

THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA) AND REGIONAL ECONOMIC INTEGRATION: PROSPECTS AND CHALLENGES

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Abstract

The objective of this paper is to examine the African Continental Free Trade Area (AfCFTA) of the African Union (AU) and to assess the challenges and prospects for regional integration in Africa in a post covid-19 era. The paper, which is qualitative in its approach, argues that the number of states accepting regional economic integration initiative such as the AfCFTA is one of the major features of globalization whose benefits have not been distributed equally. It also argues that though the AfCFTA is a pillar and beacon of continental wide integration in form of an African Economic Community (AEC) envisaged in the Abuja Treaty, however, the adoption of unrealistic and unfeasible timelines for implementation of the AEC pose serious challenges to regional integration for Africa. Regional integration in Africa seeks to transform Africa by addressing the fragmentation and division brought about by colonialism, and to promote unity and African development. While the AU argues that AfCFTA will boost intra-African economic integration through increased trade and investment, the extent to which African states would reap the benefits of the free trade area remains unclear. Numerous challenges that currently affect intra-African trade include, but not limited to, the low levels of development of African economies and their excessive dependence on primary commodity production and exports, protectionist trade policies, weak infrastructure, and high security risks. The outbreak of novel corona virus (COVID 19) pandemic threatens to reverse the gains made towards take-off of the AfCFTA as African countries have diverted attention towards mitigation and containment of the spread of the virus in their individual countries. The reluctance of some African states such as Nigeria to sign the AfCFTA shows that not all African states are convinced that the promised continental benefits of free trade would align with their national interests. Some countries perceive the AfCFTA as a re-introduction of the earlier rejected contentious European Union's Economic Partnership Agreement (EPA). The paper concludes that while most African countries may have signed the agreement, the implications on national economies would be considered by many before and even after ratification. It recommends that the African Union should protect the vital interests of member states by commissioning in-depth studies and to carry out further enlightenments on the AfCFTA. This will go a long way in transforming Africa's trade potentials to benefits for the growth and development of member states.

Keywords: Africa, AfCFTA, AEC, African Union, Regionalism and Integration

Introduction

Africa has made various efforts at promoting economic integration. The efforts of African leaders towards African unity and integration were fired by visions of pan-Africanism, a movement which began outside the continent, but later took root in the anti-colonial struggle. The immediate post-colonial era was to be characterised by intense contestations on the form

that African unity should take between radical Casablanca group favouring immediate unification and the moderate Monrovia group, favouring functional cooperation. The defunct Organisation of African Unity (OAU) was formed in 1963 as a compromise between the two groups and provided the platform for the pursuit of diplomacy, African unity, self-reliant and self-sustaining development. The post-independence era was also characterised by efforts at establishing integration schemes at the continental and regional levels. While the idea of regional integration is not new in Africa, recent summits have reaffirmed Africa's commitment toward boosting intra-Africa trade and integration. The paper examines the African Continental Free Trade Area (AfCFTA) of the African Union (AU) that was signed on 21st March, 2018 at Kigali, Rwanda to cover all the 55 African countries. Against the backdrop of the AfCFTA, the paper also assesses the challenges and prospects for regional integration in Africa. The main arguments of the paper are two pronged. First, it argues that the number of states accepting regional economic integration initiatives such as the AfCFTA is one of the major features of globalization whose benefits have not been distributed equally. Second, it argues that though the AfCFTA is a pillar and beacon in achieving the goal of continental wide integration envisaged in the Abuja Treaty of 1991, the adoption of unrealistic and unfeasible timelines for implementation poses serious challenges to regional integration for Africa. Regional integration in Africa seeks to transform Africa by addressing the fragmentation and division brought about by colonialism, to promote unity and African development. The signing of the AfCFTA is seen as an important step towards achieving the African Economic Community (AEC) as envisaged in the Treaty Establishing the African Economic Community (The Abuja Treaty, 1991) (OAU, 1991). Even though efforts have been made towards achieving the goal of economic integration in the past, progress has been quite slow, particularly in the area of promoting intra-African trade. Studies carried out by scholars and international organizations such as the United Nations Economic Commission of Africa (UNECA) and United Nations Conference on Trade and Development (UNCTAD) have consistently lamented the low level of intra-Africa trade.

