The African Union and Challenges of Economic Integration in Africa

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Abstract: *The unsatisfactory attempts by the African States to foster formidable Economic integration through the instrumentality of the Organization of African Unity (OAU) in the 1980s and early 1990s via the Lagos Plan of Action(LPA) and the African Economic Community (AEC) in addition to the challenges of globalization gave rise to the establishment of African Union (AU). The launching of the African Union (AU)in 2002 was a bold step towards the economic and political unification of Africa in a bid to fast track its integration process given the robust content and context of the Constitutive Act establishing it. Despite the structural and institutional reformations, AU's responses on African integration seem not to have yielded the desired results. It is more worrisome that after a decade and seven years of AU's establishment, Africa is still grappling with problems of economic and socio-political developments The study was designed to evaluate the African Union's activities on African integration process. Specifically, the study investigated the fundamental problems that undermined the economic integration of Africa under AU's watch. The study predicated the evaluation on the basic propositions emanating from the Dependency theory. Basically the paper contextualized the major concept of the study which is the Economic integration. Being qualitative in nature, secondary sources of data collection via documentary method was adopted. The paper argued, inter alia, that though there were many challenges to AU's integration economic integration process, the decisive obstacles to African economic integration are rooted in her subordination of sovereignty and dependence on different European countries for protection and development. The study concluded that though there were challenges to African economic integration under AU's watch, however, Africa still parades huge potentials in human and material resources for synergistic economic integration and development of the continent.*

Keywords: Integration, Economic Integration, Development, Challenges

1. INTRODUCTION

Integration is no longer a simple question of propriety; it is an inevitable strategy of survival and development. The rhythm of globalization sustained by the tidal wave of economic liberalization and disparities in the share of projects have made it a matter of emergency for African countries to hold each other's hands if they wish to expand, strengthen, and integrate their economic area (Salim, 2014) as well as achieve social cohesion and political unity.

Integration as a framework for the development of continents all over the world through the formation of regional blocs and groupings became the more prominent feature of world politics after the end of the Second World War. Thus, Europe transformed their European Economic Community to European Union (EU); America has North American Free Trade Area (NAFTA), while the Asian region has the Association of South-East Asian Nations (ASEAN). Africa, therefore, in these common races for development through regional integration, established the Organization of African Unity (OAU), which was later transformed to African Union in 2002. The African integration process, however, was different from that in other countries or regions. It began with a drive to political integration. This is quite understandable considering the peculiar situation of Africa. Africa's experiences in slavery, colonialism, neo-colonialism and general dominations and exploitations of African people in the world gave room for Pan African activities that tended to uphold African culture and civilization and resist any form of suppression of Africans anywhere in the world. The formation of the Organization of African Unity (OAU) on May 25, 1963, became a manifestation of this Pan-African movement of the 21st century (Agbaenyi, 2016).

The OAU was, therefore, finally established as a political organization to speed up political liberation. Its organs, including the General Secretariat, were designed and evolved to undertake political activities, including advocacy. Although the OAU Charter recognized the need for economic cooperation and commits its members to economic integration, it was designed more to handle political issues with an overall central objective to free Africa from the vestiges of colonialism.

Having achieved to a great extent, the political agenda particularly the total eradication of colonialism and apartheid in Africa, the need to face the problem of development became the major focus. This, therefore, requires a more formidable continental supranational organization whose institutional framework is structurally repositioned for a higher form of cooperation and integration that will meet the aspiration of Africa for greater unity and solidarity.

Africa, therefore, entered the realm of economic integration in the 1990s. Several factors culminated in the African leaders' renewed bid to embrace deeper regional integration. The most decisive was the need to overcome the challenges and constraints to consolidating the regional integration process in Africa through economic and structural reform of OAU which received attention with the Abuja Treaty; the treaty establishing the African Economic Community (AEC). The AEC marked the beginning of what scholars see as a significant but complex road toward full economic integration for Africa (Asante, 2001; Kenates, 1999).

This paper therefore aimed at evaluating the challenges to Africa Union's efforts in economic integration of Africa. The study is therefore divided into six sections as follows: Introduction; Contextualizing economic integration; Theoretical perspective; Challenges to AU's economic integration; and Conclusion

2. CONTEXTUALIZATION OF ECONOMIC INTEGRATION

Etymologically the word integration was first employed in economic industrial organization to refer to combinations of business firms through economic agreements, cartels, concerns, trusts and mergers- horizontal integration referring to a combination of suppliers with customers (caculemus.org). In the current sense of combining separate economies into large economic regions, the use of the word (economic) integration can be traced to the 1930s and 1950s. FritzMachlup credits El Heckscher, Herbert Guedicke and Gerkvon Eyern as the first users of the term economic integration in its current sense (Fritz, 1997).

Michel (2012) posits that the term economic integration is specifically meant to refer to either regional economic integration or international economic integration. Whereas international economic integration is synonymous with globalization, regional economic integration limits economic integration to a particular region. Suffice to mention that GATT, WTO, IMF and World Bank are classical cases of global economic organizations.

Economic integration is seen as an agreement among countries in a geographic region to reduce and ultimately remove tariff and non-tariff barriers to the free flow of goods or services and factors of production among each other (calculemus.org.pdf). It involves the process of trade, economic and financial convergence of integrating states. It is also referred to as the unification of economic policies between different states through the partial or full abolition of tariff and non-tariff among them before their integration. This is meant in turn to lower prices for distributors and consumers to increase the level of welfare while leading to an increase of economic productivity of the states (caculemus. Org.pdf). The import of this definition is that economic integration occurs when two or more nations undertake policies that result in greater mutual economic cooperation and interdependence. McCormic (1999) elaborating this viewpoint conceives economic integration as the process by which different countries agree to remove trade barriers between them. Trade barriers can be tariffs (taxes imposed on imports to a country), quotas (a limit to the amount of a product that can be imported) and border restrictions. For example, Canada, Mexico, United States have formed the North American Free Trade Agreement (NAFTA) which reduces trade barriers between the three countries.

A comprehensive illustration of economic integration is given by Chayun Tanti in the table below:

NAME	YEAR	CURRENT MEMBER	LIBERALIZATION/INTEGRATION
APEC (21)	1989	US, Canada, Mexico, chills, Peru, China, H.K, Taiwan, Japan, S. Korea, Russia, ASEAN 7(Indonesia, Malaysia, Philippine, Singapore, Thailand, Brunei, Vietnam, Papua, New Guinea, Australia, New Zealand	Free trade and investment by 2010 for industrialized countries by 2020 for developing countries
ASEAN (10)	1967	Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei , Vietnam, Laos, Myanmar, Cambodia	AFTA(ASEAN free trade area) by 2003
EU (25)	1973 (1958)	Germany, France, Italy, Belgium, the Netherlands, Luxembourg, Denmark, UK, Ireland, Greece, Portugal, Spain, Australia, Finland, Sweden, Cyprus, Czech, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Wales, and Slovenia	Single market and custom union economic monetary union by 1999
NAFTA	1994	US, Canada, Mexico	Free Trade Area

Sources: Chayun (2018) Economic integration, available at http://eco.tu.archan/chayunt/sited/...07economics%integration.pdf

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In another dimension, Michel (2012) observes that economic integration had been referred to as establishing and developing ties between countries that may not necessarily have geographical linkage. As could be seen in the ChayunTanti illustration in the table above, APEC cut across a particular geographic region. It involves both the American continent, Asia and Australia.

Another example of such tie is the South Africa-EU Trade and Development Cooperation Act (TDCA) and the EU-ACP (Africa, Caribbean and Pacific) Economic Partnership Agreements (EPAs), which are envisaged to begin in January 2008 (Michel 2012). Notably, economic integration is widely accepted as the most viable means of fostering socio-economic development in Africa. This study strongly agrees with this view. Giving credence to this assertion, Bela (2013) points out that the economic rationale for the increase of trade between member states of economic unions rests on the supposed productivity gains from integration. This is one of the reasons for the development of economic integration on a global scale; a phenomenon now realized in continental blocs such as ASEAN, NAFTA, SACN, the EU and proposed intercontinental economic blocs such as the comprehensive economic partnership for East Asia and the transatlantic Free Trade Area.

