UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

NEW REGIONALISM AS AN APPROACH TO COOPERATION IN AFRICA

WITH REFERENCE TO THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT (NEPAD)

By

FATEN AGGAD

A dissertation submitted in fulfilment of the requirements for the degree of

MAGISTER ARTIUM
(INTERNATIONAL RELATIONS)

In the Department of Political Sciences at the

UNIVERSITY OF PRETORIA
FACULTY OF HUMANITIES

Supervisor: Prof. M. Schoeman
Co-Supervisor: Prof. A. du Plessis

APRIL 2007

Acknowledgements and Appreciation

Completing this dissertation would not have been possible without the mentorship and support I received from many people. More specifically, I would like to express my gratitude and thanks to:

My supervisors, Professors Maxi Schoeman and Anton du Plessis, for their mentorship, encouragement and support, both academically and professionally;

My family, and especially my parents, whose support, encouragement and love continue to motivate me in life; and

Two very dear friends, Kirstin Kilian and Gavin Nkosi, for their friendship and unfailing support during difficult times, especially over the last year of writing this dissertation.

A special note of thanks is due to the Council for the Development of Social Science Research in Africa (CODESRIA) for providing the necessary financial assistance for the completion of this study. It should, however, be noted that the opinions expressed and conclusions arrived at in this research study do not necessarily reflect those of CODESRIA.

Table of Contents

List of Abbreviations and Acronyms

ACHPR	African Commission on Human Rights and People's Rights
ACP	African, Caribbean and Pacific Countries
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
AMU	Arab Maghreb Union
AOF	*Afrique de l'ouest française*/ French West Africa
APRM	African Peer Review Mechanism
AU	African Union
CEAO	*Communauté Economique de l'Afrique de l'ouest* / Economic Community of West Africa
CPI	Corruption Perception Index
CSSDCA	Security, Stability, Development and Cooperation in Africa
CUA	Customs Union Agreement
DRC	Democratic Republic of Congo
EAC	East African Community
EC	European Community
ECA	Economic Commission for Africa
ECOWAS	Economic Community of West Africa States
EEC	European Economic Community
EU	European Union
FDI	Foreign Direct Investment
FTAs	Free Trade Agreements
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
IDGs	International Development Goals
IPE	International Political Economy
IR	International Relations
IT	Information Technology
LAFTA	Latin America Free Trade Area
LPA	Lagos Plan of Action
MAP	Millennium Partnership for Africa's Recovery Plan
MDGs	Millennium Development Goals
MERCOSUR	*Mercado Común del Sur* / Common Market of South American States
MNCs	Multinational Corporations
NAFTA	North American Free Trade Area
NAI	New African Initiative
NAM	Non-Aligned Movement
NATO	North Atlantic Treaty Organization
NEPAD	New Partnership for Africa's Development
NIEO	New International Economic Order
NR/NRA	New Regionalisms / New Realist Approach
NRA	New Regional Approach

OAU	Organization for African Unity
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OPEC	Organization of Petroleum Exporting Countries
PPPs	Public-Private Partnerships
PSC	Peace and Security Council of the African Union
PTAs	Preferential Trade Areas
RoO	rules of origin
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADCC	Southern African Development Coordination Conference
SAIIA	South African Institute of International Affairs
SAPs	Structural Adjustment Programmes
SSA	sub-Saharan Africa
UDAO	*Union douanière de l'Afrique de l'ouest* / West African Customs Union
UDEAC	*Union douanière et Economique de l'Afrique Centrale* / Customs and Economic Union of Central Africa
UDEAO	*Union douanière des Etats de l'Afrique de l'ouest* / Customs Union of West African States
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNICEF	United Nations Children's Fund
USA	United States of America
VAT	value-added tax
WHO	World Health Organization
WOA	World Order Approach
WTO	World Trade Organization

List of Figures

Abstract

For many decades, regionalism was considered a potential solution to the different crises faced by the African continent. So-called old regionalism, as implemented between the 1960s and late 1980s, yielded limited success in addressing the multidimensional challenges on the continent, resulting in a re-evaluation of Africa's approach to continental cooperation and integration, with a view to continental development.

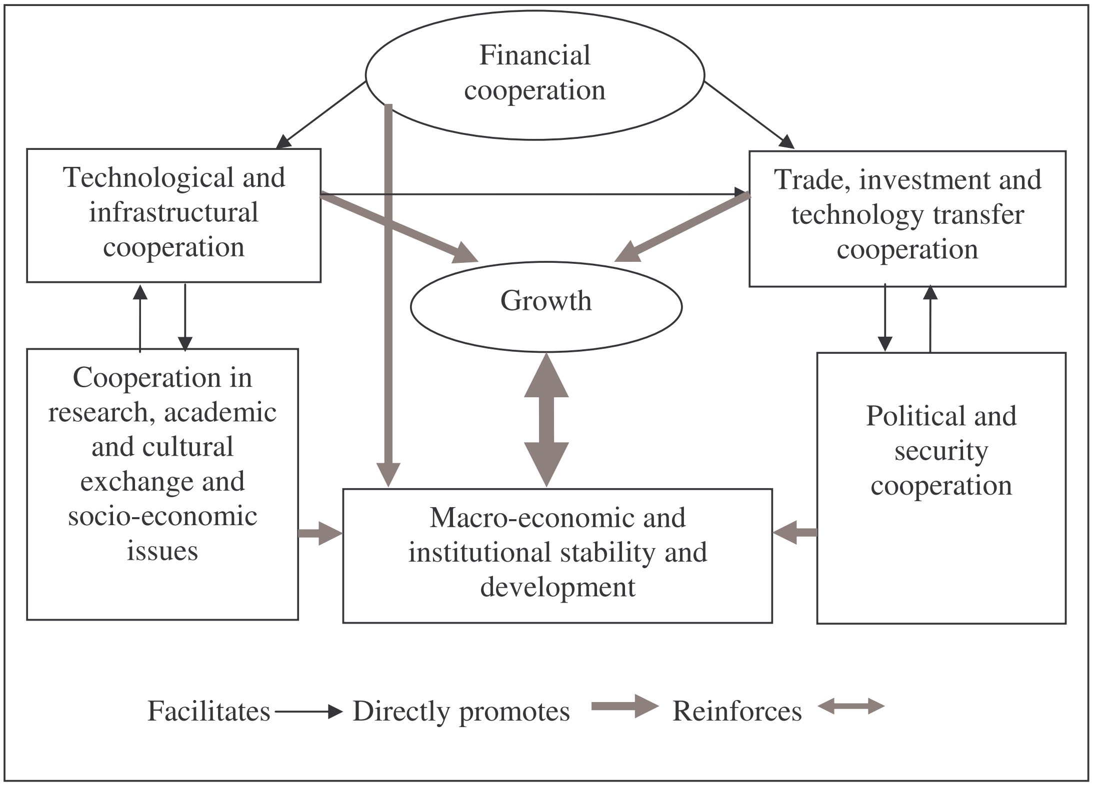
With new trends emerging in international relations following the end of the Cold War, new regionalism was introduced as an innovative way to deal with relations between regional partners. With the launch of the New Partnership for Africa's Development (NEPAD), Africa officially declared its endorsement of new regionalism.

This study assesses the potential of NEPAD to deal with the numerous developmental challenges facing Africa. It explores how new regionalism could contribute to the resolution of a range of crises and challenges on the continent. The study focuses on Africa's past regionalist experience, the role of new regionalism in addressing Africa's trade and investment dilemma, as well as its role in promoting good governance and peace in Africa.

The study concludes that notwithstanding the positive contribution of new regionalism, especially through its multidimensional approach, NEPAD will face tremendous challenges, mostly due to the failure of new regionalism in acknowledging the influence of other operational contexts – international and domestic – on the success of regionalist ventures.

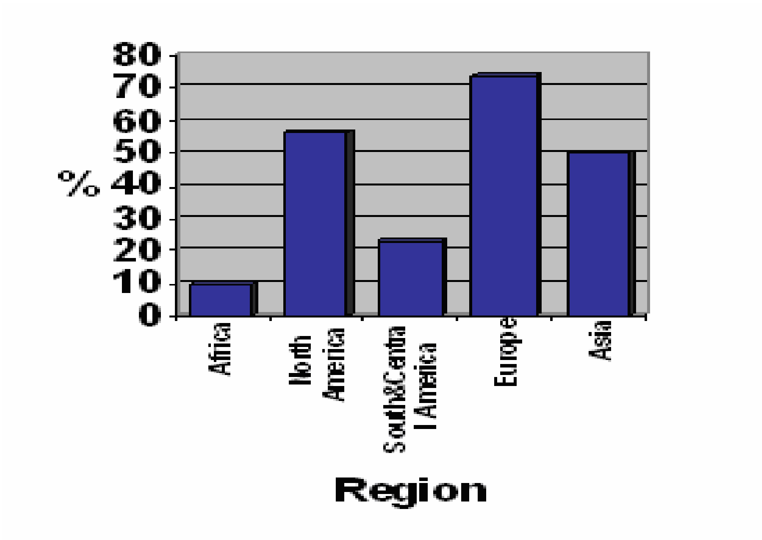
Key concepts: new regionalism, multilateralism, NEPAD, AU, FDI, good governance, APRM, African development, security.

Figure 1: Regional cooperation in different sectors and their linkages



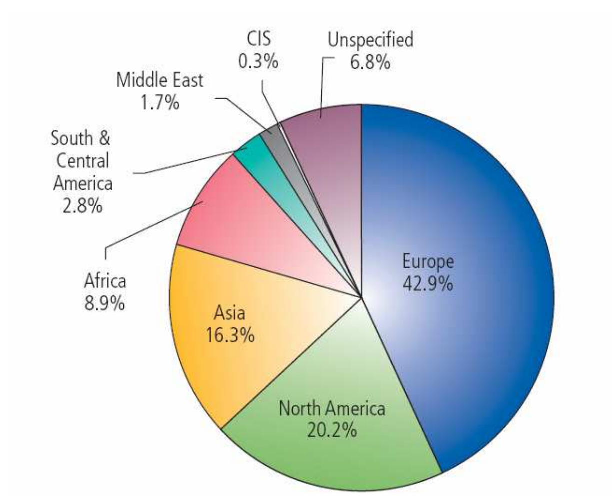
(UNESCAP 2004: 26).

Figure 2: Africa's intra-regional trade in merchandise per region



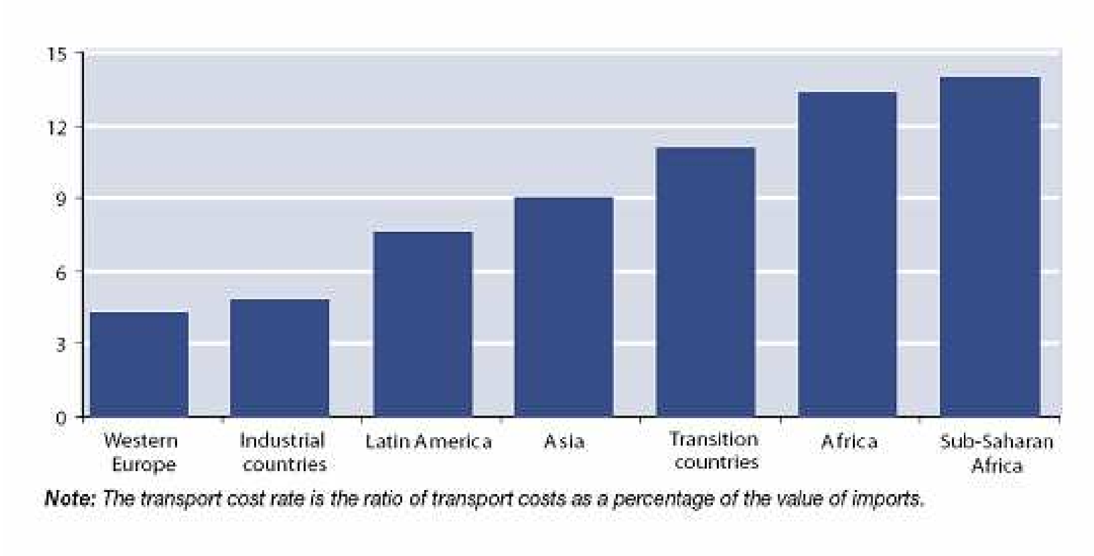
*Adapted from the World Bank 2004 data .

Figure 3: Africa's trade in merchandise with other regions



(WTO 2006:10).

Figure 4: Transport costs per world region, 2000 (freight cost as a percentage of total import value)



(ECA2004: 159).

Figure 5: FDI flows to Africa compared to other regions

Region	*2004 (billion $)*	*2005 (billion $)*	*Increase in FDI (%)*
Developed Economies	414.7	573.2	38
Africa	18.7	28.9	55
Latin America and the Caribbean	68.9	72.0	5
Asia and Oceania	155.5	172.7	11
South, East and South East Asia	137.8	146.2	6

*Adapted from UNCTAD 2006 (b) data.

Figure 6: Top 10 recipients of FDI in Africa, 2001-2003

2001		2002		2003	
Country	**FDI value**	**Country**	**FDI value**	**Country**	**FDI value**
S. Africa	6789	Angola	1643	Angola	3505
Morocco	2825	Nigeria	1281	Morocco	2429
Angola	2146	Algeria	1065	Nigeria	2171
Algeria	1196	Chad	1030	Equa. Guinea	1431
Nigeria	1104	Tunisia	821	Sudan	1349
Equa. Guinea	931	S. Africa	757	S. Africa	734
Sudan	574	Sudan	713	Chad	713
Egypt	510	Egypt	647	Algeria	634
Tunisia	486	Morocco	481	Tunisia	584
	467	Botswana	405	Tanzani	527

*Adapted from UNCTAD 2005 & UNCTAD 2006 (a).

Figure 7: List of countries that have acceded to the APRM

Country Name	Accession Date	CSM Fielded	CRM fielded
Algeria	09 March 2003	23-25 July 2005	02-12 March 2007
Angola	08 July 2004		
Benin	31 March 2004	14-17 November 2005	
Burkina Faso	09 March 2003	01 June 2006	
Cameroon	03 April 2003		
Congo Brazzaville	09 March 2003		
Egypt	09 March 2004		
Ethiopia	09 March 2003		
Gabon	14 April 2003		
Ghana	09 March 2003	24-29 May 2004	04-16 April 2005
Kenya	09 March 2003	26-27 July 2004	03-14 October 2005
Lesotho	08 July 2004	16-17 November 2006	
Malawi	08 July 2004		
Mali	28 May 2003		
Mauritius	09 March 2004	28-30 June 2004	
Mozambique	09 March 2004	01 August 2006	
Nigeria	09 March 2004	21-24 March 2005	
Rwanda	09 March 2004	21-24 June 2004	18-30 April 2005
Sao Tome & Principe	29 January 2007		
Senegal	09 March 2004		
Sierra Leone	08 July 2004		
South Africa	09 March 2004	09-11 November 2005	09-25 July 2006
Sudan	30 January 2006		
Tanzania	08 July 2004	06-08 June 2006	
Uganda	09 March 2004		
Zambia	30 January 2006	13-16 February 2005	

*Adapted from www.nepad.org/aprm
**CSM = Country Support Mission & CRM = Country Review Mission

Chapter 1: Introduction

1.1 Introduction

Regionalism has, for a long time, formed part of theoretical debates within the discipline of International Relations (IR). Following its inception in Western Europe in the 1940s and positive economic impact, regionalism quickly gained popularity as an approach to cooperation. However, the initial economic orientation of regionalism, and the limitations thereof, led to its decline in the 1960s. It was only in the late 1980s and since the end of the Cold War that regionalism re-emerged in different parts of the world; this time as a new package.

The context, as well as the content of post-Cold War 'new' regionalism differs considerably from that of 'old' regionalism. Having emerged under different international circumstances and relationship patterns between actors, new regionalism had to be theoretically – and empirically – adjusted to reflect the 'new' realities. Hence, it is viewed as being extroverted rather than introverted in nature, which arguably allows it to better cope with challenges posed by new phenomena, most importantly globalisation. Its acknowledgement of the multiplicity of actors involved in regionalist ventures is also reflective of its embracing new post-Cold War realities. Furthermore, unlike old regionalism, new regionalism – at least theoretically – is not solely economically-oriented but rather incorporates a wide range of issues, including good governance and security. This warranted the acclaim of new regionalism as a multi-dimensional approach to problem-solving.

Regionalism was considered a possible solution to the so-called African crises in the 1970s, thus leading to the introduction of a number of regionalist initiatives in the post-independence phase. Regionalism, in an African context, not only represented an extension of the Pan-Africanist vision, but was also more significantly adopted as a development strategy. Prominent African scholars have repeatedly advocated the adoption of a regionalist approach to advance a united African future. One of the leading African scholars in the field of political economy, Asante (1997), has, for instance, advocated new regionalism as the key approach to deal with African development. It is for this specific reason – development – that regionalist schemes were instituted and subsequently 'dis-instituted' and replaced by other programmes, following the limitations of their implementation and failure to meet expectations of development. Some of the key regionalist ventures on the continent include the *Lagos Plan of Action* (LPA) (1980) and the *Abuja Treaty* (1991). The failure (or poor performance, depending on one's observations) of old regionalism in Africa was attributed to a variety of factors, notably the economically-centred nature of the old regionalist approach (see Chapter 2).

Notwithstanding past performances, new regionalism was re-introduced to Africa with the adoption of the *New Partnership for Africa's Development* (NEPAD); the most recent African-led regionalist programme launched in 2001. There are several elements that point to the new regionalist orientation of NEPAD. The programme establishes a regional platform to deal with the crises facing the African continent. The multi-dimensional nature of new regionalism is also embodied in NEPAD, in the sense that the programme incorporates a variety of problem areas that are vital to Africa's so-called emancipation, notably security and governance.

What should be emphasised, overall, is that the adoption of the new regionalist approach, as embodied in NEPAD, serves a developmental agenda and is based on the belief that the failure to develop the continent is a result of the complexity of, and interdependence between the different crises facing Africa (see NEPAD document, par. 71). However, the choice of new regionalism as an approach to resolve the African crises, and ultimately, its capacity to set in motion the process of sustainable development, has generated intense debates, mostly emanating from scholars within the continent (see, *inter alia*, Moore 2004; Oyejide 1997 and Keet 2002). One of the main criticisms levelled against NEPAD, a (new) regionalist project, is its inadequacy as an approach to cooperation and as a 'crisis resolution' strategy, given the previous poor performance of regionalism on the continent. Counterbalancing such criticism is the fact that new regionalism differs from old regionalism, both in terms of its content and context. However, the question remains whether new regionalism thrive, where its predecessor failed!

1.2 Aim of the study

Subsequent to the Cold War and with the emergence of new regionalism in different parts of the world, Africa was increasingly encouraged to join the new regionalist revolution. New regionalism was presented and advocated by both scholars and practitioners (see literature review) as the most viable approach to deal with Africa's political, socio-economic, and security crises, among others. Yet the regionalist experience of the continent was not necessarily a success, this led to the premature prediction of the failure of NEPAD. Further motivating this scepticism is the fact that the underlying causes behind the failure of previous regionalist initiatives, including a lack of infrastructure, poor intra-African trade and the multiplicity of membership to sub-regional organisations, have not changed. They continue to be part of the African regional landscape. However, it should be noted that NEPAD strives to address these same issues, with a view to fast-tracking African regional integration, and ultimately sustainable development on the continent.

The nature of new regionalism proposes a multi-dimensional approach to problem-solving, which might, in turn, transform the underlying causes for the failure of old regionalism on the continent. The earlier failure of regionalism debatably resulted from the neglect of other factors (i.e. bad governance[1] and war) and the overshadowing of their negative repercussions on the necessary preconditions for the success of regionalist economic ventures – for instance, the impact of wars on infrastructure and hence on intra-African trade.

Although NEPAD's new regionalist orientation could offer a solution to some of the underlying causes behind the failure of old regionalism in Africa, the latter's ability to address other concerns remains questionable – for instance, its capacity to address the perception of poor incentives of those who engage in regionalism, which has discouraged a number of African countries to commit to regionalism, as discussed in Chapter 2. Furthermore, global dynamics are crucial in this regard. Despite the 'partnership' element, as embodied in NEPAD, 'international partners' have continued to seek an agenda that is not necessarily in line with that of NEPAD. The 'partnership' – a pivotal element of NEPAD – advocated in Africa, is contradictory to

[1] This point was specifically emphasised by the World Bank in its report of 1989, entitled *Sub-Saharan Africa: From crisis to sustainable growth.*

the desired 'partnership' of 'international partners' (Aggad 2006: 5). This became evident at the multilateral level, and more specifically during the World Trade Organization's (WTO) meeting held in Hong Kong, in December 2005.[2]

Therefore, the hypothesis advanced in this study is that notwithstanding the multi-dimensional nature of new regionalism, NEPAD faces a number of obstacles that will prevent it from fully achieving its objectives, especially if economy, governance and security are viewed as interdependent variables. The challenges to NEPAD are mostly derived from the economic sphere, mainly due to the interdependence of national, regional and international contexts. Furthermore, as a result of the mutually dependent nature of security, governance and economics, it is to be expected that the failure to properly address the economic crisis in Africa will impact on governance and more specifically on security.

To elaborate on this hypothesis, the present study will qualitatively analyse the NEPAD programme. It will focus on four problem areas, namely trade, investment, good governance and peace and security. More specifically, the aim of this study is to assess whether the multi-dimensional nature of new regionalism, as articulated by and implemented through NEPAD, offers a viable response to African economic, governance and security crises. In order to achieve this aim, the study will juxtapose old regionalism (given the fact that its failure fed criticism and its succeeding approach) against new regionalism, in an attempt to identify the novelties introduced

[2] It should be recalled that the initial purpose of the WTO Doha Development Round was to provide developing countries, including those in Africa, with opportunities that would fast-track their sustainable development. Such opportunities include increased concessions regarding agricultural policies of 'developing partners' – EU, USA and Japan – which may benefit African farmers. Incidentally, the Round collapsed following a failure to reach consensus on these same issues. As developing countries hoped for significant concessions in some critical areas, most importantly agricultural policies, 'development partners' clearly indicated their wish to continue to protect their economies while seeking more access to developing economies' markets. With the lack of progress in the context of the WTO, focus will be shifted to bilateral agreements, which owing to the lack of a regulatory framework like the one in the WTO, might place developing countries at a disadvantage. The resuscitation of the EU bilateral negotiations with individual countries in Africa, the Caribbean and the Pacific, following the collapse of the WTO talks in Hong Kong, and subsequently in Geneva, with a view to establishing Free Trade Areas (FTAs), are vividly criticised and perceived as a tool to allow the EU to secure more concessions from the African, Caribbean and Pacific (ACP) countries, through pressure, than is allowed under WTO regulations. Most importantly, the failure to reach consensus at the level of the WTO, as well as the arguments advanced by 'development partners' show that 'partnership' is viewed by them – development partners – as 'no concessions' in trade. Rather they encourage an increase in development aid, which is neither sufficient nor sustainable to support Africa's development as well as NEPAD's vision.

by the latter and, hence, the potential of NEPAD, as a new regionalist programme, to resolve African crises.

1.3 Literature Review

Literature advocating the need for Africa to adopt new regionalism in order to address its crises, and ultimately its development dilemma, is varied. However, it remains, by and large, unstructured. The literature review conducted for this study reveals that scholarly works on new regionalism have mostly focused on case studies of Western Europe and South East Asia. These include the works of some of the pioneers of the new regionalism theory, including Hettne, Öjendal, Bøås, and Mittelman. Few thorough studies, however, were conducted on the implementation of new regionalism in Africa. Practitioners' and scholars' contributions to the assessment of new regionalism, as a viable approach for its adoption in Africa, were concerned with its so-called benefits for development, and more particularly, economic development. This justification was found to be similar in most works consulted; new regionalism should be embraced in Africa due to its capacity to deal with the continent's economic dilemma, as well as the shortfalls of globalisation and multilateralism.[3] Furthermore, given the mushrooming of regions across the world, Africa, it is argued, should follow suit if it is to avoid the negative repercussions of the regionalisation of the world, and subsequently further marginalisation.

Along these lines, the United Nations' (UN's) Economic Commission for Africa (ECA) (2000: 9) suggests that in order to accelerate its pace of development and quickly integrate itself into the global economy, Africa should embrace open regionalism, the economic segment of new regionalism. More specifically, open regionalism should be adopted to increase the economic gains and 'lock in trade reforms' (ECA 2000: 9). Asante (1997: 10), a prominent African scholar, for his part,

---

[3] Multilateralism refers to the "coordination of relations among three or more states according to a set of rules or principles" (Ikenberry 2003: 534). There are different forms of multilateralism. It can refer to general consultations among states. Other forms of multilateralism are more formalised through treaties and agreements. Examples of formalised multilateralism include the WTO and the UN. For the purpose of this dissertation, multilateralism is used to refer to formalised multilateralism. It is distinguished from regionalism in that it does not have regional boundaries and is not necessarily aimed at bringing together countries within the same region to react to a given challenge. Therefore, regionalism will hereby be used to refer to the coordination of relations among three or more states *within a given region*, while multilateralism would refer to the *formal* coordination of relations between three or more countries *from different regions*. Often, multilateralism will be associated with international organisations, treaties and agreements, such as those of the WTO and the UN.

argues that new regionalism is a strategy to re-launch Africa's development and hence avoid Africa's further marginalisation in the global economy.

Still on the economic benefits of new regionalism, Ethier (1998a; 1998b) suggests that the approach could lead to a deep integration between developed and developing countries through partnerships – a central concept in NEPAD. Given the fact that the concept of 'regions' was redefined in the post-Cold War era, new regionalism does not focus on geographical areas, hence allowing for the formation of regions that incorporate developing and developed countries. This dimension of new regionalism makes room for the formation of 'North-South' partnerships. Ethier (1998a; 1998b) maintains that this form of 'partnership' is the best 'development strategy' for developing and underdeveloped countries (quoted in Burfisher *et al* 2004: 29). Other works advocating the adoption of new regionalism for economic purposes include, *inter alia*, Harrison's *Openness and Growth: A Time Series Cross-Country Analysis for Developing Countries* (1991); Balasubramanyam and Greenway's *Regional Integration Agreements and Foreign Direct Investment* (1993); Schiff and Winter's *Regional Integration and Development* (2002); Schiff's *Regional Integration and Development in Small States* (2002); Vamvakidis's *Regional Integration and Economic Growth* (1998); Amoako's *Accelerating Development in Africa: The Power of Regionalism* (2005); and Velde and Bezemer's *Regional Integration and Foreign Direct Investment in Developing Countries* (2004). However, these studies remain general and are not necessarily applicable to Africa. In fact, the focus is mostly on Europe or other developing regions, in particular South East Asia.

New regionalism is also advocated in order to address the negative impact of globalisation on the continent. More precisely, the adoption of new regionalism is rationalised by the multi-faceted nature of the approach and its arguable ability to cope with the increased interconnectedness between actors at the global level, as well as its capacity to 'lock in' the benefits of globalisation. The ECA's *Globalization, Regionalism and Africa's Development Agenda* (2000); Mbaku and Chandra's *Africa at the Crossroads: between Regionalism and Globalization* (2004); and Garat's *Globalisation and World Economy and African Renaissance* (2000) argue that (new) regionalism serves as a response mechanism to the current international economic and political realities. Regionalism not only serves as a tool to offset the challenges of globalisation but also to create the necessary environment for integration in the international economic system. Striking the balance between the use of regionalism and the exploitation of globalisation would accordingly help in addressing Africa's development dilemma.

The espousal of new regionalism is also favoured due to its promotion of 'security regionalism'. Prominent works sustaining this point include Mclean's *Peacebuilding and the New Regionalism in Southern Africa* (1999); de Lombaerde's *Regional Integration and Peace* (2003); Poku's *Regionalization and Security in Southern Africa* (2001); and Hettne *et al*'s *The New Regionalism: Implications for Global Development and International Security* (1994). In practice, however, some key considerations can hamper the security role of NEPAD. As Moore (2004: 10) notes, the dilemma related to the role of sub-regionalism and that of the African Union's (AU's) structures in guaranteeing African security, continues to be problematic.

Despite the fact that NEPAD does not possess its own security structure,[4] ensuring that the existing AU peace and security mechanisms are compatible with NEPAD's other objectives and economic development, is paramount. In other words, the manner in which NEPAD operates in the 'space' of sub-regional and continental mechanisms, and notably the AU, will determine its success in dealing with security threats to the continent, such as terrorism and seemingly endless civil wars.

As far as the question of governance is concerned, NEPAD's continental governance initiative is embodied in the African Peer Review Mechanism (APRM). The APRM focuses largely on the promotion of *democratic* good governance. The regional role of NEPAD, with respect to good governance, is thus to exercise 'peer pressure' in order to promote democratic values in countries that had agreed to be peer reviewed. The focus on the promotion of democratic good governance is guided by theoretically – yet not empirically – justified linkages between good governance and development-generating economic growth. Authors such as Kaufmann *et al* (1999) argue that good governance is a prerequisite in generating economic growth and development.

[4] NEPAD does not have a 'NEPAD security structure'. It relies on the structure designed under the AU, notably the Peace and Security Council (PSC) and other sub-regional conflict management mechanisms.

A number of studies have demonstrated, though, that the linkage between good governance and development is not automatic. Works such as Abdellatif's *Good Governance and its relationship to democracy and economic development* (2003); Barro's *Democracy and Growth* (1996); Comeau's *Democracy and Growth: A Relationship Revisited* (2003); Hope's *Toward Good Governance and Sustainable Development: The African Peer Review Mechanism* (2005); Leftwich's *Governance, Democracy and Development in the Third World* (1993); Kurzman *et al*'s *Democracy's Effect on Economic Growth: A Pooled Time-Series Analysis, 1951-1980* (2002) ; Feng's *Democracy, Governance, and Economic Performance: Theory and Evidence* (2003); and Moore's *Regional Integration and Regional Governance under the New African Initiative: a Critical Appraisal* (2004), all argue that practical observations have shown that *democratic* good governance is a prerequisite for economic growth.

The ideological component – democracy – is often emphasised in discussions on good governance. In terms of NEPAD, emphasis is placed on democracy as a guiding political ideology on which the concept of good governance is built. Good governance is understood as *democratic* good governance. This point is specifically criticised by the authors listed above. They maintain that democracy is not the only option if economic growth is sought. Countries such as China, which openly rejected a democratic governance system, still succeeded in guaranteeing high levels of economic development. What is important is rather an accountable and transparent system, which exists in few non-democratic countries despite overall 'bad' political governance.

The confusion regarding the linkage between democracy and good governance is particularly relevant to NEPAD, since its governance programme places emphasis on the need for *democratic* good governance in order to advance the economic scheme. Most studies on the APRM failed to criticise this empirically-weak link and the assumption appears to be that democracy, and no other political system, is a precondition for development in Africa. Studies specifically focusing on the APRM are mostly concerned with a general assessment of the Mechanism. Kajee (2004); Herbert (2003) and Kanbur (2004), among others, all focus on the procedural aspect of the APRM but not necessarily on empirical data on the potential contribution of the

Mechanism to the broader NEPAD objective. The stereotypical assumption is that good governance would result in development. Furthermore, the linkage between the APRM and security, trade or investment, is critically assessed.

Despite the availability of works on the different focus areas of NEPAD, for instance good governance, there is a paucity of literature that provides a holistic assessment of the African program – even less so studies that assess NEPAD as a new regionalist programme. Most critics of NEPAD focus on its neo-liberal orientation, its exclusion of civil society and its developmental philosophy (see for instance Adesina 2002a, Adesina 2002b, Bond 2000, Fuller 2002, Keet 2002, Obi 2002, Pretorius and Patel 2002, Tandon 2002, Taylor 2002, and Vale 2002). Furthermore, as noted above and as the literature review reveals, little has been written on the implementation of new regionalism in Africa.

Therefore, this study serves a dual purpose. Firstly, it presents a qualitative analysis of new regionalism, with specific reference to NEPAD, in an attempt to contribute to the limited literature on new regionalism in Africa. Secondly, it presents a holistic assessment of NEPAD from a different theoretical angle, that of new regionalism.

1.4 Methodology

This dissertation is descriptive-analytical and qualitative in nature. It establishes the link between new regionalism and the dissertation's case study, NEPAD, and then analyses the Partnership project within the framework of new regionalism. It should also be highlighted that the level of analysis in this dissertation is focused on the continental, and not the sub-regional context. Hence, the term regionalism in this study refers to the African continent as a unit of inquiry.

In this regard, a range of primary and secondary sources were consulted in this study:

- Primary documents: the *NEPAD Document* (2001) and the *APRM Document* (2003), which form the basis of the study. The NEPAD Document provides both the *Democracy and Political Governance Initiative*, which was used in combination with the APRM document, as well as the *Peace and Security Initiative*. Other primary sources used include the *Commission for Africa Report* (2005); the ECA's *Economic Report on*

Africa 2004 (2004); and other NEPAD Secretariat Action Plans on the implementation of NEPAD objectives. These sources were used for background and official statistics purposes.

- Theoretical sources and critical literature consulted dealt with international political economy, (new) regionalism, globalisation, multilateralism, security studies, regional integration and democracy.

- Secondary sources consulted dealt with African socio-economic, political and security conditions; and the African experience with regionalism.

The study is divided into six chapters. Chapter 2 sets out the theoretical framework of the study. The chapter conceptualises the different constructs used in the study, including region, cooperation, regional cooperation, (new) regionalism and regionalisation. For the purpose of constructing the framework for analysis, the chapter underscores the difference between 'old' and 'new' regionalism, with a view to identifying the 'newness' of post-Cold War regionalism, as well as its core characteristics. This chapter will also discuss the linkage between regionalism and globalism, as well as the linkage between new regionalism and multilateralism.

Chapter 3 provides an overview of the African regionalist experience. It assesses the rationale behind the previous adoption of regionalism on the continent and identifies the reasons behind its failure, or limited success. This is done in order to provide a comparative basis to guide the conclusion of the study. The chapter in question also clarifies the extent to which NEPAD is embedded in the new regionalist approach.

