

REGIONAL ECONOMIC COMMUNITIES IN AFRICA: A FAILURE OF COLLECTIVE ACTION?

Dejene Aredo

Department of Economics, Addis Ababa University

1. INTRODUCTION

The importance of achieving sustainable economic development through cooperation was recognized in Africa as of 1958 when the first conference of independent African states was held in Accra, Ghana. The multiplicity of economic cooperation organizations created since then in Africa shows the importance given to economic integration as part of a general strategy for encouraging sustained economic growth in Africa.

The importance of economic integration for Africa derives mainly from the opportunities it provides to pool resources for investment and to enlarge both factor and product markets. This perception is enforced by the fact that most national markets in Africa are too narrow and inadequate to sustain sizable economic operations. Integration can contribute to the increased flows of foreign direct investment through enlarged markets and improved proximity to resources. Regional integration is also viewed as an effective means to mitigate the adverse effects of the globalization process by improving the bargaining power of African countries in external economic relations. Collective self-reliance, as embodied in the Lagos plan of action and the Abuja Treaty of 1991, is at the heart of regional integration in Africa. Thus, progress in economic cooperation and integration has often been viewed as important for utilizing Africa's agricultural and industrial potential and realizing its prime objectives of accelerating economic growth and reducing poverty.

The purpose of this paper is to explore possibilities for explaining problems of economic integration in Africa using a tentatively revised version of the theory of collective action, one of the main themes of the New Institutional Economics. To achieve this objective, the theory of collective action is critically reviewed and its relevance to regional integration considered (section two); the institutional characteristics of regional economic communities (RECs) in Africa outlined (section three); the achievement and problems of RECs examined (section four); and concluding remarks provided (section five).

2. THE THEORY OF COLLECTIVE ACTION: A NEED FOR REVISION

The problem of collective action traces its origins to the work of Mancur Olson (1965), **The Logic of Collective Action**. In this work, Olson attempts to challenge conventional wisdom (including political science, sociology, Marxism), by arguing that "unless the number of individuals in a group is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, **rational, self-interested individuals will not act to achieve their common or group interest**". This pessimistic view of collective action was later extended by G. Hardin (1968), R. Hardin (1982) and others. The purported failure of co-operative action is attributed primarily to the free-rider problem arising from the use of public goods and common property resources (e.g. national defense, contagious disease eradication schemes, general farm subsidies, open range grazing land, city streets, etc).¹ The incentive to free-ride as analyzed by Olson (1965), Hardin (1968) and others tends to result in inefficient collective outcomes in the use of public goods and common property resources.

However, Olson's pessimistic view of co-operative action has been severely criticized both at the theoretical and empirical levels. The free-rider problem of Olson (Which is irrelevant in so far as African RECs are concerned) could not be taken as a deterrent to collective action by a set of people or states with common goals. For example, Udehn (1996), in his comprehensive and up-to-date review of the literature, rejected the free-rider hypothesis and suggested that, given our present state of knowledge, we cannot generalize about outcome of collective action by individuals:

There is no doubt, then, that empirical evidence refutes the strong free-rider hypothesis and supports the alternative hypothesis of mixed motivation. Which version of the latter provides the best explanation of collective action is unpredictable in the present state of our knowledge (Udehn 1996: 276-77).

In a more or less similar fashion, Nabli and Nugent (1989), who applied the NIE to the Tunisian case, identified a number of weaknesses of Hardin's (1968) static theory of collective action and concluded that since the theory deals almost exclusively with the context of growth in developed countries, "it gives us little guidance as to how the hypothesis should be modified to fit the quite different conditions of the LDCs" (p. 127). They, then underlined the need for empirical case studies in LDCs, like Tunisia. Accordingly, different authors used the collective action theory to investigate the failure to introduce modern education (Bsaies 1989), performance of producers' organizations (Nugent 1989), the degeneration of a wholesale market in Tunis (Azabou et al., 1989), and problems of interest rate determination (Bechri 1989). Regarding the dynamic versions of collective action theory, Nabli and Nugent

concluded that "we are even farther from having a theory capable of yielding highly operational hypothesis" (p. 127).