In addition to the above, Chayun (2018) identifies other benefits of economic integration to include:

- Trade and investment creation; cheaper import from member countries.
- A larger market attracts investments
- Improve efficiency via competition from abroad.
- Increase negotiation in WTO.

This study aligns with the view that Africa stands to gain based on the above advantages if the process is properly harnessed. Besides these economic benefits, the primary reason why economic integration has been pursued in practice is largely political. Bela (2013), in Chayun, (2018) buttresses this view when he argues that the European Economic Community was created to integrate France and Germany's economies to the point that they would find it impossible to go to war with each other.

However, regional economic integration is characterized by the establishment of joint institutional mechanisms and a degree of shared sovereignty. The implication of this is that states stand to incur certain costs.

In addition to the loss of sovereignty, other identified costs include:

- Trade and investment diversion: change from cheaper sources outside the group to more expensive sources within the group.
- Tax revenue is forgone.
- Loss of autonomy in trade policy
- Unequal distribution of benefits among members.
- Dependence on particular export markets.
- Complex trade relationship and burden on customs.

(Chayun, eco. tu. ac.th/archan/chayunt/site)

Three fundamental factors that have an influence on the pattern and pace of economic integration in its entire important dimension were identified by Mussa (2000) as;

- Through human migration
- Through trade in goods and services
- Through the movement of capital and integration of financial markets.

The degree of economic integration was equally categorized by Bela (2013), Chayun (2018), and Balassa (1961). Though Balassa restricted it to five, this study aligns with Bela (2013) categorization for its comprehensiveness in the stages of economic integration. They include;

1. Preferential Trade Agreement (PTA); lower tariffs for specific countries (British Commonwealth).
2. Free Trade Area (FTA); lower tariffs among members but tariffs rates for non-members are not the same (AFTA, NAFTA).
3. Customs Union; lower tariffs for members and common tariff rates for non-members (Benelux)
4. Common Markets; same as 3 and common trade money and free factor mobility (EC 1958-1993)
5. Economic Union; same as 4 and common economic policies (EU 1993)
6. Economic and Monetary Union; same as 5 and same currency (EU)
7. Complete integration or political union

Suffice to point out that monetary union is the most crucial stage of economic integration. It involves the establishment of fixed exchange rates between the currencies of member states, along with the harmonization of monetary and fiscal policies. This stage involves the acceptance of a common currency administered by a supranational authority. While the EU, the model for AU has attained this level, Africa at the moment is without a common currency and is faced with risk for various floating exchange rates for

currencies that are not convertible. An optimum currency area (OCA), which is a currency area that affords the most efficient adjustment process in response to both internal and external disturbances, is ideal. Factors that influence the size of an OCA include the degree of mobility of factors of production, as well as the degree of capital mobility, particularly financial capital. Other properties of an optimum currency area include price and wage flexibility, economic openness, diversification in production and consumption, similarity in inflation rates, fiscal integration and political integration (Mongelli, 2005 cited in Michel, 2012).

In its complete stage (the sixth stage), the responsibility of an economic policy is transferred from the governments of individual member countries to a central authority representing the entire economic union. In other words, a sovereign nation would be expected to relinquish its right to establish an independent national economic policy. This process would include a much greater degree of involvement than a monetary union on its own, as a complete economic union implies forfeiture of policy-making prerogatives by the national government to a supranational authority. In other words, because of the degree of cooperation needed for the successful operation of a full economic union, both financial and political institutions representing the entire union would have to be established.

The possibility of Africa attaining this stage i.e. monetary union may be difficult because it involves ceding a percentage of the countries' power to take decisions on African union. Given the above scholarly prognosis, economic integration could be seen as voluntarily cooperation between and among sovereign states to achieve the removal of obstacles to their mutual economic relations for their symbolic developments.

3. THEORETICAL PERSPECTIVE

The study anchors on dependency theory as a frame work of analyzing the problems and challenges of integration in Africa. Dependency theory is also known as Underdevelopment theory/the radical School of thought / the Neo-Marxist theory. It came as a direct response to the shortcomings of Modernization theory in explaining why the core is developed and the periphery is underdeveloped.

Dependency first and foremost is conceived as a form of socio-political and economic relationship that exists between unequal entities in which one (the dominated) is made to perpetually rely on the other (the dominant). Dependency, therefore, characterized the international system as comprised of two sets of States- dominant/dominated, Centre/periphery, or Metropolitan/Satellite. The dominated States are the advanced industrial nations in the Organization of Economic Co-operation and Development (OECD). The dependent States includes- Africa, Latin America and Asia which have low per-capita GNPs and rely heavily on the export of a single commodity for foreign exchange earnings (Santos, 1970). The import of this is that dependency is a relationship of great imbalance or disequilibrium that exist between unequal economies of the dominant and dominated, created and perpetuated by the dominant to the detriment of the dominated.

The dependency theory is traced to the influence of the philosophical considerations and postulations of the radical scholars like Karl Marx, Fredrick Engels, and V.I. Lenin on the Neo-Marxist scholars of Latin America and the later third world scholars from Asia and Africa. The theory arose as a reaction to modernization theory, an orthodox theory of development. Historically dependency originated with the two papers published in 1949 by Hans Singer and Rule Prebisch, in which they observed that the terms of trade for underdeveloped countries relative to developed countries had deteriorated over time. And that the underdeveloped countries were able to purchase fewer and fewer manufactured goods from developed countries in exchange for a given quantity of their raw materials exports. This theory is known as the Singer- Prebisch thesis articulated under the guidance of Prebisch, an Argentine economist and the then director of the United Nations Economic Commission for Latin America (Obiukwu and Abaneme, 2016).

Prebisch and his colleagues were troubled by the fact that economic growth in the advanced countries did not necessarily lead to growth in the poorer countries. So these postulations brought to the fore an alternative explanation to the poverty of underdeveloped nations. Other scholars such as Paul Barran, Andre Gunder Frank, Osalvdo Sunkel, Dos Santos, Hellio Jaguiribe, Frank Bonilla, Immanuel Wallestein and others joined the debate and expanded the theory through their various works on dependency.

Dependency theory, therefore, became popular in the 1950s, and 1960s, as an attempt to explain the present underdeveloped state of many nations in the world by examining the patterns and by arguing that inequality among nations, is an intrinsic part of those interactions (Ferraro, 2008 in Obiukwu, and Abaneme, 2016).

The dependency theory is known for the following basic assumptions among others: -

- The main objective of dependency theory is to debunk the modernization theory, which held that all societies progress through similar stages of development, that today's underdeveloped areas are thus in a similar situation to that of today's developed areas as at some time in the past and therefore the task in helping the underdeveloped areas out of poverty is to accelerate them along this supposed common path as investment, technology transfer and closes integration into the world

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system. Dependency, therefore, rejected this view, arguing that underdevelopment is not a merely primitive version of developed countries, but have unique features and structures of their own, and importantly are in a situation of being the weaker members in a world market economy (Newsschool,2009 in Igwe, 2011).

- Dependency theory also opposed the argument of modernization theories that blamed the underdevelopment of the third world nations including Africa, on internal factors. According to dependency theory, it was pointless to try to locate within a country the reasons for its own underdevelopment, since those reasons lay outside the country's boundaries. More precisely, the causes of underdevelopment were related to the relationship between the developed and underdeveloped countries as development and underdevelopment were joined by a common link "exploitation" (Igwe, 2011). The theory maintains that the export of capitalism by the West to other parts of the World and its resultant colonialism cum neo-colonialism is responsible for the underdevelopment and dependency of the Third World. (Micha, et al, 2017)

- The theory equally maintained that the world system is somehow shaped by the Centre countries to suit their own purposes. This might reasonably be said of the role of the major countries, imperialism in the traditional sense was exactly the reshaping of the world to suit the dominant imperial powers, and it is entirely possible to claim that imperialists' powers continue to exert political dominance after formal independence or over countries that have never been formally subjugated (Brewer, 2001).