Chapters 4 and 5 respectively analyse the possible success/failure of NEPAD in resolving the trade and investment predicaments on the continent, as well as its governance and security challenges. While taking into consideration the analytical framework developed in Chapter 2, these chapters will provide a more elaborate theoretical and empirical analysis related to the specific subjects of inquiry. The reason is that given the diversity of issues discussed, a single framework could not deal with the specific link between each of these issues and new regionalism – for instance, the exact link between new regionalism and investment.

Indeed, there are two steps guiding the study's assessment of the success of the new regionalism-NEPAD nexus in addressing the multi-dimensional crisis of Africa. The first step is the establishment of the linkage between new regionalism and the specific issues (i.e. economic, security, political) and therefore the capacity of NEPAD, as a new regionalist project, to address these individual issues. The second step is to examine the linkage between one issue and the other, for instance, the impact of improved good governance, as aimed by NEPAD, on investment flows. The sequence of the argument is, therefore, to try and establish the role of new regionalism as embedded by NEPAD in addressing individual issues and the impact of these issues, once addressed, on one another, and ultimately on development in Africa. The study concludes with Chapter 6, in which a synopsis of the findings is presented.

Chapter 2: New regionalism as an approach to cooperation: Setting the framework of analysis

2.1. Introduction

A necessary first step in this study is the conceptualisation of the theoretical constructs used. Concepts such as *region*, *cooperation*, *regional cooperation*, *regionalism* and *regionalisation* are first defined. In order to construct a framework of analysis, two themes are then discussed. The first is the comparison of old and new regionalism, which allows for the identification of the characteristics of new regionalism. The second is a theoretical account of the theory of new regionalism – both by reflectivist and rationalist theories – which would provide a better understanding of the theorisation of new regionalism, especially in developing regions.

The challenges posed by the focus on the 'regional' level compels the study to explore the linkage between the 'regional' and other levels of analysis. Given the 'Partnership' element of NEPAD, a framework of analysis in this particular case study necessitates an understanding of the interaction between the 'regional' (new regionalism) and the 'international' (multilateralism). The incorporation of this theme in the framework of analysis is informed by the need to take cognisance of the relationship between different levels of analysis – in this case, between the regional and the international.

Overlooking such a linkage would not serve the study, as the region cannot be treated in isolation from, for instance, the international context in which it operates; it is constantly influenced by the international. As is clear throughout this study, regional ventures are guided, shaped and dependent on other macro and micro variables. The 'Partnership' aspect with 'the rest of the world' introduced by NEPAD thus compels the study to go beyond the 'regional' and consider a higher level of analysis, the 'international' (multilateralism). This chapter concludes with a preliminary assessment of new regionalism.

2.2 Cooperation and regional cooperation

Definitions of the concept 'cooperation' are ambiguous in international relations due to the lack of clarity as regards the scope and nature of cooperation between actors. From realists to liberals, to reflectivists, the term 'cooperation' is understood in different ways. The contention originates in the divergence between theories regarding the structure of international relations; whether international relations are viewed as being anarchic or structured. In the realist vocabulary, as will be elaborated at a later stage in this chapter, the anarchic nature of international relations is constructed in such a way that it creates two types of relationships between actors, namely cooperative and antagonistic. The relationship between actors is defined by power; a central concept in realist thought. Weaker states are compelled to cooperate with stronger states in order to protect themselves, while hegemons cooperate with other less powerful nations to safeguard their interests. More precisely, according to realist thought, cooperation is a strategic exercise (Söderbaum 2002: 17 & Hurrell 1995: 46).

Liberals and neo-liberals assume a different tone to cooperation. Their conception of cooperation is broader than the realists' state-centric security-oriented definition. The liberal theory argues that actors (not only states) engage in cooperative relationships in an increasingly interdependent world, in order to maximise cooperation benefits in several spheres of common interest and reduce the impact of exogenous policies and events. Put differently, cooperation is about influencing the 'other's' behaviour. As maintained by Keohane (1988: 380), "when cooperation takes place … each party changes his or her behavior *contingent* on changes in the other's behavior". Reflectivist theories also aspire to the complex interdependence thesis that compels actors to cooperate with each other.

From the above-mentioned ambiguity regarding the scope of cooperation and the nature of the cooperative 'relationship' between actors, authors have defined cooperation in several ways. Groom (1990: 3) sees cooperation as a set of "relationships that are not overtly or structurally coercive" while Taylor (1990: 14) maintains that cooperation entails "a limited involvement of states in a joint enterprise, limited both in scope and duration, and focused upon a specific predetermined objective." Hence, cooperation is hereby considered a voluntary engagement by various actors – state or non-state actors – for the purpose of achieving a particular objective of common interest across several fields.

The increased cooperation among members in the same region has a bearing on the formation of regions. Depending on the reasons and spheres of cooperation, a region can be constructed (and deconstructed) as a result of geographic proximity, cultural and historical factors, political initiatives and alliances, economic factors, social forces, strategic motives, or even simply by being internationally defined as being a 'region' (Page 2001:12-15). Identifying the factors that lead to the creation of a region does, however, not render the task of defining a 'region' any easier.

There are, indeed, several definitions to explain the term 'region'. These definitions can be classified under two categories, namely physical and functional regions. This definitional distinction, although simplistic, was first mentioned by Castells (1996) when introducing the concepts of 'space of places' and 'space of flows', with the former denoting the territorial region and the latter the "material organization of the time-sharing social practices that work through flows" (Castells 1996: 412).

Accordingly, physical regions, on the one hand, refer to "territorial, military and economic spaces controlled primarily by states" (Väyrynen 2003: 27). The physical region is often determined by geographic proximity, and is created as a result of the existence of a certain degree of interdependence between limited numbers of states (Nye 1968: xii). As a result of the level of regional interdependence, states are not able to achieve their extra-regional aims without achieving their nationalistic aims within their respective regions (Cantori & Spiegel 1970: 1). A functional region, on the other hand, is defined by "nonterritorial factors such as culture and the market that are often the purview of nonstate actors" (Väyrynen 2003: 27). A functional region is therefore broader in terms of scope and agency.

This distinction between functional and physical regions can, however, be blurred, as the physical region may also serve a functional cause and *vice versa*. A physical region seldomly serves one purpose; it may have functional uses such as dealing with market-related factors. Likewise, the functional region might be incorporated into the physical region, in order to manage emerging functional needs within a regional context. Two conclusions can be drawn from the dilemma of the classification between physical and functional regions.

First, determining the boundaries of a region is an arbitrary and flexible exercise (Cantori & Spiegel 1970: 2). A region is determined by subjective determinants and not rigid factors.

Second, regions should not be viewed as static units, but rather as 'dynamic settings' that evolve to accommodate emerging trends and actors (Söderbaum 2002: 4). Taking this into account, a region is defined as a group of at least two actors interlinked by a network of relationships; being a shared history, geography, economics, social, cultural or common political features. For the purpose of this study, the term 'region' will be used to refer to the continental level – and more specifically, that of Africa. In other words, the continent is hereby viewed as both a physical and functional region. Sub-region will be used to refer to African sub-regions, i.e. Southern Africa; West Africa; East Africa; Central Africa; and North Africa.

The network of relationships within the region in turn develops to form regional cooperation frameworks. In this regard, regional cooperation refers to the activity of a group of at least two actors, who engage with each other on an *ad hoc* basis, in order to address matters of common interest (Lavergne 1997). Regional cooperation is premised on the assumption that benefits are derived by those actors who are party to the particular agreement. For instance, in the economic sphere, regional cooperation generates alternative markets for their products; it provides room for expanding existing industries; it increases competitiveness of their products and allows them to keep up with new technological developments (UNESCAP 2004: 24).

Politically, regional cooperation can strengthen a regional political position and bargaining powers at the international level, especially in regions where the units' political weight is not particularly significant. In the security sphere, it allows for more effective responses to cross-border security challenges, such as arms trafficking. In addition to these benefits, regional cooperation has other advantages. It is a mechanism that deals with the challenges posed by international circumstances. In this regard, the UN Economic and Social Commission for Asia and the Pacific (UNESCAP) (2004: 24) maintains:

> Multilateral processes are slow and, although they may deliver benefits in the long term, countries still face short- and medium-term challenges. Regional cooperation in trade, transport and other areas can help to cope with these challenges. It focuses on addressing the region's priorities and leaves countries which join the process less scope for backsliding ... increased protectionist practices by developed countries and the emerging complementarities among developing countries, also provide a rationale for regional cooperation. Such arrangements can help countries develop a common understanding on international issues …

Thus, regional cooperation is a way to deal with the challenges imposed by external factors that cannot be controlled by a specific country, including globalisation. Such challenges can, therefore, only be managed collectively.

It is also maintained that regional cooperation, as opposed to 'national' protectionism, holds the key to development. This reflects the changes within development thinking, which maintain that a comprehensive regional cooperation framework, which incorporates several spheres of cooperation, would contribute to economic growth as opposed to national protectionism. The interaction between the variables involved in cooperation is summarised in Figure 1.

As demonstrated, cooperation in different areas, when converged, contributes to overall economic growth within units and subsequently within the region. Cooperation at the financial level *facilitates* the promotion of trade and investment within the region – contingent on the existence of other factors such as a conducive political and security environment. Increased intra-regional trade and investment generated by, *inter alia*, financial, political and security cooperation, would arguably *directly promote* growth in the region. Financial cooperation also promotes regional macro-economic stability, hence creating a favourable environment for economic growth. Other growth-facilitating and growth-generating factors include cooperation in research and academic fields, as well as socio-economic issues. Subsequently, cooperation in different areas promotes mutually beneficial economic growth.

The benefits of regional cooperation may be extended if the relationship between actors is expanded to integration. In this respect, it is, however, important to distinguish regional *cooperation* from regional *integration*, as both concepts remain distinctly different. Regional integration is a more rigorous process that "involves specific policy decisions by governments designed to reduce or remove barriers to mutual exchange of goods, services, capital and people" (Hurrell 1995: 43) unlike regional cooperation, which is sector-specific and *ad hoc*.

Regional cooperation should also be distinguished from regionalism. One of the key distinctions in this regard is that regional cooperation, as noted earlier, is an *ad hoc* concrete step in the process of achieving further integration within the region, while regionalism simply represents a region-centric body of ideas/approaches that would lead the process. Regional cooperation should also be distinguished from regionalisation, in that the latter represents the *process* of which regional cooperation is only one step. Clarifying this distinction necessitates an elaboration of the meaning of regionalism and regionalisation.

2.3 Regionalism and regionalisation

Conceptual clarification between the terms 'regionalism' and 'regionalisation' is crucial in introducing a study on regionalism. This section serves to explain the distinction between these two concepts.

Regionalism is defined as the "body of ideas, values and concrete objectives that are aimed at creating, maintaining or modifying the provision of security, wealth and other goals within a particular region or as a type of world order." (Söderbaum 2002: 5). According to Söderbaum (2002: 5) regionalism also refers to a "general phenomenon … denoting formal projects as well as regional processes in the broadest possible sense".

New regionalism, more specifically, is defined as "a comprehensive multifaceted and multidimensional process, implying the change of a particular region from relative heterogeneity to increased homogeneity with regard to a number of dimensions, the most important being culture, security, economic policies and political regimes" (Hettne & Söderbaum 1998: 7). This definition, however, requires some alteration. New regionalism refers to an *ideology* and not a process. While some prominent authors in the field (see Hettne & Söderbaum 1998, Hettne 2000: xxiv) define new regionalism as a 'process', it should rather be emphasised that regionalism constitutes an *approach* that manifests itself through the process of regionalisation. Thus, regionalisation is the process, and regionalism is the approach or the ideology.

In this respect, regionalisation entails "the *process* of change from relative heterogeneity and a lack of cooperation towards increased cooperation, integration and identity in a variety of fields, such as culture, security, economic development and politics, within a particular cross-national geographical space" (emphasis added) (Söderbaum 2002: 5). Regionalisation manifests itself through an increased level of 'regioness', implying the "process whereby a geographical region is transformed from a passive object to a subject with capacity to articulate the interests of the emerging region" (Hettne & Söderbaum 1998: 9). Regionalisation, as a process, occurs at different levels. As Hettne and Inotai (1994: 10) maintain, regionalisation is a "complex process of change taking place simultaneously at three levels: the structure of the world system as a whole, the level of inter-regional relations, and the internal pattern of the single region". This multi-level development of regionalisation is also characteristic of regionalism, hence generating some theoretical inquiries as to the relationship between regionalism and regionalisation, on the one hand, and other levels of analysis (notably at the international level), on the other hand. This matter will be discussed in further detail at a later stage, as the framework of analysis is developed.

2.4 Constructing the framework of analysis

The framework of analysis is built around three themes, namely the 'newness' of new regionalism as compared to old regionalism; the relationship between new regionalism and multilateralism; as well as the relationship between new regionalism and globalisation.

2.4.1 'New' versus 'old' regionalism: Identifying the 'new' features

The difference between 'new' and 'old' regionalism is evaluated in relation to four elements, namely context, content, agency and approach. The comparative method between 'old' and 'new' regionalism is hereby used in order to identify these differences.

The development of regionalism is characterised by two distinct phases, namely a first and a second wave of regionalism. The first wave of regionalism did not enter the vocabulary of international relations until after the Second World War, when it emerged in Western Europe as a way to handle nationalist trends within Europe, and as a way to manage changes in international society. Following the Second World War, the world became divided into two contending spheres, the Western and Eastern blocs. Hence, as noted by Fawcett (1995: 12), "the region as a unit of analysis became important not only in a Cold War context, but increasingly as a result of the growing assertiveness and self-consciousness of regions themselves". Consequently, as alluded to by Hoffman (1970: 293), "one reality of post-war world politics [was] the division of a huge and heterogeneous international system into subsystems in which patterns of co-operation and ways of controlling conflicts are either more intense or less elusive than those in the global system".

The establishment of the European Economic Community (EEC) in the 1950s epitomised the development of the regionalist trend. In fact, the EEC and its successor, the European Community (EC) were considered to be outstanding examples of regionalism. Then, regionalism was a state-centred, top-down process, which focused primarily on protecting the region from shocks emanating from its external environment. The European regionalist experience motivated the proliferation of other regional groupings across the world, including the North American Free Trade Area (NAFTA) and Latin America Free Trade Area (LAFTA).

The emergence of groupings such as the Non-Aligned Movement (NAM) (in the 1950s) and the Group of the 77 (G-77) (in the 1970s) in the developing world shaped the thinking on regionalism in these parts of the world. The so-called 'Third World Structuralists'[5] saw regionalism as a means to put an end to the dependency relationship between the Third World and the developed or 'First World' (Fawcett 1995: 15). This idea dictated thinking on regionalism in developing regions of the world for decades to follow.

By the 1970s, theorists began re-examining the dominating views on regionalism in light of the theory's limited success outside Europe - and even within Europe itself. In

[5] Third World Structuralists is a group of thinkers who advocate the structural reform of the international system, for the benefit of the Third World.

this respect, Haas (1975: 1) noted, it became "obsolete in Western Europe and obsolescent – though still useful – in the rest of the world".

The limitations of old regionalism became more apparent with the challenges faced by sub-regional organisations, and even international bodies such as the UN. As explained by Fawcett (1995: 16) concerns about sovereignty, both in respect of high and low politics, placed serious constraints on the progress of regionalism.

By the mid-1980s, a new form of regionalism emerged. New regionalism was again triggered in Western Europe, culminating in the launch of the European Commission *White Paper on Completing the Internal Market* and the *Single European Act* of 1985. This shift towards a new version of regionalism emerged against the backdrop of increased awareness that old regionalism did not take cognisance of exogenous forces, the multiplicity of actors involved in regionalism, or the nationalist forces that impeded the advancement of regionalism. A new approach to regionalism was, therefore, promoted.

New regionalism is, therefore, qualitatively new. It is new in content and in context. As regards the latter, new regionalism emerged within a new context, which was produced by the end of the Cold War and characterised by the restructuring of world order (Söderbaum 2002: 28). Within this context, emphasis was placed on intra-regional dynamics; economic interdependence; the ever increasing indistinctness between the 'domestic' and the 'international; the increasing number of transnational movements; the deterioration of the Westphalian nation-state system; increased interdependence between different actors at all levels; concerns about the stability of the multilateral trade regime; the decline of the American hegemony; and the restructuring of the global political economy, which became dominated by three blocs, namely the European Union (EU), the Asia-Pacific region and NAFTA. Furthermore, new regionalism emerged within a context of increased protectionism, especially economic protectionism, in the three aforementioned regional blocs (Hettne & Söderbaum 1998: 6; Fawcett & Hurrell 1995: 1-3).

In as far as Africa is concerned, new regionalism gained momentum during a period of increasing marginalisation of the continent in the global economy, thus resulting in a number of crises, notably economic, which called for an alternative approach to the continent's development. Indeed, new regionalism emerged as a response to the slow progress in multilateral economic negotiations, within the former General Agreement on Tariffs and Trade (GATT). The apparent failure of these negotiations, coupled with the inability to reduce protectionism in the aforementioned three regions, eroded trust in the GATT's capacity to address the trade issues that hindered African development in the early 1990s (Asante 1997: 4; Fawcett & Hurrell 1995: 1). In this sense, new regionalism was propagated as an alternative to multilateralism.

New regionalism, therefore, emerged as an adaptation of old regionalism to the current global setting. Adaptation called for the introduction of new elements. Therefore, content-wise, regionalism, as previously noted, is no longer limited to economic cooperation but rather broadened to incorporate other areas such as governance and security.

Despite the distinctive features between 'old' and 'new' regionalism, the differentiation between these two phases continues to be debated. The central question around which the debate revolves is related to the 'newness' of 'new' regionalism – what are the new elements? As suggested by Söderbaum (2002: 16) new regionalism can be distinguished from old regionalism in temporal, spatial, empirical and theoretical senses.

The temporal criterion focuses on the chronological appearance of the new wave of regionalism in the late 1980s and early 1990s. The spatial distinction is made on the basis that regionalism emerged in areas where it was previously absent, therefore reference is made to a second wave of regionalism that signalled the expansion of old regionalism into other parts of the world. Empirically, new regionalism is characterised by new patterns – although co-existing with patterns of old regionalism – such as the fact that regionalism is no longer a merely state-led project. Furthermore, theoretically speaking, new regionalism, as will become clear in the theoretical discussion that follows, introduced new elements to the theory of regionalism that go beyond economics.

On these bases, the difference between 'old' and 'new' regionalism can be summarised as follows (Hettne 2004; Asante 1997: 6-8):

- Contextual differences: the conventional form of regionalism emerged within the context of Cold War bipolarity while the second emerged in a multipolar post-Cold War system.

- Approach: old regionalism was merely a 'top-down' phenomenon imposed from the outside. New regionalism, to the contrary, follows a 'bottom-up' approach and is 'spontaneous' in nature. It emerges from the region itself and results from the need for cooperation in order to allow states to deal, collectively, with the challenges resulting from the current global context. Furthermore, old regionalism was inward-looking (introverted), while new regionalism is open (extroverted).

- Content differences: while old regionalism was concerned mainly with economic regional integration, new regionalism is multidimensional and multifaceted. It is interdisciplinary in nature.

- Agency: old regionalism puts emphasis on the state as the core actor. New regionalism acknowledges the role played by non-state actors.

With the changing content and context of new regionalism, theories were adapted to recognise the changing patterns of this revised form of regionalism. Although there remains some conservatism in rationalist theories, theoretical contributions from reflectivist schools do offer alternative understandings of new regionalism.

2.4.2. Theorising new regionalism

As previously indicated, and in response to empirical developments, by the late 1980s, the study of regionalism regained momentum in both mainstream and non-conventional theoretical circles. For the most part, it was the (re)conceptualisation of international order, hegemony, power, and the role of the state and non-state actors, which significantly influenced the way in which regionalism was theorised in the different theoretical approaches.

The theoretical categorisation of regionalism is hereby done in accordance with the distinction made between the rationalist and reflectivist approaches. The former includes mainstream theories, notably neo-realism, liberal institutionalism and neo-classical and neo-liberal regional economic integration, whereas the latter includes the World Order Approach (WOA), the new *regionalism* approach and the new *regionalisms* approach.

a. Rationalist theories and new regionalism

Rationalist theories and the schools of thought that support them had a particular influence on the study of regionalism, the adjustments of which were driven by the changing international environment, and particularly by terms of economic globalisation. The new form of regionalism, as proposed by rationalists, nevertheless remains intimately linked to conventional/ 'old' regionalism, while the link with old regionalism in reflectivist schools, as will be indicated at a later stage, is rather blurred (Söderbaum 2002: 17). Two rationalist theories, in particular, can be related to the study of new regionalism; namely neo-realism and neo-liberal institutionalism.

i. Neo-realism

Neo-realism, as a theory of IR, emerged in the 1970s for two main reasons – the first being to challenge interdependency theory, and the second to revisit traditional realism, in order to adjust it to the changing international order (Burchill 1996: 83). As a critique of traditional realism, notably guided by Kenneth Waltz, neo-realism focuses on the role of structure in international politics. Waltz (1990: 33) in particular explained that the new 'object of inquiry' in the study of international politics was that of structure. He criticised traditional realism for focusing on the interaction between units (states) within the system, while ignoring the systemic forces that guided their behaviour (Waltz 1990: 33). This point of view also alluded to by Cantori and Spiegel (1970: 1), claims that excluding the analysis of the regional framework leads to a limited understanding of the reasons that determine the behaviour of states in international relations.

The neo-realist contribution to the understanding of regionalism is state-centric and security-oriented. Two central concepts in neo-realist theory have influenced this neo-realist conception of regionalism, namely self-interest and power politics. In this regard, proponents of the neo-realist view argue that, "states cannot widen their conception of self-interest beyond the egoism of strategic interaction, despite the gains that can be made through cooperation … and membership of international organisations" (Burchill 1996: 88). This suggests that, in the neo-realists' viewpoint, states embark on cooperation for strategic reasons, and not necessarily to establish a specific world order. Thus, according to neo-realist theory, regionalism occurs as a result of alliances that materialise from states' renegotiating the distribution of power or reconsidering geopolitical factors (Söderbaum 2002: 17; Hurrell 1995: 46). In this respect, regionalism, therefore serves to strategically position nation-states throughout a particular region, for the promotion of a more favourable international context.

The concept of a hegemony and its centrality in neo-realist thought also determine the manner in which regionalism is conceptualised within this theory. Hegemony, as employed here, refers to "a mix of coercion and consent in which consent is the dominant element" (Mittelman & Falk 2000: 3). According to neo-realist understanding, the concepts of hegemony and regionalism are inextricably linked, whereby the former stimulates the latter (Söderbaum 2002: 18). Neo-realists maintain that powerful states influence and encourage regional groupings in manner that furthers the superpowers' nationalist interests (Hurrell 1995: 49). Buzan (1991), for instance, suggests that strong states create strong and developed regional organisations and institutions (in Söderbaum 2002: 18). This implies that powerful and well-structured regions are dependent on the strength of individual nation-states. The analysis is drawn from the European case, where states are strong and where the Westphalian state-building system is entrenched.

The focus on powerful states also renders the theory applicable to limited cases, as the strength of member-states in many developing regions, including Africa, remains questionable. In such circumstances, neo-realists suggest that a hegemon is needed to strengthen other nation-states and the regional grouping as a whole. Therefore, weak states are obliged to join regional hegemons in a regionalist endeavour, in an attempt to "receive special rewards" (Hurrell 1995: 52). Hurrell (2003: xv) maintains that there are "recurring power-related interests that create powerful incentives for weaker states to become involved in the creation and maintenance of regional institutions". The interests of weak states, within regional groupings, can be explained with reference to four potential benefits, at least in theoretical terms.

Firstly, the institutional setting, in the form of rules and procedures, as dictated by the regional grouping, limits the influence of the hegemonic state. Secondly, the institutional arrangement provides a platform for weak states to voice their ideas, as equal parties. Thirdly, integration within a regional grouping, and alongside hegemonic states, provides weak states with the opportunity to build strong coalitions. Fourthly, weak states engage in such alliances in order to avoid possible exclusion in decision-making processes (Hurrell 2003: xv-xvi). The example of NAFTA is a case in point, with both Mexico and Canada engaging in a regional scheme with a regional hegemon, namely the United States of America (USA). The same applies to South America's *Mercado Común del Sur* (MERCOSUR), with member countries attempting to offset the regional hegemonies of Brazil and Argentina, while both hegemonic states have attempted to reduce the influence of each hegemon. The same can be argued in terms of Turkey's attempts to join the EU.

This neo-realist conceptualisation of the driving forces behind regionalism reduces the phenomenon to a power-politics-driven body, which ignores a number of significant facets in the incentive behind the creation of such a grouping, such as cultural or economic factors. Nevertheless, according to neo-realists, managing state power is best achieved through alliances, and in this regard, institutions are particularly important. This view, as will become clear in the explanation that follows, is also shared by other rationalist theories, including neo-liberal institutionalism.

ii. Neo-liberal Institutionalism

Liberal institutionalism, comprising functionalist and institutionalist theories, has significantly contributed to the study of regionalism. Apart from a number of basic assumptions in neo-realism theory – including pluralism; anarchic conception of the international system; centrality of states as rational actors; as well as the importance of institutions – liberal institutionalism differs from neo-realism in that the latter understands the formation of regions as an outside-in process, while the former views it as an inside-out process.

The neo-liberal institutionalist interpretation of international cooperation projects a similar view to that which has been advanced by neo-realists, as regards the importance of nationalistic interests, in influencing and guiding international relations. Neo-liberal institutionalists thus claim that states engage in international cooperation, in order to broaden their "conceptions of self-interest [and to] widen the scope of cooperation" (Burchill 1997: 36). Neo-liberal institutionalists maintain that states are prone to seek such alliances through an institutionalised form of international cooperation. Similar to neo-realist thinking, institutions are central to neo-liberal institutionalism, due to their perceived influence, not only on the actors' benefits, but also on the way in which they define their interests (Hurrell 1995: 62).

However, several differences distinguish neo-liberal institutionalism from neo-realism. Unlike neo-realists, neo-liberal institutionalists place less emphasis on the role of power in the emergence of regionalism. They are of the opinion that regionalism emanates from the desire of nation-states to adequately engage in activities of interdependence and to acquire goods and benefits. According to neo-liberal institutionalists, international cooperation is guided by the complex interdependence that characterises the contemporary world. States are therefore faced with the impending risk of being influenced by events or policies in other parts of the world. As a result, the need for cooperation increases, whereby countries are encouraged to coordinate their policies in an attempt to resolve their common problems. Regionalism is therefore considered an incremental problem-solving tool (Söderbaum 2002: 20).

Based on their assumption of interdependence and thus the need for cooperation, neo-liberal institutionalists propagate regionalism as being good, in essence, and beneficial to members of a region. However, in order to be beneficial in practice, regionalism needs to be formally institutionalised. This argument therefore places limitations on the validity of the neo-liberal institutionalist theory. As Söderbaum (2002: 20) argues, neo-liberal institutionalism is problematic in that it implies that regionalism is driven by formal institutions, while ignoring the informal dimension, which is a reality in many parts of the world. Furthermore, it is assumed that efficient regionalism is institutionalised. This weakness in the assumption of neo-liberal institutionalism and the rationalist school of regionalism in general, is a result of the application of the European model on regional integration to the school.

In assessing rationalist approaches to regionalism, Söderbaum (2002: 33) maintains that "one of [its] weaknesses [is] that [its] positivistic logic of investigation result[s] in a concern with the methodology of regionalism rather than with a systemic concern for the socio-economic circumstances and historical context in which regionalism occurs". Reflectivist theories have attempted to address some of these lacunas, at the risk of being labelled 'non-scientific', due to the assumed lack of empirical background in applying these principles.

b. Reflectivist Schools: selected theoretical contributions

Reflectivist schools on regionalism, as discussed below in further detail, emerged in the mid-1990s. They came into being as a challenge to rationalist theory. Unquestionably, they contested a number of core principles within rationalism, including the state-centric ontology and rationalist epistemology (Söderbaum 2002: 25).

The reflectivist school of regionalism includes the WOA, New Regional Approach (NRA) and New *Regionalisms* Approach (Söderbaum 2002: 26-32). These theories are particularly important due to their pluralistic – and alternative – view of new regionalism. In other words, "reflectivist approaches integrate both top-down and bottom-up, formal and informal, intentional as well as unintentional dimensions within the same framework" (Söderbaum 2002: 32). They aim at broadening the scope of regionalism and embracing an interdisciplinary dimension, by taking the variety of actors involved, as well as the multi-dimensional nature of contemporary regionalism into consideration.

i. World Order Approach

The WOA focuses on the "relationship between globalization, regionalization and the development of world orders" (Söderbaum 2002: 26). This Approach maintains that globalisation was instrumental in creating a different environment in which regionalism has developed, which is significantly different from that of the pre-globalisation environment, for instance, in respect of phenomena such as the dominance of capitalism as a world economic order.

Hence, the central question in WOA thought is how states engage with each other in regionalist projects in order to respond to globalisation challenges. In answering this question, the WOA contends that regionalism is a means to manage world order (Söderbaum 2002: 27) and that new regionalism complements the process of globalisation. Gamble and Payne (1996: 252-253) support this theory by declaring that, "regionalist projects emerge as a means to help achieve the globalist project in a world".

More specifically, WOA suggests that regionalism is led by core countries and "the hegemonic power of free market capitalism and liberal democracy" (Söderbaum 2002: 27). Hence, regionalism is a strategy designed to maintain the existing world order, in favour of a particular hegemonic state or political elite. If this cycle is to be broken, inequality and uneven development should be the first priority, argues the WOA. This body suggests that civil society be included in regionalist projects, in order to render regionalism more responsive to the challenges of globalisation and beneficial to all actors. Its call for a bottom-up approach is also supported by the NRA, as discussed below.

ii. New Regional Approach

In another reflectivist attempt to challenge the rationalist theories' lack of focus on regionalism as such, the NRA defines regionalism in a more 'eclectic' fashion and places emphasis on the process of regionalisation and its consequences (Söderbaum 2002:28). This theory maintains that new regionalism brought back political interventionism, which was lacking in the first wave, which was dominated by the economic dimension. Hence, the state should intervene in the affairs of member-states to enhance, *inter alia*, development, peace and security, culture, or environmental sustainability within the regional community (Hettne 1997: 22). Thus, NRA highlights the changing role of the state. More precisely, it distinguishes the emergence of the 'developmental state'. Furthermore, new regionalism provides "the basis of an improved and better functioning of the multilateral system" (Söderbaum 2002: 29).

The NRA theory further suggests that socially and economically-led regional projects tend to develop faster than those which are state-led (Söderbaum 2002: 30). Thus, it is important to re-evaluate the definition of agency in new regionalism, and to emphasise the multiplicity of actors leading contemporary regionalist projects, as opposed to the rationalist state-focused analysis. Therefore, new regionalism, which emerged in a global context, and was influenced by a multiplicity of actors, became a bottom-up approach. Writing on this metamorphosis, Mittelman (in Söderbaum 2002:

30) refers to this dynamic as 'transformative regionalism', whereby the role of civil society becomes more prominent in new regionalist projects.

The bottom-up orientation of regionalism does not necessarily culminate in a formal, institutionalised regionalist project. One of the key arguments of the reflectivist school, as will be further elaborated in the following sub-section, is that the regionalisation process can be both formal and informal.

iii. New Regionalism / New Realist Approach

The NR/NRA was developed by a handful of theorists, notably Marchand, Shaw, and Bøås (1999), the main aim of which was to challenge the NRA, originally developed by Hettne and Söderbaum (1998), as discussed in the previous section. The proponents of the former emphasise the multiplicity of existing regionalisms, hence, preferring to make reference to new '*regionalisms*' rather than new '*regionalism*' (Marchand *et al* 1999: 903).

In their theorising of *regionalisms*, Marchand *et al* (1999: 903) emphasise the informal sector and its contribution to regionalisation. They maintain "in many parts of the world, what feeds people, organizes them and constructs them worldwide is not the state and its formal representations (at local, national and regional levels), but the informal sector and its multitude of networks, civil societies and associations (again at many levels)" (Marchand *et al* 1999: 903-904). Hence, proponents of the NR/NRA claim that to be developing "a more historical, contextual, agency-oriented approach, which should provide a more comprehensive understanding of the multiplicities, complexities, contradictions and diversities of regions and regionalization processes in the South" (Söderbaum 2002: 30).

As noted above, the NR/NRA focuses on the concept of 'regionalisms' rather than 'regionalism' in order to highlight the "pluralistic nature of regional phenomenon rather than a perceived 'singularity' of the other approaches" (Söderbaum 2002: 30). This idea is further elaborated by Marchand *et al* (1999: 906):

> *The second economy or the informal economy of the border is not populated by completely powerless social groups and individuals with little or no control over their daily lives.* We must, therefore, study

> informal regionalisms from below, and our analyses should take into account the regional practices in the informal border politics of small trade, of smuggling and crime, and the networks and associations involved in these practices. It in only when we make deliberate attempts to connect the two broad processes of formal and informal regionalisms that we can get a clearer picture of the connections between them (emphasis as per original text).

Emphasis is, hence, placed on 'informal regionalisms from below' (Söderbaum 2002: 31). Like the NRA, the NR/NRA agrees on the notion of a variety of actors guiding 'regionalisms'. These actors, however, tend to create many regionalist processes, both formal and informal, hence culminating in what is referred to as 'regionalisms'.

The NR/NRA theory can be considered to be a more 'realistic' analysis of regionalism in developing regions (Söderbaum 2002: 31). It accentuates the multi-dimensional fashion in which regionalism develops in the 'South' and provides an alternative to the European-focused rational analysis of regionalism by taking into account informal forces that guide regionalism in Africa (Bøås *et al* 1999: 1061-1970; Marchand *et al* 1999: 897-910).