According to the AU, the central objective for establishing the AfCFTA is to boost intra-Africa trade by creating a single market for goods and services. This is expected to be enhanced by free movement of persons and investment, which will in turn pave the way for the establishment of a continental customs union as envisaged in the Abuja treaty. Both commendations and criticisms have trailed the introduction of the AfCFTA. The AU, UNECA and UNCTAD, amongst others, who are the major supporters and promoters of the AfCFTA, have sustained a strong argument that it will boost trade among the 55 African countries on seven identifiable clusters: trade policy, trade facilitation, productive capacity, trade related infrastructure, trade finance, trade information, and factor market integration (AU, 2012). On the contrary, the AfCFTA has received some criticisms. According to (Berthelot, 2017: 1) "CFTA goal of the AU is an unrealistic folly, in its contents and timing". Civil societies have also criticized the CFTA, noting poor consultation in the process of negotiation. The initial reluctance of some African states such as Nigeria to sign the AfCFTA shows that not all African states are convinced that the promised continental benefits of free trade would align with their national interests. Some countries perceive the AfCFTA as a reintroduction of the earlier rejected contentious European Union's Economic Partnership Agreement (EPA).

It is against this background that this paper examines the AfCFTA and the prospects and challenges of regional economic integration. The paper is divided into six sections. Following the introduction, the second section attempts a conceptualization of economic integration and free trade area. The third section examines the historical background of Africa's economic integration. While the fourth section focuses on negotiations leading to the establishment of AfCFTA, the fourth section discusses the prospects and implications of the

AfCFTA. The fifth section focuses on the challenges of African regional integration in the context of the AfCFTA and section six is the conclusion.

Conceptualising Economic Integration and Free Trade Area

Concepts that require clarification as used in the context of this paper include economic integration and free trade area (FTA). According to Biswaro (2003), regional economic integration involves the process of trade, economic and financial convergence of integrating states. Carbaugh (2004) posits that economic integration is a process of eliminating restrictions on international trade, payments and factor mobility. Economic integration thus results in uniting two or more national economies in regional trading agreements. One of the major theoretical contributions to economic integration is customs union theory propounded by Jacob Viner (1950). The main tenets of regional economic integration, as indicated by customs union theory, include the removal of tariff and non-tariff barriers among member states, having a common external trade policy which initiates common external trade restrictions against non-members, initiating free movement of goods and services, as well as free movement of factors of production across national borders, harmonisation of policies, unification of national monetary policies, and acceptance of a common currency.

Regional economic integration is pursued for a variety of reasons. The main motivation for all regional integration schemes is often anchored on the prospect of enhanced economic growth and development. Regional economic integration progresses in different stages. Balassa (1961) identified and distinguished between five degrees or stages of economic integration, which include: free trade area, customs union, common market, economic union, and complete regional integration. Most regional groupings have adopted this model in their pursuit of regional economic integration, however not all have been successful. Even though, Viner's arguments that trade creation and trade diversion are potential outcomes of preferential trading systems, Africa's integration seeks developmental outcomes as well. Consequently, for Africa, a focus of static economic theory with the impact of trade diversion on economies may overlook the fact that the continent's integration objectives often transcend narrow economic considerations. Africa's integration approach is developmental, which transcend the framework of conventional static theoretical analysis for its regional integration.

The second concept that requires clarification in the context of this paper is free trade area (FTA). A FTA is a suppression of discrimination in the field of commodity movements among member countries. Accordingly, members often agree to gradually eliminate trade restrictions. In a FTA, member states decide on their own tariff policies and impose any level of tariffs against non-members countries. According to Schiff and Winters (2003), member countries may reduce external tariffs for three reasons: to reduce trade diversion, to protect loss of tariff revenue, and to ensure competitiveness of goods. There are situations that can propel increased protectionism in member countries such as rules of origin, which seek protection against third-party country imports as a result of fierce FTA competition. A FTA requires the enforcement of rules of origin which in practice often become instruments of protection. The general expectation of a FTA is that it will increase the flow of trade between member states. Regional integration does not only affect the process of multilateralism, but also the outcomes of this process. In this regard, many regional trade blocs aim to increase the negotiating power of their members, so as to influence the outcomes of multilateral trade negotiations.

The AfCFTA is envisaged as a continent wide free trade area for those states that have deposited instruments of ratification. The main objectives of the AfCFTA are to create a single continental market for goods and services, complemented by free movement of persons and investments and thus enable the establishment of continental customs union. The AfCFTA is expected to enhance competitiveness of African industries, boost manufacturing capacity, create continental market access and ensure better allocation of resources. By extension, this is

expected to have major impacts on growth and development of member states, expand investment opportunities and create jobs. The reality is that the idea of establishing the AfCFTA is not so new. Our examination of the historical context of Africa's economic integration will help to shed more light on the journey so far.