- The central thesis of dependency theory is that there is a dialectical relationship between development and underdevelopment. In other words, development and underdevelopment are two different sides of a universal historical process (Okereke and Ekpe, 2010). Development and underdevelopment are two sides of the same coin in the sense that they are inevitable outcomes and physical manifestations of the World Capitalist system and its inherent contradictions and exploitations (Micha, et al, 2017).

- That the monopolistic distribution of power in the global economic system makes it extremely difficult for the third world countries (Africa) to break out of economic dependence, class contradiction engenders the unity of purpose and the efforts which are needed to tackle the problems of dependence (Ake, 1981).

- Underdevelopment is not therefore of the original backwardness or natural tendencies, it is a result of the imposition of a particular pattern of specialization and exploitation in the periphery countries (Brewer, 2001). And that the wealthy nations actively perpetuate a state of dependence by various multifaceted means such as economies, education, culture and sports, banking and finance, media control, and politics (NewsSchool, 2009) Consequently resource flow from a "periphery" of poor and underdeveloped states to a "core" of wealthy states enriching the wealthy states at the expenses of the poor ones. Therefore, they contend that poor States are impoverished and rich ones enriched by the way the poor ones were integrated into the world system.

- Dependency school of thought, therefore, recommends that the only way the Third World can achieve development is to "delink" their economies from their source of exploitation and underdevelopment which is the International Capitalist Economic System, and chart a new path to development which should be built on socialist principles rather than on the foundation of exploitation of one country by another which capitalism advances (Micha. et al, 2017).

4. CHALLENGES TO AFRICAN UNION'S ECONOMIC INTEGRATION PROCESS

Colonial Legacy (Imperial influence): Imperial legacy or influence created a foundational problem to African development and integration. Colonialism in particular fettered the development of the enslaved people of Africa. To facilitate colonial exploitation, the imperialists deliberately hampered economic and cultural progress in the colonies; preserved and restored obsolete forms of social relations, and fomented discord between nationalities and tribes in African societies.

The countries and peoples of the continent face many similar colonial experiences and challenges concerning regional economic and political integration. Virtually all African countries were subjugated, conquered and colonized except Ethiopia which equally faced humiliation from regular Italian invasions.

The 53 member states of the African Union were all colonized by different European imperialists. Only Ethiopia was not completely conquered and directly colonized. Even at that, Ethiopia was subjected to several invasions by Italy during historic Abbysian invasions in Africa.

Trade, colonial domination and capitalist investment integrated Africa into the capitalist market system. Throughout the period that Africa has participated in the capitalist economy, two factors have brought about underdevelopment which is the major factor of the integration problem in Africa. In the first place, the wealth created by African labour and from African resources was grabbed by the capitalist countries of Europe; and in the second place, restrictions were placed upon African capacity to make the maximum use of its economic potentials- which is what development is all about (Micha, et al, 2017). In other words, African economies were integrated into the very structure of the developed economies in a manner that remains unfavourable to Africa and ensures that Africa is dependent on capitalist countries. Indeed, this structural dependence is one of the key factors that undermine regional integration in Africa. So the question of why Africa finds it difficult to achieve desirable integration can be answered thus; firstly, the answer is that the operation of the imperialist system bears major responsibility for African economic and political retardation by draining African wealth and by making it impossible to develop more rapidly the resources of the continent. Secondly, structural dependence and unequal trading systems have been imposed on Africa by Europe from the mid-fifteenth century onward. The implication is that African countries have never built up sufficient national wealth to invest in their infrastructure (roads, rail, and electricity) and industry which are necessary facilitators of development and integration.

Europe's past and present exploitation of Africa played and continues to play a significant role in Africa's crisis of development and desirable integration. Before Europeans arrived in Africa, Africa had vibrant economic, social and political structures. These were severely disrupted by the Europeans to create wealth for themselves. Colonialism has impacted the political and economic conditions of contemporary Africa. As is well known, Africa has had prolonged and extensive contact with Europe, and one has to bear in mind that contact between different societies changes their rates of development (Micha, et al, 2017).

A fundamental legacy hoisted on Africa by the various colonial administrations is the issue of geographical fragmentation, also known as balkanization and partition of Africa sequel to the Berlin Conference. This resulted in the creation of 53 sovereign states in Africa with a broad range of languages and economic and social policies before the end of colonial rule. Many of these countries have very small economies: in contrast 2000 dollars, the GDP of the median African economy is USD 5.2 billion. On average, each country has four neighbours, and 15 African countries are landlocked. But for the perverse manner of territorial acquisition and rule by the colonial administrations, economic integration would have allowed small economic entities to benefit from the scale created by unified markets and improve resilience by leveraging common capacities to respond to individual vulnerabilities. However, on the contrary, the effect of geographical fragmentation in Africa is amplified by the fact that African countries trade very little among themselves. Intra-African trade was 10 per cent of Africa's total trade in 2009, a relatively small share compared with other developing country regions such as America (22 percent) and Asia (50 percent) (AU, 2010).

Apart from geographical fragmentation, political balkanization and simulation of boundary disputes, other colonial factors contributed to the problem of economic and political integration of Africa. These include: distortion and disarticulation of African economies, a colonial trade system designed to channel resources from Africa to Europe; poorly diversified economies that produce similar products across countries; ill-suited trade policies such as limited access to African entrepreneurs, poor infrastructures as created by the colonial administrations which were tilted to mere points of extraction of raw materials and allied primary products for European industries. This adverse foundational colonial heritage has negatively affected the post-colonial trade policies and policy reforms and adverse consequences such as poor intra-African infrastructure and limited access to finance and regional payment mechanism(UNDP,2011). This obstacle has been the most significant challenge to every attempt at achieving desirable economic integration in Africa.

Financial Resources Constraint: Funding has been a perpetual source of frustration for the AU's project of economic and political integration. Not only are membership fees too inadequate to carry the cost of the AU's ambitious agenda, but the financial burdens placed on member states to support the AU are not equally distributed (South African Online,2017). In this context, Member States fail to meet their commitments to the AU. At present, five member states are solely responsible for a whopping 75% of the budget of the AU. These include; South Africa, Nigeria, Egypt, Libya and Algeria, which each pay 15% of its national budget (See table 1). In light of the serious effects of the so-called 'Arab Spring' or 'Arab Revolutions', and how they have weakened both Egypt and Libya, it is unclear whether these states will continue to meet their commitments to the continental body. 49 other African countries together account for only 25% of the AU's budget, yet many of them are in arrears with their continental commitments (Landsberg, 2019). Clark (2008) hinted that the primary challenge facing Africa's capacity in conflict resolution is the lack of material resources necessary to initiate, deploy, and maintain adequate force levels over prolonged periods or in multiple locales. Lack of adequate finance for AU's funding of its projects such as infrastructural development and establishment of strong military force that could achieve the objectives of conflict prevention and crisis management has been identified as a strong undermining factor. Most often the union relied on a diplomatic approach to crisis due to financial incapacitation. AU's development partners which include, Canada, Sweden, Germany, the Netherlands, the United States, the United Kingdom, Spain, China, and Turkey, as well as international institutions like the World Bank and European Union, constitutes two-third of AU's annual budget, this is demonstrated in the table below:

Table 1: Showing the funding of AU's Annual Budget (from Member States and Foreign Partners) 2007 – 2015 (in US $mm)

Financial year Estimate	2007 133.0	2008 140.0	2009 164.3	2010 250.5	2011 256.8	2012 274.9	2013 278.2	2014 395.2	2015 522.1
Contribution from member States (MS)	96.7	107.7	93.8	118.8	122.6	NA	122.9	137.9	147.3
Contribution from foreign Partners (FP)	36.3	32.4	57.4	133.7	134.1	NA	155.4	257.3	374,8
Difference between Member States and Foreign Partners Contributors	60.4	75.3	36.4	21.9	11.5	NA	32.5	119.4	227.5

Source: Constructed from AU Assembly and Council's Data in Engle (2015)

The above table reveals that AU's budget estimates continued to increase from 133.0 in 2007 to 522.1 in 2015. The table equally demonstrates that membership contributions were only greater than the foreign partners from 2007 to 2009. Subsequently, the foreign partner's contribution continued to dominate AU's budget funding from 2010 to 2015. This trend implies that reliance on foreign partners for budget funding does not only undermine auto-centric development but adversely affect the effective implementation of AU's economic integration programmes.