The reflectivists' take on new regionalism is more relevant than the state-institutional-centred understanding of rationalist theories. Indeed, new regionalism, in an African context, develops simultaneously in formal (political) and informal (socio-economic) forms. The centrality of the informal sector in a number of African economies and its contribution to regionalisation – despite the absence of an institutional framework – is not captured in the rationalist theory of new regionalism. Neither is the multi-dimensional aspect of new regionalism. Rationalist schools, it can be claimed, do not determine the 'point of departure', which distinguishes old from new regionalism. They present a single-sided explanation of new regionalism, much the same as in old regionalism, hence constraining the framework for analysis to a single facet of cooperation. Given the variety of issues that NEPAD attempts to address, the framework for analysis in this study requires a multi-dimensional approach – this approach is only promulgated by reflectivist theories.

The issue that plagues reflectivists, however, is their failure to substantially address the impact of extra-regional dynamics on new regionalism – perhaps, with the exception of the WOA, which gave prominence to the regional-global nexus. A possible explanation for this inattention is the fact that this theory is relatively new, and still in the development stages. Furthermore, their focus on the *intra-regional* dynamics in isolation to the *extra-regional* dynamics does not provide a holistic understanding of how the latter impacts on the former. The emphasis on the regional level of analysis does not generate a holistic understanding of the interaction between the different levels of analysis – for the purpose of this study, the regional and the multilateral. Hence, understanding this dimension is necessary to complement the study's framework for analysis.

2.4.3. New regionalism and multilateralism

The relationship between new regionalism and multilateralism has stimulated intense debate. While it is maintained that regionalist projects compromise multilateralism, new regionalism arguably strengthens the multilateral system (Hettne 2004). In other words, new regionalism is at times viewed as a stumbling bloc, and contrarily as a stepping stone in the establishment of a multilateral system.

In keeping with the view that regionalism is a stepping stone to enhance integration, new regionalism is sometimes viewed as a response to multilateralism. The argument advanced in this respect is that new regionalism initially emerged as a response to the failure of GATT in 1994, which was subsequently rehabilitated into the World Trade Organization (WTO) in 1995. The challenges that countries, especially in the developing world, continue to face under the WTO are also mentioned as a motivating factor to the acceptance of new regionalism. Therefore, new regionalism develops into a response mechanism to multilateralism. Regions are thus created as an alternative to multilateral fora, which consequently hampers the realisation of multilateralism. In IR jargon, new regionalism is viewed as a 'stumbling bloc' to multilateralism.

Nevertheless, new regionalism is also viewed as a 'stepping stone' towards a state's further integration into the multilateral system. Economically, open regionalism arguably contributes to the enhancement of multilateralism (Hettne & Söderbaum 1998: 8), in that it renders many countries, within trading blocs, enthusiastic towards international cooperation.

A middle ground can be proposed to settle this contention. New regionalism's relationship with multilateralism is not, however, a black or white issue. Rather, the grey matter which exists therein should be considered. In other words, new regionalism is pursued both to protect the region from the shortcomings of multilateralism, while at the same time allowing it to further integrate in the multilateral system as a strong role player. It is important to emphasise that, empirically, actors do not disengage from one level (multilateral) by virtue of their commitment to another (regional). Engaging with the WTO did not mean that some African countries were no longer members of the AU or their respective sub-regions. The two approaches to cooperation – multilateralism and regionalism – are adopted and pursued concurrently. These approaches therefore overlap, which renders them mutually dependent and complementary. This macro-analysis is, indeed, crucial, if an over-simplification of international cooperation is to be avoided. New regionalism does not – and cannot – function in total isolation from multilateralism.

Since new regionalism and multilateralism are complementary, they are strategically linked via partnerships, which aim at guaranteeing the functioning of the region in an interdependent world. Despite regions being accepted as actors in their own right, they cannot operate independently from the multilateral environment, or the domestic milieu, for that matter. Partnerships are, therefore, aimed at managing the interaction between these different 'operational contexts' and guaranteeing their commonalities, in order to achieve its objectives, and to equally benefit the actors involved. NEPAD is the best (theoretical) example of this arrangement, whereby the Programme comprises regional membership but a multilateral character, given the fact that it invites non-African countries to 'partner' in order to meet its objectives.

Given the multiplicity of agency in new regionalism, partnerships also structure the cooperative framework between state and non-state actors, at different levels, and not exclusively at the national or the regional. Similar to the partnership between a particular region and other arenas, the failure of one actor to meet the requirements for a successful partnership would impact on the success of the objectives set by the other actors.

To synthesise the discussion above, the analysis of new regionalism in developing regions, notably in Africa, should take intoconsideration the existence of multiple regionalisation processes, formal and informal, occurring simultaneously. It is also necessary to recognise the multiplicity of actors involved in new regionalism. Moreover, new regionalism is generally embraced to meet several challenges, economic, political, security, environmental, and others. These challenges are mutually dependent and the failure to address one of them has repercussions on the region's ability to surpass the other related obstacles. Therefore, new regionalism renders possible a multi-dimensional analysis of regionalisation and the inclusion of several inter-related elements in the analysis.

The investigation of new regionalism should also take into account the macro level. The concept of 'partnership' will serve to link the different levels of analysis; notably the link between new regionalism and multilateralism. The concept of 'partnership' also allows the investigation of the relationship between state and non-state actors and the contribution of the latter in the edification of the regionalist project.

The value of institutionalised regionalism and its capacity to maximise gains for development is also ambiguous and indeed debatable. Non-institutionalised regionalisation processes, notably in the trading sector, are more successful in some parts of Africa than institutionalised regional trade ventures. It is thus possible that institutionalisation is not a *sine qua non* for the promotion of new regionalism and that it is rather a tool for its facilitation. Political interventionism and institutionalisation of regionalism continues to be theoretically and empirically debated in the study of new regionalism. Having said so, and in order to shed more light on the ambiguity surrounding the validity of new regionalism as a viable cooperation approach in Africa, attention will now be turned to a preliminary evaluation of new regionalism.

2.5 Evaluating new regionalism

The adoption of new regionalism has received mixed responses from theorists. Its supporters, on the other hand, maintain that new regionalism remains an important approach towards tackling contemporary challenges.

Criticising the quick adoption of new regionalism, Lovering (1997: 13) opines that the new approach

> … is a set of claims thrown together with inadequate attention to either factual evidence or theoretical coherence, which both misrepresent the real experience of regions and illegitimately debates over strategy. The new regionalism has gained influence not because of its scientific content but because it has attractive ideological resonances for a range of corporate, political and cultural actors.

In the same vein, Meagher (2001: 40, 43) argues that new regionalism was intended to address the challenges faced by old regionalism "without ever bothering to address the underlying causes of those failings, or to assess whether the streamlined features of the new regionalism are capable of rectifying them". He further maintains that new regionalism is merely 'repackaging' the old version of regionalism, instead of creating a genuinely new approach.

Supporters of new regionalism, on the other hand, argue in favour of its adoption. Their assumption is skilfully captured by Söderbaum (1996: 3):

> The new approach is based on more realistic assumptions, such as the presence of underdevelopment, distorted factors and good markets and production structures, the presence of other market and government failures, high transportation costs, imperfect and asymmetric information and competition, externalities, bounded economic and actor rationality, the role of institutions and the fact that various public and common goods may not always be achieved.

Thus, states are increasingly seeking regional partnerships in order to avoid costs of non-integration and marginalisation from the global economy (Hettne & Söderbaum 1998: 16).

New regionalism is also beneficial to the periphery. Apart from serving a strategy to avoid 'costs of non-integration' and marginalisation from the global economy, regionalism would, in structural terms, allow the periphery to move to the core (Hettne & Söderbaum 1998: 16-18; Hettne 2000: xx-xxi). In this situation, the core would reduce the size of the periphery by upgrading it to a 'satellite status' (Gamble & Payne 1996: 259). By providing aid packages to its satellite states, the core would encourage economic development of peripheral countries. However, as Gamble and

Payne (1996: 259) argue, there are doubts about the long-term sustainability of such programmes within the periphery.

The changing international setting does not compel the world's superpowers to maintain support of peripheral states for strategic or other reasons. Thus, their support of the periphery remains limited. What is needed for genuine integration of the periphery into the core, or to a lesser extent, bringing the periphery closer to the core, is the equivalent of a Marshall Plan (Gamble & Payne 1996:260). Alternatively, regions in the peripheral zone should tackle their problems of poverty and conflict on their own (Hettne & Söderbaum 1998:16). It is here that the need for development and security regionalism emerges.

Therefore, the success of regionalism cannot be guaranteed, not only due to the newness of the approach, but also, as Hettne and Söderbaum (1998:13) maintain, "since regionalisms are political and social projects, devised by human actors to transform or alter existing structures, they may, just like nation-states projects, fail". New regionalism has not proved to be significantly successful in regions outside of Europe and appears to offer little hope for continents such as Africa. Nonetheless, arguably there exists a theoretical improvement in new regionalism if juxtaposed to conventional regionalism, particularly in respect of its emphasis on the multiplicity of actors leading the regionalisation process as well as its incorporation of themes such as security and governance, which have contributed to the failure of old regionalism.

2.6 Conclusion

This chapter has defined some of the key concepts used in this study. Regionalism was distinguished from regionalisation, as referring to the body of ideas and values aimed at the establishment of a specific regional project. It is also conceptualised as world order, while regionalisation was assumed to imply an empirical and activist process that involved enhanced cooperation and integration within a region, thus increasing the level of 'regioness'. It was also highlighted that both regionalism and regionalisation occur at different levels; *inter alia* national, regional and international.

The concept of new regionalism was also discussed. It was deduced that new regionalism is qualitatively new, and emerged in a particular international context, which required authors to revisit and adapt conventional regionalism. The key characteristics of new regionalism are its context (a multi-polar world order), orientation (as an extroverted approach), its bottom-up approach, multi-dimensionality including its recognition of a wide range of actors.

The theoretical interpretations of new regionalism were also explored in this chapter, with particular focus on two leading regionalist schools, namely rationalist and reflectivist schools. Although it is acknowledged that rationalism contributed to a better understanding of new regionalism, the analytical framework of this study is mostly – but not exclusively – centred on reflectivist schools, given their particular relevance to Africa. Several reasons inform this conclusion, the first being the problematic limitation of rationalist theories as being particularly applicable to developed regions, notably Europe. The second is its emphasis on formality and institutionalisation: regionalism can also be informal and non-institutionalised. The third is its emphasis on the multiplicity of regionalisation processes within a region, in other words 'regionalisms'. Reflectivists skilfully capture the multi-dimensional nature of regionalism which occurs in less developed regions.

Having summarised the discussion, some conclusions can accordingly be made to guide the analysis of the different aspects explored in this study. First, although the key unit of analysis is the region, other levels of analysis, notably the international level, need to be factored into the equation. The global and international levels, and the debate on the relationship between multilateralism and regionalism have specific relevance. Focusing on the interplay between the regional and the international levels of analysis offers a good idea as to the impact of the multilateral system on regional schemes, especially on NEPAD. In the world of today, the 'regional' cannot claim to be operating without the influence – and even the guidance – of the 'international'. Given the 'partnership' dimension of NEPAD such interplay becomes even more relevant.

Second, new regionalism is a multi-dimensional phenomenon. Therefore, the different elements of the study (i.e. security, trade, governance) need to be linked in order to reflect the complexity of regionalism. With this in mind, the multiplicity of actors, as well as the informal forces behind regionalism, needs to be recognised, which necessitates the incorporation of reflectivist theories. The analysis will, however, not be complete without being substantiated by further details on the empirical evidence related to the application of the old form of regionalism on the African continent.

Chapter 3: Regional cooperation as a response to African crises: An overview

3.1 Introduction

An ongoing topic for debate within Pan-Africanist circles, namely the retrospective positives and negatives of regionalism in Africa, has dominated the field of African studies and political economy as far back as colonial times, but was given greater significance following the independence of African countries. Moreover, the concept of African unity, as a regionalist notion, is an ideal that stimulated Africanist thought since the inception of anti-colonial movements and continued to inspire the first generation of African leaders, culminating in the founding of the Organization of African Unity (OAU) in 1963. Over time, attempts to achieve African unity also found expression in various regional projects.

Regionalism has been embraced in Africa for numerous reasons, the most prominent being African development – with the exception of the OAU, which was driven by the anti-colonial and anti-Apartheid struggle. Guided by this belief, regional plans were initiated from within and encouraged from outside the continent, thus leading to the adoption of a series of continental and sub-continental schemes that yielded limited success, and even failure in most cases. Reasons for the failure of African regionalist schemes were wide-ranging and include both internal and external factors.

Despite the debatable failures of post-independence regionalist schemes, Africa did not remain unaffected by the emergence of new regionalism in the 1990s, thus propelling a new wave of regionalism on the continent. The failure of the GATT in 1994 and the proliferation of regional blocs in most parts of the world, have led to the emergence of a near-global consensus calling for the promotion of regional blocs on the African continent (see, for instance, ECA 1983; World Bank 1989; World Bank 1994; *Abuja Treaty* 1991; Asante 1997; Sachs *et al* 1995). The decision to engage in regional schemes was also informed by the awareness that in the face of the global setting at the time, it would be difficult for African states to effectively counter the challenges they individually faced.

The forthcoming chapter will retrace the history of regionalism in Africa. In order to fulfil this aim, the chapter is structured into three sub-headings, namely regionalism in an African context; the key regionalist schemes that were established on the continent and an assessment of regionalism in Africa; as well as the reasons why some of these schemes have generally yielded limited success. Yet, understanding the reasons underpinning the adoption of regionalism in Africa cannot be fully appreciated without an understanding of the African crises themselves.

3.2 The African crises: an overview

The focus on the post-independence era in this study is guided by the need to factor certain dynamics and institutions, notably the establishment of independent African states and the institutionalisation of some regionalist schemes on the continent. Furthermore, since the focus is largely on regionalism, and owing to the fact that most of these concrete regionalist schemes were established in the post-independence era, it is more appropriate to examine the post-independence period.

Similarly, the use of the term ‘crises’ as opposed to ‘crisis’ is deliberate. The aim is to connote the multiplicity and complexity of problems facing the African continent, as well as to highlight a multi-dimensional reflection of such issues. These include, among others, socio-economic, political, environmental and security aspects which are, for example, generally recognised in the NEPAD document. Undoubtedly, these crises are mutually dependent and reinforcing, and a causal relationship between them is easily identifiable.

African crises became apparent by the 1970s, when it was concluded, both by Africans and international organisations, that the continent had failed to meet the goals of the Second UN Development Decade. Entering into their second decade of independence, some African countries began to experience a number of crises, which were reflected in the overall performance of the continent. As summarised in the *Berg Report* of 1981 and later in the World Band Report of 1989, entitled *Sub-Saharan Africa: From crisis to sustainable growth*, the African crisis was clearly multi-dimensional. Economically, the Gross Domestic Product (GDP) growth rate of some African countries was not proportionate to their population growth. By 1987, the GDP of sub-Saharan Africa (SSA) was estimated at US$135 billion, for a total population of 450 million (World Bank 1989: 16). Towards the end of the 1980s, agricultural production declined to less than one third of the GDP. This was most notably caused by severe droughts in 1972-1973 and 1983-1984, which led to an increase in food imports and food aid (World Bank 1989: 18). In terms of its international position, Africa's share in international trade decreased to less than two percent and was accompanied by an increase in debt, which was raised from $6 billion in 1970 to $134 billion in 1988 (World Bank 1989: 20), not least due to the oil crisis of the 1970s. Socio-economic indicators were also on the decline. During the 1980s, six African countries, namely Equatorial Guinea, Ghana, Liberia, Nigeria Zambia and São Tomé and Príncipe, moved from being categorised as medium income countries, to that of low-income countries in the *World Development Report* (World Bank 1989: 17). Primary school enrolment declined sharply in many African countries, as did the general life expectancy (World Bank 1989: 22). However, it should be noted that government expenditure on social services, particularly health and education, increased moderately during the 1980s.

The security situation on the continent also became a key concern. The crises, in some cases reflected protracted internal conflicts that emerged following the independence of countries such as Mozambique and Sudan. In other instances, however, security crises resulted either from the impact of the Cold War, on account of Africa serving as a proxy war zone for the superpowers, or due to internal political instability – Angola and Somalia are cases in point. Thus, conflicts in the post-independence phase of Africa's history (since the 1960s), according to a study conducted by several international organisations, such as the United Nations Children's Fund (UNICEF) and the ECA, cost countries in conflict 25-40% of their GDP, which led to the displacement of 7 million people and a spill-over effect of some 600 000-700 000 sub-Saharan Africans seeking refuge in other countries (World Bank 1989: 23).

The political crisis in many African states also generated economic problems. The World Bank's '*Sub-Saharan Africa: From Crisis to Sustainable Growth*' of 1989, for instance, placed emphasis on Africa's democratic deficiency in linking the political crisis of the continent to its economic crisis:

> Underlying the litany of Africa's development problems is a crisis of governance. By governance is meant the exercise of political power to

> manage a nation's affairs. Because countervailing power has been lacking, state officials in many countries have served their [own] interests, without fear of being called to account and patronage becomes essential to maintain power. The leadership assumes broad discretionary power and loses its legitimacy. Information is controlled and voluntary associations are co-opted or disbanded. This environment cannot support a dynamic economy. At worst, the state becomes coercive or arbitrary. These trends, however, can be resisted [by building] a pluralistic institutional structure, [respecting] the rule of law, and vigorous protection of the freedom of the press and human rights. (World Bank 1989: 60-61)

The different crises, amongst which feature those noted above, together produced a complex situation that contributed to protracted underdevelopment in Africa. The sources and origins of these crises, however, remain highly contested. The main debate is constructed around 'who is to blame?'. In analysing the underlying causes of the African crises, it is important to distinguish between the *manifestations* of a particular crisis and the *source* of the crisis.

This distinction can be illustrated as follows: while the fragmentation of African economies, dependence on external environment or non-incorporation of the informal sector in African economies, can be provided as sources of the African economic crises, it is argued here that these are rather the actual manifestations of the crises. The main source of the crises is understood as being the structure of African economies. The structure is, according to the ECA (1989: 2), "identifiable by the pattern of production, consumption and exchange" of the economy. It is owing to this structure, for instance, that the informal sector is not incorporated in African economies. Strengthening the structure of these economies will transform this condition, through the creation of mechanisms that will gradually enable the incorporation of the informal sector into African economies.

Another illustration of the distinction between manifestations and sources of African crises in general, is the fact that the lack of state (financial) resources is often blamed for poor service delivery (an element of the socio-economic crisis). It may be argued in many instances that the source of this lacuna is not the poor financial situation of the average African state, but rather its non-functioning tax collection system. The source of the issue is thus not the lack of financial resources as such, but rather the absence of a proper fiscal mechanism and financial allocation system. Therefore, there is a need to address the fiscal mechanism and thereafter the allocation system, in order to make more funds available for service delivery.

Although the distinction between sources and manifestations of crises is easily blurred, there is nonetheless relative consensus at this stage, at least among some African scholars (see Adedeji 2002b; ECA 1989; Asante 1997) that the sources of the African crises are external, as much as they are internal. They include the international trading system; terms of trade; bad governance; micro- and macro-economic indicators; non-diversification of African products; high population growth rate; conflict; issues of trade facilitation; and diseases. Several attempts were made by various African states to address the crises, one of which being via the aforementioned regionalisation process.

3.3 Regionalism in the African context

Regionalism is not a recent phenomenon in Africa. Regionalist thinking on the continent is well grounded and can be traced back to colonial times. Although the first regionalist initiatives on the continent, notably the case of the Customs Union Agreement (CUA), which came into being in 1910 and later transformed into the Southern African Customs Union (SACU) in 1969, was not 'indigenously' promoted, regionalism can be said to have developed in Africa even prior to the European regionalisation process. The Pan-Africanist movement and its emphasis on the need to integrate Africa as a region, as well as the subsequent establishment of the OAU in 1963, further enforced regionalist thinking on the continent.

This section will further elaborate on the different phases of regionalism in Africa before discussing the aims and purposes for the adoption of regionalism in Africa. By doing so, this section will identify the rationale behind the adoption of (old) regionalism on the continent, and will serve as the backdrop for the subsequent topic of discussion, the latter of which highlights the institutional frameworks put in place in order to achieve the goals behind the adoption of regionalism.

3.3.1 Phases of regionalism in Africa

Although most literature on regionalism in Africa focuses merely on the post-independence period and on how the anti-colonial movement served as the impetus to regionalism on the continent, it is important to acknowledge the existence of regional experiments in Africa during the colonial era. In fact, the first regionalist scheme on the continent dates back to 1910, with the establishment of the CUA between Southern African states. As mentioned previously, the Agreement was transformed in December 1969 to SACU, which mainly aims at promoting the free exchange of goods between its members (Botswana, Lesotho, Namibia, South Africa and Swaziland). Numerous similar schemes also emerged during colonial times, including the Southern Rhodesia Customs Union in 1949.

The Africanist vision of African unity gave more impetus to the regionalist project on the continent. Following their independence, African countries continued to encourage regionalism, thus launching numerous regionalist schemes. By the end of the first decade of independence, at least 100 regional groupings were formed across the continent (Africa Renewal 2002). In the past four decades alone, more than 200 inter-governmental organisations were established (Adetula 2004: 2). Examples of such formations include the *East African Community* (EAC) (1967); the *Southern African Development Coordination Conference* (SADCC) (1980); the *Southern African Development Community* (SADC) (1992); the *Arab Maghreb Union* (AMU) (1988); the *Economic Community of West African States* (ECOWAS) (1975) and the OAU (1963).

The process of regionalisation in Africa is historically divided into five phases. The first phase emerged with Pan-Africanism, as the ideological drive behind African political and economic independence, and manifested itself during the anti-colonial movement. The second phase started to unfold as a response to the balkanisation, which was introduced by France prior to granting its colonies their independence in the 1940s. The third phase was characterised by the search for Pan-African integration, which culminated in the upsurge in regional integration schemes in the 1970s and 1980s, as well as the establishment of the OAU. The launch of the LPA and the *Abuja Treaty* respectively in 1980 and 1991, marked the start of the fourth stage of regionalism in Africa. This process culminated in the establishment of the AU in 2000 (Adedeji 2002a).

It is important at this juncture to summarise the aforementioned phases, thus allowing the broader distinction of two phases of regionalism in Africa. The first such general phase is that of the decolonisation period and the first decade of independence, which subsequently culminated in the establishment of the OAU, with Pan-Africanism being the driving ideology for its existence and implementation. This first surge of regionalism took place between the 1950s and mid-1960s, and can be said to be largely politically- and ideologically-driven. As described by Asante (1997: 32), regionalism was a way to guarantee the "unification of African forces against imperialism and colonial domination". This perception was heavily fed by Pan-Africanist thinking, and Pan-Africanist thinkers such as Nkrumah, who viewed regionalism as an "integrative force" that would unite all African countries and a "movement of liberation" that would set in motion the complete independence of Africa from colonial powers (notably economic independence) (in Asante 1997: 32). The formation of the OAU epitomised this thinking on regionalism in Africa.

The first wave of regionalism in Africa was perceived as being introverted, largely operating independently from international realities and focusing on Africa's self-reliance. The political dimension and Pan-African solidarity dominated the first regionalist attempts on the continent, hence leading to the decline of regionalism as will be discussed below. As a political project, the first wave was led exclusively by nation-states, without the involvement of social forces such as civil society organisations, cultural groups, etc. The first wave of regionalism could have been used to put in motion a process of social (re)integration, which could have reduced the impact of artificial borders and might have spared the continent many inter-state wars resulting from ethnic clashes that exacerbated the African situation and which continue to this day.

The focus on the political dimension during the first phase of regionalism in Africa also led to the neglect of important factors that play a significant role in shaping the African development landscape. Factors such as peace and security, as well as good governance were not considered, even though the continent was plagued by war and corrupt leadership.

With its limited success, regionalism began to lose its momentum in the late 1960s. The stagnation of regionalist activities was a clear indication of the declining interest in regionalism. As noted by Asante, the focus of African countries on their internal development and concentration on building stronger ties with their former colonial masters contradicted the rhetoric of Pan-Africanism as well as African regionalism. The interest of African countries clearly shifted away from 'political regionalism' to 'development regionalism'.

The second general phase of regionalism, in other words new regionalism, emerged as a result of the pressures of globalisation and increased regionalisation across the world in the 1980s and 1990s (Bøås 2001: 30). The second wave of regionalism in Africa surfaced within the context of increased global interdependence and the expanding influence of globalisation, especially with the collapse of the Bretton Woods Agreement (1971), the Organization of Petroleum Exporting Countries (OPEC) oil-shock (1973), as well as the global economic recession and persisting of the 1970s.

More importantly, the revival of regionalism in the 1980s emerged in an attempt to resume efforts to address the African socio-economic crisis of the time. However, the results of the last two decades after independence were mostly disappointing. Indeed, the continent emerged from the first and the second UN Development Decades, of 1960-1970 and 1970-1980 respectively, registering some of the lowest growth rates the continent has ever recorded.

The revival of regionalism in Africa was also encouraged by resolution 3201 (S-VI) of the UN General Assembly on the establishment of a New International Economic Order (NIEO) of 1974, which emphasised the need for developing countries to cooperate with each other (South-South cooperation). The signing of the *Lomé Convention* in 1975 – an international aid and trade agreement between African, Caribbean and Pacific Countries (ACP) countries and the EU, aimed at achieving sustainable development in ACP countries – also played a role in the promotion of regionalism in Africa (Asante 1997: 39).

The signing of the *Lagos Plan of Action* in 1980, and later the *Abuja Treaty* in the early 1990s, epitomised the shift towards a new form of regionalism on the continent.

Both agreements, especially the *Abuja Treaty*, brought a new dimension to the manner in which regionalism was promoted in Africa. This multi-dimensional and comprehensive attempt demonstrated the realisation that political regionalism would result neither in African integration nor in development. At the same time, the launch of these two schemes confirmed that the purpose of regionalism in Africa was to fast-track economic development.

3.3.2 Aims and purposes of regionalism in the African context

The nature of regionalism adopted during the post-independence phase was generally based on functionalist assumptions (Nyong'o 1990: 7), thus leading to the introduction of the European protectionist model of regional integration in Africa, and more specifically the traditional form of regionalism. 'Third World Structuralist' thinking, as mentioned above, also influenced the launch of regionalism on the continent. Regionalism was perceived as a response to external structural constraints.

Accordingly, by adopting this form of regionalism, African countries pursued a number of objectives. Politically, regionalism represented a materialisation of Pan-African thinking. The political vision of independence movements across the continent and a sense of solidarity meant that African regionalist ventures became actions of politically-led camaraderie. Furthermore, being newly independent at the time when the first regionalist projects emerged on the continent, many African countries sought political alliances in order to strengthen their positions internationally. In the tradition of old regionalism, African regionalist schemes of the period immediately following the first wave of independence in many African countries, embraced a top-down, politically-led and state-centric approach.

Regionalism in Africa can also be understood within an economic context – increasing alienation of the continent in the global economy; heavy reliance on former colonial powers; the mushrooming of regional groupings across the world; its fear of unilateral liberalisation; and its concern about the small size of African markets. Thus, as maintained by Goldstein (2002: 11-12), regional integration in Africa was considered as an alternative to unilateral trade liberalisation,[6] thus confirming the use

[6] By definition, trade liberalisation entails the reduction or elimination of import taxes, customs duties and other trade barriers to trade in goods and services. Unilateral trade liberalisation therefore implies that countries undertake this exercise unilaterally, unlike in multilateral trade liberalisation, where

of regionalism as a mechanism to manage the impact of external factors on individual countries.

Discussing African economic integration and cooperation, Asante (1986: 26-27) summarised Africa's need for regional integration in the following statement:

> … in brief, economic integration or cooperation in general is not only desirable; it is necessary if Africa is to industrialise, develop intra-Africa trade, reduce her dependency on vulnerable and fluctuating overseas markets, mobilise and maximise scarce resources of capital and skills, and finally forge the way to effective African unity, both political and economic.

Indeed, the first generation of African leaders continuously acknowledged regionalism as the key strategy to achieve the development goals of the continent. Kwame Nkrumah, for instance, suggested that the "total integration of the African economy on a continental scale is the only way in which the African states can achieve anything like the levels of industrialized countries" (quoted in Asante 1997: 33).

The increasing international influence on regionalism in Africa further encouraged African countries to accept the need to adopt the regionalist alternative. Indeed, the ECA (1983: 15) noted that

> … economic cooperation and integration, like the political will or the will to develop, is a qualitative attribute of immense significance which cuts across the development scenarios under discussion. It can, therefore, be said that its absence or ineffectiveness is an inherent part of the development problem that Africa faces today.

Therefore, it became clear that regionalism was the option to follow in African developmental endeavours.

Accordingly, regionalism was needed to break the cycle of dependence and encourage the self-reliance of African countries, both economically and politically. Regionalism came to be viewed as an approach to manage the African economic agenda, with a

---

states liberalise their trade as a result of certain agreements signed at the multilateral level, notably in the context of the WTO.

view to promoting the continent's development. In fact, new regionalism has since been regarded as a *sine qua non* for the development of the continent. As noted by Asante (1991: 88) "at least at the level of rhetoric, economic integration in Africa has come to be regarded as a panacea, the answer to all problems of underdevelopment".

The development-regionalism nexus became the platform on which African development schemes were constructed. Regionalism was, and continues to be, viewed as a strategy to enhance economic development on the continent (Asante 1997: 1), and has more recently assumed a more multi-dimensional role by advocating not only economic but also political development (as reflected in the nature of new regionalism).

By the 1990s, African thinking on regionalism aligned itself with the then emerging second wave of regionalism. Attention was turned towards regional and South-South cooperation, and to open regionalism through the removal of regional barriers. The *Kampala Document on Security, Stability, Development and Cooperation in Africa*, which emerged from a gathering convened at the initiative of the Africa Leadership Forum in 1991, epitomised this thinking, as it reaffirmed that:

> African countries c[ould not] expect to compete or develop individually, in the evolving international economic system dominated by regional economic blocs. Economic integration should be intensified and a shortened time-table for the African economic community should be agreed upon. Economic integration should be fostered by encouragement of increased interaction by people through removal of restrictions for temporary entrance and exists by Africans from and to any other African country.

This assumption was further confirmed and embraced by the *Abuja Treaty* (1991) and by NEPAD (2001).

Comprehending the adoption of new regionalism in Africa should not only take account of exogenous factors but also take cognisance of internal mechanisms in individual countries. One of the motivations behind new regionalism in Africa was initially the small size of the African market as well as the growing marginalisation of the continent in an international system that was increasingly dominated by regional blocs. Furthermore, the heavy costs of unilateral trade liberalisation also represented an incentive for African countries to engage in regional ventures. Domestic economic restructuring in a number of African countries also influenced the shift towards African regional bloc- and sub-regional groupings.

Indeed, as maintained by Goldstein (2002: 12), the 1990s witnessed policy convergence across the continent, in three areas, namely the opening of domestic markets, progress in trade reforms and the introduction of value-added tax (VAT). Given the unfavourable international environment and challenge to the unilateral approach, new regionalism represented an approach through which these reforms could be managed collectively.

As new regionalism is currently being championed in Africa, a retrospective glimpse at the performance of old regionalism in Africa is useful. The purpose of this exercise is to identify the reasons behind the failure of old regionalism on the continent and to pinpoint the areas where new regionalism could introduce some corrective 'measures'. This analysis is, indeed, crucial for the purpose of this study. By identifying the gaps that new regionalism could possibly fill to avoid the same obstacles which led to the failure of old regionalism, this needs assessment exercise would assist in identifying new regionalism's potential to succeed under NEPAD.

3.4 An evaluation of regionalism in post-colonial Africa

There is a general consensus that regionalism has, up to now, failed in Africa, in that it has not achieved the goals set by the different sub-regional and continental institutions, regardless of the measurement or assessment criteria used. The ECA (2004: 228), for instance, in its report on *Assessing regional integration in Africa*, maintains that "regional integration in Africa has proceeded weakly and unsteadily across sectors, countries, and regional economic communities". Signs of the failure of African regional attempts appeared as early as the 1970s. For instance, regional plans in the Francophone West African countries, which were grouped in the *West African Customs Union* (UDAO); *Customs Union of West African States* (UDEAO); *Economic Community of West Africa* (CEAO); *French West Africa* (AOF) and *Customs and Economic Union of Central Africa* (UDEAC), have all failed (Asante 1997: 35).

The ECA (2004) identified a number of obstacles that impeded African regional integration. These included the multiplicity and overlapping of membership in regional groupings; the reluctance to commit to regional integration due to uncertainties in respect of the gains and losses from regional integration; lack of technical and analytical support; unstable national macro-economic policies; insufficient capacity and resources; poor sectoral cooperation; poor mechanisms for the assessment of regional integration; poor national mechanisms to follow up on the developments recorded in terms of progress made in regional commitments; low inter-African trade and the failure to integrate regional schemes within national development frameworks (ECA 2004 (b): 32-33). Other reasons included divergent ideologies, languages, colonial heritage, nationalism, as well as personal conflicts among African leaders (personalisation of foreign policy) (Aly 1994: 9).

As much as the issues listed above contributed to the failure of old regionalism on the continent, it should be emphasised that regionalism was originally instated to deal with these same issues (i.e. intra-African trade and infrastructure). The failure to do so has led to the crumbling of regionalism as a whole, thus leading to its failure to address the totality of the issues with which it was intended to contend. Therefore, the existence of obstacles to regionalism did not simply lead to its demise, but most importantly to its failure to address the African crises. It is from this angle that the following section will discuss the reasons behind the failure of old regionalism on the continent. What this section contributes to the general aim of the study is the hypothesis that unless new regionalism succeeds in addressing the same challenges that faced its predecessor, its ability to address Africa's crises will certainly be limited. It is therefore necessary to provide a discussion of the obstacles that led to the failure of old regionalism in Africa.

3.4.1 Multiplicity of membership to regional organisations

The issue of the multiplicity and overlapping of membership within regional organisations has always presented a challenge to African integration. According to the ECA (2004: 39), Africa is currently home to 14 regional groupings (excluding smaller regional groupings such as the Pan-Sahel bloc). It should also be recognised that most African states belong to more than one regional scheme. If statistics are based on the simplistic division of the continent into 14 groupings, the assessment would demonstrate that of the 53 countries, 26 belong to two groupings, 20 belong to three groupings and one country (Democratic Republic of Congo or DRC) belongs to four groupings, while only six countries are members of one grouping (ECA 2004 (a): 40).