In adapting the collective action theory to explain the performance of integration efforts in Africa, we subscribe to Udhen's (1996) hypothesis of "mixed motivation" of individuals in joining groups and Nabli and Nugent's (1989) suggestion of the case study approach to the investigation of collective action. Our central argument is that the performance of an integration scheme depends largely on institutional factors constraining the "behaviour of member states". Accordingly, we propose that the success of a collective action (such as economic development through collective self-reliance) depends upon the following propositions:

- Collective action is an institutional mechanism by which individuals (or states) attempt to solve problems that they cannot tackle alone. Accordingly, the theory of collective action should not be limited to the use of public goods.
- Institutions should be created because demand for them exists. Otherwise supplied institutional innovations would result in the proliferation of institutions with similar objectives, duplication of efforts, and multiple membership in competitive organizations.
- Individuals (in our case member states) should join a group only if they expect tangible benefits from collective action and there should be common objectives in joining a group. Otherwise, the withdrawal will be costless.
- The ultimate beneficiaries should either be directly involved in the decision-making process (like members of *iddir*) or they should be represented by democratically-elected representatives. Otherwise, collective action programmes may fail because of lack of popular participation at different level of decision-making process. In the case of regional groups, constitutionalism is a must.
- Members of a group should be willing to give up parts of their rights in favor of the will of the group. The behavior of individuals (or member corporate bodies) should be constrained by the rules and regulations of the group. In the language of regional groupings, the member state should be willing to share sovereignty with a supra-national organ created through group action.
- Mechanisms should be in place to prevent and resolve conflicts arising between members of a group and to implement constraining and enabling laws designed by members. There should be law enforcement and coordinating mechanisms.
- Voluntarily-setup groupings should be based on the principles of equality. Costs and benefits should be shared equally. Dominance by one or few members may lead to the collapse or paralysis of a group.
- Finally, a collective action scheme should be financially self-generating and self-sustaining: it should not depend on external forces for its existence.

The literature on regional integration in Africa has already provided support for the propositions presented above. For example, Laporte (undated), in a discussion note,

presents the fundamentals of institutional requirements for effective regional integration in Africa. Bach (1997), who critically reviews the institutional underpinnings of regional integration in West Africa, argues that none of the groupings in the sub-region "will succeed until national governments agree to transfer a part of their sovereignty to community institutions." Adewoye (1997) convincingly argues that constitutionalism or the rule of law is basic to regional integration. There are several reasons for this relationship. One is that constitutionalist states accustomed to the separation of powers more easily accept the transfer of sovereignty to regional institutions. Constitutionalism also ensures the political and social stability necessary to the pursuit of long-term projects such as regional integration. Finally, the rule of law facilitates human interactions among individuals or groups of different nationalities, thanks to the basic freedoms provided and the effective enforcement of contracts. In his view, the establishment of a regional tribunal enforcing basic human rights against authorization regimes would be a good starting point for the enforcement of constitutionalism and democracy in West Africa.

Most regional integration communities (RECs) in Africa are incapable of meeting the challenge of regional integration in any meaningful sense because of the way national interests hold sway over all decision-making bodies (Malam-Kandine 1993; Ntumba 1997). This "inter-state" approach is manifested in several ways: through the preeminence of the Authority of Heads of State and Government in decision-making; through national representation in the Council of Ministers and the inter-governmental technical committees; through rule by consensus; in the limited resources and responsibilities of the secretariats; and in the limited jurisdiction of the regional courts.

This approach differs from the European model, which provided from the outset for the creation of institutions capable of representing the community as a whole, through specific institutional formulas including the role of the Commission of the European Communities as guardian of the common interest; decision-making by qualified majority vote within the Council of Ministers, as opposed to rule by consensus; the independence of the European Parliament vis-à-vis national governments; and the relatively high profile and independence of the European Court of Justice.

3. CHARACTERISING REGIONAL ECONOMIC COMMUNITIES IN AFRICA

Regional integration arrangements in Africa are characterized by (1) multiple objectives, (2) overlapping membership, 3) absence of strong supra-national institution, 4) inadequate sanctioning authority, 5) lack of political commitment and unclear perception about gains, 6) inadequate compensation mechanisms, 7) non-harmonization of macro economic policies and regulations, and 8) government-to-government relations or poor private sector and civil society participation (Aryeetey

and Oduro 1996).² In addition, most regional economic communities in Africa are characterized by heavy dependence on donors for their financial needs. SADC is a striking example. Almost all of these characteristics can be classified under a single encompassing category, which we call **institutional** characteristics. In fact, Aryeetey and Oduro discussed these characteristics under the topic: "Institutional Development of Regional Integration Arrangements" in Africa.

Multiple objectives are common with regional economic communities (RECs) in Africa as can be seen from Table 2. RECs are concerned not only with trade integration but also with harmonization of agricultural, industrial, transportation, energy, monetary policies, etc. In addition, they attempt to cooperate in the area of culture, information, environment, etc. Although pursuit of multiple objectives is not peculiar to Africa (e.g. see the cases of ASEAN), one may wonder whether Africa has the required capacity to achieve so many objectives with so short time period (as often found in treaties and resolutions).

