

Are Africa's Trade Blocks Converging or Drifting Apart? Lessons from Econometric Assessment of Inter-regional Trade

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According to Lagos Plan of Action (LAP) of 1980, the 53 African countries are supposed to fully-integrated into a single African Economic Community (AEC). Subsequently, cognizant of the virtues of regional integration in promoting pan-African integration, the Abuja Declaration of 1981, which was directly derived from the LAP and has been under implementation since 1994, divided the 53 African countries into five regional blocs: North Africa, West Africa, South Africa, East Africa and Central Africa. Integration schemes in these regions should spearhead pan-African integration in six phases and over a 34 year period (1994-2007), culminating in the establishment of the AEC in 2027, with intra-African free trade, free factor mobility, and common currency. However, in practice, the regionalisation dynamics in Africa, which of course preceded both the LAP and Abuja Declaration, have tended to take rather 'autonomous' courses, resulting in the proliferation of regional integration schemes, usually configurations cutting across the five 'defined' regions and exhibiting overlapping memberships. Presumably in view of the realities on the ground, the African Union (AU) has chosen to pursue a pragmatic approach, and recognises eight major trade-driven economic integration blocks as being the key pillars of Africa's integration: *Union Maghreb de Arabe* (UMA), Community of Sahel-Saharan States (CEN-SAD), Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC), Economic Community of Central African States (ECCAS), Inter-Governmental Authority on Development (IGAD), Economic Community of West African States (ECOWAS), and Southern African Development Community (SADC). Besides, it recognises several lesser ones: Economic Community of Great Lakes Countries (CEPGL), Southern African Customs Union (SACU), Mano River Union (MRU), West African Economic and Monetary Union (UEMOA), Central African Economic and Monetary Community (CEMAC), Indian Ocean Commission (IOC). In this backdrop, this paper revisits the ambitions and achievements of policy integration among major African RTA. Also, it uses panel data to econometrically analyse the progress achieved in the 'integration of the real economies' through the trade channel, in this case using as sample regions defined in *UNCTADstat*: East Africa, Middle Africa, and North Africa as sample regions, Southern Africa, and West Africa. The findings of the analysis clearly shed light on whether Africa's economic blocs are converging or drifting apart.