The multiplicity of membership within regional groupings is viewed as a negative phenomenon for various reasons. Otobo (2004: 121) maintains that such activities do not promote the desired 'open regionalism', and in addition to this concern, it renders resource and financial challenges more acute. More importantly is the fact that countries tend to lose their focus of the region's collective needs. The large membership of regional groupings diverts the commitments of individual countries, due to their dispersed and simultaneous responsibilities to several groupings (Otobo 2004: 121).

Amoako (2002) notes that "Africa's current system is too complex, too duplicative, and requires too much political energy and money for what is being produced". The same point was made in paragraphs 92 and 93 of the NEPAD document, which stipulate that

> the focus will be on rationalising the institutional framework for economic integration, by identifying common projects compatible with integrated country and regional development programmes, and on the harmonisation of economic and investment policies and practices … The *New Partnership for Africa's Development* will give priority to capacity-building in order to enhance the effectiveness of existing regional structures and the rationalisation of existing regional organisations.

This would compel African countries to devote their resources to the effective operationalisation of the region in which they are located, and as identified by the *Abuja Treaty*,[7] as opposed to a cross-regional commitment whereby countries commit to more than one grouping, rendering their involvement more limited due to a lack of financial resources and human capacity to manage the processes.

[7] The Abuja Treaty identifies five regions on the continent; Southern Africa, West Africa, East Africa, Central Africa and the Great Lakes and North Africa.

The problem of multiplicity of membership can be attributed to the political and top-down approach of old regionalism. The lack of a multi-dimensional component in old regionalism meant that governance was disregarded. Political decisions to join multiple organisations regardless of financial considerations or whether it was beneficial to the countries in question were an indication of bad governance. Duplication of membership could have been avoided if accountability on the reasons behind foreign policy choices, such as a country's decision to join a particular regional grouping, were the order of the day. The introduction of a bottom-up approach would also have helped to address other issues that partially contributed to the failure of old regionalism in Africa, including levels of intra-African trade.

3.4.2 Intra-African trade

According to recent WTO (2005) figures on intra-regional trade, Africa accounts for the lowest inter-regional merchandise trade statistics. In Western Europe, for example, intra-regional trade accounts for 73.8% of trade between countries within the region. Similar figures were recorded in Asia (50.3%), North America (56%) and Latin America (23.2%). In the case of Africa however, the share of intra-African trade was recorded at a paltry 9.9%. However, it has been argued that these statistics disregarded informal trade among African states, a prosperous activity, which if considered, could drastically increase the aforementioned figure.

Nevertheless, the low-recorded level of intra-African trade has been attributed to a wide range of causes, including poor transport and information infrastructure, economic structural dependence on former colonial economies, non-diversity in African economies, comparative advantage, low industrialisation level, and trade barriers.

The introverted nature of old regionalism meant that a number of external factors impacting on intra-regional trade were not addressed. The structural dependence on former colonial powers, for instance, had to have been disregarded through an inward-looking and unilateral approach from individual African countries, as prescribed by old regionalism. Old regionalism, as applied in Africa, was based on the assumption that regionalism would break the cycle of dependence. In order to break away from this cycle of dependence, alternative 'markets' were required for African countries.

This was, however, made difficult by other global realities, such as trade barriers. Once more, the approach of old regionalism failed to take into account such realities.

The poor regionalist performance of the continent, in terms of intra-African trade exchange, has also been attributed to the poor economic performance of African countries (see Teunissen 1996). Explaining one of the reasons for the shortfalls of regionalism in Africa, Adedeji (2002b) maintains that the poor economic growth of African countries during the 1980s has hampered current objectives to achieve regional integration:

> … if we can revive the economies and begin to achieve prosperity, then we will have created a very sound basis for regional economic integration … All the regional integration arrangements throughout the world did not fully achieve their objectives. But the European Community did. Of course, if you look at the period of the 1950s, 1960s and 1970s, the European economies were moving fast, expanding. Therefore, the environment for regional integration was there. That is what has been absent in Africa. We don't have an enabling environment for integration, because we have stagnant, declining economies.

It can, indeed, be declared that high economic growth would fast-track regional integration. An improved economic situation, calculated in terms of GDP growth rate, especially in industrialised and export-oriented economies, would thus lead to the need to expand the market, which would in its turn encourage regional integration. However, achieving increased intra-African trade would also rely on increased levels of industrialisation and the diversification of national economies. This would generate a production surplus, notably for export purposes, to balance imports, a reform that still needs to be genuinely undertaken.

A robust economy is often linked to a strong state. Defining a 'strong state' is an exercise on its own, especially considering that the concept has been used to refer to several states of affair, embracing two opposite ends of a continuum. A strong state has been equated in some publications with a strong bureaucracy, authoritarian regimes and military regimes (Feng 1989). A strong *state* has also been incorrectly confused with a strong *government*. Yet the term 'strong state' is a broader concept that encompasses several aspects and activities. Simply stated, a strong state is the opposite of a weak state. The latter is defined, especially among scholars of African politics, as a state that lacks capacity, power and monopoly over violence (Acemoglu 2005: 2). The weak state should also not be categorised as a developmental state, as it does not have the capacity to collect tax, in other words, to extract needed resources from the society and fulfil its basic role to sustain the economic, financial and fiscal systems (see Herbest 2000; Bates 2001; La Ferrara & Bates 2001).

A strong state, for the purpose of this chapter, is simply assumed to connote a state that has the capacity to control its national assets (including national borders), and to maintain the rule of law and fulfil its basic economic and social duties. There is no specific ideological prescription, in the sense that both liberal and non-liberal states can succeed or fail in being strong. It should however be emphasised, as maintained by Acemoglu (2005: 2-3), that an excessively strong state, like a very weak state, presents a challenge to development, in that excessively strong states impose high taxes which, arguably, inhibit growth of the economy and discourage investment.

Establishing a 'strong' state would necessitate good governance (not necessarily good *political* governance, but good *economic* governance[8]). This aspect, however, was not acknowledged by old regionalism, due to its focus on economic regionalism. A multi-dimensional approach would, arguably, permit the strengthening of the governance component, which in turn, would contribute to the strengthening of the state.

Returning to the essence of the discussion on intra-African trade, and on the basis of the aforementioned arguments, a causal relationship can thus be assumed, which links the weak African state to a weak economy, which consequently places limitations on trade. Strengthening the state is, however, not the only requirement for increased intra-African trade. Technical and infrastructural capacity building is also necessary.

3.4.3 Transport Infrastructure

The infrastructural weakness of Africa is another contributing factor to the failure of old regionalism on the continent, and it continues to pose a challenge for new regionalism. Furthermore, African countries are weakly linked to each other, with the

[8] This point is informed by the discussion in Chapter 5, in which an argument is advanced which purports that *politically* badly governed countries are not necessarily *economically* badly governed.

continent exhibiting the lowest density of infrastructure in the world. It has been estimated that the level of road density in Africa was a mere 6.84km per 100km^2, far below that of Latin America and Asia, which respectively accounted for 12km per 100km^2 and 18km per 100km^2 (UNCTAD 2004: 160). In addition to poor transport infrastructure, transport costs in Africa are amongst the highest in the world. For instance, it has been estimated that freight costs in Africa, as a total percentage of imports, totalled 13%, as opposed to 8.8% in other developing regions, and 5.5% in industrialised countries (UNCTAD 2004: 158).

Transport infrastructure also impacts on trade facilitation – if trade facilitation is understood as the creation of necessary conditions to enhance trade across national borders. Trade facilitation also implies the reduction of trading costs, notably transport costs. Due to high transport costs on the continent, the return on intra-regional trade has also been high, thus discouraging *formal* trade across African borders. Informal trade, for its part, has remained constrained to the sub-region.

The transport infrastructural deficit of the continent is sometimes attributed to the legacy of colonialism, which focused on the establishment of transport networks exclusively between the economic epicentres of the colonial economies (see Masanjala *et al* 2006). Yet, the poor commitment to and limited investment in infrastructural development by subsequent post-independence governments is also partially to blame for the present debilitating state of affairs.

Furthermore, what is important to highlight with respect to Africa's poor infrastructural capacity during the era of old regionalism, is the impact of conflict on infrastructural development. Roads have been destroyed due to ongoing civil wars and the required capital for reconstruction has also been lacking. A multi-dimensional approach, aimed at addressing the security situation, would provide a partial solution to the infrastructure predicament. Furthermore, old regionalism implied the active and central participation of nation-states. In terms of infrastructure development on the continent, it has become clear, as acknowledged by NEPAD, that rebuilding infrastructure, including in countries emerging from war, requires private investment (both local and foreign). The limitations of old regionalism on the role of non-state actors, invariably led to an over-reliance on states to rebuild infrastructure – specifically states that had limited financial resources to commit to infrastructure. The integration of non-state agents and their contributions in this respect are, therefore, of great importance.

3.4.4 Concerns over the loss of sovereignty

Another concern that requires the attention of African governments is the reluctance of nation-states to commit to regional schemes, due to fears of losing their national sovereignty. When the first phase of regionalism was launched in Africa, the key concern of countries was to relegate their newly acquired national sovereignty to a supra-national body and commit to the resulting straightjacket of regional integration.

The context in which old regionalism emerged, sheds more light on this issue. Nation-building was a priority for many newly independent countries, thereby leading to the prioritisation of national identity over regional identity. Furthermore, the first attempts at regionalism in Africa were launched during the height of the Cold War, with sovereignty being central to statehood. Relegating sovereignty to a regional grouping was thus considered a challenge to the very existence of the state. Moreover, with foreign activities on the continent during the Cold War, relegating national sovereignty rendered countries more vulnerable to external intervention.

The nature of old regionalism also posed a challenge to those who wanted to divert attention from sovereignty. Renouncing sovereignty would leave regionalism without a driving agent (the state), given that non-state actors were not incorporated in the old regionalist approach. Under new regionalism, non-state actors can now lead regionalism without forcing the state to surrender its sovereignty.

Concerns related to the loss of sovereignty should be understood within the context of fears over international intervention.

3.4.5 International influence

The introverted nature of old regionalism did not leave sufficient room for the consideration of the impact of external factors. As noted by Nye (1968: 811), little attention was paid to external factors that might have a bearing on regional integration. The concern with the region as an independent unit of analysis, coupled with the overshadowing of relations between individual members of the region and non-regional members, were often the reasons behind such neglect. External manipulation of African countries has, and continues to influence, and in some cases hamper, regional integration on the continent. This is due to the 'discriminatory' nature of regional integration, which may be viewed by exogenous actors as a threat to their interests in the region (Schmitter, quoted in Asante 1986: 111).

Thus, non-members, especially those that have and continue to secure benefits in the region, would attempt to lobby for further flexibility of restrictions adopted within the context of regional integration. As a result, the region becomes a contending arena between the 'insiders' and 'outsiders'. As Asante (1986: 111) argues, the "outsiders seek to control and subordinate the integration process to extraregional purposes", while the 'insiders' "seek to use [regional integration] to gain greater autonomy and bargaining power *vis-à-vis* hegemonic outsiders".

The economic and, in some cases, political reliance of African countries on former colonial powers further complicates attempts at transformation. Structural dependency of African countries on their former colonial states persists, long after independence, thus rendering regional cooperation and the enhancement of intra-African trade further problematic (Asante 1997: 33-34). The pattern of dependence will, however, prove to be difficult to alter, as African countries will continue to perceive more gains in their cooperative engagements with non-African countries, thus compromising cooperative and integration ventures between regional partners. In fact, theorists, especially of the dependency school, maintain that the potential for successful cooperation among less developed countries (South-South cooperation) is meagre due to constraints imposed by their external linkages and dependency profiles, rather than as a result of internal factors (Adetula 2004: 5). This further diminishes the potential for increased intra-African integration.

The failure of African countries to redesign their economic structural dependence in order to diverge their partnerships from former colonial powers towards regional members, has created a platform for another set of challenges, namely external penetration, particularly by former colonial powers, and the lack of commitment of some African governments to their regional engagements (FAO 2004). The continued socio-economic and political involvement of France and Britain in their former colonies is a point of concern. The Franc Monetary Union in West African French-speaking countries has, for instance, favoured French domination of Francophone West Africa and discouraged the full incorporation of Francophone Africa with Anglo-Saxon Africa in the West African region. Prior to France's recent acceptance of the European Union's formal currency, the Euro, the French continuously attempted to influence Francophone Africa to maintain the Franc zone – regardless of its impact on regional integration.

In addition to the influence of external factors, two other political issues impede regional integration in Africa, namely the lack of commitment and mutual trust between African leaders. As regards the first problem, Shams (2003: 16) contends that two reasons account for this lack of commitment. Firstly, one of the reasons is that of ideological orientation, an example of which is the case of the ECOWAS regional grouping. Ideological divisions among member-states in both cases, as well as their external, 'extra-continental' alliances, have diverted the attention of members away from their respective regions. In West Africa and particularly the ECOWAS region, there is division between Francophone states, over their strong ties with France, and Anglophone countries, over their links with Britain. A further more general concern is the unequal distribution of benefits in regional integration. This point is related to the issue of relative gains, which was raised in a previous section.

In sum, in terms of practice, African regional schemes failed due to low levels of intra-African trade, poor infrastructure, external influences, the multiplicity of membership, threats to nations' sovereignty and their lack of commitment. All these issues provide some insight into the reasons behind the failure of regionalism in Africa. The nature of new regionalism exacerbated the challenges that these issues presented. The nature of old regionalism also failed to address the challenges created by the context in which they emerged. The impact of the international environment was not acknowledged, and it was rather presumed that such challenges would be defied by establishing a regional scheme.

3.4.6 Nature of regionalism

The heavy economic tone of old regionalism slowed progress of regional integration in Africa. As noted by Adedeji (2002a):

> … the economism of regional cooperation is principally responsible for the slow progress made during the past forty years. By focusing virtually exclusively on economic cooperation and integration while making the heroic *ceteris paribus* assumption as far as political and social factors are concerned, has contributed significantly to the lack of progress in the actualisation of the vision.

The failure of regionalism in Africa is also related to the fact that this phenomenon originated from a weak background, in that the preconditions for the implementation of regionalism in Africa were lacking. As noted by Goldstein (2002: 11), regionalism was launched on the continent at a time when there were low levels of intra-African trade; non-diversification of tradable products within national economies; glaring gaps in the levels of industrialisation among African countries; foreign policy incompatibilities, as a result of the divide created by the Cold War; as well as fiscal weaknesses.

The inadequacy of old regionalism to address these realities had a direct bearing on its failure – mostly due to its inability to take into account the impact of external factors. For instance, the diversification of trade, as will be discussed at a later stage, posed a challenge due to the structure of the international trading system, and notably due to the impact of tariff barriers. Moreover, regionalism focused on the internal dynamics of integration and not the impact of external dynamics, largely as a result of its introverted nature.

In order to achieve regional integration in Africa, these factors and the issues they represent, need to be addressed. In this respect, the ECA (2004: 33-34) suggested that integration would succeed if a number of preconditions were met. These include the promotion of an equitable distribution of gains from regional integration; proper financing of regional schemes; the harmonisation of African regional integration schemes with the continent's external commitments; ensuring compatibility among sub-regional integration schemes; the enhancement of interaction among the different sub-regional communities; the promotion of the private sector; and the enhancement of the competitiveness of the African sub-region, both domestically and internationally.

Despite the overall scepticism regarding the slow pace of African integration there are indications that regional integration is progressing, although slowly. In its 2004 report on *Assessing Regional Integration in Africa*, the ECA stated that the pace of regional integration among African countries averaged 4.5% annually between 1994 and 1999, with ECOWAS and SADC being the fastest integrating regions, with an annual average of 6%. Trade among African countries also increased, averaging 8.8% during the same period.

This growth in trade led some international financial institutions, notably the IMF, to conclude that the continent was well on the path to recovery. If one were to take this proposition as true, increased growth would certainly facilitate the progress of regionalism on the continent, as the aforementioned factors would provide the basis for an environment conducive for the realisation of regionalism. It is this belief that contributed to the launch of NEPAD. In the interim, however, it is crucial to note that many factors remain un-addressed, which could invariably hamper the progress of new regionalism.

3.5. NEPAD as a new regionalist approach to regional cooperation

With the advent of the new millennium, the socio-economic situation of Africa continued to stagnate, if not deteriorate. It is estimated that half of the African population lives below the poverty line, at a time when the sub-continent continues to be home to 34 of the world's poorest nations. Equally appalling is that 24 of the 34 countries which ranked the lowest in the Human Development Index, were African countries (World Bank 2006). The mortality rate of children under the age of five on the continent is also high, with a rate of 140 per 1000 lives, while life expectancy at birth is limited to 54 years.

Health issues, notably tuberculosis and HIV/AIDS infections are the highest in the world, with sub-Saharan Africa accounting for 24.7 million out of 39.5 million people living with HIV infections in the world (UNAIDS 2006). Illiteracy rates are also relatively high, with only 41% of people over the age of 15 able to read and write. Despite some recorded improvements, the economic growth rate remains insufficient to meet the Millennium Development Goals (MDGs) targets, which collectively necessitate a minimum annual GDP growth rate of 7% (NEPAD document, par. 4).

The continent also continues to attract few investors to support its developmental agenda. Despite an increase of 55%, Africa's share of global investment is a mere three percent, with estimated FDI flows of US$ 29 billion (UNCTAD (a) 2006).

At the same time, however, there were some positive indicators. As noted above, an environment conducive to regional integration, although not necessarily sustainable, was created. Politically, it could be argued that African leaders became aware of the need for democracy and good governance, thus leading to relative political stability in most African countries. It can, however, also be argued that the authenticity of 'democratic' steps being undertaken on the continent was contested, including from within countries undertaking political reforms. 'Cosmetic' reforms have also mushroomed on the continent, in response to external pressures. National and legislative elections, from Zambia to Egypt, were qualified as superficial.

The third-term debate has emerged with great interest in a number of African countries, including among some founding members of NEPAD, most notably Nigeria. Although the case of Nigeria demonstrates a certain level of political progress, given the fact that the Nigerian Parliament rejected a 2006 bid from President Obasanjo to amend the constitution, which would have allowed him to run for a third term in office, the case of other African countries, such as Namibia and Uganda, demonstrate that such levels of political development are still at a very early stage.

In terms of security, the vast numbers of conflicts on the continent have arguably declined – although it can conversely be noted that while some protracted conflicts came to an end, as has been the case in Angola, others have come to the fore, such as those in the Darfur region of Sudan or in Chad. Lastly, on the economic front, the average GDP growth rate of sub-Saharan Africa has noticeably increased to reach 5.3% in 2005 (World Bank 2006). Nonetheless, as mentioned above, the MDG-required growth rate of 7% exceeds that of the present situation. The question that one can thus pose is whether NEPAD will succeed in achieving its objectives within the political, social, economic and security contexts, as highlighted above.

3.5.1 NEPAD in a historical perspective

In response to the socio-economic crises, and in an attempt to take advantage of the aforementioned 'positive' developments, the Extraordinary Meeting of the OAU in Sirte, Libya, in 1999, mandated Presidents Thabo Mbeki (South Africa), Olusegun Obasanjo (Nigeria) and Abdelaziz Bouteflika (Algeria) to develop a comprehensive African programme that would deal with issues of development and debt relief (de Waal 2002: 466). During the OAU Summit in Togo, in 2000, the three leaders thereafter presented their proposal to strategically counter these challenges, entitled the *Millennium Partnership for Africa's Recovery Plan* (MAP). The MAP was concerned with market access of African products, in order to integrate the African economy within the global economy. The same leaders were also mandated by the Togo Summit to present the MAP to the continent's non-African partners during the World Economic Forum in Davos, Switzerland, in January 2001.

Senegalese President Wade's OMEGA Plan on *Regional Infrastructural and Educational Development* was later incorporated in the MAP, following a decision to this effect, by the Conference of African Ministers for Finance, Planning and Economic Development in May 2001 (Obi 2002; Akinrinade 2002). The incorporation of the OMEGA Plan can be viewed as a strategic decision, not only because of its focus on infrastructure – a major obstacle to integration in Africa – but also due to its Francophone West African 'origin'. Its inclusion in the MAP document thus guaranteed an all-inclusive African involvement in the NEPAD process.

The ECA's *Compact for African Recovery*, which was concerned with the operationalisation of MAP, although seldom acknowledged, also merged with the OMEGA and MAP in May 2001, to form the *New African Initiative* (NAI), which was adopted by the OAU Summit of Lusaka, Zambia, in July 2001 (de Waal 2002: 466-467; Obi 2002). History was made later that year (October) when the NAI was renamed NEPAD, during a meeting of the Implementation Committee.

The NEPAD document was subsequently presented to the continent and international partners as a "vision and strategic framework for Africa's renewal" (NEPAD Secretariat 2005), aimed at addressing the African 'underdevelopment' crisis. In discussing development issues on the continent, the architects of NEPAD predicted that the African developmental crises would threaten stability on a continental and global scale, and result in the increased marginalisation of African countries in the world economy. Paragraph 2 of the NEPAD document notes:

> The poverty and backwardness of Africa stand in stark contrast to the prosperity of the developed world. The continued marginalisation of Africa from the globalisation process and the social exclusion of the vast majority of its people constitute a serious threat to global stability.

NEPAD contends that there are several reasons which have led to the current situation in Africa, namely colonialism; the Cold War; the international economic system; as well as the policies pursued by individual countries after their independence (NEPAD document, par. 18). While NEPAD blamed internal policies for the development crisis in some African countries, it also recognised the role of weak African states in the failure of development programmes (NEPAD document, par. 23).

A multi-dimensional explanation of the sources of the African crises therefore necessitated a multi-pronged programme, NEPAD, which was structured around six sections to substantiate Africa's position in the world today:

1. the political will of African leadership;
2. an appeal for an involvement of the peoples of Africa;
3. the programme of action (which addresses the conditions for sustainable development);
4. sectoral priorities and the mobilisation of resources;
5. the new global partnership; and
6. the implementation of NEPAD.

The goals of NEPAD were thus modelled around these six focal areas. Hence, paragraph 68 of the NEPAD document maintains that the goals of NEPAD (at 2001) were to:

- Achieve and sustain an average GDP growth rate of over 7% per annum for the next 15 years;

- ensure that the continent achieves the agreed International Development Goals (IDGs), which include the following:

  - Reduce the proportion of people living in extreme poverty by half between 1990 and 2015;
  - enrol all children of school age in primary schools by 2015;
  - make progress towards gender equality and empowering women by eliminating gender disparities in the enrolment in primary and secondary education by 2005;
  - reduce infant and child mortality ratios by two-thirds between 1990 and 2015;
  - reduce maternal mortality rates by three-quarters between 1990 and 2015;
  - provide access for all who need reproductive health services by 2015; and
  - implement national strategies for sustainable development by 2005, so as to reverse the loss of environmental resources by 2015.

Accordingly, the objectives of NEPAD were to give "impetus to Africa's development by bridging existing gaps in priority sectors in order to enable the continent to catch up with developed parts of the world" (NEPAD document, par. 65). In the long-run, it was envisaged that NEPAD would lead to the eradication of poverty in Africa and the promotion of sustainable development, which would halt the marginalisation of Africa in the global economy. NEPAD was also intended to promote the role of women in all development activities (NEPAD document, par. 67). It was further believed that these objectives would be achieved through increased regionalism on the continent.

3.5.2 NEPAD as a new regionalist project

The regionalist nature of NEPAD is easily identifiable. The programme places great emphasis on the region, both in the continental and sub-regional sense, as its operationalisation unit. Therefore, the strategy proposed by NEPAD is essentially what reinforces its regionalist character. Indeed, NEPAD advocates regional integration as a solid option to overcome the development challenges faced by many African countries. Paragraph 91 of the NEPAD document, for instance, states that "economic conditions point out to the need for African countries to pool their resources and enhance regional development and economic integration on the continent, in order to improve international competitiveness. The five sub-regional economic groupings of the continent must, therefore, be strengthened."

The regional strategy was also affirmed in paragraph 69, which stipulated that the strategy of NEPAD would focus on economic growth and development and increased employment; reduction in poverty and inequality; diversification of productive activities; enhanced international competitiveness and increased exports; and *increased African integration*.

The focus of NEPAD is also clearly regionalist-oriented (Kanbur 2001: 8). This is reflected in initiatives such as the Peace and Security Council of the AU, a regional approach to deal with infrastructural issues; the advocacy of a united African stance on international economic issues; and the promotion of a collective monitoring of progress in good governance through the African Peer Review Mechanism (APRM).

The regionalist character of NEPAD is therefore clearly emphasised by the architects of the programme. The question that underlines this dissertation is however not whether NEPAD is regionalist, but rather whether NEPAD is new regionalist. In other words, how does NEPAD differ from previous development programmes, which were predominantly regionalist in the traditional sense? Answering this question would first require a response to questions related to the characteristics of new regionalism, as elaborated upon in the previous chapter. For purposes of clarity, these dealt with whether NEPAD was a multi-dimensional programme; whether it recognised non-state actors; whether it was a bottom-up project; and whether it was externally-oriented. In the following section, these questions will be investigated.

<u>a. Is NEPAD multi-dimensional?</u>

The multi-dimensional approach of NEPAD is apparent in its varied explanation of the origins of African developmental crises, as well as in its multi-pronged proposed strategy to resolve these crises, in which it takes cognisance of a wide range of priority areas. For instance, paragraph 64 of the NEPAD document argues that,

> … while growth rates are important, they are not by themselves sufficient to enable African countries to achieve the goal of poverty reduction. The challenge for Africa, therefore, is to develop the capacity to sustain growth at levels required to achieve poverty reduction and sustainable development. This, in turn, depends on other factors such as infrastructure, capital accumulation, human capital, institutions, structural diversification, competitiveness, health, and good stewardship of the environment.

Section V of the NEPAD document further demonstrates the multi-dimensional orientation of NEPAD. Section V (A), for instance, focuses on the interaction between peace, security, democracy and political governance and hence their collective influence on development in Africa. This section also highlights sectoral priorities, *inter alia*, agriculture, information technology, and environmental protection, which are reinforced by the NEPAD Action Plan, where stability, peace, security, good governance, democracy, respect for human rights, social development, protection of the environment and sound economic management, are all cited as preconditions for sustainable development.

It can therefore be maintained that NEPAD is multi-dimensional in terms of its content and strategy. Instead of drawing attention solely on economic development, it offers a broader perspective of the root causes of, and proposed solutions to African developmental crises. Although the programme is aimed specifically at *economic* poverty alleviation, its approach remains holistic and diversified. Its multi-dimensionality is further confirmed by its theoretical recognition of non-state actors as agents in the development of the continent.

b. Does NEPAD recognise non-state actors?

Indeed, the multi-dimensional approach of NEPAD is also reflected in its recognition of the role of non-state actors in the integration and development of the continent. In this vein, paragraph 40 of the NEPAD document stipulates that "the case for the role of national authorities and private institutions in guiding the globalisation agenda along a sustained path and, therefore, one in which its benefits are more equally spread, remains strong". Paragraph 41 further supports this view: "what is needed is a commitment on the part of governments, the private sector and other institutions of civil society, to genuine integration of all nations into the global economy and body politics".

Theoretically speaking, therefore, NEPAD embraces non-state actors as agents of development. This view is, however, challenged by several critics (see Bond 2000; Keet 2002) who maintain that NEPAD is a state-led project and although it makes reference to non-state actors in its document, in practice it does not reflect such a reality.

c. Is NEPAD a bottom-up project?

The NEPAD document extensively covers the role of African peoples in the success of the Partnership. Paragraph 56 of the NEPAD document, for instance, calls on "African peoples to take up the challenge of mobilising in support of the implementation of this initiative by setting up, at all levels, structures for organization, mobilization and action". Furthermore, Section IV is entirely devoted to the "Appeal to the peoples of Africa", in which it places particular emphasis on the African ownership of NEPAD, as an African solution to African problems.

However, NEPAD has been severely criticised for not involving civil society in the formulation of its recorded framework. It was indeed only until April 2002 that African civil society in general was invited to contribute towards the implementation of NEPAD, during the Abidjan meeting, Côte d'Ivoire, between the African Development Bank (AfDB) and African civil society groups. Many critiques of NEPAD (see Keet 2002; Bond 2005) maintain that the programme conveniently ignored civil society in the formulation phase. The African Canada Forum (2002), for instance, argued that NEPAD "did not result from participatory local, national and regional strategies, appropriate to the particular concerns of poor and marginalized African countries." From this perspective, it would seem that NEPAD is not a bottom-up project, which disqualifies it from being new regionalist.

Yet, NEPAD may be interpreted as a bottom-up project if the argument shifts to a different level of analysis. On the one hand NEPAD is, indeed, far from being a bottom-up approach if the chosen level of analysis is the local-national one. It is, however, on the other hand, arguably bottom-up if the focus is on the continental-global level of analysis. In other words, NEPAD can be classified as a bottom-up project since it emanated from within Africa, arguably from African leaders. Although this point of view is highly contested due to the 'neo-liberal' and external influence of NEPAD, it remains valid. Theoretically speaking at the least, NEPAD is bottom-up oriented.

d. Is NEPAD externally-oriented?

The last criterion that would contribute towards the association between new regionalism and NEPAD is that of the latter's extroverted nature. The external orientation of NEPAD, as revealed in the NEPAD document, was denounced by some civil society movements. Nevertheless, the architects of NEPAD viewed the external orientation as an integrated and all-encompassing strategy that would contribute towards the attainment of the programme's goals. Thus, NEPAD was presented as a "new framework of interaction with the rest of the world" (NEPAD document, par. 48), which called "on [African] development partners to assist [NEPAD member-states] in this endeavour" (NEPAD document, par. 66). The concept of 'partnership' was thus of great significance in the NEPAD vocabulary, as it was similarly perceived to be integral to that of new regionalism.

International development partners were called upon to increase their financial assistance, both in terms of aid and debt cancellation to NEPAD member-states, due to the Partnership's lack of financial resources. NEPAD also requested development partners to reduce the barriers to their economies in order to allow African products easier access to the global markets. NEPAD was thus criticised by a number of civil society organisations and African leaders for 'marketing' NEPAD outside more than it did within the continent and for 'begging' the Western world to provide the necessary resources to finance the assumed African envisaged and African managed Partnership.

NEPAD is thus not only externally-oriented in terms of its alleged fixation on developed nations, but is also externally-oriented in that it benchmarks the most favourable economic conditions as being those of Africa's integration in the world system (Obi 2002). It is an inside-out programme – strategising internally and proactively seeking to realise its objectives externally – that aims at developing the continent, with the ultimate objective of integrating it globally. Therefore, NEPAD's primary objective is not only to promote regional integration within Africa but also to reposition African states externally (extra-continentally).

Hence, in practice, NEPAD appears to meet all the necessary characteristics of new regionalism, despite the fact that NEPAD is generally perceived not to meet these criteria
(for example, that it fails to accommodate non-state agents). Drawing the line between what is *regionalist* and *new regionalist*, in the practical sense, is indeed ambiguous. What can be concluded from the above discussion on the new regionalist nature of NEPAD, however, is that NEPAD is new regionalist, at least in *theory*.

3.6 Conclusion

This chapter served as a background to the study in that it discussed the reasons for the failure of old regionalism in Africa, as well as provided an overview of the new regionalist project of the continent, namely NEPAD. To sum up the conclusions attained in the chapter, several issues invariably contributed to the failure, or limited success, of the first wave of regionalism, and continue to challenge new regional programmes to this day. These challenges can be classified into three categories, namely national, continental and extra-continental factors. At the national level, weak states; the fragile nature of African economies; structural dependencies; the lack of commitment; political animosity; the gain-loss dichotomy; and multiple memberships of regional groupings all hampered development on the continent. At the continental level, issues of hindrance include the politicisation of regional organisations; lack of regional monitoring mechanisms; low intra-regional trade; external penetration; and poor transport infrastructure, among many others. As far as the exogenous factors are concerned, specific reference is made to the nature of old regionalism, *per se*.

Based on the historical overview of Africa's regionalist projects, including NEPAD, which were broached in this chapter, the following chapters will further explore the dynamics of NEPAD as a new regionalist programme and the extent to which it addresses the perceived 'heart' of Africa's developmental crises.

Chapter 4: NEPAD and Africa's economic situation: Addressing trade and investment dilemmas through new regionalism

4.1 Introduction

Regionalism has always been considered a strategy for economic development. Its more traditional version is, in fact, merely centred on economic growth. Today, regionalism continues to form part of the developmental agendas of developing regions, including that of Africa. With the given complexities of the multilateral system, as incarnated in the WTO, regionalism is not only viewed by some practitioners and analysts as a viable strategy for development, but has also become one of the most sought after alternatives to reposition weak regions in the international arena (see, for instance, the NEPAD document, par. 33).

Following the example of other developing regions and expanding on previous African initiatives, NEPAD embraced the principles of the regionalisation of economic development schemes as a way to improve the economic situation on the continent and to attract foreign financial flows, notably in the form of Foreign Direct Investment (FDI). Since economic *development* is quantified in terms of economic *growth* (see the NEPAD document, *inter alia*, pars 69, 86 and 131) the focus of this chapter will be on the benefits of new regionalism in generating economic growth on the African continent, and ultimately sustainable development. Two economic growth-generating factors will thereafter be analysed, namely increased trade and foreign direct investment flows. It is further established that these alternatives are guided by the emphasis which NEPAD places on them as pivotal factors for Africa's economic development. The overall aims of this chapter are, thus, to critically assess the potential of NEPAD as a new regionalist project, to address trade and investment issues in Africa, and ultimately to investigate the underlying causes of the continent's divergent economic crises.

To further the aims of this chapter, the framework of analysis, as introduced in Chapter 2 will be used. However, this framework will also be supplemented with the following:

1. the discussion in Chapter 3, related to the reasons behind the failure of old regionalism in Africa; and

2. a more detailed theoretical account of the linkage between new regionalism and the two variables of economic growth, on which this chapter is based, namely trade and investment. In order to introduce the discussion on the role of NEPAD in generating economic growth on the continent, a holistic picture on the linkage between regionalism, economic regionalisation and economic growth – as a measurement of economic development – will be portrayed in this chapter. The rationale for this is to allow the conclusion to problematise the idea of generating economic growth through mere economic regionalisation, hence re-emphasising the need for a multi-dimensional approach to address Africa's economic dilemma.

