionately lower than tariff reduction.

To address such concerns some RTAs have introduced a revenue loss compensation mechanism (RLCM) into some regional trade agreements. There are different ways in which RLCMs are set up and made operational. Unfortunately, lack of progress in the regional integration schemes themselves has often hampered the implementation of RLCMs. ECOWAS, for example, is a regional group of fifteen West African countries in which only a minority of members have implemented their trade liberalization commitments and paid their contribution toward the revenue loss compensation fund. The Common Market for Eastern and Southern Africa (COMESA) and the Economic Community of Central African States (ECCAS) seem even further away from implementing RLCMs. The compensation funds in SACU (Southern African Customs Union) and UEMOA (The West African Economic and Monetary Union) instead have been operational for several years. SACU's common revenue pool is composed of what used to be the group's trade taxes, which then get redistributed among member countries in proportion to their shares of total intra-regional imports. The redistribution is inversely proportional to the countries' per capita income; hence it is a form of economic solidarity towards less developed members. ECOWAS and UEMOA systems are somewhat different in that these two trading groups have increased tariffs on imports on third countries to raise revenues for compensation within members. UEMOA distributes compensation based on submitted customs declarations, which is costly to administer relative to schemes based on historical trade patterns or aggregate intra regional trade shares. In ECOWAS and UEMOA compensation is of fixed duration and scaled down over time, respectively, 4 and 6 years, as trade flows are expected to increase with time leading to higher revenues despite lower tariffs (Walkenhorst, 2006).

#### **IV. Conclusion**

RIAs have proliferated in Africa and the complexity of issues surrounding their formation has increased. It is difficult to evaluate their success because different studies consider different outcomes (degree of integration achieved, quantity of trade generated, trade diversion vs trade creation, income convergence, etc).

SSA does not necessarily have low levels of trade once one controls for GDP and/or distance. Foroutan and Pritchett (1993) point in the direction of intra SSA trade being slightly higher than what would have been expected, Limão and Venables (2001) find instead that SSA trades less – with the rest of the world and with themselves – than would be predicted by a simple gravity model. Manners & Behar (2008) find a pair of SSA countries trades as much as any other pair of countries in the world.

There is no immediately clear evidence that RIAs affect trade patterns, but trade gains can be hindered by a narrow product range and a lack of complementarity, which hinders the exploitation of economies of scale (Yates, 1998). Trade gains may be realised by complementing political agreements with better infrastructure and other improvements to the economic environment. Any increases in trade are potentially trade diverting, especially because they are South-South agreements. This may lead to income divergence within RTAs (Venables, 2003). While Schiff and Winters (1998)

discuss a number of studies arguing that African RTAs are trade diverting, Cernat (2001) does not find evidence of trade diversion.

The lack of immediately obvious trade gains to integration are consistent with our conclusion that those RIAs which were explicitly trade-motivated have had the least success in achieving a high degree of integration, while those based on common colonial ties have been more successful.

Aspects endemic to African trade may hinder the future progress of regional integration. Regional conflicts constantly interrupt attempts at regional co-operation. The wide diversity of import shares and forces of income divergence within regions can be serious impediments, as evidenced by the collapse of the EAC in 1977 (Venables, 2003). Diversity may also result in adverse fiscal effects in cases where higher trade flows do not compensate for tariff reductions (Walkenhorst, 2006). Thus, such countries would likely stall further integration without safeguards and/or incentives, including appropriate revenue loss compensation mechanisms.

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<http://www.sadc.int/>

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<http://www.wami-imaog.org/>

## APPENDIX

Table 1.