Overlapping membership is widespread with regional groupings in Africa. Modern Africa has experienced the creation of more than 500 inter-governmental groupings³. Today, well over 200 of these organizations still exist, and new ones are continuously emerging (Soderbaum 1996). Most countries are members of more than one regional arrangement. For example, Namibia and Swaziland are members of five economic communities, while Rwanda, Burundi, Cote d'Ivoire, Niger, Togo, Benin, and Burkina Faso are members of four communities (see Table 1). The disadvantage of being a member in more than one regional integration arrangement is that a country may be a member of regional groupings with conflicting means to achieve, sometimes, similar objectives. There is also the issue of replication of efforts as in the case of COMESA and SADC. Too many groupings can over-stretch the already limited financial, managerial, and technical capacities of member countries.

Absence of strong supra-national institutions means unwillingness of national states to share sovereignty with regional institutions (like secretariats of RECs). The regional institutions in existence do not have the legal backing to implement or enforce treaties and protocols. A law (or agreement) without an effective enforcement mechanism is bound to remain a toothless tiger.

Inadequate sanctioning authority is a related issue. The treaties often do not have effective sanctions against member countries pursuing policies that conflict with the articles of agreement. For example, when Djibouti refused to comply with rulings of COMESA and threatened to withdraw, no effective action was taken to discourage non-compliance. However, recently, COMESA is considering some measures (e.g. denial of voting rights) to deal with the problem of non-compliance. But, what matters is not to spell out penalties, but to consider whether the cost of non-implementation of a treaty may be perceived to be less than the benefits of doing so. This perception by

Table 1. Regional Economic Communities in Africa: Basic Indicators

Organisation	Members	Date of Establishment	Total Population in 1997 (in millions)	GDP, Real USD (in millions)	Intra-Regional Trade
Arab Maghreb Union (AMU)	Algeria, Libya, Mauritania, Morocco and Tunisia (5)	1989	73.8	133,956	Recorded intra-regional trade is not more than 1% of total trade
Economic Community of West African States (ECOWAS)	Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo (16)	1975	220.08	83,140	In 1995 recorded intra-regional trade was not more than 1% of total trade.
West African Economic & Monetary Union (UEMOA)	Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger, Senegal and Togo (7)	1994 through amalgamation	64.54	30,884	The share of intra-regional trade as a proportion of total trade has not increased since 1975 and it remained at about 10%.
Mano River Union (MRU)	Guinea, Liberia and Sierra Leone (3)	1980	14.57	5,116	-
Economic Community of Central African States (ECCAS)	Burundi, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Rwanda, Sao Tome and Principe & Democratic Republic of Congo (10)	Treaty signed in 1983 and came into force in 1984	89.9	29,357	Intra - ECCAS trade is about 2% of member countries' total exports.
Central African Customs and Economic Union (UDEAC)	Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea & Gabon (6)	Established by the Treaty of 8 th Dec. 1964, entered into force in 1966, revised in 1974 & 1991	28.61	21,939	Intra-regional trade as % of total trade has diminished since mid-1970s, in 1990s it was as low as 3%.
Economic Community of the Great Lakes (CEPGL)	Burundi, Rwanda and D.R. of Congo (3)	Treaty signed in 1976, came into force in 1977.	61.15	7,355	There is negligible progress in the liberalization of intra-regional trade (which remains at about 1% of total trade).
Common Market For Eastern and Southern Africa (COMESA)	Angola, Burundi, Comoros, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zaire, Zambia and Zimbabwe (23)	COMEAS is the direct continuation of the PTA which was founded with the active support of the ECA in 1981	385.4	165,910	Exports within the community increased from 4% of the total in 1985 to 8.3% in 1997.
Southern African Development Community (SADC)	Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe (12)	SADCC was established in 1980 but SADC in 1992.	138.09	134,935	
Southern African Customs Union (SACU)	Botswana, Lesotho, Namibia Swaziland (BLNS), South Africa (5)	Agreement signed in 1969; but revised several times.	44.4	102,666	The trade relation in SACU are extremely asymmetric; biased in favour of South Africa.
Common Monetary Area (CMA)	Lesotho, Namibia, South Africa and Swaziland (4)	Agreement signed in 1974 and 1992.	42.94	99,450	

- Not applicable or data not available. Source: (World Bank 1998/99a&b, Soderbaum 1996 and UNCTAD 1996).

member countries is more likely if most members of the grouping are not implementing the articles of agreement.

Related to this is the question of lack of tangible benefits from integration. In the context of Africa, most member countries, though quick at signing treaties and protocols, perceive little tangible gains from integration. Most often they give high priority to national projects than to integration projects, whose benefits are often to come in the long run. Unclear perceptions about gains often lead to lack of political commitment towards integration efforts.

The declared objectives of African RECs are wide-ranging but focused on the elimination of trade barrier, creation of economic union, harmonisation of policies, economic progress, etc., (Table 2). So far, many RECs are far away from achieving these objectives.

