



Socio-economic integration in Africa

By

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Introduction

Despite a great deal of criticism the potential of the African Union and Nepad is now widely recognized. Notwithstanding serious flaws in the Independence process the early years saw many positive measures which were then overtaken by the imperative imposed on governments to surrender to structural adjustment programmes (SAP). This led to several lost decades as Africa's underdevelopment worsened. Critics of this surrender fell into two broad camps, those who attacked the neocolonial character of Africa's elites and their regimes, and those who tried to persuade the same regimes to resist and take an alternative path.

Pre-eminent among the latter was Adebayo Adedeji who persisted with numerous major documents which largely went unheeded but whose principle ideas are resurfacing now in the new impetus for Africa's renaissance. Also in this school of thought was a small but influential group of scholars based in the Institute For African Alternatives (IFAA) which pressed on with developing alternatives through numerous seminars and conferences and many publications.

Some of the key ideas of Adedeji have persisted in the main texts which underpin the formation of the African Union and its socio-economic development programme, NEPAD. That this perspective has remained in place is a tribute to the stubborn opposition to the dominance of the Washington Consensus, but also to the failure of SAP to relieve the misery of the African continent. Many economists are now saying that development economics must recover lost ground to place the human condition at the centre of economics itself.

The "LAGOS tradition"

The Lagos Plan of Action raised as a central idea the "collective self-reliance" of the continent. This idea was strongly reinforced by the Abuja Treaty of June 1991 "Establishing the African Economic Community" which seeks to "increase economic self-reliance and promote an endogenous and self-sustained development". The Constitutive Act of the African Union also seeks to "accelerate the political and socio-economic integration of the continent". The New Partnership For Africa's Development (NEPAD) the Protocol to The Treaty establishing the African Economic Community Relating to the Pan African Parliament, reiterate these themes.

What was downplayed in the documents of the mid-1990's is the core idea of the African Charter for Popular Participation in Development (Arusha 1990) which argued that economic crisis cannot be resolved without the participation of the vast majority of the people. The reasons are obvious, the imposition of SAP required authoritarian rule and African governments were in no shape to open the door to popular participation. The same challenge faces the African Union and Nepad, which echo the sentiments of Lagos and Arusha as a pre-condition for success. There is an inbuilt assumption that there are adequate social forces on the continent ready to unite in a common development programme. Clearly without popular support the African Union will simply atrophy as did the OAU.

There are already indications that the socio-economic elements of the package may be displaced by concerns about the political manoeuvres to achieve hegemony of one state against others. Yet, as the quotations above

indicate, the fundamental *raison d'être* of African unity is socio-economic advance, and not Just in the data about GDP growth, but about the real economy and the betterment of the lives of people.

While the reiteration of the concepts used in Lagos indicates a stubborn refusal to bow down to the concepts of neoliberalism and globalisation, there is a clear need to re-examine some of the inherited concepts with a view to test their credibility in the age of globalisation. How do they stand up against the urging to integrate into the world market, be competitive, concentrate on export-led growth, and the rest of the neo-liberal paradigm. What does “regional integration” mean when Africa countries are fighting for individual access to world markets and against subsidization and protectionism in the North ?

What kind of socio-economic cooperation?

During the SAP period African governments became ensnared by the imperative of macro-economic stabilization to the detriment of social delivery. While it is now accepted by most economists that in the post independence period deficit financing had gone too far in many countries and a corrective was needed. But it is also evident that corrective action went too far and we may now ask whether Africa has lost the capacity to think developmentally. The discipline of development economics has certainly sustained a severe setback.

There are also grounds for concern in the way regional integration has been placed on the agenda. The bulk of debate has been about increasing intra-African trade with the focus on tariff barriers. But what about the existing informal trade which is actually integrating economic life on the ground ? So many traders move across borders bringing currency with them and carrying goods home. True, they evade customs checks and deprive governments of duty revenue, but this must be weighed against the *de facto* benefits of increased economic buoyancy.

There is the cross border trade in primary agricultural commodities, which amounts to barter. Not more than thirty years ago this kind of system was operative even within South Africa. In the Transkei, people exchanged grain for articles like soap at shops quite far away. This encouraged local agriculture and made for a degree of community self-sufficiency. The system broke down as jobs were lost on the mines and in the public service, depriving communities of much needed funds for agricultural seed money and production has suffered as a result.

We need a serious debate on the appropriate strategy for promoting socio-economic integration as part of the NEPAD process. A report to the S A Parliament working Group on the African Union argues that we need to critique the conventional trade integration approach which focuses on the removal of tariff and regulatory barriers and move from a Free Trade Area to Customs Union, to common market and economic union. It is argued that this approach may be inappropriate for developing countries and regions where trade barriers often derive from underdeveloped production structures and inadequate infrastructure. Also that premature moves to higher levels of trade integration such as a continent-wide customs union may distract from key development challenges.

Instead, economic regeneration requires the priority of development integration which is wider than trade integration. It requires sectoral cooperation in key infrastructure projects and productive sectors. Addressing

developmental backlogs serves as a basis for promoting effective trade integration and will encourage political cooperation at a much deeper level than conventional trade integration programmes. It will also give ample scope for the ongoing consideration of human capacity in each regional arrangement.