4.2 Economic regionalisation and economic growth: the theory

The rationale behind the choice of regionalism (old and new) as an approach for economic cooperation is well documented. The United Nations Conference on Trade and Development (UNCTAD) (2002: 2), for instance, postulates that the African market is too small to generate the economies of scale that are present in other parts of the world, positing that small African economies can be expanded through the creation of regional economic groupings. The resultant larger size of African economies, via regionalisation would, debatably, allow the continent to participate more actively in the global economy. Regionalisation is thus beneficial for aggregate economic growth due to its capacity to increase trade flows and attract investment, which would, in return, contribute to the accumulation of resources needed for economic growth (see Asante 1997; ECA 2004 (a); World Bank 1989; Grugel & Hout 1999; and Mathews 1998). While the implications of regionalisation on FDI will be critically discussed in a subsequent section, the link between new regionalism, economic growth and trade will be tackled hereafter.

Economic regionalisation is underlined by a move towards regional trade liberalisation in order to boost trade, and accordingly, economic growth.[9] As advocated in paragraph 166 of the NEPAD document, inter-regional trade liberalisation is important in encouraging intra-regional trade and subsequently, in bolstering the region's trade input in the global economy. Regional trade liberalisation is also assumed to present its fair share of benefits to the enhancement of economic growth. In fact, economic growth is the most significant benefit to spring from trade liberalisation. As maintained by Vamvakidis (1998: 255), open economies trade heavily with each other, which in return, lead to the accumulation of capital and knowledge needed for economic growth. Free trade, hence, generates high trade flows, and result in positive economic growth (Dollar 1992; Edwards 1992; Levine & Renelt 1992; and Sachs & Warner 1995).

Underlying the arguments advanced by the above authors is the theory of comparative advantage, which is attributed to classical trade theorists, notably David Hume, David Ricardo, and Adam Smith. This theory asserts that countries which specialise in the production of a particular product, on which they capitalise through its exportation, stimulate the growth of the exporting countries' economies. The theory, as further elaborated by Viner (1950), suggests that free trade is necessary, not only among regional partners, but also with the rest of the world (also see Panagariya 1997; Schiff 1997; and World Bank 2000).

Classical and neo-classical trade theories argue that a trading relationship characterised by free trade benefits all partners, and the more 'free' and open regional blocs may be, the more beneficial it would be for the economies involved (Harrison 1991; Edwards 1989; and Mwaba 2000). In other words, engaging in free trade (most commonly operationalised through trade liberalisation) is a 'positive-sum' game.

Having been developed to reflect the experience of developed regions, classical and neo-classical theories proved to have little relevance in developing regions. Hence, their views were challenged by 'new' trade theorists (see Evans 1989; Helpman &

[9] It should be noted that the causal relationship between regionalisation and economic growth was not proven to be a *direct* one. Rather, regionalisation contributes to the stimulation of certain variables which, when combined with others, would arguably result in overall economic growth. In other words, in order to argue the linkage between regionalisation and economic growth, there is a need to explore the impact of regionalisation on certain variables that would contribute to economic growth, i.e. trade liberalisation.

Krugman 1985; and Srinivasan 1989). The 'new' trade theory demonstrates that the trade structure of developing countries, including those in Africa, as well as the structure of the global economy, means that participation in (open) international trade is, for the most part, beneficial to developed countries, given that developing countries' patterns of specialisation do not provide a comparative advantage with which to trade.

Furthermore, most developing countries, and certainly many economies in Africa, specialise in goods and services with few prospects of linkages with other sectors of their economies, thus limiting the variety of their production and placing constraints on the diversification of their exports. This is contradictory to the claims of classical and neo-classical theorists, which view the international trading system as genuinely equal. As suggested by the 'new' trade theory, the main inadequacy of the conventional trade theory, as advanced by classical and neoclassical theorists, is its 'perfectly competitive model', which fails to take intoconsideration 'imperfect' competition that plays to the exclusive advantage of a handful of developed economies.

Economic growth resulting from free trade is indeed not automatic. According to several empirical studies (Schiff & Winters 2002; World Bank 2004; Diaz-Alejandro 1980; Helleiner 1985; and Lewis 1978) the positive impact of trade liberalisation is only noticed if coupled with other preconditions, including shared borders and culture, macro-economic stability, the strength of domestic institutions and infrastructure, the readiness of exporters, and the size of the market created by integration.

In his study on the correlation between trade liberalisation and economic growth during the period covering 1870 to 1990, Vamvakidis (1998) concludes that the correlation was positive only in the 1970s and 1980s. Furthermore, the studies of Dollar (1992), Edwards (1992), and Sachs and Warner (1995) have proven to have a number of inadequacies that heavily constrain their applicability, as a platform on which to base a theory advocating trade liberalisation for economic growth purposes. As noted by Winters (2004: F7-F10) these studies have four weaknesses.

Firstly, their definition of 'openness' is too flexible to make way for a reliable conclusion. Winters (2004: F7) notes that "[I]n the context of policy advice, ['openness'] is most directly associated with a liberal trade regime (low tariffs, very few non-tariff barriers, etc.)". Yet, this is not the same understanding of 'openness' as used in the works of Dollar and his other colleagues. Criticising this limitation, Harrison (1996), Hanson and Harrison (1999), and Rodriguez and Rodrik (2001), for instance, opine that Sachs' and Warner's (1995) 'explanatory power' originates from non-trade components of their measures.

The second inadequacy in the empirical studies pertaining to the impact of trade liberalisation is the nature of the method adopted in the study, namely that of cross-country analysis. Winters (2004: F8) suggests that it is more convincing to measure trade stances and their impact on aggregate economic development, on a country-by-country basis, due to difficulties associated with econometrics. He argues that the establishment of measurements independently from other variables would automatically undermine the final result.

Thirdly, is the concern with the 'direction' of causation, i.e. does trade liberalisation lead to economic growth or does economic growth result in trade liberalisation? Winters (2004: F8) maintain that other variables impact on growth in their own right (i.e. land mass, population, geographical position, etc.). Hence, concluding that trade liberalisation results in economic growth provides a narrow picture that ignores other growth-generating variables.

The last concern with the case studies above (*inter alia* Winters, Warner *et al*) is their emphasis on the positive impact of liberal trade policies. This oversimplification of the impact of liberal policies (as epitomised by trade liberalisation) does not take into consideration the need to embrace other growth-friendly policies, such as the encouragement of investment, conflict resolution and the development of human capital (Winters 2004: F8). Trade liberalisation should therefore not be advocated in isolation of other complementary non-trade-related policies.

Economic regionalisation and the resulting trade liberalisation, therefore, offer few guarantees for economic growth. As per the aforementioned discussion, the inadequacy of empirical evidence – and empirical studies – renders the economic growth-trade liberalisation nexus weak. In addition to these limitations of economic regionalisation, other issues can also be raised in assessing the impact of regionalisation on economic growth.

The first important issue, which proved to be problematic in old regionalism, is the relationship between the size of national economies (as the platform for the regional economy) in generating growth. Some studies (Vamvakidis 1998; and Sachs & Warner 1995) suggest that regionalisation among small economies has little bearing on the overall economic growth of member countries. They further maintain that there is a need for an economic 'hegemon' in the region to render the regional arrangement beneficial to the economic growth of its members. This would render the economy of the regional hegemon the pivotal point of impetus for the regional economy. Furthermore, the 'initial' conditions, and more specifically, the level of economic growth within individual units; the existence of a certain level of intra-regional trade; and the diversity of economies, are also paramount for the success of an economic region that would generate economic growth (Vamvakidis 1998).

Similarly, as will be demonstrated below, the impact of regionalisation on the two growth-generating factors discussed in this chapter (trade and investment) remains, at best, dubious. The previous elaboration on trade liberalisation is an introductory overview on how literature continues to debate the impact of certain policies, advocated in the new regionalist context, on economic growth. Addressing the economic issues, notably trade, cannot be constrained to a strictly economic approach. It necessitates a multi-dimensional, non-trade-centric approach, and this is precisely where new regionalism was embraced in NEPAD. As noted in paragraph 64 of the NEPAD document, "[W]hile growth rates are important, they are not by themselves sufficient to enable African countries to achieve the goal of poverty reduction". Notwithstanding the benefits of the multi-dimensional approach of new regionalism, some practical issues contradict what is spelled out in theoretical terms. For example, the trade initiative of NEPAD might not encourage further regionalisation, and neither may the multi-dimensional approach provided by new regionalism necessarily promote trade within the continent. In other words, departing from the notion that trade and investment are pivotal variables in the promotion of economic growth, the questions addressed will be:

1. What hampers trade and investment in Africa?; and

2. What can new regionalism do to address those challenges?

4.3. New regionalism, NEPAD and African trade

Africa continues to be marginalised in the international trade arena. Today, its share of global trade is estimated to be a meagre 2.2% (UNCTAD 2005: 6). The continent's limited benefits from international trade are attributed to, *inter alia*, the volatility of primary commodity prices and the resulting decrease in export revenues; dependence on the exportation of a limited range of primary commodities; high external (as opposed to intra-regional) trade dependence; trade-distorting farm subsidies by trading partners, such as Japan, the EU and the USA; and declining terms of trade (Iyaho 2005: 1). Such disadvantages are worsened by another set of impediments. Internally, these include low per capita incomes, tariff and non-tariff barriers, overvalued exchange rates, poor infrastructure, high transaction costs, and poor macro-economic policies (Iyaho 2005: 11).

Trade facilitation initiatives have, so far, failed (ECA 2004 (a): 155) to improve the plight of African countries in terms of trade benefits. Similarly, African countries, as a collective, have failed to offset the existing international trade regime that plays to the continent's disadvantage. As will be noted, some of these issues are similar to those that obstructed the success of old regionalism, as discussed in the previous chapter. Given the limitations of old regionalism as an approach, it is believed that the 'new' elements introduced by new regionalism may challenge such limitations, hence contributing towards the success of the new wave of regionalism on the continent. NEPAD is, indeed, informed by this belief. The aim of this section is, therefore, to critically assess the potential contribution of new regionalism in assisting NEPAD to address the impediments to Africa's trade (product diversification for exports; lack of infrastructure, structural dependence of former colonial powers; customs regulations; and the prevalence of informal trade). These are viewed as factors deemed *directly* responsible for poor trade performance in Africa. Emphasis will thus be placed on obstacles to African participation in international trade as well as intra-African trade.

4.3.1 Product diversification

The failure of African countries to diversify their exports is often mentioned as being one of the major reasons for the continent's poor participation in global trade. The continent's exports, indeed, continue to be dominated by trade in commodities. Since 1970, nine crops, namely cocoa, groundnuts, coffee, cotton, tea, rubber, banana, sugar, and tobacco, have constituted approximately 70% of Africa's agricultural exports (World Bank 2000: 184). Currently, it is estimated that 40% of Africa's GDP is generated from basic commodity exports. In 20 African economies, primary commodity exports constitute over 50% of their export revenue (Africa Renewal 2004). The continent is hence said to be caught in a 'commodity trap'.

Against this background, manufactures account for only 0.8% of Africa's share of global exports, as compared to other developing countries in Asia and the Americas in which manufactures respectively constitute 21.5% and 4.6% in 2000. Between 1980 and 2000, the annual average growth of manufacture exports from Africa was estimated at 6.3%, with 5.7% in sub-Saharan Africa alone, while most North African countries are either oil exporters (Algeria and Libya) or oriented towards services (Tunisia, Morocco and Egypt) (UNCTAD 2005: 5-6).

Although NEPAD does not make specific reference to a regionalist approach (in the sense of a region-based solution) to address this issue, it does nonetheless refer to a regional strategy in its Action Plan (see *NEPAD Action Plans Summary* 2005). In designing its *Market Access Strategy*, the *Action Plans Summary* (2005) highlights the need to process African agricultural products, which necessitates an industrial base. This put in motion the establishment of the *New Diversification Project,* which is aimed at supporting "the diversification of products on the regional and sub-regional levels". In the case of cotton, for instance, the *Action Plans Summary* proposes the implementation of sub-regional mechanisms to revitalise the cotton processing industry in Eastern and Southern Africa. The strategy is, therefore, regionally coordinated. It also suggests that there is a need for regional cooperation to concretise the strategy, since individual countries do not have the full capacity to produce and diversify at the same time.

In order to be fully implemented, the strategy will have to be coupled with initiatives that facilitate intra-regional trade and address issues pertaining to customs. As will be noted below, Africa suffers from difficulties in both areas, and new regionalism is not necessarily the solution to address these problems.

Notwithstanding these obstacles, another concern relates to the diversification of African exports. Here, the importance of the interaction between the levels of analysis highlighted in the framework of analysis (regional vs multilateral) comes into play. The diversification of products is controversial for obvious economic considerations. The 'tariff escalation'[10] practice that applies to all members of the WTO (including the major trading partners of Africa) should be taken into account when discussing product diversification in African economies. Although some African countries benefit from preferential market access, which allows some products to access European and American economies with low tariffs or no tariffs at all, there remain certain constraints. Within the context of the US-led African Growth and Opportunity Act (AGOA) (2000) for instance, products manufactured from cocoa, sugar, tobacco and cotton, do not benefit from preferential access, and ironically, these very products are among the most traded commodities for African countries (Commission for Africa 2005: 276).

In considering some statistical figures, reference can be made to the case of AGOA, where tariffs on unprocessed African tobacco are estimated at 25%, while tariffs on tobacco products are estimated at 112%. In the EU, tariffs on African fresh fruits are estimated at 21% but increase to 37% when converted to fruit juices (Africa Renewal 2004). The failure of African economies to diversify their products can, therefore, be attributed to the fact that with diversification come increased difficulties in exportation. As established, new regionalism is not able to address this issue, however, the 'partnership' option offered by NEPAD might *theoretically* succeed in doing exactly this. The next section will further elaborate on this point.

[10] Tariff escalation implies that tariffs imposed on goods are proportionate to the level of processing of a given product.

4.3.2 Structural dependence and subsidies

A reading of NEPAD allows for the identification of one major inadequacy: its failure to explicitly recognise the structural dependence of many African countries on non-African markets. The reality is that African economies continue to depend on trade with non-African states due to this relationship, as reflected in the low levels of intra-African trade and the high levels of trade with former colonial powers in Europe (see Figure 2). At the same time, African products continue to face major challenges to access developed countries' markets due to subsidies. One of the most contentious multilateral issues in this regard remains agricultural subsidies, resulting in the predicted failure of the Doha Round of the WTO negotiations. As noted by the World Bank (2000: 177),

> In 1996, transfers were estimated at US$300 billion [...], about the same as Africa's GDP. These transfers are larger in the European Union, with Japan and the United States transferring income at just over half the EU level.

The 'development partners' of Africa have also resisted major concessions that would jeopardise their farmers' plight. Although the EU, for instance, appeared to have made a concession to African tobacco farmers in October 2005, it is worth noting that African tobacco exports represent only one percent of the total agricultural exports of the continent (UN COMTRADE in the Commission for Africa 2005: 258). Concessions are therefore needed in other areas of agricultural production; areas which development partners continue to protect.

As alluded to earlier, the multi-level analysis proposed in the investigation framework is crucial. The impact of the multilateral environment should form part of an assessment of the potential for new regionalism to succeed, which reinforces the argument that new regionalism cannot be viewed as a response to multilateralism, and neither is it a step towards it. In other words, multilateralism does not support new regionalism, as the former does not complement the latter.

Responding to the real challenge of multilateralism, NEPAD introduced the 'partnership' element. Theory, however, does not dictate practice, and the 'partnership' envisaged by NEPAD did not lead, up to now, to any change in stances at the multilateral level, despite the 'development partners'' endorsement of the Partnership. Hence, the capacity of new regionalism to act on its own in order to address such a dilemma is insufficient. In fact, the 'partnership' element of NEPAD invariably perpetuates the dependency relationship between Africa and the 'rest of the world', instead of providing an alternative to it, especially given that this same dependency contributed towards the failure of old regionalism on the continent. Diversifying Africa's exports is, therefore, inadequate, unless the dependency pattern is altered. In this case, new regionalism fails to address one of the leading causes behind the failure of old regionalism, which might put its very existence in danger.

4.3.3 Intra-African trade

Despite the continent's history of regionalism, intra-African trade remains modest (see Figure 3). The low levels of intra-African trade can be attributed to a host of factors, including,

1. the failure by member-states to reduce tariff and non-tariff trade barriers;
2. the absence of an efficient monitoring mechanism to oversee progress in terms of lifting trade barriers;
3. the failure to develop an equitable distribution of gains and losses, which discourage members from opening up their markets;
4. structural trade dependence of African states on non-member states (mostly on former colonial powers);
5. different levels of dependence on trade tax revenues among member-states;
6. lack of political commitment;
7. macro-economic instability in some African states; and
8. domestic instability in some member states (Lyakurwa *et al* 1997).

The expansion of intra-regional trade is, contestably, important in order to encourage development in other areas. In this vein, it has been suggested that increased intra-regional trade would encourage investment. In order to reverse situations of low intra-regional trade, new regionalism was proposed on numerous occasions as a viable strategy to promote trade within regions. Theoretically, regionalisation leads to increased intra-regional trade flows, which are generated by the removal of trade barriers and the inception of preferential treatment to regional production. Yet, there is an awareness that regionalism, in general, has failed in promoting intra-regional trade (see the NEPAD Action Plans Summary 2005). This argument has also been empirically challenged.

According to a study conducted on MERCOSUR, *South-South* regionalism seldom leads to increased intra-regional trade (Amjadi & Winters 1999). The analysis concluded that trade patterns of member countries remained the same; they remained dependent on their traditional trade partners, who were not members of their regional grouping. While intra-regional trade remains limited, it is perceived that non-members benefit more than member-states from intra-regional liberalisation.

By virtue of ‘open regionalism’, a concept attached to new regionalism, non-members who benefit from the positive repercussions of the regional bloc (i.e. tariffs) via trade with one member-state, will automatically benefit from the same benefits at the regional level. In other words, open regionalism, according to Amjadi and Winters (1999), tends to benefit non-members rather than members, since the latter fail to disconnect from their traditional trading structure. The impact of the “discretionary preferential trade system for intra-African trade”, as proposed by NEPAD (par. 168), in avoiding the concern raised above on the accrued benefits to non-members, is questionable (though it may encourage investment within the region).

New regionalism, therefore, does not guarantee an increase in intra-African trade flows, hence establishing its limitations for African states wishing to redirect their trade within the continent. This is, however, a simplistic conclusion – especially if an attempt is made to provide a holistic analysis of the situation, by taking into account the interaction between different contributory factors. Addressing other trade-hindering issues may present the required incentive for some African countries to trade with their neighbours. Two such factors of great significance in this regards include improved infrastructure and the removal of other barriers to trade.

4.3.4 Infrastructure

Infrastructure generally takes account of tangible and intangible infrastructure. Transport and other physical infrastructure falls under the first category, while Information Technology (IT) is characterised under the second. Due to the direct link between the theory of new regionalism and tangible infrastructure, and how this link is established via the various means of transportation, this section will focus on transport. This is not, however, to neglect or undermine the importance of regionalist attempts taken to address the IT shortage on the continent. These initiatives are, however, assumed in this study not to be motivated by regionalist conceptions, *per se*, but rather as components that indirectly benefit from the regionalist environment.

The argument here suggests that the accrued benefits to IT from new regionalism are not directly derived from the new regionalist engagement, and should rather be discussed as a possible beneficiary from either the presence of a technological powerhouse in the region (that might share its technology with the rest of the region) or from the multilateral bargaining power of the region, which would allow it to negotiate better access to technology available at the global level.

Furthermore, the newness of IT as a factor means that there is little empirical basis (or theory) to elaborate on its connection with new regionalism. This would necessitate a study in its own right. Suffice to say that IT can play a role in bridging the communication gap between regional partners, and has the potential to facilitate a number of trade-related procedures, notably in customs, as will be maintained in a later sub-section.

Transport infrastructure[11] is widely acknowledged to be the backbone of any economy (NEPAD document, par. 97; ECA 2004 (b); and Kessides 1993). A study by the World Bank concludes that the state and character of infrastructure has a direct bearing on economic growth. (Kessides 1993). Infrastructure influences the operating costs of, and thus profitability for, businesses and firms. The operating costs also undermine the competitiveness of products both domestically and internationally, and negatively impact on investment, as a result of constraints placed on cost-return

[11] From here on, the use of infrastructure refers to tangible transport infrastructure.

relationships, especially since operating costs often lead to increased product prices (Chang 1999: 1).

The emphasis on the promotion of efficient and effective transport systems is, therefore, motivated by the impact of transport on trade costs, and hence intra-regional trade. A study by Limao and Venables (2000), using a sample of countries from Africa and the rest of the world, indicates that in general, a 10% increase in transport costs would lead to a reduction in trade volumes by approximately 20%. For instance, the total cost added to coffee in Côte d'Ivoire from producer to port is about 170%, and about 60% for cocoa, with transport accounting for a significant share in both cases (de Castro, 1996). Furthermore, it is estimated that transport delays act as a tax on trade equivalent to 0.5% for each day lost (Hummels 2000). In the case of Africa, the overall transport costs calculated in monetary and indirect rates related to transportation, storage and handling of goods, are the highest in the world (ECA 2004 (b): 158) (see Figure 4).

The World Bank (2005: Box 4.2) illustrates the African transport crisis as follows:

> In Southern Africa, delays at the main border crossing between South Africa and Zimbabwe (Beit Bridge) amounted to six days in February 2003, leading to an estimated loss of earnings per vehicle of $1,750 (equivalent to the costs of a shipment from Durban to the U.S).

Another study by UNCTAD (2002) further indicates that freight costs, as a percentage of the total import value, totalled 13% for Africa in 2000, compared to 8.8% for developing countries and 5.2% for industrial countries. At the sub-regional level, the freight costs for West Africa, as a percentage of the total import value, totalled 14%, while the same costs for East and Southern Africa, including the Indian Ocean region, amounted to 15.2%. The ratio for North Africa was slightly less, at 11% (UNCTAD 2002). Furthermore, the total length of operating roads (paved) in Africa remains very low, 2.1 million km, of which only 29.7% is paved, the remaining portion being made of either earth or gravel. The total length of unpaved roads is by far larger than that of paved roads in all the sub-regions of the continent, with the exception of North Africa, where 55.27% of the network is paved (ECA 2004 (b): 160). It is, however, important to note that there are disparities, since some regions benefit from stronger transport networks than others. Southern Africa and North Africa are the most equipped regions in terms of roads on the continent.

Despite the current state of transport infrastructure in Africa, it is worth noting that there some progress has been made. The length of Africa's surfaced road network grew by 128% between 1991 and 2000, from 242,000km to 547,742km (ECA 2004 (b): 162). Many of these road networks were developed within the context of trade corridors, which are in essence regionalist schemes.

Building on sub-regional infrastructure projects, NEPAD developed its own infrastructure programme. NEPAD adopted a two-legged infrastructural strategy – a short-term and a medium- to long-term strategy. The short-term strategy is centred on projects that have a "strong facilitation element" (NEPAD 2002: 2). In other words, it is focused on fast-tracking projects that are at an advanced stage and possess a regional component, in order to promote trade facilitation efforts. The medium- to long-term strategy takes up other projects that still need to be developed.

This infrastructural development plan is constructed around four areas of intervention, namely

1. the creation of a suitable environment for the development of regional infrastructure, including the establishment of regulatory and institutional frameworks;
2. capacity building to empower the implementing institutions;
3. physical or capital investment; and
4. the preparation of studies on new priority projects (NEPAD 2002: 2).

To achieve this plan, NEPAD identified the following as prerequisites for the achievement of the above objectives:

1. Trade corridors without borders and barriers;
2. Better and safer roads to bring Africa together;
3. Competitive and seamless rail services;

4. Efficient ports; and

5. Safe, secure and efficient skies and airports

The role of NEPAD in the short-term strategy has thus been identified as involving the mobilisation of the political will needed to complete the projects, resource mobilisation and facilitating knowledge sharing. NEPAD also makes provision for a Peer Review Mechanism (APRM) to monitor progress in the implementation and good management of priority projects (NEPAD 2002: 3).

In terms of transport infrastructure, NEPAD's plan focuses on reducing the costs and improving the quality of services; increasing public and private financial investment in transport infrastructure; improving the maintenance of transport infrastructure assets; removing formal and informal barriers to the movements of goods and people; and supporting regional cooperation and the integration of markets for transport services (NEPAD 2002: 5).

The success of NEPAD's infrastructure programme is, however, dependent on two aspects – both being central to new regionalism. Firstly, addressing the security dilemma of the continent would put less pressure on infrastructure. As noted in Chapter 2, conflicts on the continent have contributed to the deterioration of the already-poor African infrastructure. Addressing security is therefore beneficial.

Secondly, noting that NEPAD relies on Public-Private Partnerships (PPPs) in the materialisation of its infrastructural development plan, the integration of new regionalism in non-state actors is useful. Indeed, private capital injections into the infrastructural development plan of NEPAD would allow it to progress. Yet, this is not automatic. Issues pertaining to investment in Africa need to be factored, in order to analyse the capacity of NEPAD through regionalism, to attract the necessary private capital. Furthermore, NEPAD's reliance on PPPs can prove to be challenging, given the fact that very few African countries have embraced the PPPs option.

It is estimated that between 1990 and 1998 investment in African PPP projects was estimated at a mere $14 billion of the total $496 billion invested in developing countries, as compared to $237 billion for Latin America and the Caribbean (NEPAD 2002: 10). This disparity is often attributed to the limiting investment environment in several African countries and the failure of many of these nations to introduce legal and regulatory adjustments that would govern PPPs. Investors' confidence in African economies, and PPPs, is crucial. Here, the multi-dimensional aspect of new regionalism comes into play. Incorporating good governance in the same framework can, in theory, guarantee the engagement of the private sector. This matter will, however, be discussed in further detail in a subsequent section.

The development of transport infrastructure is, however, not the only issue at hand. Other related facets need to be factored as major impediments, not only to intra-regional trade but also to trade and investment in general, on the continent. Among these are roadblocks on African regional roads. For instance, it is reported that within the ECOWAS region, there exist several roadblocks on trade corridor roads. There are as many as one roadblock for every 14km. According to the ECOWAS Secretariat there were seven roadblocks per 100km on the road linking Lagos to Abidjan; three roadblocks per 100km on the road linking Cotonou to Niamey; four roadblocks per 100km on the road linking Lomé to Ouagadougou; and four roadblocks per 100km on the road linking Niamey to Ouagadougou (ECA 2004 (b): 167).

The presence of roadblocks does not only slow down transport, but prevents the timely delivery of goods and increases already high vehicle operating costs, whilst the presence of roadblocks also creates high transit taxes and incidences of corruption. Furthermore, it is important to note that these practices are particularly costly to the 15 landlocked countries on the continent. The potential of regionalisation to address these issues is, indeed, great. However, this effort needs to be led by genuine political will to implement sub-regional and regional agreements to remove such restrictions.

Transport is therefore a central problem hindering trade and development. The issue of mobility between African borders becomes even more acute when coupled with other impediments including customs procedures.

4.3.5 Customs

Delays in customs are a major concern that heavily impact on trade in Africa. The World Bank (2005: 77), on the basis of a thorough review of the literature on the impacts and potential of Preferential Trade Areas (PTAs) on trade, makes the following observation:

> [B]ecause logistical, institutional, and regulatory barriers are often more costly than tariffs and generate no offsetting revenue, cooperative governmental efforts to improve customs procedures, minimize the trade distorting impact of standards, and reduce transport costs may have a higher payoff than reciprocal reductions in overt trade policy barriers.

This would, in turn, encourage trade between member-states.

In many African regions, customs delays are lengthy. For example, it is estimated that delays resulting from long clearance procedures between Djibouti and Addis Ababa can take up to 20 days. Similarly, in the SADC region, delays at border posts in Mature (the Beira Corridor between Mozambique and Zimbabwe), Beit bridge (North-South Corridor between South Africa and Zimbabwe), Victoria Falls (North-South Corridor between Zimbabwe and Zambia), Chirundu (North-South Corridor between Zimbabwe and Zambia), Kazungula (Trans-Caprivi Corridor between Botswana and Zambia), and Nakonde (Tanzam Corridor between Tanzania and Zambia) are respectively estimated at 26, 36, 36, 24, 24, and 17 hours (World Bank 2000; ECA 2004 (b): 171-172). The longest delays are observed respectively in Ethiopia (30 days), Cameroon (20 days), Nigeria (18 days), Malawi (17 days) and Uganda (14 days) (ECA 2004 (b): 187). These customs delays are often caused by long customs procedures. According to estimates, an average customs transaction in a developing country is estimated to involve 20 to 30 parties, 40 documents, and 200 data elements, 30 of which have to be repeated at least 30 times (ECA 2004 (b): 169).

The intervention of NEPAD in respect of the issue of customs is not a novelty on the continent, in that previous African regional and sub-regional schemes also proposed the same initiatives (see, for instance, the *Lagos Plan of Action* and the *Abuja Treaty*). Paragraph 165 of NEPAD sets, as its objectives, the improvement of customs procedures. In terms of action, NEPAD (par. 166) has proposed the reduction of transaction costs and the improvement of African trade agreements, and the harmonisation of rules of origin, tariffs and product standards. Moreover, the removal of intra-regional customs barriers has also been encouraged.

Addressing this issue requires a regional approach; notably through the harmonisation of customs procedures. As noted by Cosbey (2005: 13), the issue of taxation unfavourable to trade can be best handled in the context of South-South cooperation. He suggests that standardised regional customs documents and the harmonisation of procedures for international standards are useful. Yet, it is important to highlight that the taxes imposed on customs transactions represent tax revenues for governments, which renders the trade facilitation process even more difficult. In this case, the provision of short-term incentives to member-states to encourage them to address these issues is paramount.

New regionalism fails, like its predecessor, to take this into account. Furthermore, presenting regional members with a 'better deal' than those presented by their free trade agreements with other countries or regions (i.e. SADC and MERCOSUR; North African countries and the Euro-Med Partnership) is important in maintaining the momentum for regionalisation on the continent – extra-regional factors therefore determine the success of the regional venture. Unless African countries see short-term benefits in addressing the customs issues noted above, they will continue to limit their efforts in addressing them. In this case, it can be noted that increasing intra-African trade might, in itself, encourage African countries to address the customs delays, in that such an exercise would immediately be to their benefit. The problem is that both these issues are mutually dependent and there is a need to introduce another variable to push either forward. Thus, facilitating the activity of the informal sector, which is the backbone of the African economy, might serve as the intervening variable.

4.3.6 Informal sector

In the 1980s, informal intra-African trade was estimated at between 30% and 50% of the exports of crop production, accruing millions of dollars per annum in food crops, minerals and consumer goods (Meagher 1997). The transition towards informal economies is attributed to a host of factors, with the most recurring argument being the failure of the formal economy (Bøås 2001). Alternative explanations suggest that informal trade is not only a source of income to millions of Africans but is also embedded in African economic culture (World Bank 1989: 158).

It has been estimated that in Kenya, for example, 10 million of its 28 million inhabitants are dependent on informal trade for their livelihood (Bøås *et al* 1999: 1065). In Nigeria, it has been estimated that four to five million women make a living from the informal trading of shear-nuts and butter (Plunkett & Stryker 2002). The same pattern has been observed in Uganda, where the informal sector employs 15% of the working population, and contributes up to 20% of the national GDP. Furthermore, the informal sector in Uganda is estimated to produce around 80% of the country's manufactured goods, while the formal sector contributes only about 6% (Bøås 2001: 36).

The theory of *new regionalism,* as discussed in Chapter 1, represents an appropriate framework to assess the contribution of new regionalism in the informal sector. The theory argues that this sector, especially in Africa, should be integrated into the new regionalist framework, due to its impact at the socio-economic level. New regionalism is, therefore, useful in addressing the African informal trade reality. Embracing this idea, NEPAD recognises the role of the informal sector and calls for its support (par. 153). It proposes the integration of the informal sector in all initiatives dealing with the private sector.

Yet, the informal sector in Africa is not necessarily structured as a 'private' sector. In fact, two categories should be distinguished in the private sector, namely a structuralised private sector that is registered as a 'business' in a given state (i.e. companies), and a non-structuralised private sector epitomised by cross-border activities, involving trade in small quantities of goods across national borders. The theory of new regionalisms refers to the latter private sector category. Integrating this type of sector, as proposed by NEPAD, might fail to bring on board the informal sector, due to concerns for informal traders about tax payments, among others. The question then is, how does one incorporate the informal sector in the regionalisation process?

Bøås (2001: 37) proposes to build a 'historical-sociological' approach to regional integration in Africa. The EAC's initiative might be more pragmatic in this case. It accepts a reality and attempts to deal with it without aiming to eradicate it. However, how would this strategy benefit the government and the region in general? This will depend on the aim of the regional scheme; the state's economic fitness; or the well-being of many Africans who make their living from the informal sector.

Therefore, there is a need to reposition the thinking to a more people-oriented and African-relevant development approach; and this is where NEPAD has failed, despite its claim to alleviate poverty on the continent. Fully embracing the informal sector as a reality that differentiates Africa from the rest of the world, as advocated in the new regionalism theory, is indeed crucial, especially since altering such a trade pattern (and a form of regionalisation that is far more developed than institutionalised regionalisation) might prove to be difficult. Eradicating the informal sector for the purpose of institutionalising cross-border trade flows, might also prove to be detrimental for many poor African households.

Hence, the challenges faced by NEPAD in respect of African trading realities appear to be vast. The fixation of NEPAD on generally liberal perspectives can also serve as a critique of the Partnership in several aspects. It can thus be argued that NEPAD departs from assumptions that lack the empirical evidence to support them and lack relevance to the African context. The emphasis, for instance, on trade liberalisation and the removal of customs barriers via 'good will', failed to take into consideration more serious concerns by many African governments that see no incentive to adhere to such regional arrangements. More critical is the fact that NEPAD failed to correct, in some instances, the shortcomings witnessed in previous schemes and notably the issue of incentives and relative gains from regionalism, as discussed in Chapter 2.