Inadequate compensation mechanisms and inequalities in the distribution of gains from integration are related burning issues of integration arrangements in Africa. Lack of political will and implementation can be partly explained by this problem. Most regional groupings in Africa are dominated by more developed countries like South Africa within SADC, SACU, or CMA and Zimbabwe and Kenya within COMESA. The collapse of East African Community can be partly attributed to compensation problems.

Non-harmonization of macroeconomic policies and regulatory frameworks are other stumbling blocks in the way of integration. The experience of European Union suggests that harmonization of policies and regulations is a necessary condition for effective integration. In Africa, limited progress has been made towards harmonization. If there are any harmonization measures undertaken in Africa, they are so, thanks to adjustment policies and the World Trade Organization (WTO) rather than due to commitment to integration. Unilateral liberalization may lead to depressed private investment in integration projects unless member countries simultaneously liberalize. For example, Zimbabwe and Zambia were adversely affected by unilateral liberalization, which paved the way for increased imports of industrial goods from a less liberalized country, South Africa. Domestic industries in Zimbabwe and Zambia could not stand competition posed by goods dumped by South Africa.

Table 2. Objectives of Regional Economic Communities (RECs) in Africa

RECs	Objectives
Arab Maghreb Union (AMU)	AMU is to contribute to the progress and prosperity of member countries' economies through the gradual establishment of a North African Common Market by the end of this century. The Treaty provides for intra-union free trade, the erection of a common external tariff, free movement of people, goods, services and capital within the region as well as joint industrial, agricultural and transport projects. AMU also includes a security dimension.
Economic Community of West African States (ECOWAS)	As defined in the new Treaty (1973): to promote cooperation and integration, leading to the establishment of an economic union in West Africa in order to raise the living standards of its people, and to maintain and enhance economic stability, foster relations among member states and contribute to the progress and development of the African continent.
West African Economic & Monetary Union (UEMOA)	UEMOA aims at deeper and wider economic cooperation, harmonization and integration among its Francophone member states, with particular emphasis on trade and common market integration, and the preservation and development of the CFA Franc Zone (CFA)* system in West Africa.
Mano River Union (MRU)	The aim of MRU is to promote balanced economic integration and expand intra-regional trade through the elimination of all trade barriers; erect a common external tariff; & encourage and create new productive capacity.
Economic Community of Central African States (ECCAS)	The aim of ECCAS is to promote regional cooperation and integration by abolishing trade restrictions between member states; establish a common external tariff, link commercial banks and set up development fund over a period of twelve years.
Central African Customs and Economic Union (UDEAC)	The primary aim is to promote closer economic integration, balanced development & diversification of the economies of member countries by means of regional trade liberalization, the establishment of a customs union, a common investment code, & subsequently a common market. The UDEAC Treaty also contains provisions for the harmonization & coordination of industrial, fiscal, development, transport, postal, telecommunication, tourism, rural economy, science & technology policies.
Economic Community of the Great Lakes (CEPGL)	The objective of CEPGL is to establish a common market and ensure the security of member states through the coordination and harmonization of member countries, social, economic, commercial, scientific, cultural, political, military, technical and touristic policies.
Southern African Development community (SADC)	As defined in article 5 of the SADC Treaty: a) achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa and support the socially disadvantaged through regional integration; b) evolve common political values, systems and institutions; c) promote and defend peace and security; d) promote self-sustaining development on the basis of collective self-reliance, and the interdependence of member states; e) achieve complementarity between national and regional strategies and programmes; f) promote and maximize productive employment and utilization of resources of the region; g) achieve sustainable utilization of natural resources and effective protection of the environment; and h) strengthen and consolidate the long-standing historical, social and cultural affinities and links among the peoples of the region.
Southern African Customs Union (SACU)	SACU is a customs union that provides elimination of tariffs, duties and quantitative restrictions on trade within the area. It also provides a common external tariff towards third parties as well as measures for the protection of infant industries. There are some qualifications.
Common Monetary Area (CMA)	The purpose of the CMA is to promote development, intra-regional trade and capital flows by means of monetary and financial integration. Essential features are the fixed exchange rate between the south African Rand and the national currencies of Lesotho, Namibia and Swaziland. Integrated capital and financial markets; and uniform exchange controls towards the rest of the world.

Source: Soderbaum 1996 and UNCTAD 1996.

Another major feature of integration in Africa is that it has remained a matter of government-to-government relation and little has been done to promote the participation of the private sector and civil society towards increased integration. From

Regional Economic Communities in Africa: A Failure of Collective Action?