Foundational Challenges: As stated earlier the AU at its inception inherited and adopted Abuja Treaty. Though the AU-AEC's founding treaty envisages an economic integration path similar in many ways to that followed in Europe; however, unlike the EU, the AEC was conceived as a continental economic community without stringent entry requirements, as a result of which almost all African states (49 out of 55 AU members at present) joined it. Second, integration does not take place directly at the continental level, since the first stages are at the regional level, taken by the 'regional economic communities (RECs), which are (sometimes overlapping) African regional organizations. Besides, out of the six stages mapped out by the AEC for integration which (in ascending order) include: strengthening existing RECs and establishing new ones if necessary; planning the gradual removal of trade barriers; and promoting sectorial integration at intra-REC level; coordination and harmonization of activities at inter-REC level, which has been completed by five RECs; free trade area (FTA) and customs union in each REC (2017); customs union at the continental level (2019); establishment of an African Common Market (2023); African Economic and Monetary Union with a single currency issued by the African Central bank (2028); however, the integration process is only in its third stage (Free Trade Area (FTA) and customs union in each REC (2017), but some RECs lag behind (Zamfir, 2017). More so, the AU does not have the power of enforcement over the RECs, as they are not direct AEC members or parties to the AEC Treaty. Moreover, the AU can at most coordinate and oversee their efforts.

Economic Organizational Fragmentation: According to Leke (2017), Africa needs to overcome its current economic and political fragmentation because Africa today has eight different (partly overlapping) regional trade zones, but none of them includes more than half of Africa's countries. The two best-performing blocs are the East African Community and the Southern African Development Community, but they still only export 16 percent and 13 percent of goods, respectively, to trading partners within those blocs. For comparison, the equivalent figure in Association of Southeast Asian Nations (ASEAN) is around 20 percent.

Regional fragmentation hinders business activity and creates a fragmented, unproductive business landscape. The continent has few manufacturing and services hubs, which require scale to succeed. While Africa has 400 companies with annual revenues of above $1 billion, when one excludes South Africa, this number is only 60 percent of the number one would expect. The average large African company has annual revenue of $2.7 billion compared with $4 billion to $4.5 billion in other emerging economies. No African company is featured in the global Fortune 500; Brazil and India, each boast seven companies on that list (Leke, 2017).

As mentioned in chapter two of this work, Africa currently has 14 regional integration groupings, with two or more in almost all sub-regions. The overlapping membership of large groups and the existence of smaller groups within large groups have sparked a debate over what is sometimes referred to as the "variable geometry approach". Some argue that the overlap contributes to progress. For example, Lyakurwa, Mckay, Ng'eno, and Kennes (1997, p. 196) contend that "in the African context, such an approach of variable geometry could, for example, mean making genuine progress at ECOWAS level while maintaining the achievements and benefits of UEMOA. Similarly, the concepts of variable geometry and subsidiarity could also be useful in Southern Africa concerning the PTA [preferential trade area—COMESA], SADC, and SACU". But others argue that multiple memberships hinder regional integration by, among other things, leading to duplication of effort. For example, Aryeetey and Oduro (1996) quoted McCarthy as arguing that "it is difficult to envisage how SADC and COMESA, given their convergence to both sectorial cooperation and trade integration, can live and prosper with the overlapping membership of the Southern African countries". This line of thinking, premised on rationalizing membership, seems more consistent with the Abuja Treaty, which aims at continent-wide integration. The overlap

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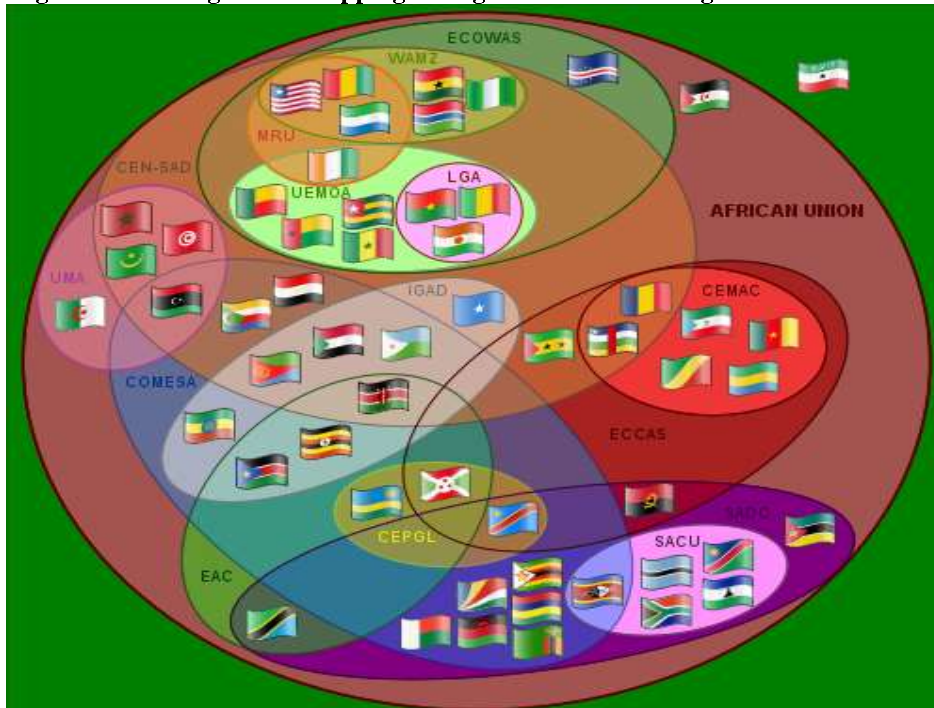
extends to the country level. Of the 53 African countries, 26 are members of two regional economic communities, and 20 are members of three. One country (Democratic Republic of Congo) belongs to four. Only 6 countries maintain membership in just one regional economic community as shown in figure 1 below.

Figure 1: Showing the overlapping of Regional Economic Organizations in Africa.



Source: African Union (2018).

In figure 1 above various African countries were represented with their countries national flag. The circular lines show the overlapping of member states to different regional economic groupings. The figure reveals that overlapping of memberships virtually cut across all the African sub-regional organizations.

Many studies on African integration have pointed to the difficulties posed by multiple regional economic communities and their overlapping membership. In all African sub-regions, several regional economic communities pursue essentially identical mandates and objectives, leading to wasteful duplication of effort. The overlap among regional economic communities also tends to dissipate collective efforts towards the common goal of the African Union. Moreover, it tends to muddy the goals of integration and lead to counterproductive competition among countries and institutions. The overlap among regional economic communities also adds to the burdens of member states. A country belonging to two or more regional economic communities does not only face multiple financial obligations, but must cope with different meetings, policy decisions, instruments, procedures, and schedules. Customs officials have to deal with different tariff reduction rates, rules of origin, trade documentation, and statistical nomenclatures. The range of requirements such as multiplies customs procedures and paperwork are counter to trade liberalization's goals of facilitating and simplifying trade (ECA, 2004).

