



African Continental Free Trade Agreement and the future of regional economic communities

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It is curious that the African Continental Free Trade Agreement (AfCFTA) has come into force ahead of the Tripartite Free Trade Agreement.

There are also numerous free trade agreements, including those involving the regional economic communities, as well as customs unions and monetary communities. Africa has had lots of free trade agreements since the 1991 Abuja Treaty resolved that regional economic communities are the building blocks towards the African Economic Community. Actually, it was envisaged that the Tripartite Free Trade Agreement could be a bedrock for a Continental Customs Union.

The Tripartite Free Trade Agreement was initiated five years ago. It is made up of member states of three regional economic communities, namely the Common Market for Eastern and Southern Africa, the East African Community and the Southern African Development Community. Recent estimates indicate that Tripartite Free Trade Agreement members represent 53% of the African Union membership because additional countries (South Sudan, Tunisia and Somalia) have joined. This pushes up the continental gross domestic product contribution of Tripartite Free Trade Agreement members to 60% and the total population is now above 800-million.

It is expected that the Tripartite Free Trade Agreement will come into force this year. Then what of the AfCFTA?

Arguably, the many free trade agreements and the large number of regional economic communities pose a threat to the AfCFTA. The free trade agreements that subregions and countries in Africa enter into with other countries or regions outside Africa are also a threat to the AfCFTA; all efforts of African countries should be focusing on boosting intra-African trade. In the meantime, focus should be on ensuring that regional economic communities work better and the technicality that none of the existing customs unions are conterminous with free trade agreements of regional economic communities should be addressed.

As a lasting solution, more thought needs to be given to what the AfCFTA says as far as regional economic communities are concerned. Realistically, because it does not seem feasible to readily “absorb” the regional economic communities into the AfCFTA, largely because many regional economic communities have significantly deepened integration among other issues, an ideal AfCFTA implementation modality should ensure a mutually reinforcing relationship between the AfCFTA, the Tripartite Free Trade Agreement and free trade agreements of the regional economic communities. The implementation of the AfCFTA should also resolve the future of existing customs unions and monetary communities.

There are many complexities that hopefully have been addressed. What is the real future of regional economic communities? What is to become of existing customs unions and monetary communities? What would be an ideal interface between the Tripartite Free Trade Agreement and the AfCFTA? How would the AfCFTA be financed? Difficult decisions need to be made regarding institutional capacities and processes aimed at setting up various bodies in the regional economic communities. This is over and above technical issues that have not been resolved, including rules of origin, improving manufacturing value added, preferential trade and most-favoured nation principle.

Regarding regional economic communities, it might very well be that we must go back to the Lagos Plan of Action and the Abuja Treaty for a clear understanding of what a “region” consists of. Seemingly, there are a lot more regional economic communities than we should be having if we strictly follow the Abuja Treaty’s definition of a region. In fact, a critical political exercise that is overdue should have been to revisit the Abuja Treaty, including the phases or timeframes given for establishing the African Economic Community. More thinking should be going into ensuring that we bring about a continental customs union and ultimately one Africa.

The United African States is in the making. As a result of the 1884-85 Berlin Conference, Africa is made up of dysfunctional microstates instead of nation states. Essentially, no African country is functioning properly. A political federation of African countries into a single African nation would also expand economies of scale. Most importantly, one big African country would have a much bigger population and stronger political and economic power that would better influence global affairs. Ultimately, the United African States would resolve many difficulties that disparate African countries — even as regional economic communities — cannot solve because many of the problems are political rather than economic or legal.

Perhaps the speedy ratification of the AfCFTA — overtaking the Tripartite Free Trade Agreement — demonstrates impeccable efforts towards regional integration that have not been witnessed in a while in Africa. That said, regional integration in Africa has mainly focused on economic co-operation. The AfCFTA is also largely an economic initiative, but it has great potential as a step towards the unification of African countries. Besides the liberalisation of trade and the removal of barriers to trade, the AfCFTA should also be a political instrument to advance the much needed inclusive development in Africa.

An alternative model of regional integration that I have argued for is one that is pan-African in nature, having a political agenda that is grounded in African nationalism. This approach is not purely an economic affair that aims at increasing market access and associated factors, but rather an approach that is underpinned by the political unification of Africa.

It is important that critical issues regarding the AfCFTA are urgently addressed so that its implementation is successful. For instance, the view that there would either be convergence or absorption of regional economic communities into the AfCFTA needs to be unpacked. It might very well be that regional economic communities would ultimately cease to exist. Putting sufficient energies and time in making the AfCFTA succeed, ensuring that the African Economic Community happens and establishing a continental customs union would greatly help towards a United African States. The single African nation is the only permanent solution to the many challenges confronting the continent.

Work on how the United African States would look like is gaining momentum. It is envisaged that Caribbean countries would be part of it. This will happen in our lifetime.