Table 3, we understand that RECs are solely the creation and concern of governments. In all RECs, supreme authority, as well as lower authority, is vested with heads of state and governments. The only exceptions are MRU (governed by Council of Ministers) and the South Africa-dominated SACU and CMA (see Table 3). Moreover, the integration arrangements were negotiated among leaders of regimes that were in most cases not democratic. There were limited and non-transparent channels through which the opinions of the general public or groups could be legitimately made known to the authorities. That is a lack of institutional mechanism to link the public with the integration process.

What RECs have so far achieved is very limited and their problems are too many. One comprehensive study notes that regional integration in Sub-Saharan Africa "has fundamentally failed to achieve its pre-established goal" (Foroutan 1993: 264).

Table 3. Structure and Supreme Authorities of RECs in Africa

RECs	Structure & Supreme Authority
Arab Maghreb Union (AMU)	The Presidential Council is the Supreme authority. Member states appoint representative for various committees.
Economic community of West African states (ECOWAS)	Institutions established by the new Treaty are the authority of Heads of State and Government, the Council of Ministers, the Community Parliament, the Economic and Social Council, the Community Court of Justice, the Executive Secretariat, the Fund for Cooperation, Compensation and Development, and specialized technical commissions. The Authority of Heads of State and Government composed of Heads of State and Government of member states, is the supreme governing institution.
West African economic & Monetary Union (UEMOA.)	UEMOA is modeled on the European Union. The Summit of Heads of State is the supreme authority. The Council of Ministers is the real policy-making organ. The court of Arbitration is to settle disputes among member countries. In the future, there shall be a commission, a common parliament and a supra-national court of Justice.
Mano River Union (MRU)	Union Ministerial Committee, composed of all ministers whose portfolios are closely involved in Union activities, is the supreme policy-making organ.
Economic Community of Central African states (ECCAS)	Summit of Heads of State and Government is supreme authority. Below the Summit, there are council of Ministers, committees & the Executive secretariat.
Central African Customs and Economic Union (UDEAC)	The Council of Heads of state is the supreme authority. Council of Ministers is responsible for examining various problems and making proposal to the council of Heads of state for final decision. The General Secretariat is the executive organ of the union.
Economic Community of the Great Lakes (CEPGL)	Conference of the Heads of state is the supreme authority. Below this there are the usual state-controlled organs.
Common Market For Eastern and Southern Africa (COMESA)	The annual summit of Heads of State is the supreme organ and provides overall policy guidance. The council of Ministers is the main coordinating body. In addition, there are the sectional Ministerial Meetings and the Secretariat.
Southern African Development Community (SADC)	SADC is made up of the following institutions: the summit of Heads of State and Government (the supreme authority), the Council of Ministers, the Standing Committee of Officials, Sectoral Committees/Commissions, and the Secretariat.
Southern African Customs Union (SACU)	All important policies regulating activities within SACU and with third parties are administered by the South African Board of Tariffs and Trade.
Common Monetary Area (CMA)	CMA is totally dominated by South Africa, and the other signatories have no influence over South African monetary, policy and exchange regulations. In return, they have unrestricted access to south Africa's capital and financial markets.

Source: Soderbaum 1996; UNCTAD 1996.

4. ACHIEVEMENTS AND PROBLEMS OF RECs⁴

This section attempts to briefly review the major achievements and problems of regional economic communities (RECs) in Africa. The review attempts to show the poor performance of RECs in Africa in the light of their objectives as stated above.

The Arab Maghreb Union (AMU) recorded trade is not more than one per cent of the total trade. AMU has primarily focused on functional and technical cooperation (e.g. the formation of a Maghrebian Agency for Youth). The plan to create a North African Common Market has not yielded much in the way of concrete results. A number of feasibility studies have been undertaken but few of them are implemented.

The meagre results of AMU can be explained largely by the concentration of political leaders who lack the necessary commitment to cooperation, limited popular participation, and heavy dependence on West Europe in spite of their joint declarations to reduce this dependence through integration.

The Economic Community of West African Countries (ECOWAS) has registered some limited achievements. ECOWAS member states have more or less some complementary integrative measures (e.g. freedom of movement of individuals, the right to establish a commercial enterprise in another member country). To facilitate regional trade, capital transactions and investment in the region, ECOWAS has tried to promote financial payments and monetary co-operation and integration. ECOWAS has tried to promote private sector participation in the integration process (e.g. the establishment of a private regional investment bank ECOBANK, the first ECOWAS Trade Fair). Infrastructural development is seen as another important means of promoting closer links in the region (e.g. Trans-West African Highway network is partially completed, ECOWAS special fund for Telecoms has been established). ECOWAS is engaged in various other sectors (e.g. agriculture, livestock, breeding, fishing, public health, water development, etc.). A Protocol on Mutual Assistance in Defense Matters was adopted in 1981 and a standing committee was later established to mediate disputes between member states.