The above challenge could still be exemplified by looking at the implementation of Common External Tariff by some RECs. In this regard, implementing the Common External Tariff (CET) has been challenging to States when it comes to economic integration in Africa. Customs valuation procedures have been varying, resulting in different computed values for taxation. Since 2005, Uganda has produced a list of industrial products that are exempted from the CET. A similar list of industrial inputs is in place for Rwanda and Burundi. Moreover, the United Republic of Tanzania, as a member of both the Southern African Development Community (SADC) and the East African Community (EAC), has taken integration commitments in both regional contexts, thereby having to implement two CET, one being for EAC and the other for SADC. Likewise, the remaining four members of the EAC are also members of the Common Market for Eastern and Southern Africa (COMESA), thus facing similar challenges as the one encountered by Tanzania in terms of multiple commitments taken in the contexts of various integration agendas. Moreover, the EAC has undergone great efforts to eliminate Non-Tariff Barriers. Similar efforts have been undertaken at the SADC and COMESA levels, where national and regional structures to monitor and curb Non-Tariff Barriers (NTBs) are in place and have attracted genuine

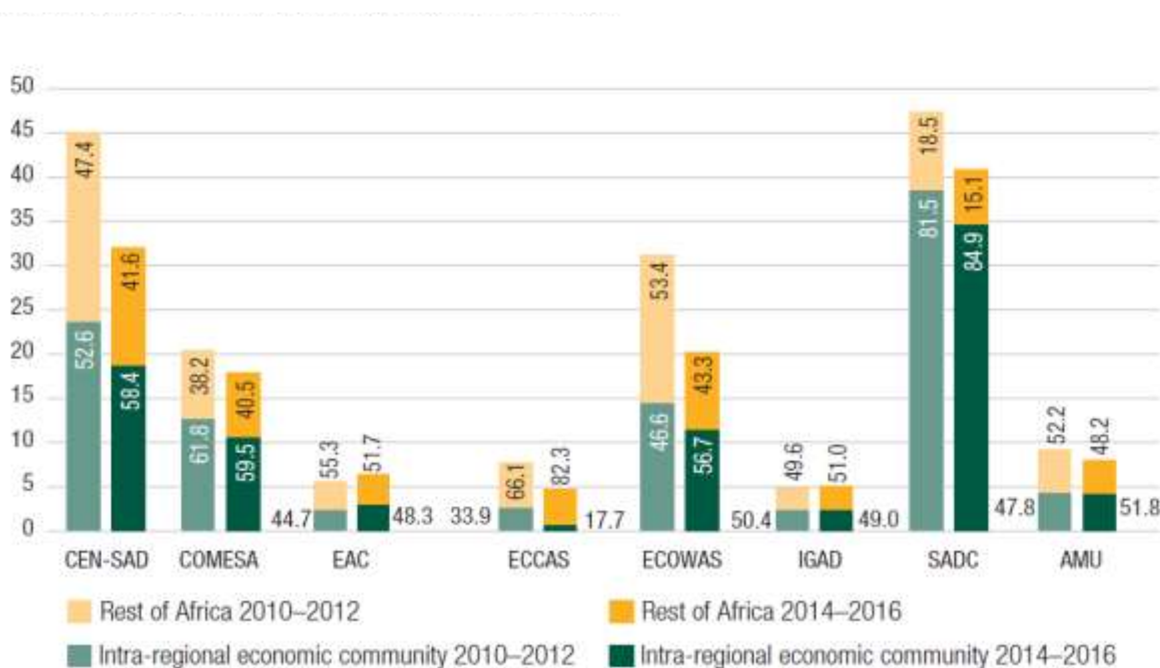
cooperation between the public and private sectors. Despite these measures, however, several NTBs is remaining in the EAC as well as in COMESA and SADC while some have been eliminated, others are mushrooming up. Thus, challenges to economic integration are still escalating making Africa remain underdeveloped (Mufundisi, 2019).

United Nations Conference on Trade and Development (UNCTAD) Report on Economic Development in Africa (2019) affirmed the abysmal impacts of the regional communities on the continents integration process. According to the report, there are eight regional communities in Africa, yet the share of intra-African trade remains low, at around 14.8 percent in 2017. Figure.2 below shows a comparison level of trade in the communities.

The figure reveals that in 2016, intra-regional economic community trade was highest in SADC($34.7billion), followed by CEN-SAD ($18.7 billion), ECOWAS ($11.4billion), COMESA ($10.7billion), AMU ($4.2billion), EAC ($3.1billion), IGAD ($2.5Bbillion), and ECCAS ($0.8billion). Concerning the share of intra-regional economic community trade in total trade in Africa, in 2016, the figure reveals that there were deeper levels of integration in SADC (84.9 percent), followed by COMESA (59.5 percent), CENSAD (58.4percent), AMU(51.8percent), IGAD(49.0percent), ECOWAS (56.7), AMU(51.8percent), IGAD(49.0percent), EAC(48.3percent), and ECCAS (17.7 percent) (UNCTAD, 2019). The document revealed that the level of intra-regional economic trade in Africa differs between communities, reflecting economic factors such as differences in stages of industrial and economic development and degrees of complementarity in production structures; differences in state of political relationship among member countries; and varying levels of political commitment towards the implementation of agreements underpinning the regional economic communities,

The import of this demonstrates that progress towards the regional integration of Africa has been uneven to date, with some countries fairly well integrated at the regional and sub-regional levels and others much less so. But the cumulative progress has been abysmally low.

Figure 2: Showing Intra-regional economic community trade in Africa, 2010-2012 (Billions of dollars and percentage of total



African trade)

Low Intra-Africa Trade and Economic Growth: There are three major categories of obstacles to intra-trade in Africa, namely, weak productive capacities, and limited economic diversification, which constrains the range of intermediate and final goods that can be traded and potentially inhibits, the fuller development of regional value chains; tariff-related trade costs, associate with the slow implementation of the tariff liberalization schedules; underpinning free trade agreements, and high non-tariff related trade costs that hamper the competitiveness of firms and economies of Africa. Such high trade costs, related to business and trade facilitation,

can be explained in terms of the hard and soft infrastructure deficits in Africa that have an impact on transport and transit costs and at –the-border and behind-the-border costs (UNCTAD, 2009, UNEC for Africa, 2017 cited in UNCTAD, 2019).
Africa, which covers approximately 30 million square kilometres, is the second-largest continent in the world; however, when viewed from the perspective of its economy, Africa is quite small. For instance, in 2010, its gross domestic product was approximately$1.6 trillion, compared with the U.S.'s $14.5trillion GDP. Given these small economic dimensions, the commercial engagement between African countries is such that does not generate optimum economic growth while not raising the standards of living for many on the continent. In effect, Africa's current internal trade is low—making up only about 10 percent of its total trade. Most of its exports go to the world's advanced economies, and most of its imports come from those same advanced economies. Other regions of the world enjoy significantly higher levels of internal trade. For the developing countries in Asia, intraregional trade as a share of total trade was roughly 17 percent in 2010; for the member countries of the European Union, the same figure was more than 60 percent. And it is particularly of concern that intra-African trade does not seem to be converging to these international levels; in recent years, it has been marked by only marginal improvements (Kimenyi, Lewis & Routman, 2012).