Historical Background: Africa's Economic Integration

Regional integration, an important priority for Africa, has long been recognized by African leaders and people. African governments have concluded a very large number of regional integration arrangements, several of which have significant membership overlap (Sesay, 2008). The formation of the OAU in 1963 was seen as a major step in uniting and integrating Africa after independence. More attention was to be given to the regional integration project with the launch of the Lagos Plan of Action (LPA) in 1980. The vision of regional integration was given programmatic direction by the UNECA then led by Adedeji Adebayo. The LPA called for the integration of the continent based on self-reliance, self-sustaining, and developmental regionalism. Though the LPA was criticised for not having a detailed implementation strategy for the integration process; a decade later, the OAU provided a roadmap for achieving African integration by adopting the African Economic Treaty (AET) establishing the African Economic Community (AEC) (Bach, 2016). The AEC seeks to promote cooperation and integration through regional integration schemes, intra-African trade, and to create a common market. The Abuja Treaty sets out a step-by-step approach to regional integration in Africa with the creation of the Regional Economic Communities (RECs) and a path for the creation of an AEC by 2028.

The adoption of the Abuja Treaty on June 3, 1991, which entered into force in 1994, was considered very vital for Africa's economic survival in a globalised world. Thus, rather than start from scratch, the AEC used existing RECs as the building blocks. Currently, eight economic blocs that are advancing the process of regional integration include: Southern African Development Community (SADC); East African Community (EAC); Common Market for Eastern and Southern Africa (COMESA); Economic Commission of Western African States (ECOWAS); Economic Community of Central African States (ECCAS); Inter-Governmental Authority on Development (IGAD); Arab Maghreb Union (AMU); and Community of Sahel-Saharan States (CENSAD). The major regional blocs and membership are captured in table 1.

Table 1: Main REC/African Trade Blocs

Trading Arrangement	Member States
Common Market for Eastern and Southern Africa (COMESA)	Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Arab Republic of Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Tanzania, Zambia & Zimbabwe
South African Development Community (SADC)	Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe

South African Customs Union (SACU)	Botswana, Lesotho, Namibia, South Africa & Swaziland
West African Economic and Monetary Union (UEMOA)	Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal & Togo
Economic Community of West African States (ECOWAS)	Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone & Togo
Central African Customs and Economic Union (UDEAC)	Cameroon, the Central Africa Republic, Chad, the Republic of Congo, Equatorial Guinea & Gabon;
Economic Community of Central Africa States (ECCAS)	Angola, Burundi, Cameroon, the Central Africa Republic, Democratic Republic of Congo, the Republic of Congo, Equatorial Guinea, Gabon, Rwanda and Sao Tome & Principe
East Africa Community (EAC)	Kenya, Tanzania and Uganda; Cross border Initiative Burundi, Comoros, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Swaziland, Tanzania, Uganda, Zambia & Zimbabwe
Economic and Monetary Community of Central Africa (CEMAC)	Cameroon, the Central Africa Republic, Chad, the Republic of Congo, Equatorial Guinea, Gabon, and Sao Tome & Principe
Economic Community of the Countries of the Great Lakes (C E P G L)	Burundi, the Democratic Republic of Congo & Rwanda
Indian Ocean Commission Comoros	Madagascar, Mauritius, Reunion & Seychelles
Mano River Union (MRU)	Guinea, Liberia & Sierra Leone

Source: Ministry of Commerce and Industry, Government of India 2017

As we can observe from Table 1, there are parallel and multiple memberships in the various regional trading blocs in Africa. In terms of stages and timelines for the attainment of the AEC, stage one, the creation of regional blocs in regions where such do not yet exist was expected to be completed by 1999. Stage two- strengthening of intra-REC integration and inter-REC harmonization of tariffs was expected to be completed in 2007. The third stage, involves the establishment of a free trade area and customs union in each of the regional bloc, and this is expected to be completed by 2017. The fourth stage, the establishing of a continent wide customs union is expected to be completed by 2019. In the fifth stage, to be completed by 2023, the establishment of a continent-wide African common Market is expected to be completed. The sixth and final stage, which is the establishment of a continent-wide economic and monetary union and thus, a currency union and parliament, is expected to be completed by the

year 2028. Summary of the stages and timelines for achievement of the Abuja Treaty are presented in table 2:

Table 2: Summary of the Stages and Timelines for Achievement of the Abuja Treaty

Stage/Timeline	Target
Stage 1 – 1999	Strengthen existing regional economic communities (RECs) and establish RECs in regions where they do not exist;
Stage 2 - 2007	Stabilize tariff and non-tariff barriers, customs duties and internal taxes in force within RECs; develop time-table for gradual removal of tariff and no-tariff barriers to regional trade; strengthen sectoral integration at regional levels in all areas of activity; coordinate and harmonize activities among regional economic communities
Stage 3 - 2017	Establish a Free Trade Area (FTA) through implementation of the time-table for gradual removal of tariff and non-tariff barriers to intra-community trade, establish a customs union by adopting a common external tariff within RECs
Stage 4 - 2019	Co-ordinate and harmonize tariff and non-tariff systems among the various RECs with a view to establishing a customs union at the continental level by means of adopting a common external tariff
Stage 5 - 2023	Establish an African common market through sectoral integration; harmonization of monetary, financial and fiscal policies; and free movement of persons and rights of residence and establishment within the Continent
Stage 6 - 2028	Consolidate and strengthen the African common market through free movement of people, goods, capital and services; integrate all sectors; establish a single domestic market and a Pan-African economic and monetary union; set up the African Monetary Union, establish a single African central Bank and create a single African currency; set up the Pan-African parliament and election of its members by continental universal suffrage; finalize harmonization and coordination of RECs; set up the African multi-national enterprises in all sectors; set up the organs of executive organs of the AEC.