ECOWAS has failed to realize its objective of trade liberalization. It has neither a free trade area, nor a customs union status. Labour mobility is restricted and there exists no harmonization of economic policies. In 1995, recorded intra-regional trade was under 6 per cent of total trade. This can be partly explained by widespread use of safeguarded measures as well as fragile political commitment to the integration process.

Other problems of ECOWAS have included unequal distribution of costs and benefits among members (Nigeria, the dominant partner has an economy and population roughly equal to that of the other members put together), long-standing territorial

disputes and political rivalries, political instability in most ECOWAS countries, and a large under-payment of dues (large arrears) although there is a community levy).

West African Economic and Monetary Union (UEMOA) has registered some achievements. The monetary relations among member states have remained stable over the years. There is a high degree of monetary integration in the region and it is unlikely that this will change in the immediate future. The primary functions of UEMOA have been in the area of trade promotion, economic programs and development finance. Intra-regional free trade for raw material and resource-based unprocessed commodities were already implemented as early as 1973. The share of intra-regional trade as a proportion of total trade has not increased since 1975 and it remains at about 10 per cent. UNMOA is generally considered as one of the most successful regional integration schemes in Africa (with the exception of the Southern African Customs Union). This can be explained by removal of exchange control, the high degree of labour mobility, and the balancing and compensation mechanisms developed over time. There are some concrete results of functional and technical cooperation such as the village water supply program; the establishment of the African Centre for Higher Studies Management; the Higher School of Fishing Science and Techniques, the Higher School of Mines and Geology, and the Higher School of Textile Industries. Despite several efforts to address the issue during the last decade, there continues to be an overlap and duplication of regional organizations in the region. There is a clear competition between UEMOA and ECOWAS, and the two organizations have tackled similar problems at the same time without any consultations or coordination of instruments and with different solutions.

Regarding Mano River Union (MRU), there has been no progress on the move towards a common external tariff and recorded intra-regional trade remains below 1 per cent of total trade. Some infrastructural projects have been completed (e.g. Mano River Bridge in 1976, Monrovia-Free Town Highway, Air Mano). Mano had been inactive for three years until mid-1994, owing to disagreement regarding funding. The political unrest in the community has adversely affected the integration process.

Economic Community of Central African States (ECCAS) has initiated cooperation in the area of a) trade and customs, b) money, finance and payments, c) agriculture and industry, d) transport and communications, and e) other areas of cooperation. Intra-ECCAS trade is about 2% of the member countries' total exports. ECCAS established a Clearing-House in 1989.

Central African Customs and Economic Union (UDEAC) has recorded similar results as other RECs. There is a duty-free regional trade of raw material and unprocessed agricultural goods with the sub-region. In order to secure an equitable distribution of costs and benefits, products from the more developed member countries are often subject to higher tax rates compared to the same goods produced in the less

developed countries. Four-fifth of the tax revenue is then redistributed to compensate for lost customs revenue, while the rest is used to finance development projects in least developed member countries. Intra-regional trade as percentage of total trade has diminished since mid-1970s, and in the early 1990s it was as low as about 3%. Some of the problems of UDEAC have included exclusion of many goods from preferential treatment; trade liberalization scheme has failed to address non-tariff barriers to trade; distorted trade pattern has been developed primarily; foreign firms have been able to segment the regional market into separate rational markets while remaining protected by the common external tariff; décor have been influenced by vested interests; the profitability of mostly French-owned firms has been guaranteed; incentive for efficient local production has been reduced; the system benefited more developed member countries (Cameroon and Gabon; the common investment code has failed to attract foreign investment to the region as a whole, but has mainly resulted in increased competition for foreign investment among member states; labour mobility is limited; and lack of funds and low political commitment to integration.

Economic Community of the Great Lakes (CEPGL), which comprises the former Belgian Protectorates, did not make much progress beyond establishing some specialized agencies (e.g. a development bank) and some joint projects (e.g. electricity). No progress towards trade liberalization and factor mobility has yet been achieved. The lack of progress is partly explained by the bloody conflicts raging in the area, disparity among the community members with Zaire being quite large as compared to the other members, commitment to COMESA by Burundi and Rwanda.