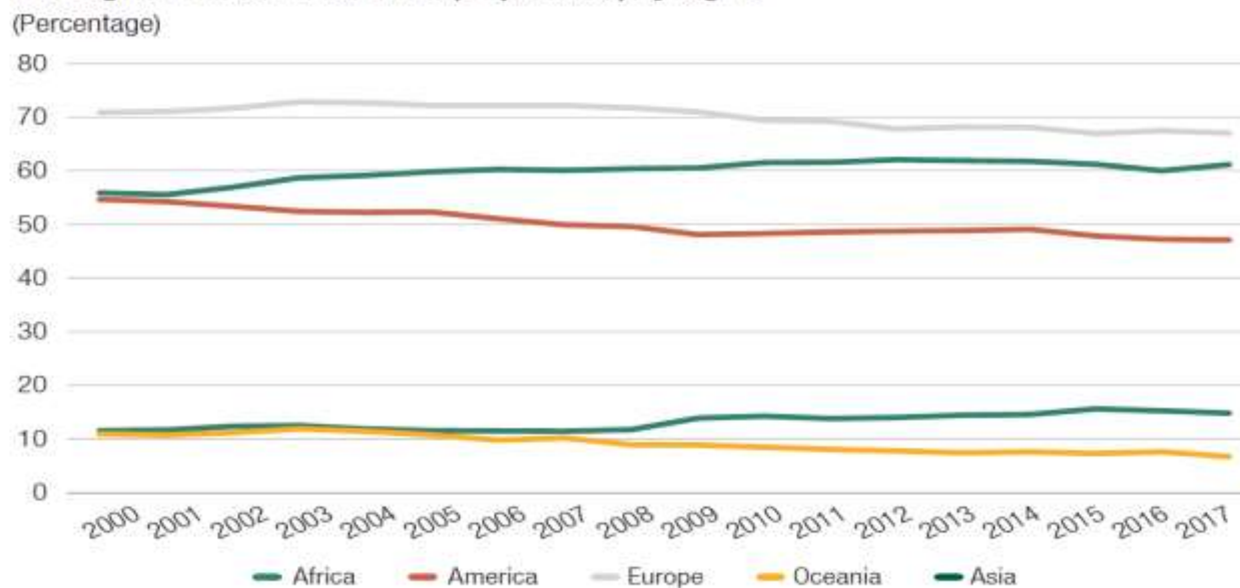
Even at that, the low officially designated intra-African trade could be attributable to widespread informal trade activities, which is not captured by official statistics on the continent. For instance, it has been estimated that Uganda in 2006 exported $231 million worth of goods, informally, to the five countries that border it—an amount that is roughly 86 percent of its official export volume to these states (Lesser & Moisé-Leeman, 2009). Heavy informal trade is a rational but unofficial response to the costs and red tape involved in exporting one's products through the formal economy. Moreover, informal trade deprives national governments of tariff revenue and foreign currency, hinders their ability to form appropriate trade policies, and often triggers bribery and corruption.

Even when the volume of trade seemed to have expanded, Africa's trade was heavily dependent on extra-African regions. Notwithstanding the deceleration in global growth in 2018, output in Africa expanded by 3.4 percent, down from 3.6 percent in 2017. Though still below its potential, Africa once again ranked among the fastest-growing regions in the world, highlighting the continued resilience of its economies to negative shocks and global volatility. That resilience reflects several factors: the diversification of African trading partners in a context of expanding South-South trade, growing fixed investment, and strengthening public and private consumption that is spurred by softening inflation and expanding urban populations, and an increasingly favourable macroeconomic environment. Despite the increasing resilience of the region to global headwinds, its relative contribution to global trade remains marginal. Africa accounted for the only 2.6percent of global trade in 2018, from 2.4 percent in 2017. At the same time, while intra-African trade has improved to around 16 percent in 2018, from 5.1percent in 1980, it remains low compared to levels of intra-regional trade in other regions, including Europe and Asia. This in part reflects Africa's sources of growth, which remain largely dominated by primary commodities and natural resource extraction. These patterns of growth continue to stunt the continent's participation in the global trading system, which is largely dominated by industrial products and manufactured goods within creasing technological content (UNCTAD, 2019).

While the European Union (EU) remained Africa's main trading partner in 2018, accounting for 29.8 percent of total trade, African trade with the South has grown significantly over the last decade to become the largest component, accounting for more than 35 percent of total African trade in 2018, up from 33.6 percent in 2017. Under these changing trade patterns, China and India have further consolidated their positions as Africa's first and second single largest trading partners, respectively. These two countries together accounted for more than 21 percent of the total African trade in 2018. In addition to growing Africa-South trade, the continued improvement in the prices of global commodities sustained Africa's increase in total merchandise trade. Africa's total merchandise exports grew by 13 percent, a better performance than import growth of about 2 percent. This narrowed the region's trade deficit to US$34.2 billion, down fromUS$79.5 billion in 2017 (Afreximbank, 2019).

UNCTAD (2019) states that intra-African trade, declined as the average of intra-African exports and imports, hovered at around 15.2 percent in the period 2015-2017, while comparative figures for America, Asia, Europe and Oceania were, 47.4, 61.1, 67.1, and 7.2 percent respectively (figure 3 below). In interpreting shares of intra-African trade in total trade there is evidence to suggest that intra-African trade may be subjected to double-counting, amounting to 7 percent intra-regional economic community exports and 9 percent of intr-regional economic community imports, owing to overlapping membership (Chidede & Sandrey, 2018 in UNCTAD, 2019). The implication as revealed is that total intra-African trade is lower than 15 percent in its actuality.

Figure 3: Showing interregional merchandise trade (all products) by region



A large number of Very Small Landlocked Regional Markets: On account of regional integration, Africa is characterized by a large number of very small, landlocked markets, which are highly dependent on neighbouring countries, economically—one very significant reason for the need for regional integration. Regional economic communities (RECs) have sprung up to address this need; at present, every country in Africa is a member of at least one REC, and most belong to two or more. But these proliferating memberships in RECs may have drawbacks. Some observers suggest that multiple memberships might, ironically, be hindering regional integration and by extension, intraregional trade rather than enhancing it. They point out that multiple memberships impose high costs in time, energy and resources on African governments and force them to juggle competing regulations. This further explains why there is narrow trade volume across the African continent as against trade-in, and with other regions of the globe.

Nonetheless, some RECs have had success in achieving their stated goals and these disaggregated figures and trade disparities do not in any way augur well for the entire African Union economic integration. The Southern African Customs Union, for instance, has made significant headway in allowing for the free movement of the factors of production, in creating a common tariff on goods from external countries and in removing intraregional barriers. The West African Economic and Monetary Union has created a system whereby the macroeconomic policies of its member states are reviewed regularly, has put in place a shared accounting structure and has instituted a stock exchange that spans the region. Other RECs, however, have seen less success. The Economic Community of the Great Lakes Countries and the Economic Community of Central African States, for instance, have failed in their attempts to eliminate tariffs on products made within their respective regions. These policy outcomes (or lack thereof) have had a significant effect on the level of intra-REC trade and consequently, on intra-African trade as a whole. See table 3 below showing the disproportionate value of goods exported within the African regional economic communities in 2010 which has continued unabated.

Table 3 Regional Integration: Value of Goods Exported within the African Regional Economic Communities, 2010 (millions of dollars).

Regional Economic Community	Value
Economic Community of Central African States	382
Common Market for Eastern and Southern Africa	8,092
East African Community	1,996
Economic Community of Central African States	482
Economic Community of West African States	8,910
Mano River Union	12
Southern African Development Community	14,173
West African Economic and Monetary Union	2,250

Intergovernmental Authority on Development	1,664

Source: Kimenyi, Lewis & Routman (2012).

Challenge of Competing for Narrow Export Product and Lack of Economic Diversification: Many African countries specialize in the same products as their neighbours, especially commodities like oil and gas. With few complementary goods to exchange with each other, these countries cannot exploit the gains to be made via comparative advantage. In other words, their lack of economic diversification limits the usefulness of, and therefore the levels of intra-African trade. This was revealed in figure 4.1 (pie chart) above. That said, the reverse is also true: the lack of intraregional trade limits the abilities of these economies to become diversified (Kimenyi, et al, 2012).