African Regional Integration Agreements	Year & rationale	member countries
<p><b>ACP</b> (Africa, Caribbean, and Pacific)</p>	<p>Signed at Lomé, Togo (1975). ACP arose out of Europe's wish to guarantee itself regular supplies of raw materials, and to maintain its privileged position in its overseas markets. It also derived in part from a sense of responsibility arising out of its colonial past. Special attention was given to island land locked countries. The Lomé Agreement was succeeded by the Cotonou Agreement (Benin, 2000). One of the major differences with the Lomé convention is that the partnership is extended to new actors like civil society, private sector, trade unions, local authorities, etc. These will be involved in consultations and planning of national development strategies, provided with access to financial resources and involved in the implementation of programmes. It is based mainly on a system of tariff preferences which give member countries access to the European market and special funds which maintain price stability in agricultural products and mining products.</p>	<p>Originally between 15 countries of the European Union and 46 countries of Africa. Recently extended to 48 African countries, 16 Caribbean countries and 15 Pacific Islands.</p>
<p><b>AMU/UMA</b> (Arab Maghreb Union)</p>	<p>AMU is a Pan-Arab trade agreement signed in 1989 aiming for economic and political unity in North Africa. However, traditional rivalries between Morocco and Algeria, and the unsolved question of Western Sahara's sovereignty have blocked union meetings since the early nineties, despite several attempts to re-launch the political process. The latest top-level conference, in mid-2005, was derailed by Moroccan refusal to meet, due to Algeria's vocal support for Saharan independence.</p>	<p>Algeria, Libya, Mauritania, Morocco, and Tunisia</p>
<p><b>AU</b> (The African Union)</p>	<p>Established in 2001, the AU was formed as a successor to the amalgamated African Economic Community (AEC) and the Organization of African Unity (OAU). Eventually, the AU aims to have a single currency (the Afro) and a single integrated defense force, as well as other institutions of state, including a cabinet for the AU Head of State. The purpose of the union is to help secure Africa's democracy, human rights, and a sustainable economy, especially by bringing an end to intra-African conflict and creating an effective common market.</p>	<p>Fifty-three African states. The only African state that is not a member of the African Union is Morocco in retaliation to the AU recognition of Sahrawi Arab Democratic Republic</p>
<p><b>CEMAC</b> (The Economic and Monetary Community of Central Africa or</p>	<p>An organization established to promote economic integration among countries of states of Central Africa that share a common currency, the CFA franc. CEMAC is the successor of the Customs and Economic Union of Central Africa (UDEAC), which it completely superseded in June 1999 (through an agreement from 1994). CEMAC's objectives are the promotion of trade, the institution of a genuine common market, and greater solidarity among peoples and towards under-privileged countries. In 1994, it succeeded in introducing</p>	<p>Cameroon, the Central African Republic, Chad, the Republic of the Congo, Equatorial Guinea and Gabon.</p>

<p>from its name in French, Communauté Économique et Monétaire de l'Afrique Centrale)</p>	<p>quota restrictions and reductions in the range and amount of tariffs. Currently, CEMAC countries share a common financial, regulatory, and legal structure, and maintain a common external tariff on imports from non-CEMAC countries. In theory, tariffs have been eliminated on trade within CEMAC, but full implementation of this has been delayed. Movement of capital within CEMAC is free.</p> <p>On January 24, 2003, the European Union concluded a financial agreement with ECCAS and CEMAC, conditional on ECCAS and CEMAC merging into one organization, with ECCAS taking responsibility for the peace and security of the sub-region through its security pact COPAX.</p> <p>CEMAC is not one of the pillars of the African Economic Community, but its members are associated with it through Economic Community of Central African States (ECCAS).</p>	
<p><b>CEN-SAD</b> (Community of Sahel-Saharan States)</p>	<p>CEN-SAD was established in February 1998 by six countries, but since then its membership has grown to 25. One of its main goals is to achieve economic unity through the implementation of the free movement of people and goods in order to make the area occupied by member states a free trade area. A major effort so far was to reconcile differences between neighbours Chad and Sudan over the Darfur conflict and boost Somalia's embattled Transitional Federal Government at a regional summit in Libya on June 3, 2007.</p>	<p>Founding members: Burkina Faso, Chad, Libya, Mali, Niger, Sudan</p>
<p><b>COMESA</b> (The Common Market for Eastern and Southern Africa)</p>	<p>The Common Market for Eastern and Southern Africa, is a preferential trading area. COMESA formed in December 1994, replacing a Preferential Trade Area which had existed since 1981. Nine of the member states formed a free trade area in 2000, with Rwanda and Burundi joining the FTA in 2004 and the Comoros and Libya in 2006.</p>	<p>Twenty member states stretching from Libya to Zimbabwe and excluding the recent withdrawals of Tanzania, Namibia, Mozambique and Lesotho.</p>
<p><b>EAC</b> (East African Community)</p>	<p>EAC is an intergovernmental organisation with plans to form a country called East African Federation with one President by 2010. The EAC was originally founded in 1967, but collapsed in 1977, causing celebrations in Kenya. It was officially revived on 7 July 2000. However, in Tanzania an overwhelming majority (80%) of the population rejected the EAC in a referendum. Tanzania has more land than Kenya, Uganda, Rwanda and Burundi combined and some Tanzanians fear land grabs in bordering areas by the current residents of Rwanda, Burundi, Kenya and Uganda. Under the terms of the treaty, Kenya, the region's largest exporter, will continue to pay duties on its goods entering the other four countries until 2010, based on a declining scale. A common system of tariffs will apply to goods imported from third-party countries.</p>	<p>Kenya, Tanzania, Uganda, Burundi, and Rwanda</p>
<p><b>ECCAS</b> (Economic Community of Central African States)</p>	<p>ECCAS is an organization for promotion of regional economic cooperation in Central Africa. ECCAS began functioning in 1985, but was inactive for several years because of financial difficulties (non-payment of membership fees by the member states) and the conflict in the Great Lakes area. The war in the DR Congo was particularly divisive, as Rwanda and Angola fought on opposing sides. ECCAS has been designated a pillar of the African Economic Community (AEC), but formal contact between the AEC and ECCAS was only established in</p>	<p>Since 1985:Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Republic of the Congo, Equatorial Guinea,</p>