Source: Ihua, B., Ike-Muonso, M., and Taiwo, D. (2018). An Independent Study on the Potential Benefit of the African Continental Free Trade Area (AfCFTA) on Nigeria. Abuja: Nigerian Office for Trade Negotiations

According Antwi-Danso (2016), the successful regional trade blocs in the developed world will consistently deny developing countries, especially those in Africa access to global markets. As such, Africa must also integrate to protect its members and to make them a competitive force to gain access to world markets. As stated earlier, Africa's RECs are expected to be the building blocs of the AEC, however, by the early 2000s; the RECs were beginning to overlap as some countries became members of more than one REC and also committed themselves to joining more than one Customs Union. In order to sort out the situation in the ongoing regional integration process, Ministers of Trade and Industry of the three RECs (SADC, EAC and COMESA) led the process of building a FTA (Bach, 2016).

With the ECA playing a defining role, in June 2011, Heads of State of the SADC, EAC and COMESA launched the Tri-Partite Free Trade Agreement (TFTA) negotiations at a Summit in Johannesburg (Afrexim bank, 2018).

Negotiations and the Establishment of AfCFTA

In the post-World War II era, globalisation of the world economy has developed at a rapid pace. This has been made possible by increase in economic activities such as international trade and foreign direct investment (FDI). The pace of globalisation was also quickened by the multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT). According to Urata (2002), beginning in the 1990s, new regionalism, which is economic in character, became a common feature in the world and Free Trade Agreements (FTAs) have played a central role in the inclination towards regional integration. Globalisation of the world economy, especially in the areas of trade, production and finance, has made the world more interconnected and integrated (Heywood, 2011). This has led to the weakening of the autonomy of states, since financial markets are volatile in nature and affects national economies. In order for states to resist the pressures of globalisation, African states, most of which are small and vulnerable, saw the formation of regional groupings as a panacea to effects of globalisation. One major feature of globalisation is the proliferation of FTAs (Urata, 2002). Due to trade liberalization, countries are negotiating to bring down trade barriers by the use of bilateral and multilateral FTAs. More significantly, the retreat of the US and the United Kingdom, two major powers of the post-world war II era, who were the architects of the United Nations, the Bretton Woods Institutions (namely the World Bank and International Monetary Fund) and the multilateral trading system provided an opportunity for African countries to reflect on the system of multilateralism and its implications for regional integration in Africa. It is in this light that African leaders conceived, negotiated and adopted the AfCFTA (Ismail, 2019).

The roadmap of the AfCFTA was adopted by the AU Summit held in Addis Ababa in 2012. Specifically, the Heads of States of the AU endorsed the action plan on Boosting Intra-African Trade (BIAT) and adopted a decision to fast-track the establishment of a CFTA by 2017 through a 4-step roadmap. First, finalization of the COMESA-EAC-SADC tripartite FTA by 2014; second, establishment of regional FTAs by non-tripartite RECs that reflect the preferences of member states between 2012 and 2014; third, consolidation of the tripartite and FTA and other regional FTAs into a CFTA initiative between 2015 and 2016; and fourth, establishment of the CFTA by 2017 with the option to review the target date according to progress made.

The AU Heads of State and Government also adopted the Agenda 2063 in 2013, during the celebration of the 50th Anniversary of the OAU/AU in Addis Ababa. The AU Agenda 2063 - The Africa We Want, “is a strategic framework for the socio-economic transformation of the continent over the next 50 years. It builds on, and seeks to accelerate the implementation of past and existing continental initiatives for growth and sustainable development” (African Union, 2018). Among others, the aspirations of the agenda include an integrated continent where “free movement of people, capital, goods and services will result in significant increases in trade and investments amongst African countries” (AUC, 2015). The signing of the TFTA agreement encouraged African leaders to recommit themselves to pursuit of African economic integration project. This commitment resulted in the launched of the negotiations towards a CFTA on 15 June 2015, at the meeting of AU Heads of State in Johannesburg. In July 2016, African leaders decided to fast track the CFTA negotiations and created a High Level Panel to ensure the success of the project, with a deadline for its launch set by the end of 2017.