Africa remains marginalized in the global trading system, with its share in world exports falling from about 6 percent in 1980 to 2.3 per cent in 2018, and its share of world imports falling from about 4.6 per cent in 1980 to 2.5 per cent in 2018. Meanwhile, intra-regional trade has improved from 5.1 per cent in 1980 to around 16 per cent in 2018 but this remains low compared with levels of intra-regional trade in Europe (73per cent) and Asia (52 per cent). The implication of this trending is that Africa continually remains marginalized in global trade. A clearer understanding of African marginalization in global trade is shown in table 4 below.

Table 4: World Merchandise Trade, 2015

Regions	**Export values in Dollars**	**World Trade**
Europe	5.6 trillion	33%
Asia	4.6 trillion	32%
North America	1.9 trillion	13%
Middle East	916 billion	6%
CIS (Russia and Ukraine)	588 billion	4%
South America	575 billion	4%
Africa	500 billion	3%
Total	14.679 trillion	100%

Source: World merchandise Trade (WTO) 2015 press release (in Micha, etal, 2017).

Table 4 above show the wide gap between Africa and other continents measured in terms of trade. The table reveals that Africa has the lowest contribution to world trade which is 3% while Europe and Asia have 33% and 32% respectively.

The gap that is seen from the above evidence is not only great, but it is also increasing. This reveals that while there is rapid and progressive growth by Europe, America and other developed countries, Africa the crux of underdeveloped countries continues in its stagnation or slow rate of growth. It is obvious from the above table and figure that in 2015, Africa contributed an abysmal 3% to global trade. In 2016 and 2017, Africa's contribution has even fallen to less than 2%. The reason is not that its goods are too small in terms of quantity, or amount of time and energy spent on their production, but because its goods are mainly primary products, which are usually underpriced by the industrialized Nations. This is unlike finished goods from the industrialized world whose prices are very high as fixed by them (Micha, et al, 2017). This perpetual weakening of the African economy is therefore a fundamental problem to the African development and integration project.

The marginalization of Africa in global trade is the consequence of several factors, most notably the continued reliance on primary commodities and natural resources for export in a world where global trade is increasingly dominated by manufactured goods with technological content. During the most recent episode of globalization, the structure and patterns of African trade were further exacerbated by premature deindustrialization, which led to a sharp decline in the contribution of manufacturing value-added to GDP across the region. Even though Africa's exports have in recent years witnessed a reorientation away from stagnating OECD markets toward emerging and fast-growing markets in the South, especially China and India, the composition of Africa's export basket has not changed significantly. Primary commodities and natural resources continue to account for a significant share of total African exports. Most African countries in the region have a commodity export dependence of more than 80 per cent, whereas industrial products and manufactured goods account for the lion's share of African imports (Afreximbank, 2019)

Heavy Dependence on Extra-Regional Markets for Imports and Exports: Regarding sources of imports, the EU remained the largest market for imports into Africa, accounting for 29.77 percent, down slightly from 29.93 percent in 2017. While Africa's exports to the EU have been falling, imports from the EU rose over the last three years. This resulted in a significant trade deficit of US$18.903billion in 2018, although lower than US$26.97 billion in 2017. Africa's imports from the EU are dominated by mining

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equipment, machinery and mechanical appliances, vehicles, electronics, bituminous substances, and products with medium to high technological context, which formed a combined share of 44.6 percent of exports in 2018. Moreover, the rise of South-South trade is changing the pattern of African trade. Since the late 1990s and early 2000s, Africa-South trade has been increasing steadily, at the expense of Africa-EU trade. The main driver has been growing trade ties between Africa and Asia, led by China and India. Africa's total merchandise exports to Asia increased by 43.9 percent to reach US$117.52 billion in 2018, from US$81.67 billion in 2015. China's share of Africa's exports grew steadily for the third consecutive year, to 14.2 percent in 2018, from 13.19 percent in 2017 and 10.61 percent in 2016, further consolidating its position as Africa's single largest trading partner. However, imports from China have decelerated, resulting in a trade deficit of US$11.65 billion in 2018, down from US$18.7 billion in 2017. India's share of Africa's exports has also seen a steady increase in the last three years, to 9.2 percent in 2018, from 8.98 percent in 2017 and 8.24 percent in 2016 (Afreximbank, 2019).

Furthermore, India has become Africa's second-largest trading partner, overtaking the United States since 2013. Africa's exports to India have been growing faster than its imports, enabling the region to enjoy a surplus that reached US$17.87 billion in 2018, from US$12.55 billion in 2017 and US$6.94 billion in 2016. The combined share of China and India in Africa's exports has expanded steadily in the last three years, to 23.32 percent in 2018, from 22.17 percent in 2017and to 18.8 percent in 2016. Raw materials and primary commodities, especially energy, metals and minerals, and agricultural raw materials continued to dominate Africa's exports to these countries, and more generally to Asia. Increasing South-South trade is also shifting the patterns of imports. The global South has been strengthening its position as a critical source of imports for Africa. This growth is driven by Asia, whose share as a source of Africa's imports grew by 23.14 percent in 2018, consistent with an increase of 23.91 percent in 2017. Africa's imports from Asia are dominated by mineral fuels, electrical machinery and equipment, machinery and mechanical appliances, and vehicles and parts, with a combined share averaging around 35.3 percent of total imports between 2016 and 2018. Asia's growing share in Africa's imports is a result of the low cost of Asian inputs and technologies, plus Asia's continued investment in, and increasing trade finance flows to, Africa. The rapid pace in the growth of Africa's exports to Asia relative to imports enabled Africa to enjoy a trade surplus with Asia estimated at US$3.03 billion in 2018, from a deficit of about US$13.1 billion in 2017 (Afreximbank, 2019).

North America remained the third-largest destination for Africa's exports, after the EU and Asia, accounting for 6.48 percent in 2018, down from 7.44 percent and 7.65 percent in 2017 and 2016 respectively. The steady deceleration in the United States' share of Africa's exports is a combination of several factors, including increasing Africa-South trade and a drastic reduction in U.S. imports of oil from Africa after the rise of shale oil production on U.S. coasts. North America's position as a source of imports for Africa also has been weakening. Its share in Africa's total imports decreased further to 5.12 percent in 2018, from 5.3 percent in 2017 and 5.46 percent in 2016. Refined petroleum used to be a major source of African imports from North America, and the continued deceleration is largely the consequence of expanding refinery capacity within the continent. Increasingly, Africa's main imports from North America are machinery and mechanical appliances, aircraft and spacecraft and other transport-related equipment, as well as vehicles. After a trade deficit of US$4.74 billion in 2015, Africa recorded a surplus in each of the last three years with North America, with the surplus estimated at US$2.5 billion in 2018 (Afreximbank, 2019).

The share of the Middle East as destination for Africa's exports decreased to 3.36 percent in 2018, from 4.3 percent in 2017. Trade relationships between Africa and the Middle East, especially with the Gulf Cooperation Council (GCC), have grown steadily in the last decade. The recent deceleration in exports is largely the result of lingering socio-political difficulties involving many countries in the Middle East, along with oil prices that remained lower than the pre-crisis level. Africa's merchandise exports to the Middle East have dominated by-products related to petroleum gases, cola, petroleum oil (not crude), gold, and diamonds. As for imports, the Middle East continued to improve its position as the third-largest source of Africa's imports, with its share expanding to 8.51 percent in 2018, from 8.07 percent in 2017. That region remained an important source of products related to mineral fuels, bituminous substances, and plastics. Africa's imports from the Middle East continued to outpace its exports to that region, resulting in a large trade deficit that expanded to more than US$ 25.44 billion in 2018, from a deficit of about US$21.2 billion in 2017 (Afreximbank, 2019).