	<p>October 1999 due to the inactivity of ECCAS since 1992. Some of the ECCAS states have formed the Economic and Monetary Community of Central Africa (CEMAC). On 24 January 2003, the European Union concluded a financial agreement with ECCAS and CEMAC, conditional on ECCAS and CEMAC merging into one organization, with ECCAS taking responsibility for the peace and security of the sub-region through its security pact COPAX.</p>	<p>Gabon, Rwanda, São Tomé and Príncipe. Since 1999 Angola</p>
<p><b>ECOWAS</b> (Economic Community of West African States)</p>	<p>Founded in 1975 with the signing of the Treaty of Lagos. Its initial mission was to promote an economic and monetary union creating a single large trading bloc. The very slow progress towards this aim meant that the treaty was revised in 1993 towards a looser collaboration. The ECOWAS nations have signed a non-aggression protocol in 1990. They have also signed a Protocol on Mutual Defense Assistance, in 1981 that provided for the establishment of an Allied Armed Force of the Community</p>	<p>15 West African countries: Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo. In 1976 Cape Verde joined ECOWAS, and in 2002 Mauritania withdrew.</p>
<p><b>IGAD</b> (The Intergovernmental Authority on Development)</p>	<p>Recurring and severe droughts and other natural disasters between 1974 and 1984 caused widespread famine, ecological degradation and economic hardship in the Horn of Africa region. Although individual countries took substantial measures to cope with the problems and received support from the international community, its extent argued strongly for a regional approach to supplement national efforts. At a January 1986 assembly of heads of state and government, an agreement was signed which officially launched the Intergovernmental Authority on Drought and Development (IGADD). Soon after its formation the mandate of IGADD widened, becoming a vehicle for regional security and political dialogue called IGAD.</p>	<p>Djibouti, Ethiopia, Kenya, Somalia, Sudan Uganda.</p>
<p><b>MRU</b> (Mano River Union)</p>	<p>MRU was established in 1973 between Liberia and Sierra Leone. In 1980, Guinea joined the union. The goal of the Union was to foster economic cooperation among the countries. It is named for the Mano River which begins in the Guinea highlands and forms a border between Liberia and Sierra Leone.</p> <p>Due to conflicts involving the countries the objectives of the Union could not be achieved (see Sierra Leone Civil War, Liberian Civil War). However, on May 20, 2004, the Union was reactivated at a summit of the three countries.</p>	<p>Guinea, Liberia and Sierra Leone</p>
<p><b>SACU</b> (Southern African Customs Union)</p>	<p>SACU is the oldest customs union in the world . It was established in 1910 as a Customs Union Agreement between the then Union of South Africa and the High Commission Territories of Bechuanaland, Basutoland and Swaziland. With the advent of independence for these territories, the agreement was updated and on December 11, 1969 it was re-launched as the SACU.</p>	<p>South Africa, Botswana, Lesotho, Swaziland, Namibia</p>
<p><b>SADC</b> (Southern</p>	<p>The origins of SADC lie in the 1960s and 1970s, when the leaders of majority-ruled countries and national liberation movements coordinated</p>	<p>15 Southern African</p>

<p>African Development Community)</p>	<p>their political, diplomatic and military struggles to bring an end to colonial and white-minority rule in southern Africa.</p>	<p>countries: Angola, Botswana, Lesotho, Malawi, Mozambique Swaziland Tanzania, Zambia, Zimbabwe, Namibia, South Africa, Mauritius, Democratic Republic of the Congo, Madagascar, Seychelles</p>
<p><b>UEMOA</b> (Union Économique et Monétaire Ouest Africaine, i.e. West African Economic and Monetary Union)</p>	<p>UEMOA was created in 1994. UEMOA is a customs union and monetary union between some of the members of Economic Community of West African States (ECOWAS). In terms of its achievements, UEMOA members have implemented macroeconomic convergence criteria and surveillance mechanisms; they have adopted a customs union and common external tariff (early 2000); have harmonized indirect taxation regulations; and have initiated regional structural policies. A September 2002 IMF survey cited the UEMOA as "the furthest along the path toward integration" of all the regional groupings in Africa.</p>	<p>Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, and Togo. On May 2, 1997, Guinea-Bissau became its eighth member state.</p>
<p><b>WAMZ</b> (West African Monetary Zone)</p>	<p>A group of 5 countries in ECOWAS that plan to introduce a common currency, the Eco by the year 2009.</p>	<p>Gambia, Ghana, Guinea, Nigeria and Sierra Leone. Liberia.</p>

Source: Authors' compilations from the webpage of the different groupings.