Following series of negotiations, the signing of the AfCFTA document was done at the 10th Extra Ordinary Session of the AU held from 17-21 March, 2018, in Kigali, Rwanda. If the signatories to the various instruments at this session are indicative of members’ support to

Africa's march towards achieving the AEC, then the need to unite becomes even more imperative. Out of the AU membership of 55 countries, as at March 2018, 44 countries signed AfCFTA Consolidated Text; 47 countries signed the Kigali Declaration; and 30 countries signed the Free Movement Protocol. While the number was encouraging, the delay in signing by more influential countries on the African continent such as Nigeria and South Africa became an issue of concern. Even though most African countries signed the AfCFTA, many are yet to understand the deep implications for their economies.

The scope of the AfCFTA covers the protocol on trade in goods and protocol on trade in services, protocol on dispute settlement, protocol on intellectual property rights, protocol on investment and protocol on competition policies. The first phase covered negotiations on trade in goods and trade in services. Issues covered under the protocol on trade in goods included: tariff liberalisation, non-tariff barriers, rules of origin, customs cooperation, trade facilitation and transit, trade remedies, product standards, technical regulations, technical assistance, capacity building and cooperation. Issues covered under the protocol on trade in services are: transparency of service regulations, mutual recognition of standards, licensing and certification of services suppliers, progressive liberalisation of services sectors; national treatment for foreign services suppliers in liberalised sectors; provision of general security. Issues for negotiation under the protocol on dispute settlement are to be agreed upon. All these constitute items under phase 1 of the negotiations. Under phase two of the negotiation, issues for negotiation that fall under the protocol on intellectual property rights; protocol on investment; and protocol on competition policies are to be agreed.

The AfCFTA was to come into force for member states that have ratified the agreement, 30 days after the 22nd ratification has been deposited at the AU Commission and this was achieved on 30 May 2019. Following this development, the people of Africa elated and hoped that it was the dawn of a new era of interdependence in the African continent. Art 13, AfCFTA Agreement states that “the Assembly shall establish the Secretariat, decide on its nature, location and approve its structure and budget”. By February, 2020 it was agreed that the AfCFTA is expected to play a major role in managing the trade agreement and related affairs of the members, be located in Ghana, and Mr. Wamkele Mene was sworn-in as the first Secretary General of the AfCFTA) on 19 March 2020 . The negotiation of the tariffs will aim to progressively reduce and eliminate customs duties and non-tariff barriers on goods. At this stage, the goal is for 90 percent of tariff lines to have a zero duty within 5 years or 10 years for the Less Developed Countries. According to the AU, the AfCFTA seeks to create a single continental market for goods and services with free, movement of business people and investments. Studies by UNECA affirm that by 2030, the African market size is expected to reach 1.7 billion people, with a combined and cumulative consumer and business spending of US\$6.7 trillion. Accordingly, the AfCFTA seeks to expand intra-African trade through better harmonisation and coordination of trade liberalisation and facilitation regimes and instruments across Africa regional economic communities and at the continental level (Mishra, 2018). This is to be achieved with full cooperation of countries that have signed unto the agreement.

Prospects and Implications of the AfCFTA

The prospects for the AfCFTA are hinged on the potential benefits to AU member countries. Strongly supported by UNECA and UNCTAD, they argued that the implementation of the AfCFTA will boost intra-Africa trade because the agreement is expected to eliminate tariffs on 90 percent of goods, with future possibility of scrapping tariffs on 10 percent of sensitive goods (Berthelot 2017). While the negotiators agreed on broad framework for the reduction of tariffs, the percentage of lines for each category is still to be negotiated. Negotiators know that the ‘the devil is in the detail’ (Ismail, 2019: 7). Moreso, non-tariff barriers will also be addressed through negotiations. Consequently, intra-African trade is

estimated to grow by 52 percent by 2022. According to UNCTAD, intra-African trade flows has been low between 6 and 12 percent (UNCTAD 2016: 2). Comparatively, intra-regional trade was 60 percent in Europe, 30 percent in Association of Southeast Asian Nations and 21 per cent in South America (Oloruntoba and Nshimbi, 2017). The WTO had in 2015 estimated intra-Africa exports at 18 per cent, intra-Asian exports at 52 per cent, intra-North American exports at 50 per cent and intra-Europe exports at 70 percent. Africa's share of world trade stands at 3 per cent (WTO, 2015).