Similarly, its failure to take intoconsideration a number of realities, such as the (dis)organisation of the informal sector and the heavy structural dependence of most African economies on highly competitive Western markets is also a point of concern. Although new regionalism presents a multi-dimensional approach, the interdependence between the different trade-related factors means that the failure in addressing one (due to practical realities facing NEPAD) jeopardises the success in addressing all other factors. In other words, the theoretical propositions of new regionalism alone do not offer a solution to the issues encountered on the ground. The failure of NEPAD to be more creative in coupling the benefits of new regionalism with more realistic tactics (not a 'Partnership' method) would considerably play in its disfavour. What appears to be limited novelty in NEPAD's trade programme is also reflected in its investment scheme.

4.4. New regionalism, NEPAD and investment in Africa

Investment is acknowledged as vital to any economy. It is praised as a source of capital, new technologies, intangibles such as managerial skills, and is believed to stimulate competition and innovation, create jobs and enhance economic growth. FDI is a component that is more sought after in Africa, on account of it possibly being able to provide access not only to higher capital than that of private domestic investment, but also to some valuable expertise.

According to UNCTAD (2006 (a)) Africa's global share of FDI is only estimated at three percent, and accounts for less than nine percent of FDI flows to developing countries (see Figure 5). In an attempt to address this issue, and in the tradition of new regionalism, NEPAD provides a multi-dimensional package. The package accounts for improved conditions for investment, good governance and security.

A regional strategy can arguably attract both intra-regional and extra-regional investment, on account of several benefits which it offers. These benefits include the reduction of distortions in production; the increased size of the market (from national to regional), which would particularly attract extra-regional investment; access to member countries' markets; as well as the possibility of rationalising production sites (Fernandez 1997; Balasubramanyam & Greenway 1993; Velde & Bezemer 2004: 9). Furthermore, Fernandez (1997: 7) notes that the level of certainty in respect of trade policies indirectly imposed by regional policies, and their impact on the macro-economic environment, are crucial in attracting regional and international investors. Indeed, investors tend to be reluctant to invest in environments that lack predictability in terms of trade policies, for risk management reasons. Hence, 'surprise' policies introduced by governments can be discouraged through the adherence to regional mechanisms.

The trade liberalism imposed by the modern form of regionalism also compels member countries to introduce tariff liberalisation. It is widely assumed that liberalised economies tend to attract larger investment flows (although tariff liberalisation attracts investment depending on the transport costs, as well as the firmlevel cost implications of setting up the Multi-National Corporation (MNC) (Markusen & Venables 1997; Brainard 1997; Carr *et al* 2001; and Velde and Bezemer 2004). In addition, the removal of tariffs may attract horizontal investment (market-seeking) due to cost-effectiveness (Velde & Bezemer 2004: 5). It would, indeed, be less costly for an investor to expand into another market within the region by means of free trade rather than establishing firms in different locations. At the same time, however, vertical (efficiency and natural resource seeking) intra-regional FDI is also encouraged by regional tariff preferences. The regional tariff preferences encourage efficiency-seeking firms to establish production networks that would process imported products to re-export them.

Although intra-regional investment continues to be largely neglected, its impact on the overall fitness of national economies is pertinent, and there is no empirical evidence to argue that regionalisation promotes this form of investment. Intra-regional investment is thus often jeopardised, to the benefit of extra-regional investment. A stronger extra-regional private sector can, indeed, challenge the smaller intra-regional private sector, particularly in developing countries. Accordingly, it has been concluded that intra-regional investment can be encouraged through the establishment of regional cooperation ventures, as already adopted in ASEAN, which aim at first promoting cooperation between intra-regional investors, in order for investors to remain active in the regionalist context, before opening up their economies for foreign investment.[12] Such ventures would guarantee the balance between intra-regional FDI and extra-regional FDI, which would, in the long-term, reduce the dependence of the region on extra-regional financial flows (Velde & Bezemer 2004: 7-8).

As regards extra-regional investment, a study by Velde and Bezemer (2004) maintains that, for the most part, regional groupings tend to attract horizontal (market-seeking) FDI. This larger market offering would indeed be an attractive prospect. Accordingly, Multinational Corporations (MNCs) would be able to operate from one location to serve the entire region, thus establishing an 'export platform' at the regional level. What should be highlighted, however, is that FDI would not be evenly directed to all member-states within the region. This uneven distribution of FDI could be influenced

[12] ASEAN countries have established the ASEAN Industrial Cooperation Scheme (AICS), which links ASEAN companies engaged in regional cooperative endeavors. It is estimated that about 100 projects have already been selected to benefit from preferential treatment (special taxes and tariff incentives).

by several factors, including the size of the market in any given country (usually MNCs are established in/closer to the largest market in the region); geographical location; rules of origin (RoO); and non-tariff barriers (Velde & Bezemer 2004: 6). These reasons are, however, being empirically contested, in order to first identify the determinants of FDI flows on the continent, before designing a successful strategy to attract FDI to needy African countries.

The determinants of FDI to Africa continue to be disputed. An interesting reality was recently highlighted during a study conducted by UNCTAD (2005) on the subject, which noted that geographic location, although given as an explanation for low FDI flows to Africa (see Velde & Bezemer 2004), was not particularly relevant in this regard. The study notes that African landlocked countries, including Swaziland, Chad and Uganda, are considered among the most attractive destinations of FDI to Africa.

The study further notes that the FDI share of African landlocked countries in their GDPs, between 1985 and 2003, was substantially higher than in other parts of the continent. UNCTAD (2005) further notes that most of the FDI flows into Africa are directed to natural resource sectors, and notably the energy sector. This is reflected in the fact that six of the top ten recipients of FDI in Africa, in 2003, were oil-producing countries (see Figure 6).

NEPAD makes provision for the creation of an investment-friendly environment via the following means:

1. the elimination of investment risks through credit guarantees, as well as regulatory and legislative frameworks;
2. the creation of a single African trading platform; and
3. financial harmonisation (par. 151).

The NEPAD action plan to boost investment and African trade is based on different strategies, including the following:

1. Macro-economic stabilisation;
2. Exchange rate policy liberalisation;

3. Promotion of investment, trade liberalisation;

4. Harmonisation of taxes and investment codes at the regional level;

5. Rural development;

6. Obtaining technical assistance by means of partnership; and

7. The creation of an enabling environment for the private sector, notably good governance.

Several points can be deduced from the above programme. Firstly, NEPAD adopts a hybrid strategy that is both an extension and a correction of previous strategies embraced on the continent. Secondly, NEPAD promotes the liberalisation policy and stabilisation at the macro-economic level, while at the same time introducing what can be referred to as ‘safety nets’, notably the promotion of the private sector and its protection. As noted in the Action Plans Summary (2005), NEPAD seeks to “apply reforms related to trade liberalisation to boost efficiency and competitiveness for domestic producers, privatisation and promoting viable and vibrant private sector”. However, a number of concerns have come to the fore in the NEPAD programme.

Firstly, although NEPAD envisages strengthening the ‘regional’ private sector, it does not make provision for ‘discriminatory’ treatment against foreign investors, who could challenge the relatively weak local investors. Failure to do so, hence, leads to the issue raised above regarding the danger of open regionalism and its contribution to the benefit on non-regional actors, to the detriment of regional actors. Failure to promote the participation of regional investors and ensure their protection from foreign investors, at least for a certain period of time, in order to allow them to become competitive, has long-term implications. Heavy reliance on foreign investment simply perpetuates the dependence on FDI.

Although the promotion of regional investors and their protection might only bear long-term results, it would be a more favourable prospect for the continent, as it would allow it to break the cycle of dependence and ultimately sustain investment via its development. Open regionalism, despite its shortcomings, has been clearly embraced by NEPAD, but is certainly not conducive towards the growth of the continent.

Secondly, NEPAD has failed to design an informed strategy that takes into account the patterns of FDI in Africa. Regionalisation, indeed, creates an enabling environment for investment flows, yet certain realities need to be addressed in order to allow equal benefits from such a process. Factors such as good governance do not guide investment flows on the continent, yet NEPD designed its strategy on empirically-contradictory factors. Although the multi-dimensional aspect of new regionalism offers to resolve the tension between, for instance, security and investment or security and good governance, the reality on the ground suggests, as will be elaborated in the following chapter, that the causal relationship between these variables still needs to be proven.

Thirdly, NEPAD failed to design a strategy that would encourage the equal distribution of FDI across different sectors of the economy, which would have impacted positively on the progress of industrialisation of African economies.

4.5. Conclusion

Although the contribution of new regionalism is important in providing a multi-dimensional approach that acknowledges the interaction between different variables involved in the regionalisation process, the approach does not necessarily provide practical ‘advice’ as to how to deal with individual issues, i.e. trade. Linking the resolution of one issue (i.e. trade) to a holistic framework, has not proven to be particularly useful, in that other intervening variables not addressed by new regionalism, such as the impact of the multilateral system and political will, which falls under the national variable, influence attempts to address the given issue.

For instance, the multi-dimensional approach that was intended to analyse the impact of new regionalism in addressing the different issues underpinning the trade dilemma of the continent, did not answer the question of how to offset the structural dependence of African economies on non-African economies. In this respect, the incorporation of multilateralism via the concept of ‘partnership’ in the NEPAD programme, has introduced a new dimension to the way in which new regionalist schemes are formulated. However, while the concept is, indeed, valuable, its practicality is somewhat questionable.

What should be highlighted is that the multi-dimensional framework provided by new regionalism demonstrates that the underpinning issues are interdependent, and the failure to resolve one factor would almost certainly lead to difficulties, if not failure, in resolving others. This does not only apply to 'sub'-issues underpinning a broader issue (i.e. the failure to address infrastructure and customs, as sub-issues, leading to the failure to address the issue of trade), but also to issues underpinning a crisis (i.e. the failure to address trade and investment, which are interdependent, would lead to the failure to address the economic and security crises). As will be demonstrated in the following chapter, the failure to address individual crises also has an impact on addressing others. It is thus a vicious cycle.

Chapter 5: Good governance and security in Africa: An evaluation of NEPAD's regionalist approach

5.1. Introduction

The complexity of regions as they emerged in the post-Cold War period is a constant reminder of the interplay between different elements - be it economic, social, political or security - and their impact on each other. This complexity is well captured in new regionalism, as discussed in Chapter 2. New regionalism, hence, allows for the analysis of a wider range of focus areas. Instead of isolating these areas, it places emphasis on their mutual impact.

As became apparent in the previous chapter, trade and investment in Africa, arguably, cannot be treated in isolation of issues of good governance and security. This chapter will further tie these different elements together in order to provide a more comprehensive analysis of the challenges faced by NEPAD and new regionalism in Africa. In respect of good governance, the chapter will first attempt to define the concept of 'good governance' before reviewing the literature on the linkage between governance and regionalisation. The chapter will then critically assess the regionalist governance scheme proposed by NEPAD, namely the APRM.

The discussion on good governance will be followed by one on security. The security section will focus on the potential of NEPAD to resolve the African security crisis through its proposed security framework.

5.2. New regionalism and good governance

Until the 1990s, the use of the term 'governance' in international relations was largely associated with international organisation, and more precisely, connoted the development of a 'global government' (see Kouam 2004: 3). This notion of a 'global governance' system was originally associated with the UN as its chief agent. However, the use of 'governance' and 'good governance' soon took centre stage in many discussions across the disciplines, hence leading to the expansion of the use of both terms. Nonetheless, there remains some ambiguity as to what constitutes 'good' governance as opposed to 'bad' governance. In order to introduce the discussion on good governance, it is first necessary to lay the conceptual ground by defining the concept of 'governance'.

5.2.1 Defining good governance

There is a prevailing consensus that governance should be understood in broader terms than 'government'. To 'govern' entails administration and supervision. Accordingly, government refers to the political authority; the "group of people who have the power to make and enforce laws for a country or area" (Oxford online dictionary 2007). Conversely, 'governance' can be distinguished by means of its capacity "to cover the whole range of institutions and relationships involved in the process of governing" (Pierre & Peters 2000: 1). In other words, 'governance' differs from 'government' in terms of the variety of agents involved in the governing process and the nature of the relationships that link them. Most importantly, the approach used in 'governance' is horizontal in nature, as opposed to the vertical nature of the approach in the concept of 'government'.

Governance should, therefore, be understood in relational terms. As described by a number of authors, governance involves the nature of the interaction between formally defined institutions of the state and civil society (Corkery 1999: 15; Stoker 1998: 17). It manifests itself in initiatives such as public-private partnerships that are parallel in nature and function. Governance should, therefore, be understood as,

a. Guidelines for the conduct of state affairs and the way in which responsibility is discharged;

b. A system of managing the interaction between public structures and civil society; and

c. The interaction between civil society structures themselves (Corkery 1999: 15; Hope 2005: 285).

This description suggests that the conduct of state affairs is only a fraction of the wider concept of governance. It is only the first bulleted point that is directly relevant to the functioning of the state, *per se*. As a result, this understanding of governance contradicts the claim by some authors (Mansaray 2004: 94; Akokpari 2004: 243;

Akokpari 2005: 1) that good governance should be associated with the functioning of the state's structures; in other words, good governance should be associated with *trias politika* (the separation between the judicial, executive and legislative arms of government). According to supporters of this view, the separation between the different branches would assist in maintaining the checks and balances that ultimately reinforce good governance – a point that is indeed relevant to good 'government' and not good 'governance'.

The relational definition of governance renders it necessary to clarify the 'rules of the game' governing the relationship between the different actors involved in the governing process. The question that arises is what determines the rules of the game; in other words what are the criteria used in distinguishing 'good' from 'bad' governance? This question is concerned with the problems associated with a standardised definition of 'good' governance. As maintained by Kouam (2004: 4), a generalised definition of good governance creates benchmarking issues on account of there being no clear bases (codes, principles, values, mechanisms) for the assessment, monitoring and evaluation of 'good' governance. However, what has become increasingly clear from the review of literature is that 'good' governance is often coupled with the requirements of a liberal democracy, hence equating good governance with *democratic* good governance.

In its most simplistic definition, democracy is viewed by Huntington (1991: 7) as a political system in which "most powerful collective decision makers are selected through fair, honest and periodic elections in which candidates freely compete for voters and which virtually all adult population is eligible to vote". More specifically, democracy incorporates other elements, including the maintenance of the rule of law, transparency, accountability, human rights, economic rights and personal rights (Edigheji 2005: 3).

Accordingly, 'democratic good governance' refers to a "political regime based on the model of a liberal-democratic polity, which protects human and civil rights, combined with a competent, non-corrupt and accountable public administration" (Leftwich 1993). These same elements (accountability, participation of all citizens on an equal basis, rule of law, transparency, responsiveness, consensus-oriented, effectiveness and efficiency, and equality) are determinants of 'good' governance, according to a wide range of literature (see, for instance, Corkery 1999; Hope 2005; Kouam 2004; Leftwich 1993; Nkwi 1999; and Plumptre & Graham 1999).

This understanding of good governance is related to the argument that certain elements in the governing process, which are mostly liberal, need to exist in a governance framework to render it 'good'. It is maintained that good governance can be guided only by democratic principles, and that accordingly, authoritarian regimes fail in instituting good governance. However, some have challenged this view, arguing that good governance should be adapted to the context in which it is employed. This argument is associated with the questions posed regarding the link between good governance and the classification of the various types of regimes.

Abdellatif (2003: 12) is of the opinion that the proliferation of democratic institutions does not guarantee improved governance. He argues that democracy is not a necessity for good governance, as 'bad' governance can also occur under democratic rule and *vice versa*, as was the case in South East Asia. Indeed, between the 1960s and the 1990s, South East Asian countries were largely ruled by authoritarian regimes, yet the level of good governance in these countries was arguably high. In Singapore, for instance, it was recorded that the efficiency in combating corruption, maintaining the rule of law and government effectiveness was high, despite the authoritarian nature of the regime (Abdellatif 2003: 19).

The concern is that 'good' governance is more likely to occur in democracies than in authoritarian regimes. But, does this imply that the exceptions noted above discredit the rule? Departing from the above-mentioned basic description of good *governance* and emphasising that governance refers to the horizontal relationship between state and non-state actors, it can be maintained that good governance is more likely to materialise in democratic regimes rather than in their authoritarian counterparts. This argument is grounded on a basic consideration, namely that of the genuine existence and engagement of civil society, as a central actor in governance. The weakness and even absence of civil society in authoritarian regimes renders the entire approach of governance non-operational, in that civil society in governance represents the other side of the equation in the horizontal relationship that characterises governance. Governance, in other words, cannot exist without the presence of civil society. More precisely, it is the very ability of civil society to engage with the state on equal grounds that differentiates horizontal *governance* from vertical *government*. The strength of an independent civil society in authoritarian regimes can be seriously contested, as can the presence of 'good' governance. Hence, the 'exceptions' noted above, and specifically those defined by Abdellatif (2003), refer to good 'government' and not good 'governance', especially given that the grounds on which his argument was based were strictly related to corruption.

It can therefore be concluded that governance refers to a governing approach that is characterised by a horizontal relationship between state and non-state actors. Governance is not limited to the political sphere, as it stretches to incorporate other spheres of governance, including corporate and economic governance. Hence, the definition cannot be limited to refer to political actors. Furthermore, 'good' governance can be distinguished from 'bad' governance in terms of certain rules that include transparency, accountability and a solid legal framework, to govern the relationship between the concerned actors. What is also important to note is that ranking the guiding rules to 'good' governance is subjective and dependent on the area of inquiry on which a given study is focused (i.e. human development, corporate development, etc.).

5.2.2 Good governance in Africa

Africa has always been confronted with arguments concerning the need to instate good governance in order to promote further development on the continent. This argument was particularly underscored in the World Bank's report of 1989, entitled '*Sub-Saharan Africa: From crisis to sustainable growth*', which attributed Africa's developmental difficulties to a 'governance crisis'. Good governance, and more specifically *democratic* governance, was recognised as a prerequisite for sustainable development and was subsequently advocated throughout Africa.

Emphasising the need for good governance in Africa, the NEPAD architects stipulated in the NEPAD document that,

> … it is generally acknowledged that development is impossible in the absence of true democracy, respect for human rights, peace and good governance. With the *New Partnership for Africa's Development*, Africa undertakes to respect the global standards of democracy, the core

> components of which include political pluralism, allowing for the existence of several parties and workers' unions, and fair, open and democratic elections periodically organised to enable people to choose their leaders freely (NEPAD document, par. 79).

Throughout the NEPAD document, the terms 'good governance' and 'democracy' are grouped together and in some instances, used interchangeably, hence suggesting that what is implied by 'good governance' in the context of NEPAD is also 'democratic good governance'. NEPAD, thus, cites democratic good governance as a precondition for its developmental agenda. This claim is also supported by a wide range of literature which argues that democratic good governance is a *sine qua non* for the continent's sustainable development.

The contribution of good governance in Africa is often evaluated in economic terms;[13] in other words, it is the impact of good governance on economic growth that is often emphasised. Similarly, such a relationship is also viewed in terms of the impact of democracy on economic development. In respect of the linkage between good governance and economic growth, Hope (2002, 2005) argues that there is a positive link between good governance and economic growth, particularly due to good governance's impact on the establishment of effective, transparent institutions that support the economy.

Tavares and Wacziarg (2001) conducted a similar empirical study and demonstrated that good governance demonstrated a positive impact on a range of economically-supportive variants, including, *inter alia*, the equitable distribution of income and the development of human capital. Several other studies have argued that there is a strong correlation between good governance and development-supportive economic growth, and empirical evidence in Africa, they argue, is solid in this regard (also see Feng

[13] NEPAD defines development as "a process of empowerment and self-reliance" (NEPAD document, paragraph 27). The document elaborates on the challenges of sustainable development in Africa by immediately emphasising economic factors, such as the disadvantage of Africa in a globalised world, and its failure to 'catch up' with the 'economic revolution' experienced in the rest of the world. Hence, the linkage between good governance and development in this section focuses on the economic aspects of development.

2003; Alence 2004; Kaufmann *et al* 1999; Kaufmann *et al* 2002; Comeau 2003; and World Bank 2000).

The linkage between democracy – or democratic governance – and economic growth is attributed to some virtues of a democratic system, including institutional checks and balances; protection of property and individual rights, which allow individuals to examine their opportunities and engage in cost-effective entrepreneurial activities; increased investment; and the predictability of policies, which would create the level of confidence needed to attract growth-generating investment. Similarly it is maintained that democracy would allow for the development of efficient economic and corporate institutions that would assist in promoting development through the efficient implementation of economic policies, improvement of service delivery and the promotion of transparency and accountability in the public sector.

Other authors (see Comeau 2003) have, however, contested this argument, rather stating that democracy is detrimental to development. This proposition suggests that capital accumulation is a priority in the economic growth process, in that it aids the process of industrialisation. It further states that this economic process is hindered in developmental democracies, the latter of which are generally concerned with the allocation of public resources to guarantee an equitable share. Hence, resources are allocated and not accumulated, subsequently jeopardising industrialisation efforts. It is also maintained that democracy hinders growth due to its short-term vision (Comeau 2003). In this vein, elected governments are chiefly interested in fulfilling their mandate to secure a victory in the following elections and do not concern themselves with the accumulation of resources to serve a longer-term vision. The hypothesis goes further to suggest that growth is not based on democratic participation and human rights but rather on order.

Related to this proposition, Leftwich (1993) and Bhagwati (1966) are both of the opinion that a premature introduction of democracy in non-democratic countries might, in fact, hamper development in its early stages. They maintain that democratic governments encourage consumption, at the expense of the much-needed accumulation, which would contribute to further economic development.

A middle ground between the two above-mentioned positions, in respect of the linkage between economic growth, democracy, good governance and development, suggests that there is no direct relationship between democratic good governance and growth. This position bases its argument on empirical evidence, which demonstrates that the linkage between democratic governance and growth is not yet proven.

The causal relationship between (democratic) good governance and economic growth, indeed, remains ambiguous at best. This was demonstrated by a range of studies which show that the linkage between good governance and economic growth is not a direct one, and that economic growth may result from the repercussions of good governance on other variables (i.e. human capital development and accelerated innovation) (Barro 1996: 1-27; and Rodick 1997). Other studies have also illustrated a non-linear relationship between democratic governance and growth (Kurzman *et al* 2002).

In their review of 47 quantitative studies on the relationship between democracy and growth, Kurzman *et al* (2002) concluded that 19 studies recorded a positive correlation between democracy and growth, 10 did not record any significant link, and six recorded a negative relationship, hence indicating that other variables come into play when guaranteeing a positive spill-over of democratic governance on economic growth.

Further strengthening the argument on the weak direct linkage between democracy and growth, Comeau (2003) concluded in his study that there was no direct correlation between the type of regime and economic growth. However, he argued that socio-political stability was significant, be it in a democratic or authoritarian regime (also see the study by Leftwich 1993). In this regard, it was also suggested that what is important is not the regime type but rather its efficiency and stability (Comeau 2003). More specifically, institutional stability is crucial for sustained growth.

The empirical evidence on the linkage between good governance and investment is equally weak. Reviewing Transparency International's Corruption Perception Index (2005), and comparing it to the figures for the top investment destinations in Africa (see Figure 6) demonstrates a rather contradictory reality to the claim made by Hope (2005). The level of corruption does not necessarily hinder FDI flows; the comparison demonstrates that among the top ten FDI destinations in Africa, seven belong to the second half of the Corruption Perception Index (CPI), with five ranking amongst the top ten most corrupt countries in the world (Chad being the most corrupt country in the world, according to the Corruption Perception Index 2005).[14]

Another question that is often raised in respect of the linkage between democracy and development is the temporal sequence in which the two occur. In other words, which process generates the other, democracy or development? In his early work on the modernisation theory, Lipset (1959) suggested that economic development created the necessary conditions for the establishment of democracy. Among the contributing factors attributed to economic emancipation were perceived as being education, the creation of a solid middle class, and the promotion of private organisations.

During the 1960s, it was suggested that democracy was a repercussion of development, and not the other way around (Leftwich 1993). It was then maintained that democracy needed high levels of literacy, communication and education, the establishment of a middle class and a vibrant civil society, all of which are not possible in an underdeveloped context, to which the history of the developed nations testify. In fact, the foundations for democracy in the highly industrialised countries of today were not established under democratic ruled-Britain (1750-1850), Bismarck's Germany and Meiji's Japan.

Strengthening this argument, a historical study by Rueschemeyer *et al* (1992) concluded that economic development allowed for transformation in the balance of class power, hence strengthening the middle class and therefore contributing to democracy. Nonetheless, it is important to note, as was highlighted by Lipset (1959) that although economic development is a *sine qua non* for democracy, it should be accompanied by political legitimacy.

With this in mind, recent debates on the elaboration of an African alternative have emerged. The basic view maintains that governance programmes be indigenously formulated and effective regional structures be mobilised to address the continental

[14] The Corruption Perception Index (CPI) classifies 159 countries, with number one on the list being the least corrupt country and number 159 being the most corrupt in the world. The top ten FDI destinations in Africa in 2005 ranked as follows on the CPI 2005: Angola (no. 151); Morocco (no. 78); Nigeria (no. 154); Equatorial Guinea (no. 153); Sudan (no. 149); South Africa (no. 46); Chad (no. 159); Algeria (no. 97); Tunisia (no. 43); and Tanzania (no. 98).

situation with respect to good governance (Kouam 2004: 5). It is within this context that the African Peer Review Mechanism (APRM) was developed, under the banner of NEPAD.

5.2.3 Promoting good governance through new regionalism: the APRM

The role of new regionalism in promoting good governance in Africa can be best described by the concept of 'continental governance'; a convergence of responsibility to promote certain 'good' governance norms and values within member-states of the region. The most common mechanism to enforce good governance on the continent is via peer review, which also serves as a coercive instrument to force member-states to comply with established norms and values, with a view to promoting good governance. In this aspect, the APRM instates peer reviewing among members of a similar region.

Peer review can be defined as "a systemic examination and assessment of the performance of a state by other states (peers), by designated institutions, or by a combination of states and designated institutions" (Hope 2005: 290). The key goal of peer reviewing is to help the country under review improve its policies and exchange best practices.

Peer reviewing was pioneered by the Organization for Economic Cooperation and Development (OECD). It was recently introduced to the African continent in the form of the African Peer Review Mechanism (APRM), the good governance programme of the NEPAD. Good governance in Africa, and more specifically within the context of the APRM, is concerned with strengthening the capacity of African institutions to lead development initiatives. Strengthening institutions in Africa would require, according to the NEPAD framework document, several adjustments at the national level, including the improvement of administrative and civil services; the strengthening of parliamentary oversight; promotion of participatory decision-making, which calls for further participation of civil society organisations; combating corruption; and the introduction of judiciary reforms, which would complement the efforts in combating corruption, among other legal matters, all of which would be monitored via the APRM.

a. Background to the APRM

Initially developed by the ECA and subsequently launched in June 2002, NEPAD's *Declaration on Democracy, Political, Economic and Corporate Governance* made provision for the launch of the APRM in Article 6. The Peer Review Mechanism was eventually adopted by the participating Heads of State and Government on 9 March 2003. The APRM document defines the mandate for the APRM in paragraph 2 as follows:

> The mandate of the African Peer Review Mechanism is to ensure that the policies and practices of participating states conform to the agreed political, economic and corporate governance values, codes and standards contained in the Declaration on Democracy, Political, Economic and Corporate Governance.

The following paragraph of the APRM document defines the primary purpose of the Mechanism as follows:

> … to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration through sharing of experiences and reinforcement of successful and best practice, including identifying deficiencies and assessing the needs for capacity building.

The APRM document also makes provision for four types of peer reviews. The first country review is conducted within 18 months of the nation's accession to the APRM. At the time of the writing, accession to the APRM was estimated at comprising 27 African countries (see Figure 7). The second review is periodic and should take place every two to four years. Countries are also permitted to request an ad hoc review if they deem it necessary. The fourth type of review is conducted as an early warning mechanism, since it aims at identifying early signs of political and economic crisis in a member country. Such a review can also be at the request of the concerned country (APRM document 2003, par. 14).

The APRM process comprises five stages (APRM document, pars 15-25). During the first stage, the country under review and the APRM Secretariat compile separate documents, namely a Draft Programme of Action and Background Document, respectively. These documents are compiled independently from each other and the country's Programme of Action should be compiled after wide consultation with civil society, to include a programme of planned actions, aimed at meeting the country's targeted commitments in terms of NEPAD and other treaties within the AU and UN. These commitments include the country's plan to protect human rights, democratic political processes, good fiscal management, corporate governance, separation between the three arms of government, among many others.

During the second stage, the APRM Secretariat appoints a team of experts to visit the country under review, in order to undertake consultations with the government and civil society in respect of the Programme of Action. The third stage is centred on the drafting of the Background Report by the APRM team and discussions with the government under review, concerning methods used and conclusions arrived at. During the fourth stage, the appointed Panel of Eminent Persons[15] proposes recommendations on the basis of the Background Report drafted by the team of experts. Member countries in the APRM process thereafter discuss the findings with the government of the country under review. The fifth and final stage of the APRM process, which should be completed within six months of commencement of the process, would lead to the publication of the Report, after which it would be tabled for discussion at the AU and other concerned bodies, including the Pan-African Parliament.

The steps set by the APRM document are crucial, at least in theory, for the promotion of good governance. This significant document makes provision for civil society to enjoy an active role in the peer review process, thus discrediting the argument, theoretically yet again, that the APRM's peer review is conducted exclusively between leaders. The APRM Secretariat had, at the time of submission of this dissertation, completed five review processes on the continent (Algeria, Ghana, Kenya, Rwanda, and South Africa). While Ghana, Kenya and Rwanda were already peer reviewed and their reports released to the public, Algeria and South Africa are due to be peer reviewed during the AU Summit in July 2007. As will be discussed hereafter, criticism was levelled against the juxtaposition between what is stipulated

[15] The Panel of Eminent Persons comprises renowned Africans, and is responsible for the conduct of the APRM process. Its seven (7) members are: Mohamed-Séghir Babes (Algeria), Dorothy Njeuma (Cameroon), Bethuel Kiplagat (Kenya), Graca Machel (Mozambique), Adebayo Adedeji (Nigeria), Marie-Angélique Savané (Senegal) and Chris Stals (South Africa).

in the APRM document and what truly happens in practice, and how this has the potential to influence the broader aim of NEPAD, namely African development.

b. Challenges facing the APRM process

The success of the peer review process is often attributed to a set of prerequisites, and it is further maintained that peer review is successful in two instances. The first is when peer pressure is exercised formally, via formal recommendations, and informally, via informal consultations. The second is when peer review is exposed to public scrutiny (Hope 2005: 290). Referring to the case of the OECD, Kanbur (2004: 7) contends that the success of the Organization's peer reviews can be attributed to a set of factors, notably technical competence; independence of the Secretariat; and an existing policy dialogue within the reviewed country whereby civil society organisations are heavily involved. Against this backdrop, an assessment of the APRM should take into account the Mechanism's credibility, capacity to undertake its activities, and potential to exercise pressure on member-nations to achieve the ideals of African development.

In as far as recent criticisms of the APRM process are concerned; the involvement of civil society was the major bone of contention. Under the APRM, civil society organisations can become engaged in the process at different levels. These include public consultations and workshops, making written submissions on issues of concern, lobbying and most importantly through the Governing Council, which is a central *ad hoc* body that is put in place in order to lead the self-assessment process. The Governing Council (or Governance Commission depending on countries) is responsible for overseeing the progress with the writing of the self-assessment report; identify technical agencies that would assist it in compiling such a report, conduct consultation workshops as well as validation workshops that would give the final self-assessment report the public support it is required to have.

Although not stipulated in the APRM Guidelines, some members of the Panel of Eminent Persons have emphasised that the Governing Council should be mostly composed of civil society representatives. In the words of Ambassador Bethuel Kiplagat, an APRM Eminent Person, "The leadership of that national commission … should come from civil society or the corporate sector, and not from the government, because we don't want to see this as a government project. The government cannot be driving a programme for which itself is being evaluated." Yet, countries like South Africa and Nigeria proceeded to appoint a government representative at the leadership position of their respective governing councils. In both instances, the Eminent Person in charge of the review did not comment on the challenge such appointments put on the independence of the process.

In most instances, with the exception of Ghana, the government dominated the process either due to the deliberate exclusion of civil society or due to the weakness of civil society in certain countries. For instance, during the APRM process in Rwanda, and more particularly during the consultation workshop aimed at discussing the self-assessment questionnaires, it was noted that most of the participants were government representatives and representatives from organisations that are aligned to government. Civil society participation was insignificant (Kajee 2004: 248).

Similar concerns were raised during the South African APRM process, whereby the process was heavily dominated by the government, especially given the fact that the Focal Point and the President of the Governing Council was in the form of the Minister for Public Services and Administration, Geraldine Moleketi-Fraser (Herbert 2007). Algeria encountered similar challenges given the weakness of its independent civil society. Nigeria, which at the time of the writing of this dissertation was in the process of completing its review process, was also criticised for excluding civil society from the review process (Aggad 2007).

As mentioned above, the equal engagement of civil society organisations in the governance process is crucial for the effectiveness of the APRM process. The sidelining or minimal representation of and consultation with civil society in a country under review thus renders the Peer Review Mechanism a government-led process, thereby reducing its credibility, reliability and validity.

This concern is even more relevant in African countries in which civil society organisations are either too weak or are politically oppressed, thus inhibiting their ability to play a significant role in the continental governance scheme. More precisely, a pertinent question would be whether the APRM had embarked on an overly ambitious process, without laying the necessary foundations for its success – by first introducing initiatives that would strengthen civil society in African countries.