The Common Market for Eastern and Southern Africa (COMESA) has registered the following limited achievements: exports within the community increased from 4 per cent of total exports in 1985 to 8.3% in 1997; non-tariff barriers are eliminated in most states; common customs declaration documents are established, the COMESA yellow card system has been established, etc. Innovations of COMESA includes: 1) emphasis on the stimulation of production and investment, in addition to trade liberalization and 2) recognition of the private sector as an engine of growth in the sub-region. Reduction in trade barriers may be the results of adjustment policies and WTO than COMESA itself. Two countries (Kenya and Zimbabwe) dominate intra-regional trade. The East and Southern African Trade and Development Bank began operation in 1989, but it has faced managerial and financial difficulties. The COMESA Clearing House is another institution. COMESA suffers from large under-payments of dues by member states. However, it has initiated income-generating activities of its own to run the secretariat. COMESA has been adversely affected by the uncertainty concerning the division of labour with SADC. There are duplication of efforts and pressure on the managerial capacities of member states due to the proliferation of inter-governmental organizations in the region.

The Southern African Development Community (SADC) initiated cooperation in the following areas: a) transport and communication, b) industry and trade, c) food, agriculture and natural resources, d) energy, e) human resources development, f) mining, and g) tourism, and culture and information. SADC builds on the activities initiated by its predecessor, Southern African Development Coordination Conference (SADCC). But SADC's objectives are much more ambitious than those of SADCC, although sectoral responsibilities are still distributed to member countries (e.g. energy to Angola; finance and investment to South Africa; industry and trade to Tanzania, etc.). SADC attempts to move from a focus on projects to genuine integration. Now emphasis is placed on investment in productive activities and conventional forms of integration. There are also greater efforts to involve the private sector in the integration process. Another new sector is politics, diplomacy, international relations, peace and security. Exports within SADC stand at 9.7% of total exports in 1997. Some of the problems of SADC include heavy dependence on donor funding domination by South Africa, and competition with COMESA.

The Southern African Customs Union (SACU) has extremely asymmetric trade relations. The BLNS countries are heavily dependent on trade with South Africa. SACU market countries account for as much as 70% of South Africa's exports to Africa (and for 15% of South Africa's total exports). Lesotho, for example, exports to South Africa 66% of its total exports and gets from South Africa 94% of its imports. The arrangement has well served South Africa's interests, although the BLNS countries got access to South Africa's market.

The Common Monetary Area (CMA) is entirely dominated by South Africa. The Rand totally dominates the area and is used in most monetary cross-border transactions with the outside world as well as within the region. By and large, South Africa has benefited economically and politically from the monetary arrangement. The CMA arrangement is quite flexible and accommodates member countries needs relatively well. The smaller countries could exercise only limited monetary policies because of the arrangement.

5. CONCLUDING REMARKS

In their effort to explain the limited achievements of the integration process in Africa, economists have most often emphasized structural and policy constraints. This study has attempted to underline the role played by institutional factors, more specifically, failure of collective action in retarding the progress of regional economic communities towards their declared objectives. Progress has been constrained mainly by lack of clear perception about gains from integration, proliferation of redundant and poorly coordinated regional groupings, limited popular participation (specially marginalization of the private sector), political instability, widespread conflicts and risky environment,

concentration of decision-making powers in the hands of uncommitted political leaders, lack of constitutionalism, (limited checks and balances of powers in member countries), unwillingness of member states to share sovereignty with RECs, lack of law enforcement mechanisms, lack of institutional mechanisms to distribute costs and benefits fairly, and lack of effective mechanisms to design, implement, and coordinate integration projects.

In addition to institutional problems, there are structural and policy problems constraining integration in Africa. Some of these problems include: lack of complementarity of the economies of most countries in Africa, inadequacy of infrastructure, limited factor mobility, and lack of harmonization of macroeconomic policies and regulatory frameworks. Moreover, we should also mention external factors as a force to reckon with. These include: the ever-deepening debt burden, deterioration of terms of trade, partly unfavourable international agreements (e.g. WTO), and the challenges of the globalization process. However, institutional factors deserve a central place in the analysis of problems and prospects of the integration process in Africa. Collective will has failed to be realized in Africa because member states have failed to undertake appropriate institutional innovations.

What emerges from this preliminary analysis is that Africa should undertake a series of institutional innovations to promote economic integration in the region. For example, the secretariats of RECs should be given full executive powers, which they exercise to further their common or collective interests as provided by the treaties of the communities.

The theory of collective action seems potentially capable of explaining problems and prospects of cooperation of all sorts including cooperation among countries. But to improve the explanatory and predictive power of the theory, there is a need to revise Olson's pessimistic and narrow views about prospects of cooperation among individuals. A lot of work remains to be done in this area.

NOTES

¹ For details and definitions of different types of goods relevant to collective action problems, see Nabli and Nugent 1989, pp 80-98. For a comprehensive review of the theory of collective action, see Lin and Nugent (1995).

² The following discussion draws from Aryeetey and Oduro (1996).

³ This paper deals only with regional economic communities.

⁴ This section draws heavily from UNCTAD (1996) and Soderbaum (1996). Further review of the achievements and problems of integration in Africa is given in Johnson (1995).