Numerous challenges that currently affect intra-African trade include, but not limited to, the low development level of African economies and their excessive dependence on commodity production and exports, protectionist trade policies, weak infrastructure, and high security risks. Accordingly, the AfCFTA is not only expected to bring together 55 AU member countries with combined population of 1 billion people and combined GDP of USD3.4 trillion, but also, expand industrial production, enhance inflow of foreign direct investment, and increase intra-African trade in industrial products to about US\$60 billion annually (ECA, 2017). One of the key sectors that are expected to benefit from the full establishment of the AfCFTA is the manufacturing sector. This will also lead to economic diversification. Unfortunately, the manufacturing sector represents less than 10 percent of the total GDP in Africa. Of course this cannot be achieved without the necessary trade-related infrastructure, reduced import duties and transit costs

UNECA and UNCTAD argue that the AfCFTA will create more prospects for businesses through a harmonized and value-added trade system, enable better access to financing, and increased inflow of foreign direct investment (FDI) into Africa. The numbers of countries that have signed the agreement suggest strong interests of member states in the FTA. At the Kigali Summit held on 21 March, 2018, total of 44 out of 55 AU Member states signed the consolidated AfCFTA Agreement, additional five signatures were added at the 31st AU Summit held on 1 July, 2018 in Nouakchott, Mauritania. Among the countries that did not sign, thus raising lots of concerns were Nigeria and South Africa, however, South Africa, alongside Sierra Leone, Lesotho, Burundi and Namibia signed the agreement in July 2018. Recently, the Vice President of Nigeria, Professor Yemi Osibanjo stated that Nigeria will sign the agreement (Chuks 2018).

There are also several challenges in achieving the objective of the AfCFTA. Promising as it is presented, the AfCFTA, was launched at a time of rising sentiments of anti-global trade and anti-globalisation in some countries. These sentiments are borne out of the perception that the benefits of globalisation and trade liberalisation have not been distributed in an inclusive manner. According to Bhagwati (2004), the large and stronger economies globally will dominate and carry more weight than the smaller and weaker economies. Continentally, there are significant gains to be made from the AfCFTA, but the gains are most likely to be unequally distributed. Presently, most African countries are far from ratifying the AfCFTA as well as implementing their legislation on the free movement of goods and people and their common external tariffs, which are all necessary in the implementation of the AfCFTA. At the Kigali summit, only 30 countries signed the Protocol to the treaty establishing the African community relating to free movement of persons, right of residence and right of establishment. Against the backdrop of recent security challenges such as terrorism in Nigeria, which some have blamed on influx of foreign mercenaries, the idea of creating a borderless Africa would continue to be approached with caution, hence seen as a gradual process. There are lessons to be drawn from the ECOWAS, which has adopted and operationalised a protocol on free movement of goods and persons since 1979.

The initiation of the AfCFTA seems to have been spurred by the presence of other mega-regional trade agreements (MRTAs) such as the Trans-Pacific Partnership (TPP), the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), and the

US-EU Transatlantic Trade and Investment Partnership (TTIP). While the necessity for Africa to organize and position itself for competition in a globalised world, the lessons to be learned from history is that the developed countries of today have reached their competitive position through a high import protection on agriculture and infant industries. Furthermore, they have benefited from subsidies of these sectors, a practice which the EU has upheld doggedly in the agricultural sector. In addition, another criticism that has trailed the signing of the AfCFTA is that it is largely sponsored by the developed countries and the neo-liberal institutions so that African states would open up the African markets to their exports (Berthelot, 2017). This position has been confirmed by the statement made by Ms. Fatima Haram Acyl who said:

Let me take this opportunity to express my appreciation for the various partners that have been working with us in this regard, UNCTAD, TRALAC, UNECA, WTO and DFID through Trade Advocacy Fund. In the same vein let me also express my appreciation for the assistance that the Commission has received and continues to receive from various partners including the EU, GIZ, USAID, DFID, Sweden (Acyl, 2016).

In essence, the extent of Africa's ownership of the AfCFTA has been called to question (Berthelot, 2017). Since the AfCFTA has enjoyed the support of the AU, UNCTA, UNECA, and ADB, it can be understood why African leaders have endorsed it. However, civil societies have criticized the AfCFTA, noting that the processes involved in the design and negotiations of the CFTA were exclusive and the structures created for the CFTA have little or no space for the involvement of civil society, the private sector, and the different social groups and economic constituencies whose interests are implicated. While the African Civil Society insists that workers, farmers, traders, women and several other citizens were not carried along, the Third World Network Africa is of the view that the processes leading to the establishment of the CFTA have not been as transparent, participatory and inclusive (Berthelot 2017). The citizenry, the main beneficiaries of the CFTA need to be carried along in the implementation of the AfCFTA.

Some countries perceive the AfCFTA as a reintroduction of the Economic Partnership Agreement (EPA) introduced by the European Union (EU) and rejected by the majority of African, Caribbean and Pacific (ACP). The EU presented the EPAs as 'win-win' agreements, but some ACP countries have refused to sign them formally. Nigeria accounted for 72 per cent of West Africa's GDP and 52 per cent of its population in 2016. The Manufacturers Association of Nigeria (MAN) cautioned Nigeria not to sign the AfCFTA so as to avoid any unintended consequence of opening up the economy to foreign products through the back door and exposing the country's relatively disadvantaged productive sectors to unmanageable pressure. There is no doubt that international competition may also expose small and weak companies to foreign giant companies due to deregulation or reduced protectionism. In essence, MAN perceives the AfCFTA as an attempt by the EU to pressure Nigeria and other African states to sign the EPA. The fears are not baseless, given Africa's weak position in terms of industrialization, the AfCFTA will only encourage industrialise countries to use other African nations to push their products into other parts of Africa.