Still related to the credibility of the process, questions also raised in respect of the 'criticism element' of the completed APRM reports. A number of academics in the field, as well as members of the media, raised concerns about the likelihood of encountering very critical and unbiased reports (see, for instance, Akokpari 2005: 14). Such criticism is often informed by the continental 'tradition' (African brotherhood) not to criticise peers (brothers) and by the fact that the Panel of Eminent Persons, which is at the heart of the APRM comprises, in its majority, former government officials. Furthermore, concerns were also raised regarding the capacity of members of the Panel to criticise some countries.

This argument was particularly raised by South African observers (i.e. the South African Institute of International Affairs and the South African NGOs Council (SANGOCO)) who noted that Prof. Adebayo Adedeji, who supervised the South African APRM process, failed to criticise the nomination of a minister as president of the governing council and failed to condemn what was viewed by some members of civil society as government interference in the process, notably through the exclusion of issues such as crime and xenophobia from consultations and the Plan of Action. Although these claims remain speculative in nature, the high levels of criticism will impact considerably on the credibility of the process. The APRM is indeed a chance for NEPAD to prove its legitimacy as a viable continental programme, and it should thus heed the apprehensions related to its transparency, reliability and exclusivity.

The capacity of the APRM Secretariat to undertake its activities with as few restraints as possible is also crucial. The APRM Secretariat is, however, unfortunately faced with serious capacity constraints. According to a study conducted by the South African Institute for International Affairs (SAIIA), the capacity of the APRM Secretariat is extremely limited. The research report further notes that a team of 20 experts would require a period of five weeks in which to complete a thorough assessment of the country under review. This is a significantly larger group than the APRM-proposed six- to ten-member team, which is expected to finalise its assessment in a mere period of two weeks (Herbert 2003: 10). This observation therefore suggests that the capacity of the APR Secretariat is significantly limited, which naturally hinders its effectiveness.

Lastly, the capacity of the APRM to enforce the implementation of changes in countries under review, in order for them to conform to good governance practices and address failures identified in the APR reports, would determine the programme's success. The APRM is, however, heavily constrained due to three specific considerations, namely the issue of sovereignty of member-states, its advisory nature and financial implications of putting the Plan of Action into practice. The APRM has been criticised most notably for its inability to impose its recommendations on reviewed countries. Nevertheless, non-African development partners' intimation in respect of sanctioning countries which received negative reviews, has, in a positive sense, filled this gap within the terms of reference of the APRM document.

In a negative sense, however, such statements were criticised as being conditionalities imposed on Africa by its development partners, which in turn impacted on the credibility of the APRM as a home-grown 'product'. In addition, the voluntary nature of accession to the APRM and the absence of continentally agreed upon mechanisms of sanction has the potential to reduce the impact of the process on the promotion of good governance throughout Africa, in that reluctant member-states would be left with a choice on whether to embrace the new project or reject it.

Most importantly, however, are the financial constraints associated with the implementation of the Plan of Action. Rwanda, Kenya and Ghana have completed their reviews and designed Plans of Action with the view of putting in practice the recommendations the emerged from the self-assessment and the peer review process. Unfortunately, putting in motion the implementation of the Plan of Action requires the collaboration of development partners – a fact that the APRM overlooked. Once again, this raises the concern that NEPAD reinforces the dependence of the continent on non-African actors instead of generating alternatives to such dependence. The non-collaboration of development partners would simply result in the failure of the peer-review exercise.

A range of factors are, therefore, jeopardising the APRM in the promotion of good governance on the continent. On the one hand, it can be maintained that the programme was conceptually too ambitious and that certain ground should have been developed, notably a stronger civil society presence in countries that acceded to the APRM, prior to conducting a thorough peer review process. On the other hand, it should be recalled that the review process is still relatively new and first reviews should rather be viewed as audits of the situation on the ground rather than thorough peer reviews. These audits may subsequently set the measurement scale against which good governance progress in Africa could be measured, for it is only after a genuine peer review takes place that a thorough analysis of development-impeding policies and practices can be addressed.

Good governance is also complemented by the need for security on the continent. Within the broader context of NEPAD, peace and security was also regionalised. The following section will focus on this observation.

5.3 New regionalism, NEPAD and security in Africa

The shift in the nature of regionalism and the emergence of new regionalism did not leave the security realm untouched, thus incorporating safety and defence into many new regionalist schemes. This transition was largely guided by the realisation that states were incapable of dealing with the new nature of conflict in their individual capacity. The emergence of this 'post-Westphalian' rationality served to encourage the development of a regional perspective in resolving conflicts on the continent.

The *Peace and Security Initiative* of NEPAD embraces this approach in dealing with Africa's security dilemma. The core purpose of the initiative is to create institutional capacity for early warning, conflict prevention, conflict management and conflict resolution (NEPAD document, par. 72). According to NEPAD, these objectives could be achieved, through the strengthening of the capacity of regional and sub-regional institutions to fulfil such a mandate (NEPAD document, par. 74). The NEPAD document (par. 73) also argues for the establishment of "long-term conditions for ensuring peace and security in Africa". The same paragraph states that this

> … require[s] policy measures for addressing the political and social vulnerabilities on which conflict is premised. These are dealt with by the Political and Economic Governance Initiatives, the Capital Flows and Market Access Initiatives, and the Human Development Initiative.

NEPAD therefore recognises the mutual dependence between conflict and other aspects of development.

However, one of the key challenges facing NEPAD in its quest to secure the continent is the expanding sphere of security. As noted by Ukeje (2005: 10),

> Unlike other priorities highlighted in the NEPAD blueprint, the security challenges facing Africa have changed far more profoundly; influenced mainly by the radical transformations within the national, regional and global domains.

Due to the fluidity of security challenges, it is important to grasp a thorough understanding of the concepts 'peace' and 'security'.

5.3.1 Defining peace and security

The concepts of peace and security have changed considerably over the past decade. They expanded to include non-traditional threats to peace and security. Security became synonymous with a wide range of elements and moved from an association with the state (state security) to a more human approach (human security). Accordingly, the meaning of peace also changed.

Peace is popularly understood as the absence of violence. This definition is however limited and a distinction between 'positive' and 'negative' peace is thus necessary. The latter refers to the traditional definition of peace; in other words, the absence of physical, verbal and psychological violence between actors, be it individuals, groups or states. 'Negative' peace is hence associated with violence and war. Conversely, 'positive' peace refers not only to the absence of violence but also to aspects such as social justice, fair distribution of power and resources, human rights, gender equity, equal right to protection and equality before the rule of law (Ukeje 2005: 3).

The expanding definition of peace is related to the equal expansion of the meaning of security. In its traditional form, security was associated with state security, in other words security against all external threats to national interest. With the arguably declining relevance of the Westphalian nation-state system, the focus of security on the state became irrelevant. The involvement of a number of actors in security issues is also significant in this regard, especially in a context where wars are no longer exclusively fought by states, but rather between state and non-state actors. Furthermore, the identification of security threats is no longer associated with 'high' and 'low' politics, hence leading to the identification of a wide variety of security threats, ranging from environmental to health issues, for instance, desertification or HIV/AIDS.

Hence, the nature of the agency involved in security as well as the expansion of security threats, as noted by Poku (2001: 110), led to the re-definition, re-conceptualisation, re-shaping, re-theorisation and re-examination of the concept of security. Security therefore came to be understood as both the protection of national interest, as well as the handling of security threats such as HIV/AIDS and environmental degradation. Concepts such as 'human security' thus became more fashionable.

Despite the theoretical call to expand the concept, security is still viewed by and large as the protection of national interest. What is crucial to note is that the well-being of individuals remains an integral part of 'national interest'. The distinction, in practice, is therefore difficult to identify. Furthermore, what is referred to as 'human security' is often incorporated under the socio-economic 'interests' of the state. The state thus remains the central referent of security. This perception is also adopted in the NEPAD document, since peace and security are viewed in terms of the *violent* challenges faced by the nation state; in other words, peace and security are associated with violent conflicts. Security, within the context of NEPAD, is still viewed as connoting security of the state. In contrast, peace is understood as negative peace.

Having clarified the meanings of peace and security, the central question is concerned with the linkage between peace and security, and the broader NEPAD objective of addressing Africa's multi-dimensional crisis. More precisely, the questions that arise in this regard are how new regionalism addresses the security dilemma of the continent and how peace and security, for their part, contribute to the achievement of other NEPAD goals?

5.3.2 Peace and Security and the new regionalist NEPAD programme

In analysing NEPAD's peace and security strategy, it is important to note that the goal of NEPAD, at least thus far, is not to establish any formal security structure on the continent. Peace and security are rather viewed, on the one hand, as stepping stones to achieve development on the continent, and on the other hand, as preconditions for development. In other words, development and peace and security are viewed as two sides of one coin; they go hand-in-hand. A multi-dimensional interpretation of NEPAD's strategy is crucial in understanding the use of new regionalism as an approach to resolve the security dilemma on the continent and how other elements of the NEPAD programme contribute to the achievement of security. Hence, it is important to link peace and security to good governance as well as to the economic development programme (i.e. in relation to trade and investment).

In respect of the linkage between peace and security and good governance, one crucial observation needs to be made. As noted in the previous section of this chapter, NEPAD advocates a *democratic* form of good governance. The theory of democratic peace then becomes crucial in the discussion on NEPAD's peace and security strategy. The predominance of democratically governed countries within the region would guarantee, in terms of the democratic peace theory, the absence of violent confrontations between member-states.

Security, combined with democratic good governance, would guarantee a more conducive environment for economic activity and would presumably attract further investment and encourage intra-regional trade. The interaction of these different elements would ultimately promote socio-economic development. The impact of security on development therefore appears to be indirect since development is not a direct repercussion of security. The impact of development on security is, however, well studied. This is better known as the 'securitisation' of development.

In terms of the direct linkage between development and security, further effort needs to be made in the study of such a nexus, especially related to the impact of security on development. A vast body of research has been conducted in terms of the linkage between development, and more specifically economic development and peace and security, and many studies have proven that interdependence between regional members tends to guarantee security and peace, in the quest to secure economic development. Contrarily, research on the impact of security on development, remains fragmented. The generally assumed direct link is that security provides a suitable environment for sustainable development (see, for instance, the NEPAD document, par. 71; Graham and Felício 2005: 10; de Lombaerde 2003).

As touched upon previously, there is a growing interest in promoting a regional approach to security. Member countries within a security community, as will be defined below, are less prone to conflict with other community members. Collective security[16] is also crucial in building a sense of trust between member-nations of a particular region, hence reducing the risk of violent confrontation, since it would be assumed that the security of one member would be dependent on the other. Accordingly, a peaceful region represents a conducive environment for the promotion of socio-economic development.

In a comparative study between Europe and the Asia-Pacific region during the Cold War, Endo (2005) notes that insecurity in the latter region delayed its overall economic growth. He further contends that instability within the Asia-Pacific region had a severely negative impact on the region's formal economic integration. At the same time, however, the region witnessed increased informal regionalisation. It was only following the stabilisation of the region and the prevalence of peace and security that a formal process of regionalisation took place. Endo also refers to the European expansion into Eastern Europe, maintaining that the economic integration of Eastern Europe would only follow the expansion of NATO. He maintains that, "Within the frame that provides security, economic integration would lead its own life" (Endo 2005: 19). Thus, security is largely understood as a precondition to successful development-led regionalism.

It should also be noted that development and security are mutually dependent. In this respect, the linkage between security regionalism and development regionalism are crucial, especially in relation to a discussion on new regionalism. Hettne's (2003) framework of analysis on security regionalism is particularly useful to gain a better understanding of such a linkage. The framework of analysis proposed by Hettne (2003) employs the conflict cycle when discussing the role of the region in different

[16] Collective *security* should be distinguished from collective defense. The latter refers to the collective response by members of a region to an attack on a member-state by an extra-regional force. In other words, it is purely reactionary. Collective *security*, however, refers to the collective responsibility of all member-states to ensure the general security of the regional space – regardless of whether a member is attacked or not. It departs from the assumption that no member can protect itself from security threats on its own. For instance, in the broader definition of security, environmental threats, which can be classified as security threats, cannot be addressed by individual countries. Hence, security becomes a regional responsibility.

phases of conflict. This framework is particularly useful for the purpose of this section since,

1. It clarifies the role of security regionalism in the different stages of the conflict cycle, which would make a case for the promotion of the regionalisation of security governance; and

2. It would allow for the identification of the linkage between development regionalism and security regionalism, and hence the relevance of new regionalism in tackling Africa's multi-dimensional crisis.

The relevance of Hettne's framework is also related to elements of the peace and security initiative, as identified in the NEPAD document. As alluded to previously, NEPAD predicts a regional involvement in the different stages of the conflict cycle.

Setting his framework for analysis, Hettne (2003: 149) departs from the assumption that security regionalism represents a challenge to the notion of sovereign nation-states, and hence implies intervention in domestic affairs of member-states. Dealing with conflict, including domestic conflict, thus becomes the responsibility of the region. In this respect, he argues that conflict resolution initiatives, undertaken within a regional context, should not only be based on regional security arrangements but rather should incorporate regional development projects. He contends that security regionalism and development regionalism are "complementary and mutually supportive". He defines the latter as:

> … concerted efforts from a group of countries within a geographical region to enhance the complementarity and capacity of the total regional economy, rather than the economy of individual nation states.

Security regionalism can be defined as:

> … attempts by states and other actors in a particular geographical area – a region in the making – to transform a security complex within conflict-generating interstate and intrastate relations towards a security community within cooperative external relations and domestic peace (Hettne 2003: 149).

A regional security complex can be more specifically defined as:

> … a set of units whose major processes of securitisation, desecuritisation, or both are so interlinked that their security problems cannot reasonably be analysed or resolved apart from one another (Buzan & Woever 2003: 491).

Furthermore, a security community is defined as:

> …a pattern of security interdependence in which the units do not expect or prepare for the use of force in their political relations with each other (Buzan & Woever 2003: 491).

A security community thus implies 'de-securitisation', whereby states would not view each other as military threats, and would rather reach a level of mutual confidence, which would lead them to settle their disputes via non-military means.

Hettne (2003: 150-154) elaborates on the afore-mentioned conflict cycle by identifying five integral stages in the process, namely

1. 'provention' preventive diplomacy;
2. Modes of external intervention (including military intervention);
3. Peace settlement;
4. Conflict resolution; and
5. Post-conflict reconstruction.

Military intervention will be bypassed in this section due to the fact that it contradicts the security regionalism principle of seeking solutions via non-military means. Furthermore, although NEPAD does not mention the establishment of a security community as such, the framework proposed by Hettne remains relevant, particularly since NEPAD does make mention of the need for regional involvement in the different stages of the conflict cycle (see the NEPAD document, par. 74).

Hettne (2003: 150) departs from the assumption that in the early and late stages of the conflict cycle, a developmental strategy is crucial in conflict prevention or more precisely, in what he refers to as 'provention'. 'Provention' refers to "the promotion of an environment conducive to harmonious relationship" that would result in the "prevention of an undesirable event by removing its causes" (Burton 1990: 2-3; Hettne 2003: 150). In other words, 'provention' entails the promotion of an environment that is conducive for the establishment and maintenance of peace, while at the same time, preventing the emergence of conditions that would promote conflict.

Unlike *prevention*, which implies a policing attitude, *provention* is centred on eradicating the underlying structural causes of a potential conflict (Hettne 2003: 150). In opting for non-military means to 'provent' the emergence of a conflict within the security community context, members of the region would turn to 'proventive' measures. Hettne (2003: 151) contends that development regionalism is a 'proventive' factor "by which conflict-generating development processes can be eliminated at an early stage".

Given the economic orientation of the concept of development regionalism,[17] it is therefore assumed that the economic preconditions in the region represent the 'proventive' element, which would reduce the risk of conflict. Conflict is therefore avoided for the sake of the regional economy. The use of development regionalism provides a broader approach than that proposed by classical liberal economists, such as Smith and Ricardo, in that development regionalism may not necessarily imply the economic interdependence between member-states. Development regionalism is more concerned with the economic well-being of members within the particular region.

The second phase in the conflict cycle, as identified by Hettne (2003: 151) is preventive diplomacy. Hettne (2003: 151) maintains that *prevention* attracts more interest than *provention.* In a security community, preventive diplomacy could be efficiently and effectively conducted by regional partners due to the interest of the entire region in speedily resolving the conflict. Yet, provention is counter-factual in that the identification of a potential conflict does not necessarily result in action. Although conflicts are identified at an early stage, little action is taken until the conflict manifests itself in a more violent form or when it leads to humanitarian tragedies. He further elaborates on this point: "… everybody can see the difference in

[17] As noted in Chapter 1, development regionalism is concerned with the economic benefits of new regionalism. This concept should not be confused with the broader notion of development, which is accepted to be multi-dimensional and not particularly focused on economic welfare.

terms of material costs and the amount of suffering between a conflict subdued at an early stage and a conflict that is fully developed" (Hettne 2003: 151). Hence, the most acceptable conflict resolution method is recognition of the need for prevention, while no *proventive* measures are taken to stop the conflict from further escalation.

'Provention' and 'preventive' diplomacy can therefore be linked to the early warning and prevention elements on which NEPAD places great emphasis. The Partnership aspires to the strengthening of the regional and sub-regional capacity to identify conflicts in their early stages of development, hence rendering their neutralisation easier. Yet, the already existing mechanisms of early warning in some African sub-regions have not yet been used, not necessarily as a result of their poor 'capacity' to predict the emergence of conflicts, but instead, can be pinpointed to the issue of 'provention', as noted by Hettne. This means that the identification of a potential conflict is not necessarily met with preventive measures. Issues such as the financial capacity of NEPAD, and more broadly of the AU, do not permit intervention at the early stages of conflict development. In reality, therefore, it would only be feasible for the region to intervene once the conflict has been fully developed. Such an intervention would take the form of a peace settlement or of conflict resolution.

Hettne (2003: 153) argues that the regional security and regional organisational arrangements are more suitable for intervention via the mediation of certain forms of conflict, notably ethnic conflict, since the regional framework is 'closer' to the culture and the values that characterise the conflict than those exhibited by extra-regional or international organisations.

What can also be added to Hettne's argument is that in certain conflicts, the involvement of a regional organisation could be viewed by some parties to the conflict as legitimising the importance of seeking solutions to a particular problem situation. A case in point would be the Darfur crisis, whereby the Sudanese government insisted that the African mission be the sole peacekeeper in the region, as opposed to an international peacekeeping force led by the North Atlantic Treaty Organization (NATO). Building the capacity of the region to respond to such requests is indeed paramount.

Regional organisations are also significant in respect of their ability to intervene in post-conflict reconstruction. The costs involved in the rebuilding process of the post-conflict phase cannot be covered by local actors alone. Regional involvement then becomes crucial, especially where development regionalism is taken into account. In such instances, the region would intervene in the post-conflict reconstruction of the country. Post-conflict reconstruction should also be accompanied by elements of 'provention', in order to avoid repetition of the conflict cycle. At this juncture, development regionalism becomes highly significant.

To sum up the model and its implications for the discussion at hand, security regionalism interlocks with development regionalism, and the two are mutually dependent. Development regionalism serves as a mechanism to deal with erupting conflicts at a regional level, while security regionalism and the involvement of regional partners in conflict are guided by their wish to guarantee the necessary preconditions for a coherent and strong regional economy, in other words development regionalism.

The contention, however, is which of these forms of regionalism comes first? Although Hettne is of the opinion that the two are 'mutually dependent', the framework he offers as justification thereof instead suggests that development regionalism is the precondition for guaranteeing the success of security regionalism, since development regionalism serves as a 'proventive' measure for conflict prevention. This view appears to be the accepted judgement on the topic and dominates relevant literature. Nevertheless, it is crucial to re-emphasise the new regionalist principle of interdependence between the different elements (economics, security, good governance, etc.). As much as development regionalism is a pre-requisite in security regionalism, the absence of security would, in effect, undermine all developmental attempts.

An observation of the potential challenges that NEPAD might face in terms of its peace and security initiative, reveals two crucial factors. The first, is the overlap between the NEPAD proposal and the AU's Peace Initiative, as embedded in the Conference on Security, Stability, Development and Cooperation in Africa (CSSDCA). The second, is the relationship between the AU's structure, such as the Peace and Security Council (PSC), NEPAD and sub-regional security structures.

Presently, peace and security consume the largest slice of the NEPAD Secretariat's budget, hence indicating the prominence of security in the Partnership's agenda. However, managing NEPAD's involvement in peace and security, in conjunction with other continental and sub-regional structures is paramount, not only for budgeting purposes but also for logistical matters. Perhaps it would have been sufficient for NEPAD to acknowledge the role of security in its developmental agenda while leaving the matter to be dealt with by AU and sub-regional existing security structures. This would thus permit NEPAD to redirect its budget towards the achievement of its other core objectives, notably the APRM process and infrastructural development across the continent, especially since both the AU and sub-regional organisations are less capacitated to deal with these two elements.

5.4. Conclusion

Addressing the African security and governance dilemma has been the subject of many studies. Applying regional models to address them, however, is something new on the continent, and still requires further development. NEPAD's proposal to incorporate these two issues in a broader development framework is important, in that it is useful in creating a holistic picture. Indeed, it would not have been possible to address issues of investment, at least theoretically, without addressing issues of governance. Security-related problems are difficult to address without certain economic preconditions, which are created by both governance and other economic variables. Hence, a multi-dimensional analysis of this nature is crucial.

The linkage between new regionalism and specific factors (i.e. governance) is nonetheless ambiguous. The difficulty encountered in this chapter was to identify the contribution of new regionalism, specifically, in shaping NEPAD's governance programme. The relevance of new regionalism became apparent in the linkage between the different crises and not in addressing the governance crisis, *per se*. Perhaps the difficulty arose as a result of the design of the APRM itself, in that the contribution of regionalisation to the APRM was simply reflected in the Mechanism's regionalist character and in the 'peer review' element of its framework. It was the contribution of governance to the resolution of other aspects – within the framework of new regionalism – that was more pronounced.

Another key question related to this matter is whether a regionalist scheme can really push for good governance. In other words, how can regionalist efforts compel countries to embrace good governance? Internal factors are very important in this respect, yet not clearly reflected in the design of new regionalism. Here, the interaction between the different levels of analysis is once again emphasised. The correlation between the 'national' and 'regional' is of great significance. The importance of national factors, in this case good governance at the national level, in shaping the success of a regionalist venture should not be overlooked, particularly as national sovereignty remains a key characteristic of inter-state relations on the continent. This, despite the move within the AU to make room for 'special cases', where sovereignty is overlooked in the event of human rights abuses. Since the transformation of the continental body in 2000, no case challenging the concept of sovereignty has been forthcoming. Pressurising countries to embrace a certain governance system cannot be said to be in the powers of the regional realm.

Furthermore, a discussion on the contribution of new regionalism to the security crisis within the context of NEPAD has proven to be difficult due to the absence of a security programme for NEPAD, *per se*. In fact, the Partnership is entirely dependent on the success of sub-regional and AU security structures, a situation that can easily jeopardise NEPAD's pursuit of achieving its strategic objectives. As a result of this limitation, a comprehensive study on the AU's and the sub-regional groupings' security schemes would be most useful, but unfortunately this falls beyond the scope of this study, and a general analysis will suffice for the purposes of addressing the research question. Nevertheless, this broad analysis has contributed to the overall conclusion that NEPAD provides a holistic understanding of the prerequisites for sustainable development in Africa.

Chapter 6: Evaluation

Answering the research question of this dissertation – *whether new regionalism, as embodied in NEPAD, has the potential to resolve Africa's crises* – first required a study of the nature of new regionalism and second, an analysis of its capacity to address economic, security and political crises. The analysis also necessitated an assessment of 'comparative advantage', as proposed by NEPAD, to address the issues that led to the failure of old regionalism. These came in the form of a multi-dimensional approach that attempts to identify the linkages between different crises as well as the multiplicity of actors that should lead regionalist ventures.

In evaluating new regionalism and its capacity to address African crises, a number of factors will have to be considered. Firstly is the theoretical approach offered by NEPAD; secondly are the novelties brought forth in order to distinguish it from old regionalism; and thirdly is its capacity to address different crises both individually and as a mutually-influential collective. The latter implies that NEPAD will have to simultaneously address similar issues to avoid negative developments in one area to negatively impact on another one.

6.1. NEPAD's multi-dimensional approach

The benefit of adopting new regionalism to guide NEPAD is, indeed, positive for the reasons noted in Chapter 2. New regionalism provides a comprehensive and multi-dimensional framework that recognises the multiplicity of interdependent factors, which influence development on the continent. Furthermore, it acknowledges that none of the development crises can be treated in isolation from one another. New regionalism is also particularly relevant in the African context, due to its acknowledgment of the existence of different actors, notably non-state actors and their role in perpetuating or resolving the various crises. As discussed in Chapter 4, for instance, the role of non-state actors in reducing the impact of unemployment by generating employment opportunities for millions of Africans in the informal sector is of particular significance.

Nevertheless, new regionalism focuses on 'what ought to be done', but neglects the 'how' aspect. In failing to address the 'how' question while keeping the intrinsic characteristics of new regionalism, NEPAD has unavoidably meddled with the core values of new regionalism. To refer back to the arguments in Chapter 4, NEPAD's emphasis on the regularisation of the informal sector might prove to be in disagreement with the multi-dimensional understanding of new regionalism. The question that emerged from this study was how those who became unemployed after the regularisation of the informal sector would be re-integrated into the national economic structure. Unfortunately, the Euro-centric approach provided by some schools of new regionalism, appears to have guided NEPAD, while African realities have not been taken into account.

Furthermore, the centrality of the informal sector in the face of governmental inability to provide for its citizens has also not been considered. Taking into account the dangers of unstable socio-economic conditions, especially when coupled with a history of conflict, as is presently the case in many African countries, it can be noted that given the interdependence between the different factors (i.e. socio-economic and security) as explained by new regionalism, the failure of NEPAD to address one factor would jeopardise its very existence. Consequently, NEPAD should apply new regionalism while not disregarding the importance of factoring African realities into the equation, as the latter is an intervening variable that would differentiate the African experience of new regionalism from the European perspective. The reality on the ground, however, does not manifest this combined strategy!

Furthermore, NEPAD also failed to fill the gaps left by the new regionalist theory, and notably the multi-level approach in analysing the interaction between the region and the environment in which it operates. Although the 'Partnership' element, as incorporated in NEPAD, might have been designed following the realisation of the importance in the linkage between the 'regional' and 'multilateral' – and the impact of the latter on the failure or success of the former – this element remains idealistic, given the difficulties experienced in convincing 'development partners' to pull their resources together in order to make NEPAD a success. This problem is not intrinsic to new regionalism, but is rather provoked by the asymmetrical relationship between the actors involved in the implementation of NEPAD. Although the Partnership is new regionalist in nature – as a programme that targets a specific region, whose members are from the given region – it also manifests a multilateral inclination. Consolidating the two is therefore paramount to the success of the programme. More crucial, however, is the need to secure the cooperation of other partners. NEPAD was originally designed as a regional project, heavily dependent on unsustainable and inconsistent foreign donations, which has since presented a danger to its very future.

It can be noted, however, that African development programmes have strengthened the partnership aspect of NEPAD, thereby creating a certain level of confidence in Africa. Nevertheless, confidence will have to be boosted in order to secure and maintain the active participation of development partners. Thus, the good governance initiative, for example, was designed to encourage investment flows in Africa. Similarly, the security initiative was put in place to create an environment conducive to strengthening economic growth, which would in turn encourage confidence in African economies, thereby generating investment.

The fact of the matter, however, is that the impact of extra-regional actors on regional actors is a reality, and managing this dynamic necessitates the design of a programme to reduce the impact of dependency on unpredictable external actors. Basing the entire NEPAD programme on a 'partnership' system is dangerous and counter-productive, as it reinforces the dependence of Africa on development partners. The reasoning behind this conclusion is based on the fact that core NEPAD projects, especially trade, investment and infrastructural development, are dependent on the success of partnerships with global partners. The rebuilding of infrastructure in Africa is, for the most part, reliant on foreign investment. Failure to attract such investment certainly impacts negatively on intra-African trade. Furthermore, as long as integration in the international trading structure remains a difficulty, the continent will continue to be economically poor. The question that thus comes to the fore is how the African continent can achieve economic growth through a programme that allows it to develop relatively independently from concessions made by international 'partners'. A programme that gives priority to African resource mobilisation would be more sustainable in the long run – albeit difficult to launch at first.

A further concern related to the efficacy of NEPAD is that it is largely based on theoretical assumptions, which are empirically uncorroborated. The assumption of encouraging good governance for the purpose of attracting investment is theoretically weak, as discussed in Chapter 4. Good governance and low corruption levels, as proven in an African context, have limited impact on investment flows. Although such issues are often raised by investors when questioned about their limited investment on the continent, their words do not seem to match their actions. As noted in Chapter 4, countries perceived to be the most corrupt in Africa, continue to attract high levels of FDI, in comparison with their better governed counterparts.

Justifying the lack of investment in Africa with bad governance and insecurity is, indeed, problematic. Yet, NEPAD accepts the linear argument that the provision of certain preconditions, including good governance, will rid the continent of economic ills. In a sense, the adoption of a multi-dimensional approach helps in acknowledging the interaction between the different variables – i.e. investment and infrastructural development – but it does not necessarily explain which factors have a direct impact on one another. NEPAD's multi-dimensional approach is important, in theoretical terms, however, it does not necessarily take into account intervening variables that shape the reality of African development issues – i.e. the real pull factors for foreign direct investment, the commitment of international development partners, among others. Albeit theoretically-grounded, the African programme is empirically detached from the continent.

The challenges currently facing NEPAD are also related to the very nature of new regionalism. A number of realities need to be considered, and the programme needs to be adjusted accordingly if significant progress is to be registered.

6.2 The nature of new regionalism

It can be asserted that new regionalism was initially embraced in Africa, due to its having been perceived as a means of challenging the crises experienced on the continent. This perception was solidified by new regionalism's multi-dimensional approach to problem-solving, which acknowledged the interaction between and interdependence of the different crises. As discussed in Chapter 3, old regionalism failed to recognise the interdependence between different African crises, as it focused on resolving economic crises in isolation of issues such as governance and security, which ultimately contributed to its failure. From this perspective, new regionalism certainly adds value to the design of a strategy that attempts to holistically address the different crises by 'melting them in the same pot'. In other words, it takes cognisance of the reality that the failure to address one crisis has major repercussions for the resolution of other crises. Promoting African sustainable development, indeed, necessitates the mutual resolution of different mutually dependent crises. In practice, this translates into economic development not being sufficient to lift Africa from its developmental crisis, as was previously advanced under old regionalism.

Theories of new regionalism, and specifically of *new regionalism*, have also contributed to a better understanding of African realities. Unlike other Eurocentric explanations of the process of regionalisation, a number of new regionalist theories, in particular reflectivist theories, as discussed in Chapter 2, provide room for the incorporation of the different actors and dynamics involved in African regionalisation. The incorporation of non-state actors in the framework of analysis of the regionalisation processes, for instance, is reflective of realities on the ground. A practical example of this is the participation of the informal sector in a regionalist framework, in order to address African crises.

In a similar vein and of equal importance, is the consolidation of good governance on the continent, which in turn impacts on both security and economic development, and necessitates the capturing of civil society in the same framework of analysis. This prospect was not feasible under the principles of old regionalism. In fact, it can be argued that the failure to recognise the role played by these variables is what resulted in the failure of old regionalism in general, as it provided an approach that was, to a great extent, detached from African realities. It was led by state-centric and econometric assumptions, which failed to capture the role played by non-state African actors, not just in the economic field but also in others, such as security.

Nevertheless, despite the apparent strengths of new regionalism, it fails to address a number of pertinent issues, particularly one advocated by NEPAD – the unequal relationship between the 'regional' and broader environment within which it operates, namely the 'international'. The multi-dimensional nature of new regionalism is largely concerned with the connection between the variables, be it governance, security, trade and investment, at a regional *level*, which overshadows the relationship between the national, sub-regional, regional and international levels of analysis. In a world where the linkage between different levels of analysis is crucial, as demonstrated throughout this study, limiting a strategy to the regional level might be counter-productive.

In this respect, NEPAD's introduction of a 'partnership' aspect can be seen as a *theoretically* useful contribution, which adds value to new regionalism. However, the practicality of this concept is problematic. International relations realities demonstrate that such a 'partnership' between Africa and its development partners is likely to encounter major challenges. The relationship between these two actors is asymmetrical, to the benefit of the developed country partners, which gives them more leverage in negotiating cooperative ventures to their benefit and not necessarily those of Africa – even under the guise of a 'partnership'. As noted in Chapter 4, 'concessions' by international 'partners' do not represent a significant departure from the previous nature of unequal interaction between these first and third world economic partners.

It can thus be concluded that NEPAD – and other initiatives such as the Africa Commission – did not succeed in introducing any significant changes in the manner in which Africa interacted with the rest of the world. For example, as noted in previous chapters of this study, NEPAD failed to alter the nature of the relationship between Africa and the global community at large in international fora, including the WTO. Therefore, unless a change takes place to change the nature of this relationship, the future of NEPAD will continue to be challenged.

Still on the issue of 'partnership' and the impact of the international dimension on the successful implementation of regional schemes, is the impact of negotiated agreements between African countries and their trade partners. North-South regionalism is gaining further momentum than South-South regionalism, as demonstrated in the completion and commencement of implementation of some agreements between developed and African countries, i.e. the implementation of the Euro-Mediterranean Agreement in North Africa and the FTA between South Africa and the EU. Once again, new regionalism does not take into consideration this reality, and departs from the assumption of 'one region, one grouping'. Unless a balance is found between these two forms of regionalism, African regionalism faces the risk of being overtaken by North-South regionalism. Substantial research on how North-

South regionalism challenges, or complements, South-South regionalism, still needs to be conducted. Addressing issues that led to the collapse of old regionalism are also crucial for the success of NEPAD.

6.3 Failure to address the challenges faced by old regionalism

New regionalism, as noted above, does not present a holistic tool to deal with all issues pertaining to regionalisation in Africa. Although it is relatively successful in some areas, new regionalism remains incomplete. The failure of NEPAD to introduce measures to rectify this lacuna might challenge its success. Issues that have plagued old regionalism remain un-addressed, despite the multi-dimensional character of new regionalism, while new challenges have also emerged, which further exacerbate the already difficult operational environment for regionalisation in Africa. These factors are both exogenous and endogenous.