There is ample support for such scenarios in all the Lagos-style documents cited above. In particular NEPAD, with its many references to infrastructural requirements in transport, telecommunications and information technology could give priority to these considerations.

The evidence is that the scale of formal intra-African trade is very limited. This is because most African countries remain exporters of primary commodities with little downstream value added. Yet UNCTAD and many other agencies have shown that excessive dependence on primary commodity exports leads to external dependence and instability because of global price fluctuations. Also, foreign direct investment in primary commodity production is liable to be extremely exploitative. Furthermore present moves to reciprocal trade agreements between some African countries and the European Union could distort the already heavily skewed world trading system, and incidentally be disadvantageous for South Africa.

Already in 1994, when Adedeji challenged South Africa about its commitment to the continent, Rob Davies posed three broad paradigms for South Africa's economic relations with the rest of the continent. (Adedeji, South Africa and Africa: Within or Apart ? Zed 1996) The first posed Africa as an " economic graveyard" while South Africa was seen as part of the First World and some kind of Newly Industrialised Country, (NIC), similar to East Asia. In the early 1990's there were many South Africans who held that view and pressed for policies that would take us to " world class" status.

The second considered SA as the "engine of growth" for the region and the "natural gateway" for investments throughout Africa. This view ignored the long-term unsustainability of the model since it was driven mainly by short-term exports and did not provide long-term answers on how to create a new relationship with regional and continental partners.

The third paradigm posed the restructuring of economic relations with our neighbours as part of putting S A itself on a new growth and development path. This meant creating a new equitable and mutually beneficial pattern of regional socio-economic sets of relations in the interests of the entire region.

Much has moved on since Davies made these comments, and they were largely exploratory and in response to a challenge from Adedeji about the new South Africa's apparent hesitation to throw in its lot with the continent. Fortunately our initiatives on the African Union and Nepad have overcome those concerns. Also, South African business has taken the initiative and beaten a rapid path into the continent establishing a large bridgehead in many countries. But it is not the kind of regional integration envisaged in Nepad and some critics argue that it is not bringing mutually beneficial and equitable outcomes.

A commonly held view is that socio-economic developmental integration across borders will have to be rooted in agriculture more than industry. In support of this view it is argued that since it is women who are most active in agriculture such an approach will also help to emancipate women. Be that as it may, regional

integration is seen to encompass the mobilization of resources principally for domestic use and not for export. What is sought is an accumulation model rooted in primary production and which will boost rural development and support the strategy of collective self-reliance. It includes the notion of developing production up the value chain and beneficiation, for domestic use as well as for exports as appropriate.

This is the essential difference between the kind of model which facilitates exploitation by the North from that which brings internal development. There are many instances where donor aid is associated with projects intended to increase exports of commodities which are actually required for domestic use. Local people are thereby denied access to commodities much needed locally. Apparently the fish industry in Lake Victoria has been affected in this way.

The model of collective self-reliance requires people to people cooperation and solidarity, the introduction of appropriate technology and institutional reform. Governments have to be proactive to coordinate cross border activity and facilitate the necessary social arrangements. Government intervention is also required if there are to be economies of scale for larger markets. Hence the emphasis on “collective” in the self-reliance strategy.

But all this will have to be associated with a degree of acceptance of much greater cooperation between neighbours and across regions than at present. An example is the waiver of visa requirements in ECOWAS countries. When it comes down to infrastructure which stretches across borders, where ownership is shared and joint maintenance is required, new interstate relations will become obligatory. Africa will have to accept that moving to integration necessarily involves the gradual surrender of elements of sovereignty in the interests of wider unity.

The role of the PAN African Parliament (PAP)

The conference of African Parliaments held in Cape Town (27-28 June 2002) signalled a determination to ensure that the future Pan African Parliament (PAP) has teeth. At first it will be a deliberative and advisory body, but oversight and legislative powers are clearly envisaged. There is also scope for the creation of Portfolio Committees working in parallel to the A U Commission’s Technical Committees which will provide for the checks and balances characteristic of the Parliamentary system.

Questions are asked whether the PAP will concern itself primarily with political issues, such as the coordination of positions across Africa, for instance with respect to its oversight role over the Assembly, or whether it will also dig deeper into the socio-economic issues in Nepad. Will issues be raised such as those in the socio-economic clauses in the South African Bill of Rights ? Will there be a Charter for Africa similar to the UN Charter ? And what provisions are there in the African Commission on Human and Peoples Rights to advance the real interests of ordinary people ?

Parliaments are the natural institutions to reflect on socio-economic issues if they are given the necessary space by the executive and should the Parliaments choose to do so. Much depends on the momentum generated around the AU and Nepad and the degree to which civil society manages to get involved.

Many genuine critics have cried foul about the AU and Nepad. Some are dismissive of both institutions as being fundamentally flawed. Others are more critical of the lack of prior consultation. The first group will not easily be satisfied and will continue to attack the whole project. The second group may yet be won over by a new campaign of consultation.

But for me, there seems to have opened up a new opportunity, after years and years of demoralization and lack of leadership, to engage in serious discussion about the most important issues facing Africa. Firstly, how to generate a new momentum for unity across Africa focused on a recognition that while globalisation may provide some economic and technological opportunities, it is primarily a process to advance the exploitative interests of Northern capital. Secondly, the associated imperative of building unity among our peoples through socioeconomic integration within our countries and across our borders.