The signing of the AfCFTA has been questioned, especially its implications for the agricultural sector. West Africa in particular faces a huge challenge of a growing food deficit, a population explosion and climate change (Berthelot, 2017). UNCTAD is of the view that the elimination of tariffs on intra-African trade in agriculture through CFTA would be a key factor because agricultural trade protection faces a rate higher than that of non-agricultural sectors. The position shows a lopsided understanding of this sector and its significance in Africa economic growth. The agricultural markets deserve special protection to avoid increase in food dependency through exposure of farmers. The reality is that unlike industrial goods and

services, agriculture cannot self-regulate. Agricultural production and prices are subject to weather changes, which will increase with climate change, and fluctuations of commodity prices in the international market. Given that African farmers account for 70 per cent of the whole active population of the continent, the social impact of liberalising agricultural trade in the continent may produce undesirable outcomes (Audu, 2018).

The operationalization of the free trade area was due to begin in May 2020; but, all scheduled meetings have been postponed, and the novel coronavirus (COVID 19) pandemic has put the progress of the entire AfCFTA in the near future in jeopardy. The AfCFTA is the central platform of Africa's development efforts in promoting its inter-trade performance and the integration of its economies. But, as African governments are forced to shift their already limited capacities toward the coronavirus crisis, African countries show seriousness and sincere efforts to mitigate the crisis; little room is left for finalizing the agreement.

Challenges of African Regional Integration in the Context of the AfCFTA

Many regional integration schemes have been introduced in Africa in the post independent years. These integration efforts have been spurred at continental and sub-regional levels in anticipation of expected gains. According to the Abuja Treaty which entered into force in 1994, the goal of attaining a Pan African economic community comprising fifty-five states is expected to be achieved by 2028. The reality is that the AfCFTA is not a standalone project of the AU, but part of the wider continental project towards establishing an African Economic Community (AEC) as envisaged under the Abuja Treaty. More so, regional economic communities (RECs) are expected to serve as the major building blocs of the AEC. These regional blocs also face a number of challenges, which have affected their ability to deliver much to uplift the economic conditions of their people, provide the good life and enthrone sustainable development. Amongst others, despite the signing of the AfCFTA, several challenges still confront regional integration in Africa. The first notable challenge is the gap between agreements and their implementation in Africa (Asante, 1996). The record of implementation of treaties, protocols and decisions is far from satisfactory. According to Hailu (2014: 318), this can be attributed to "the adoption of unrealistic and unfeasible dates for implementation and lack of institutional architecture of the regional economic communities that has the power, authority and resource to enforce decisions and monitor the implementation of programmes". The second challenge confronting economic integration in Africa, particularly in reference to the RECs, is the existence of multiple, overlapping and often conflicting regional integration arrangements within the same region. Many African countries belong to more than one REC. Since, multiple memberships reflects the desire of countries to pick and choose various options offered by competing regional trading arrangements, perhaps the establishment of the AfCFTA will help to reduce the problem of multiple membership.

A third challenge of economic integration in Africa relate to initial conditions like the lack of complementarities among regional partners in goods and factors of production. The economies of African countries are mainly dominated by the agriculture sector, resulting in the non-complimentarity of the goods traded among these countries. Although intra-Africa exports are still dominated by primary products, manufactured and intermediate goods appear to be gaining significance in trade within the regional groups, which, however, is characterized by a small number of lightly processed exports. As such, African countries tend to trade more with the developed countries than with each other. Apart from bilateral trade agreements between individual African countries with developed countries, recently lots of bilateral agreements are being made with emerging economies such as China and India. Africa has entered into other agreements such as the African Growth and Opportunity Act (AGOA) with the USA and the Economic Partnership Agreement with the EU. The establishment of the AfCFTA brings to the fore questions of what African countries will be selling to themselves. To a large extend, the

issues of tariff rates and rules of origin will also be issues while dealing with the AfCFTA, especially against the backdrop of African countries with multiple trading agreements with the developed countries and emerging economies of Asia.