REFERENCES

- Adewoye, Ominiya (1997) 'Constitutionalism and Economic Integration,' in Real Lavergne, (ed.) **Regional Integration and Co-operation in West Africa: A Multidimensional Perspective**. IDRC, Ottawa, Canada.
- Aryeetey and A. D. Oduro, (eds.) (1996). 'Regional Integration Efforts in Africa: An Overview,' In J. J. Tenuissen, (ed.) **Regionalism and the Global Economy**. The Hague: FONDAD.
- Azabou, M. T. Kuran and M. K. Nabli (1989) 'The Wholesale Producer Market of Tunisia and its Porters: A Table of Market Degeneration,' in M. K. Nabli and J. B. Nugent, (eds.) **The New Institutional Economics and Development**. Amsterdam: North Holland.
- Bach, Daniel C. (1997) 'Institutional Crisis and the Search for New Models,' in Real Lavergne, (ed.) **Regional Integration and Co-operation in West Africa: A Multidimensional Perspective**. IDRC, Ottawa, Canada.
- Bechri, M. Z. (1989) 'The Political Economy of Interest Rates Determination in Tunisia,' in M. K. Nabli and J. B. Nugent, (eds.) **The New Institutional Economics and Development**. Amsterdam: North Holland.
- Bowen, H. P., A. Hollander and J. M. Vianca (1998). **Applied International Trade Analysis**. London: Macmillan.
- Bsaies, A. (1989) 'Educational Change and the Ulama in the 19th and early 20th Centuries,' in M. K. Nabli and J. B. Nugent, (eds.) **The New Institutional Economics and Development**. Amsterdam: North Holland.
- Foroutan, F. (1993) 'Regional Integration in Sub-Saharan Africa: Past Experience and Future Prospects,' In J. E. Melo and A. Panagariya (eds.) **New Dimensions in Regional Integration**. Amsterdam: North Holland.
- Hardin, Garrett (1968) 'The Tragedy of the Commons', **Science**, 162 (December): 1243-1248.
- Hardin, Russel (1982). **Collective Action**. Washington D.C., Resource for the Future.
- Johnson, O. E. G. (1995) 'Regional Integration in Sub-Saharan Africa', **Journal of European Integration**, 18(2-3): 201-234.
- Laporte, Geert (undated), Institutional Requirements for Effective Regional Cooperation in Africa, Discussion Note (mimeo, place not specified).
- Lin, J. Y. and J. B. Nugent (1995) 'Institutions and Economic Development', **Handbook of Development Economics**. Vol. III, edited by J. Berhman and T. N. Srinivasan, Elsevier Science.
- Malam-Kandine, A. (1993), **La faiblesse des structures institutionnelles comme frein au processus d'integration regionale en Afrique de l'ouest**. Presented at the International conference on regional integration in West Africa, 11-15 January, Dakar, Senegal.
- Melo, J. E. and A. Panagariya (eds.) (1993). **New Dimensions in Regional Integration**. Cambridge: Cambridge University Press.
- Nabli, Mustapha and J. B. Nugent (1989). **The New Institutional Economics and Development: Theory and Applications to Tunisia**. Amsterdam: North Holland.
- Ntumba L.L (1997) 'Institutional Similarities and Differences: ECOWAS, ECCAS, and PTA', in Real Lavergne, (ed.) **Regional Integration and Co-operation in West Africa: A Multidimensional Perspective**. IDRC, Ottawa, Canada.
- Nugent J. B. (1989) 'Collective Action in Tunisia's Producers Organizations: Some Variations of the Olsonian Theme', in M. K. Nabli and J. B. Nugent, (eds.) **The New Institutional Economics and Development**. Amsterdam: North Holland.
- Olson, Mancur (1965). **The Logic of Collective Action**. Cambridge, MA: Harvard University Press.

- Real Lavergne, (ed.), (1997). ***Regional Integration and Co-operation in West Africa: A Multidimensional Perspective***. IDRC, Ottawa, Canada.
- Soderbaum, F. (1996). ***Handbook of Regional Organizations in Africa***. Uppsala, Nordiska Afrikainstitutet.
- Teunissen, J. J. (1996). ***Regionalism and the Global Economy : The Case of Africa***. The Hague: FONDAD.
- Udehn, Lars (1996). ***The Limits of Public Choice: A Sociological Critique of the Economic Theory of Politics***. London and New York: Routledge.
- UNCTAD (United Nations Conference on Trade and Development) (1996). ***Handbook of Economic Integration and Cooperation Groupings of Developing Countries***. Vol I, UN, New York.
- World Bank (1998/99a). ***African Development Indicators***. Washington: Washington D.C.
- World Bank (1998/99b). ***World Development Report***. Washington: Washington D.C.