Over the last three years, the share of Africa's exports to Latin America has remained low, although it rose by 2.49 percent in 2018, compared with 2.35 percent in 2017. This performance is largely the result of persistent economic challenges in Latin America. The difficulties were particularly pronounced in the two countries. Brazil continued to adjust following three years of recession, along with a protracted political stalemate that has been slowing the economic recovery process. Argentina struggled to achieve economic stability after its currency lost more than half of its value against the US dollar. While Latin America has accounted for the smallest share of Africa's imports, it remains an important source of sugar, cereals and meat for Africa. Africa reaped a trade surplus with the region estimated at US$426.8 billion in 2018, from two consecutive years of deficits of US$2.922 billion and US$3.28 billion in 2017and 2016, respectively. Commodities play an important role in Africa's economic development.

Dynamics in commodity markets can have a disproportionate impact on the region's output, by the composition of Africa's trade. While efforts to de-commoditize the region's exports and valorize its manufacturing base are taking root, the degree of commodity dependence in the region remains substantial, with the overwhelming majority of countries depending on minerals, ore, metals, and energy exports for reserves. Recent data show that except for a handful of countries like South Africa, Egypt, Morocco, and Mauritius, most countries in the region have a commodity export dependence of more than 80 percent (UNCTAD 2019).

The above presentation simply reveals the trade dependency, the dynamics of African trade and growth have been highly correlated with movements in commodity markets. Again it also confirmed the argument of dependency theorists that attribute general woes of Africa on overreliance on foreign partners.

Challenge of Violent Conflicts: Political tension, conflict and violence also diminish the capacity for African states to engage in intra-continental trade. These factors lead to low levels of economic growth, destroy needed export infrastructure, and slow and reverse regional integration (Kimenyi, et al, 2012). Terrorism and rising violent extremism are major obstacles to peace efforts, national integration, nation-building, and the effective management of diversity throughout the continent. From the destruction of economic infrastructures and the massacre of university students in Kenya by al-Shabab; the slaughter of villagers and the kidnapping of schoolgirls in North-Eastern Nigeria by Boko Haram; the indiscriminate killing of people at hotels in Mali and Burkina Faso; and the downing of an airliner in Egypt, terrorism and violent extremism continue to constrain the ability of Africans to live together peacefully and create the wealth that they need to fight poverty and improve their living conditions both at the national, sub-regional and at the continental levels. These affiliated and unaffiliated extremist groups, which also include the Lord's Resistance Army, al-Qaida in the Islamic Maghreb, the Islamic State, and others are just a few of the entities that threaten to derail Africa's transition to good governance and inclusive development, respect for human rights, and peaceful coexistence (Mbaku, 2016).

Fighting terrorism in the continent requires a coordinated effort at both the regional and national levels. The AU, through the Algiers Convention of 1999, has created a comprehensive counterterrorism strategy for the continent. Unfortunately, the atrocities listed above show that the AU's counterterrorism framework does not seem to be working and is not being implemented timely and effectively at the level of individual countries. In fact, in addition to the year-long delay of the Algiers Protocol coming into force, less than a third of the African countries have ratified the convention. In addition, only a few African countries have enacted national legislation and restructured their legal and judicial systems to deal with terrorism. The AU must take bold steps to make sure that the necessary steps are taken at the national level to implement policies that significantly enhance the fighting of terrorism at the continental level (e.g., processes for information sharing and consultation; harmonization of immigration policies, etc.). Of course, the AU must also make certain that national leaders do not use anti-terrorism laws to oppress and exploit innocent citizens (Mbaku, 2016).

Infrastructural Challenge: Infrastructure is and has always been a major issue for Africa, especially for Sub-Saharan countries. Like conflict, infrastructural deficiencies reduce economic growth and productivity and raise transportation costs. According to a 2010 report from the UN Economic Commission for Africa, only about 30 percent of African roads are paved and, as a consequence, "shipping a car from Japan to Abidjan costs $1,500, while shipping that same vehicle from Addis Ababa to Abidjan would cost $5,000" (UN Economic Commission for Africa, African Union and African Development Bank 2010).

Since 2014, the average score for transport infrastructure has grown by about 4 percent. According to the World Economic Forum's index of the 144 countries rated, the top five African countries for transport infrastructure were South Africa (34), Namibia (35), Tunisia (40), the Gambia (55) and Egypt (56). Still, the continent has infrastructural deficiencies that continue to hamper trade between African countries and raise transportation costs. Infrastructural deficiency in Africa is estimated to reduce firms' productivity by 40 percent (UNCTAD, 2017).

Associated with the infrastructural challenge is the challenge of poor maintenance culture of the existing infrastructure. It has been estimated that half of the road networks in many countries were lost between 1968 and 2008 due to poor maintenance (Biau, Karim, and Homma, 2008) and, according to a 2010 report; only 30 percent of African roads are paved

Border Issues Challenges: Africa's notoriously bad customs environment poses yet another impediment to intra-African trade. The high fees that custom offices charge is part of the problem; according to the *Doing Business 2011* report, Sub-Saharan Africa is the world's most expensive region to trade within (World Bank and International Finance Corporation, 2011).

Technological Gap: Even the challenge of the narrow export base of Africa has prompted African Union Agenda 2063 though addressing this dichotomy in which prioritizes industrialization, manufacturing and value addition, effectively transforming African economies to move up global value chains (GVCs) remains a major development challenge. In a zero-sum game global trading environment, where the drivers of productivity growth and economic transformation; most important technology and innovation have been used as tools to enhance export competitiveness and boost market share, the widening technological gap between Africa

and other regions of the world has become even more important, with the consequences felt in the dynamics of growth and the composition of African trade (Afreximbank, 2019).

Challenge of Isolation of the Private Sector in Regional Economic Policies and Participation: Even though the private sector involvement in integration has been recognized, it is still grossly limited. Thus, the private sector in most African countries is not part of the identification, formulation, and implementation of integration policies and programmes thereby leaving the burden to government bureaucracies. As a consequence, the regional economic communities and the AU have yet to fully access the capabilities of the private sector as an essential driving force in cross-border investment, production of goods, and as a driving force in the development of infrastructure and provision of services, even better than government bureaucracies. By leaving out the private sector involvement from the treaties of most regional economic communities, the integration bodies are simply ignoring the indispensable role the private sector could play in economic integration by providing finance and human resources to support regional projects; increase intra-Africa trade, develop infrastructure (electric power, telecommunication networks, transport services), supply financial intermediation services, and diversify and improve the quality of production; and through its representatives and organization, the private sector can influence policymaking and push for economic reforms (Economic Commission For Africa, 2004).

5. CONCLUSION

African Union was launched in 2002 with reformed and restructured institutions and strengthened organs to achieve its vision of an integrated, prosperous and peaceful Africa, driven by its citizens and representing a dynamic force in the global arena. Before its formation, most African states have suffered severe macroeconomic disequilibrium, foreign debt service-burden, overvalued currencies; lack of trade finance amongst others in addition to political instabilities, violence and civil wars.

The decisive obstacles to African integration are rooted in her subordination of sovereignty to different European countries. Colonialism indoctrinated many African countries to be loyal to their colonial masters for their rapid development and protection in the international state system. It has consequently distracted Africans from looking inwards and therefore made cooperation and integration difficult to achieve in Africa.

African Union though has responded to these problems through various institutional and structural reforms, protocols, policies and programmes. However, AU's efforts have been undermined by many challenges. Fundamentally, the foundational problems rooted in imperialistic legacies is still a decisive obstacle to AU's integration project

Finally, it is very clear from the study's findings that apart from colonial and other external influences; there are also internal factors such as lack of political will, corruption and political instability amongst others, which are strong impediments to Africa's cooperation and integration. It is therefore high time that African political leaders, scholars, and other stakeholders stopped blaming imperialism exclusively for the continent's woes. Is it not time for rebirth and self-designed development strategies be adopted to rescue Africa from the abyss of poverty, and over-reliance on external bodies for survival?

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