The fourth and equally important challenge in regional integration in Africa, against the backdrop of the AfCFTA, is that of infrastructure. UNECA and UNCTAD clearly underscored the necessity of basic infrastructure in facilitating the success of the AfCFTA. Currently, many African countries face problems with roads, rail, ports, air transport, energy, telecommunications and other infrastructure. These are bound to affect the success of the AfCFTA. Infrastructure deficit is major constraints to economic growth and integration in Africa. Inadequacy of roads that connect African countries poses a challenge in boosting cross border trade. A related challenge is that of transportation sector in the continent and is characterized by fragmentation, inadequate capacity, and poor performance as road and rail network is sparse and many of its sea ports and airports are in need of refurbishment and expansion. Energy infrastructure is also an important element in integration. Many African countries are characterized by lack of sufficient energy infrastructure. It is well recognized by the authorities in the continent that without adequate energy, among its member countries or develop sustainable industries, inhibiting its ability to improve the livelihoods of its population. Africa cannot effectively achieve the objectives of the AfCFTA if the basic infrastructure is not put in place.

The fifth challenge is the fact that integration efforts in Africa have mainly been state-centric, confined to a narrow group of political leaders and technocrats. There is no or very minimal participation of the general public in discussing integration initiatives. The civil society in most African countries is hardly given serious attention on the issue of integration. Decisions at the continental and regional levels are adopted with limited participation and discussion at the national level. This manifested clearly in the process of negotiating the AfCFTA. Most stakeholders were not involved in the negotiations process. It is against this background that the Manufacturers Association of Nigeria (MAN), the Nigerian Labour Congress (NLC) and other civil society groups protested the signing of the AfCFTA by the Nigerian government. Given the tensed scenario at home at that time, the Nigerian President Muhammadu Buhari could not attend the Rwanda summit and sign the AfCFTA alongside the earlier signatories. Failure to disseminate decisions and treaties relating to regional trade and regional integration issues to private actors and the general public in general, has contributed to hindering the integration process of the continent. This has also contributed to the limited progress in mainstreaming regional integration agreements and decisions adopted both at the regional and continental level into national development plans and strategies. Implementation of the decisions at national level remains limited and a number of countries are yet to fully integrate the decisions into their national development strategies.

Concluding Remarks and Recommendations

The paper has examined the African Continental Free Trade Area (AfCFTA) of the African Union (AU) and the challenges and prospects for regional integration in Africa. The paper argued that the number of states accepting regional economic integration initiatives such as the AfCFTA is one of the major features of globalization whose benefits have not been distributed equally. It was also underscored in the paper that though the AfCFTA is a pillar and beacon in achieving the goal of continental wide integration envisaged in the Abuja Treaty. There is no doubt that AfCFTA is central as a driving force on the agenda of African economic integration. The AfCFTA could play role in effecting change to the structural deficiencies currently facing African countries in global trade. While some have argued that the World Trade Organisation (WTO) is obsolete, and the Doha round 'dead', the reality is that the developing countries have experienced insurmountable challenges under the WTO

negotiations. It has also become clear that Africa needs to rethink its regional integration especially against the backdrop of recent developments in global politics and challenges of multilateralism. The exit of Britain from the EU referred to as Brexit, and the tendency towards increasing protectionism observed in Europe and other parts of the world where countries are closing their borders especially the United States under President Trump's 'America first' trade policies and threats to build a wall to protect the US from Mexican immigrants have revealed that the world is currently experiencing a setback for more open markets and regional integration in Europe and multilateralism globally.

However, the reality is that most, if not all African countries, are far from being prepared to confront the pros and cons of the AfCFTA. The adoption of unrealistic and unfeasible timelines for implementation poses serious challenges to regional integration for Africa. The current challenges that could slow the implementation of the AfCFTA are myriad. These include, but not limited to, the problem of overlapping membership of the RECs, lack of complementarity of goods traded among African countries, infrastructure deficit in most African countries, and lack of popular consultations, involvement and participation of the non-state actors in the negotiation process of the AfCFTA.

To achieve its objectives, the AfCFTA must be situated in major on-going continental policies and initiatives to trigger and sustain a spiral of endogenous economic transformation on the continent. Some of these are the Comprehensive Africa Agriculture Development Program (CAADP), the Africa Industrial Action Plan (AIDA), the Intra-African Trade Initiative (BIAT), the Agenda 2063, as well as other regional and continental policies on infrastructure, energy, transport, finance, among others. Given some of the concerns being raised by stakeholders in African countries, Africa should use the opportunity of the AfCFTA negotiations to review certain previous agreements between African countries and regions with external partners, in particular the Economic Partnership Agreements (EPAs) with the European Union, and to revise some intra-regional protocols and agreements where necessary. The paper concludes that while many African countries may have signed the agreement, the implications on national economies should be carefully considered by many before ratification, domestication and implementation as this could affect government revenue, employment, agriculture, and critical sectors including industries, and many others. It recommends that the African Union should protect the vital interests of member states by commissioning in-depth studies and to mandate member states to conduct nationwide enlightenment and sensitization programmes on the AfCFTA. This will go a long way in transforming Africa's trade potentials to benefits for the growth and development of member states.

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