One of the most pertinent issues is the relationship between NEPAD and other sub-regional and AU mechanisms, which have a direct impact on the successful achievement of a number of NEPAD objectives. The efficient use of these mechanisms would allow NEPAD to achieve a relative degree of success in certain areas, most notably the promotion of human rights and security. Yet, the linkages between NEPAD and other AU organs, as discussed in Chapter 5, are not clear. Of further importance, however, is the relationship between NEPAD and national organisations within member-states. Once again, the importance of the linkage between the different levels, namely the national and the regional, becomes apparent. To illustrate this point, NEPAD's Action Plan, Article 15 (AHG/235 (XXXVIII)) suggests that the decisions of the African Commission on Human Rights and People's Rights (ACHPR) would be supported within the context of the good governance programme.

However, recent condemnation by the Zimbabwean civil society raises serious concerns about the implementation of this clause. In January 2006, a resolution was passed by the ACHPR condemning the Zimbabwean regime for human rights abuses. Not only did the AU Summit, which was meeting in Khartoum, Sudan, at the time, refused to table the resolution, but a minimal response, and even no condemnation, emanated from NEPAD (IRIN news. 27 January 2006). This raises questions about the coordination within the AU's complex 'web' and the connection between its different programmes. The apparent indifference and apathy of African leaders and their seeming lack of political will to criticise each other, has partially contributed towards the failure of old regionalism.

Furthermore, it is important to note that the regional environment in which NEPAD operates is also a challenge. Although NEPAD stresses the significance of sub-regional groupings in implementing its Action Plan, it provides no clear strategy as to how to actually mobilise such sub-regional groupings to benefit its objectives. In other words, while this relationship is recorded in the Plan, it is not accompanied by concrete strategies to achieve tangible results. The question is thus how NEPAD is likely to succeed in changing the pattern that led to the failure of its predecessor, namely poorly operational sub-regional groupings. New regionalism's mere focus on the region, with little attention to the interaction between the levels of analysis, hampers NEPAD's ability to address such realities.

Concerns discussed in Chapter 3, in respect of political will, the gain-loss dichotomy, multiplicity of membership to regional organisations, and trade structural dependence on non-African states, remain un-addressed, both by new regionalism and NEPAD. New trends may also pose further challenges for NEPAD, most notably the mushrooming of FTAs between the 'South' and the 'North', which could negatively affect the commitment of African states to the Partnership, unless NEPAD introduces corrective measures, in the form of incentives to promote intra-regional trade.

The poor empirical base of the NEPAD programme, as highlighted in Chapter 4, might lead to some disappointment, which in turn could challenge the overall performance of NEPAD. From a general overview of the challenges facing NEPAD, it can be argued that due to poor empirical evidence on the positive impact of good governance and security on investment, FDI flows to Africa are likely to remain low. Poor investment, in turn, impacts negatively on the successful achievement of NEPAD's infrastructure programme, which is by and large, reliant on the prospects of increased investments in the infrastructure sector. Poor infrastructural dependence also influences different trade aspects, consequently jeopardising the objective of increasing African trade. This perpetual economic crisis would further threaten the impact of security, thereby resuming the vicious cycle. However, this is an oversimplified illustration of NEPAD's infrastructure obstacles. Yet it reflects the interdependence between the different variables and the danger of basing an entire developmental strategy on unpredictable exogenous forces.

It is insufficient to conclude whether NEPAD will fail or succeed in its endeavours. Although NEPAD clearly faces major challenges, it is more constructive to argue that corrective measures should – and still can – be taken. Such measures should include the introduction of concrete strategies that would, for instance, promote and even favour the involvement of African investors, instead of perpetuating the 'beggar' relationship with non-African partners. The road might be long, but if sustainable development in Africa is to be guaranteed, long-term realistic measures (and predictable partners) are needed.

6.4 Suggestions for further research

In the process of completing this study, a number of research sub-topics emerged. The most crucial observation in this regard is that new regionalism in developing regions, perhaps with the exception of South-East Asia, is poorly documented. While a vast literature base on Africa's old regionalism experience is available, limited research has been published on the continent's new regionalist experiences. Documenting such experiences, as well as the challenges faced by its implementation, would provide a valuable analysis of the changing trends in African regionalism. A study of this nature may also pave the way for the identification of problem issues in the core theory, and the manner in which these could be implemented in a practical sense, in order to adjust the regulatory framework to the realities of what is happening on the ground, throughout the African continent.

Two further issues can be identified for possible future research. The first, is the link between North-South regionalism and South-South regionalism, how they impact on one another and benefit the African continent. The study of the nature of interaction between these two forms of regionalism would shed light on the expectations of the survival of South-South regionalism, and certainly that of NEPAD.

The second issue relates to the nature of the relationship between NEPAD and other AU organs, as well as national organisations. This is important in that its analysis would determine how NEPAD intends to fulfil its peace and security objectives.

These research questions are crucial to take forward the debate about the future of NEPAD and its potential to resolve Africa's development dilemma. The second research topic is especially important especially given the March 2007 decision to incorporate the NEPAD Secretariat under the AU Commission. The future of NEPAD is now, more than ever, under the spotlight.

Bibliography

Official documents

Abuja Treaty. 1991. Addis Ababa: OAU

African Peer Review Mechanism (APRM) Base Document. 2003. Midrand: NEPAD Secretariat

Charter of the Organization of African Unity (OAU). 1963. Addis Ababa: OAU

Compact for African Recovery. 2001. Addis Ababa: Economic Commission for Africa. http://www.uneca.org/cfm/compact_for_african_recovery.htm

Kampala Document. 1991. Summary. http://www.africaaction.org/african-initiatives/kampall.htm

Lagos Plan of Action for the economic development of Africa: 1980-2000. Addis Ababa: OAU

Millennium Partnership for Africa's Recovery Plan (MAP). 2001. Midrand: NEPAD Secretariat. http://www.nepad.org/2005/files/documents/24.pdf

NEPAD Document. October 2001. Midrand: NEPAD Secretariat

http://www.nepad.org/2005/files/documents/41.pdf

NEPAD Secretariat. 2005. NEPAD in brief. Midrand: NEPAD Secretariat http://www.nepad.org/2005/files/inbrief.php

NEPAD. 2002. Short-term Action Plan on Infrastructure. Midrand: NEPAD Secretariat

New African Initiative (NAI). 2001. Midrand: NEPAD Secretariat http://www.nepad.org.ng/PDF/About%20Nepad/NAI.pdf

Reports

Berg Report. 1981. Washington: World Bank

Commission for Africa Report. 2005. http://www.commissionforAfrica.org/english/report/thereport/English/11-03-05_cr_report.pdf

Corruption Perception Index 2005. Transparency International. http://www.transparency.org/policy_and_research/surveys_indices/cpi/2005

Economic Commission for Africa (ECA). 1983. ECA and Africa's development 1983-2008: a preliminary perspective study. Addis Ababa: ECA.

Economic Commission for Africa (ECA). 1989. African Alternative Framework to Structural Adjustment Programmes (SAPs). Addis Ababa: ECA http://www.uneca.org/publications/ESPD/old/aaf_sap.pdf

Economic Commission for Africa (ECA). 2004 (a). Assessing regional integration in Africa. Addis Ababa: ECA

Economic Commission for Africa (ECA). 2004 (b). Economic Report on Africa 2004. Addis Ababa: ECA

Food and Agriculture Organization (FAO). 2004. Regional integration in Africa. http://www.foa.org/DECREP/004/Y4793E/y4793e0a.htm

UNAIDS. 2006. AIDS epidemic update. Geneva: UNAIDS and WHO

UNCTAD. 2006 (a). Press Release: Data Show Foreign Direct Investment Climbed Sharply in 2005. Geneva: UNCTAD http://www.unctad.org/Templates/Webflyer.asp?docID=6733&intItemID=1634&lang=1

UNCTAD. 2006 (b). World Investment Report 2006. Geneva: UN

UNCTAD. 2002. Review of Maritime Transport 2002. Geneva: UNCTAD

UNCTAD. 2004. Economic Report on Africa 2004. Geneva: UN

UNCTAD. 2005. Economic Development in Africa: Rethinking the role of Foreign Direct Investment. Geneva: UN

UNESCAP. 2004. Meeting the challenges in an era of globalisation by strengthened regional development cooperation. New York: UNESCAP http://www.unescap.org/pdd/publications/regcoop/regcoop_full.pdf

World Bank. 1989. Sub-Saharan Africa: From crisis to sustainable growth. Washington, DC: World Bank

World Bank. 1994. Adjustment in Africa: Reforms, Results and the Road Ahead. New York: Oxford University Press.

World Bank. 2000. Can Africa claim the 21st century? Washington, DC: World Bank.

World Bank. 2002. Global Finance Tables. Washington, DC: World Bank

World Bank. 2004. World Development Report 2005: A Better Investment Climate for Everyone. Washington, DC: World Bank.

World Bank. 2005. Global Economic Prospects and the Developing Countries: 2005. Washington, DC: World Bank.

World Bank. 2006. Africa: Regional Brief. April 2006. http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,menuPK:258652~pagePK:146732~piPK:146828~theSitePK:258644,00.html

World Health Organization (WHO). 2005. Fact Sheet. http://www.who.int/hiv/FS_Prevention_Nov05_en.pdf

World Trade Organization (WTO). 2005. Table III.3, Intra- and Inter-regional merchandise trade, 2004. http://www.wto.org./english/res_s/statis_e/its2005_e

World Trade Organization (WTO). 2006. World Investment Report 2006. Geneva: WTO

Books

Adesina, J.O. 2002b. Development and the Challenges of Poverty: NEPAD, Post-Washington Consensus and Beyond. http://www.codesria.org/Links/conferences/Nepad/Adesina.pdf

Aly, A.A.H.M. 1994. Economic Cooperation in Africa: in search for direction. London: Lynne Rienner Publishers

Asante, S.K.B. 1986. The political economy of regionalism in Africa: a decade of the Economic Community of West African States (ECOWAS). New York: Praeger Special Studies

Asante, S.K.B. 1991. African Development: Adebayo Adedeji's Alternative Strategies. New York: Hans Zell Publishers

Asante, S.K.B. 1997. Regionalism and Africa's Development: expectations, reality and challenges. London: Macmillan Press Ltd.

Bates, R.H. 2001. Prosperity and violence. Harvard: Harvard University Press

Bhagwati, J. 1966. The Economics of Underdeveloped Countries. London: Weindenfeld & Nicholson

Bond, P. 2000. NEPAD: An annotated critique: a civil society reader. http://www.aidc.org.za/NEPAD/nepadannotatedcritique.pdf.

Bond, P. 2005. Fanon's Warning: A civil society reader on the New Partnership for Africa's Development. 2nd edition. Trenton: Africa World Press

Burchill, S. 1996. Liberal Institutionalism. In Theories of International Relations, Burchill, S., Linklater A., Devetak, R., Peterson, M. & True, J. (eds). London: Macmillan

Burfisher, M.E., Sherman R. & Karen, T. 2004. Regionalism: old and new, theory and practice. Washington, DC: International Food Policy Research Institute. http://www.ifpri.org

Burton, J. W. 1990. Conflict: Resolution and Provention. London: Macmillan and New York: St. Martins Press

Buzan, B. & Woever, O. 2003. Regions and Powers: The structure of International Security. Cambridge: Cambridge University Press

Buzan, B. 1991. People, States and fear: an agenda for international security studies in the post-cold war era. 2nd edition. Cornwall: MPG Books Ltd.

Cantori, L.J. & Spiegel, S.L. 1970. The International Politics of regions: A comparative approach. London: Prentice-Hall International, Inc.

Carr, D.L., Markusen, J.R. & Maskus, K. 2001. Estimating the knowledge-capital model of the multinational enterprise. American Economic Review No. 91

de Castro, C.F. 1996. Trade and Transport Facilities: review of current issues and operational experience. Washington, DC: World Bank & UNCTAD

Feng, Y. 2003. Democracy, Governance, and Economic Performance: Theory and Evidence. Cambridge: MIT Press

Grugel, J. & Hout, W. 1999. Regionalism across the North-South Divide. London: Routledge

Haas, E.B. 1975. The Obsolescence of regional integration theory. Berkeley: California Institute of International Studies

Helleiner, G.K. 1985. Industrial Organisation, Trade and Investment: A selective literature review for developing countries. Toronto: Mimeo

Helpman P. & Krugman P.R. 1985. Market Structure and Foreign Trade: Increasing returns, imperfect competition and the international economy. Cambridge: MIT Press

Herbest, J.I. 2000. States and Power in Africa: comparative lessons in authority and control. Princeton: Princeton University Press

Hettne, B. & Inotai, A. 1994. The New Regionalism: Implications for Global Development and International Security. Helsinki: UNU/WIDER

Huntington, S. 1991. The Third Wave: Democratisation in the late Twentieth Century. London: University of Oklahoma Press

Mbaku, J.M. & Chandra, S.S. 2004. Africa at the Crossroads: Between regionalism and globalization. New York: Praeger Publishers

Nye, J. (ed.). 1968. International regionalism. Boston: Little, Brown & Co.

Nyong'o, A.P. 1990. Regional Integration in Africa: unfinished agenda. Kenya: Academy Science Publishers

Oyejide, A.1997. Trade liberalization, regional integration and African Development in the context of Structural Adjustment. In Oyejide, T.A. *et al* (eds), Regional Integration and Trade Liberalization in Sub-Saharan Africa. Vol. 1: Framework, Issues and Methodological Perspectives. London: Macmillan. http://www.idrc.ca/en/ev-56333-201-1-DO_TOPIC.html

Pierre, J. & Peters B.G. 2000. Governance, Politics and the State. Basingstoke: McMillan

Poku, N. 2001.Regionalization and Security in Southern Africa. New York: Palgrave

Rodick, D. 1997. Democracy and Economic Performance. Cambridge: J.F. Kennedy School of Government

Rueschemeyer, D., Stephens, E.H. & Stephens, J.D. 1992. Capitalist Development and Democracy. Chicago: University of Chicago Press

Schiff, M. & Winters L.A. 2002. Regional Integration and Development. Washington, DC: World Bank and Oxford University Press

Söderbaum F. 2002. The political economy of regionalism in Southern Africa. Goterborg: Department of Peace and Development Research (PhD. Thesis)

Söderbaum, F. 1996. The New Regionalism and the Quest for Development Cooperation and Integration in Southern Africa. Lund: Nationalekonomiska Institutionen vid Lunds Universitet

Viner, J. 1950. The Customs Union Issue. New York: Carnegie Endowment for International Peace

Book Chapters

Akokpari, J.K. 2005. The AU, NEPAD and the Promotion of Good Governance in Africa. In Jacques, G. & Lesetedi, G.N. (eds), The New Partnership for Africa's Development: Debates, Opportunities and Challenges. Pretoria: Africa Institute of South Africa (AISA)

Balasubramanyam V.N. & Greenway D. 1993. Regional Integration Agreements and Foreign Direct Investment. In Anderson K. & Blackhurst R. (eds), Regional Integration and the Global Training System. New York: St. Martin's Press

Diaz-Alejandro, C.F. 1980. Trade Policies and Economic Development. In Kenen, P. (eds), International Trade and Finance. Cambridge: Cambridge University Press

Evans, H.D. 1989. Alternative Perspectives on Trade Liberalisation and Development. In Chenery H. & Srinivasan, T.D. (eds), Handbook of development economics. North Holland, Amsterdam

Fawcett, L. & Hurrell, L. 1995. Introduction. In Fawcett, L. & Hurrell, A. (eds), Regionalism in World Politics: regional organization and international order. Oxford: Oxford University Press

Fawcett, L. 1995. Regionalism in historical perspective. In Fawcett, L. & Hurrell, A. (eds), Regionalism in World Politics: regional organization and international order. Oxford: Oxford University Press

Gamble, A, & Payne, A. 1996. Conclusion: The New Regionalism. In Gamble, A. & Payne, A. (eds), Regionalism and World Order. New York: St. Martin's Press

Groom, A.J.R. 1990. The setting in world society. In Groom, A.J.R. & Taylor, P.G., Frameworks for international co-operation. London: St. Martin's Press

Hettne, B. 2000. The New Regionalism: A Prologue. In Hettne, B. Inotal, A. & Sunkel, O. (eds), National Perspectives on the New Regionalism in the South. London: MacMillan Press Ltd.

Hettne, B. 2003. Security Regionalism in Europe and South Asia. In Hentz, J.J. & Bøås, M. New and Critical Security and Regionalism: Beyond the Nation State. Hamsphire: Ashgate Publishing Ltd.

Hurrell, A. 1995. Regionalism in Theoretical Perspective. In Fawcett, L. & Hurrell, A. (eds), Regionalism in World Politics: regional organization and international order. Oxford: Oxford University Press

Lavergne, R. 1997. Introduction: Reflections on an agenda for regional integration and cooperation in West Africa. In Lavergne, R. (ed.), Regional Integration and cooperation in West Africa: A multi-dimensional perspective. Canada: IDRC/ Africa World Press

Lyakurwa, W., A. McKay, N. Ng'eno and W. Kennes (1997). Regional integration in sub-Saharan Africa: A review of experiences and issues. In_Oyejide, A., Elbadawi, I. & Collier, P. (eds), Regional Integration and Trade Liberalization in Sub Saharan Africa. Vol. 1. Framework, Issues and Methodological Perspectives. New York: St. Martin's Press; London: Macmillan Press

Mansaray, K. Y. 2004. Achieving Good Governance: The role of Women in Policy Making. In Onimode, B. (ed.), Africa Development and Governance Strategies in the 21st Century. London: Zed Books

Meagher, K. 1997. Informal integration or economic subversion? Parallel trade in West Africa. In Lavergne, R. Regional Integration and cooperation in West Africa: A multi-dimensional perspective.
http://www.idrc.ca/en/ev-68398-201-1-DO_TOPIC.html

Miller, L.H. 1970. Regional organizations and subordinate systems. In Cantori, L.J. & Spiegel, S.L. 1970. The International Politics of regions: A comparative approach. London: Prentice-Hall International, Inc.

Lovering, J. 1997. Quoted in Seyringer, B. Ideologische Implikationen in Konzepten des Neuen Regionalismus. http://www.vota.at/papers/pol_agenda_regionalismus.pdf

Castells, M. 1996. The information age: society and culture: volume1. Massachusetts: Blackwell Publishers Inc.

Mittelman, J. & Falk, R. 2000. Global Hegemony and Regionalism. In Calleya, S.C. (ed.), Regionalism in the Post-Cold War World. Aldershot: Ashgate

Taylor, P. G. 1990. A conceptual typology of international organization. London: St. Martin's Press

Research/ Policy papers

Abdellatif, A.M. 2003. Good Governance and its relationship to democracy and economic development. http://www.pogar.org/publications/governance/aa/goodgov.pdf

Acemoglu, D. 2004. Politics and Economics in Weak and Strong States. Working paper 11 275. http://www.nber.org/papers/w11275

Bøås, M. 2001. Regions and regionalisation: a heretic's view. In Regionalism and regional integration in Africa: a debate of current aspects and issues. Uppsala: Nordic Africa Institute. Discussion Paper No. 11

Bøås, M. 2001. Regions and regionalization: A Heretic's view. In Regionalism and regional integration in Africa: A debate of current aspects and issues. Discussion paper no. 11. Uppsala: Nordiska Afrikainstitutet

Chang C.V. 1999. Commercial infrastructure in Africa: Potentials and Challenges. African Development Bank Economic Research Papers. No. 45

Corkery, J. 1999. Introduction. In Corkery J. (ed.), Gouvernance: Concepts et Applications / Governance: Concepts and Applications. Brussels: IISA / IIAS

de Lombaerde, P. 2003. Regional Integration and Peace. http://www.monitor.upeace.org/innerpg.cfm?id_article=268

Edwards, S. 1992. Openness, Trade Liberalization and Growth in Developing Countries. Institute for Policy Reform Working Paper Series No. 35, Washington, DC.

Feng, C.S. 1989. Strong State as an explanatory variable of economic development: with focus on the case of Taiwan. http://www.wufi.org.tw/eng/strongst.htm

Fernandez R. 1997. Returns to Regionalism: An evaluation of non-traditional gains from RTAs. National Bureau for Economic Research (NBER) Working Paper No. 5970. Cambridge.

Fuller, T. 2002. African development plan deeply flawed. http://www.afl.org/LabourNews/june08-08.html.

Garat, C. 2000. Globalisation and World Economy and African Renaissance. http://www.afriavenir.org/publications/student-paper/GaratARGlobalisation.pdf

Goldstein, A. 2002. The new regionalism in Sub-Saharan Africa: more than meet the eyes? Policy Brief no. 20. Paris: OECD Development Centre

Graham, K. & Felício, T. 2005. Regional Security and Global Governance: A proposal for a 'Regional-Global Security Mechanism' in light of the UN's High Level Panel Report. Egmont Paper no. 4. Royal Institute for International Relations, Brussels: Academia Press

Harrison, A. 1991. Openness and Growth: A Time Series Cross-Country Analysis for Developing Countries. World Bank Policy Research Papers No. 809, Washington, DC.: World Bank

Hettne, B. 2004. Globalisation, the new regionalism and East Asia. http://www.unu.edu/unupress/globalism.html

Hummels, D. L. 2000. Time as a Trade Barrier. GTAP Working Paper 18, Centre for Global Trade Analysis, Department of Agricultural Economics, Purdue University.

Hurrell, A. 2003. Hegemony and regional governance in the Americas. Global Law Working Paper 5/4. Hauser Global Law School Programme/ New York School of Law. New York

Iyoha, M.A. 2005. Enhancing Africa's Trade: from marginalization to an export-led approach to development. Africa Development Bank Economic Working Papers. No. 77

Kanbur, R. 2004. The African Peer Review Mechanism (APRM): An Assessment of concept and design. Pretoria: Southern African Regional Poverty Network (SARPN)

Kaufmann, D., Kraay, A. & Zoido-Lobaton, P. 1999. Governance matters. Policy Research Working Paper no. 2196. Washington, DC: World Bank

Keet, D. 2002. The New Partnership for Africa's Development: 'Unity and integration within Africa'? or 'Integration of Africa into the global economy'? Occasional paper No. 35. Johannesburg: Institute for Global Dialogue (IGD)

Kessides, C. 1993. The Contributions of Infrastructure to Economic Development. World Bank Discussion Papers No. 213, Washington, DC: World Bank

Limão, N. and Venables, A. 2000. Infrastructure, Geographical Disadvantage and Transport Costs. Washington, DC: World Bank

Masanjala, W.H. & Papageorgiou, C. 2006. Initial Conditions, European colonialism and Africa's Growth. Louisiana State University Department of Economic Working Paper no. 1. http://www.bus.lsu.edu/economics/papers/pap06_01.pdf

Meagher, K. 2001. Throwing the Baby to Keep the Bathwater: Informal Cross-Border Trade and Regional Integration in West Africa. In Regionalism and Regional Integration in Africa: A debate of Current Aspects and issues. Discussion paper 11. Uppsala: Nordiska Afrikainstitutet

Moore, C. 2004. Regional Integration and regional governance under the new African initiative: a critical appraisal. In Policy: issues and actors. http://allafrica.com/peaceafrica/resources/view/00010315.pdf

Mwaba, A. 2000. Trade Liberalisation and Growth: policy options for African countries in a global economy. African Development Bank Economic Research Papers. No. 60

Nkwi, P.N. 1999. Democratic Governance in Africa: A Decade of Misconceptions. http://www.unesco.org/most/wsfnkwi.doc

Page, S. 2001. Regionalism and/or Globalisation. In Regionalism and Regional Integration in Africa: A debate of Current Aspects and issues. Discussion paper 11. Uppsala: Nordiska Afrikainstitutet

Plumptre, T. & Graham, J. 1999. Governance and Good Governance: International and Aboriginal Perspectives. http://www.iog.ca/publications/govgoodgov.pdf

Plunkett, D.J. & J. & Stryker, D. 2002. Regional Interventions to Improve Cross-Border Trade and Food Security in West Africa. Agricultural Policy Development Program, USAID AFR/SD, December

Pretorius, L. & Patel, S. 2002. The New Partnership for Africa's Development

(NEPAD): A critical Review. http://www.aidc.org.za/NEPAD/LRS.html.

Sachs J. & Warner A.1995. Economic Reform and the Process of Global Integration. Brooking Papers on Economic Activity, No. 1

Schiff, M. 2002. Regional Integration and Development in Small states. Policy Research Working Paper No. 2797. Washington, DC.: World Bank

Shams, R. 2003. Regional integration in developing countries: some lessons based on case studies. Discussion paper 251. Hamburg: Hamburg Institute of International Economics

Srinivasan T.N. 1989. International Aspects: Introduction to Part 5. In Chenery, H. & Srinivasan T.N., Handbook of development economics. Amsterdam

Tandon, Y. 2002. NEPAD=Sap+Gats+DSB. Seatini Bulletin. http://www.aidcorg.za/NEPAD/Brief%20Analyses/Yash%20Tandon.html.

Taylor, I. 2002. The New Partnership for Africa's Development and the Global Political Economy: Towards the African Century or Another False Start? http://www.codesria.org/Links/conferences/Nepad/taylor.pdf

Teunissen, J.J. 1996. Regionalism and the Global Economy: the case of Africa. The Hague: FONDAD. http://www.fondad.org/publications/afrir_preface.htm

Vale, P. 2002. Nepad: Fiction or Fantasy? http://www.aidc.org.za/web/nepad/goedgedacht.html

Velde D.W. & Bezemer, D. 2004. Regional integration and Foreign Direct Investment in developing countries. http://www.odi.org.uk/iedg/Projects/ec_prep2.pdf

Journal articles

Africa Renewal. 2002. A better environment for integration. September, vol. 16 no. 2-3. http://www.un.org/ecosocdev/geninfo/afrec/vol16no2/162reg2.htm

Africa Renewal. 2004. Africa strives to rebuild its domestic industries. Vol. 18 (3). http://www.un.org/ecosocdev/geninfo/afrec/vol18no3/183industries.htm

Aggad, F. 2006. It takes two to tango: 'partnership', NEPAD and Hong Kong. In Inside AISA. April

Akinrinrade, S. 2002. NEPAD: the New Partnership for Africa's Development. In The conflict, security and development group bulletin. Issue No. 15

Akokpari, J.K. 2004. The AU, NEPAD and the Promotion of Good Governance in Africa. In Nordic Journal of African Studies. No 13 (3)

Alence, R. 2004. Political Institutions and Developmental Governance in sub-Saharan Africa. In Journal of Modern African Studies. No 42

Amjadi, A. & Winters, L. A. 1999. Transport Costs and "Natural" Integration in MERCOSUR. Journal of Economic Integration. No. 14

Barro, R.J. 1996. Democracy and Growth. In Journal of Economic Growth. No. 1

Bøås, M. Marchand M. H. & Shaw, T. M. 1999. The Weave-World: Regionalism in the South in the new millennium. In Third World Quarterly. Vol. 20 (5)

Brainard, S.L. 1997. An empirical Assessment of the proximity-concentration trade-off between multinational sales and trade. In American Economic Review. Vol. 87 (4)

Comeau L. Jr. 2003. Democracy and Growth: A Relationship Revisited. In Eastern Economic Journal. Vol. 29 (1), http://www.findarticles.com/p/articles/mi_qa3620/is_200301/ai_n9197053

de Waal, A. 2000. What's new in the New Partnership for Africa's Development? In International Affairs. No. 78 (3)

Dollar D. 1992. Outward-Oriented Developing Economies Really Do Grow More Rapidly: Evidence from 95LDCS, 1976-1985. In Economic Development and Cultural Change, 40 (3), April

Edigheji, O. 2005. A Democratic Developmental State in Africa? A concept paper. Johannesburg: Center for Policy Studies

Edwards S. 1992. Trade Orientation, Distortions and Growth in Developing Countries. In Journal of Development Economics. 39 (1)

Ethier, W.J. 1998a. Regionalism in a multi-dimensional world. In Journal of Political Economy. Vol. 106, No. 6

Ethier, W.J. 1998b. The New Regionalism. In Economics Journal. Vol. 108, No. 449

Hanson, G. & Harrison, A. 1999. Who gains from trade reform? Some remaining puzzles. In Journal of Development Economics. Vol. 59 (1)

Harrison, A. 1996. Openness and Growth: a time-series, cross-country analysis for developing countries. In Journal of Development Economics. Vol. 48 (2)

Hettne, B. & Söderbaum, F. 1998. The New Regionalism Approach. In Politeia, special edition. Vol. 17 (3)

Hettne, B. 1997. Development, Security and World Order: A Regionalist Approach. In European Journal of Development Research. Vol. 9 (1)

Hettne, B. 2002. The Europeanisation of Europe: Endogenous and Exogenous Dimensions. In European Integration, Vol. 24 (4)

Hoffman, S. 1970. International Organization and International System. In International Organization, no. 24

Hope, K.R. 2002. From Crisis to Renewal: Towards a successful implementation of the New Partnership for Africa's Development. In African Affairs, No 101

Hope, K.R. 2005. Toward Good Governance and Sustainable Development: The African Peer Review Mechanism. In Governance: An International journal of Policy, Administration and Institutions, Vol. 18 (2), April

Ikenberry, GJ. 2003. Is American Multilateralism in Decline?'. In Perspectives on Politics, 1(3)

Kajee, A. 2004. NEPAD's APRM: A Progress Report, Practical Limitations and Challenges. In South African Yearbook of International Affairs 2003/04. Johannesburg: South African Institute of International Affairs (SAIIA)

Kaufmann, D. & Kraay, A. 2002. Growth without governance. In Economia. No 3.

Keohane, R. 1988. International Institutions: Two Approaches. In International Studies Quarterly

Kurzman, C., Werum, R. & Burkhart, R.E. 2002. Democracy's Effect on Economic Growth: A Pooled Time-Series Analysis, 1951-1980. In Studies in Comparative International Development Vol. 37 (1)

La Ferrara, E. & Bates, R.H. 2001. Political competition in weak states. In Economics and Politics. Vol. 13

Leftwich, A. 1993. Governance, Democracy and Development in the Third World. In Third World Quarterly. Vol. 14 (3). http://0-web3.epnet.com.innopac.up.ac.za/DeliveryPrintSave.asp?tb=1&_ug=sid+4C1

Levine R. & Renelt R. 1992. A Sensitivity Analysis of Cross-Country Growth Regressions. In American Economic Review, 82 (4) September

Lewis, W.A. 1978. The Slowing Down of the Engine of Growth. In American Economic Review, No. 70

Lipset, S. M. 1959. Some Social Requisites of Democracy: Economic Development and Political Legitimacy. In American Sociological Review. Vol. 53 (1)

Maclean, S. J. 1999. Peacebuilding and the New Regionalism in Southern Africa. In Third World Quarterly. Vol. 20(5).

Marchand, M.H., Boas, M. & Shaw, T.M. 1999. The Political Economy of New Regionalisms. In Third World Quarterly, Vol. 20 (5).

Markusen, J.R. & Venables A.T. 1997. The role of Multinational Firms in the wage-gap debate. In Review of International Economics, 5(4)

Nye, J. S. Jr. 1968. Comparing Common Markets. In International Organization, vol. 24 (4)

Otobo, E.E. 2004. Regionalism and Trade: A glimpse of Africa's experience. In The New School of Economic Review. Vol. 1 (1)

Panagariya, A. 1997. Preferential Trading and the Myth of Natural Trading Partners. In Japan and the World Economy, 19 (2)

Rodriguez, F. & Rodrik, D. 2001. Trade policy and economic growth: skeptic's guide to cross-national evidence. In Bernanke, B. & Rogoff, K.S. (eds), Macroeconomic annual 2000

Schiff, M. 1997. Small is Beautiful: Preferential Trade Agreements and the Impact of Country Size, Market Share, and Smuggling. *Journal of Economic Integration* 12 (3)

Stoker, G. 1998. Governance as theory. In International Social Science Journal, No. 155

Tavares, J. & Wacziarg R. 2001. How Democracy Affects Growth. In European Economic Review. No 45

Vamvakidis, A. 1998. Regional Integration and Economic Growth. In The World Bank Economic Review. Vol. 12 (2)

Väyrynen, R. 2003. Regionalism: Old and New. In International Studies Review, 5 (1)

Waltz, K. 1990. Realist Thought and Neorealist Theory. In Journal of International Affairs. Vol. 44 (1)

Winters, L.A. 2004. Trade Liberalisation and Economic Performance: An Overview. In The Economic Journal. Vol. 114 (February)

Newspaper articles

Aggad, F. 2007. Yar'Adua Must Rekindle NEPAD. *This Day* (Nigeria). 30 April, http://www.thisdayonline.com/nview.php?id=76770

Herbert, R. 2007. Mismanaged from the Start? *The Star* newspaper, South Africa, 25 January.
http://www.saiia.org.za/modules.php?op=modload&name=News&file=article&sid=1030

Conference papers

Adesina, J.O. 2002a. NEPAD and the challenge of Africa's Development: Towards a political economy of a discourse. Paper presented at the 10th General Assembly of the Social Science Research in Africa. Kampala. 8-12 December

Adetula, V.O.A. 2004. Regional Integration in Africa: Prospects for closer cooperation between West, East and Southern Africa. Paper presented at the IDASA/Fredskorpset Research Exchange Programme meeting. Johannesburg. May 2-4

Amoako, K.Y. 2005. Accelerating Development in Africa: The power of regionalism. Paper presented at Addis Ababa University, 23 March. http://www.uneca.org/eca_resources/speeches/amoako/2005/032305speech_amoako.htm

Cosbey, A. Sober reflection: considering the rush to regionalism. Paper presented at the Sustainable Development Policy's Institute. 7th Sustainable Development Conference. Islamabad, Pakistan 8-10 December 2004

Economic Commission for Africa (UNECA). 2000. Globalization, regionalism and Africa's development agenda. Paper prepared for UNCTAD X, Bangkok, 12-19 February,

Endo, K. 2005. The Security-Economic Nexus in Regional Integration: A comparison between East Asia and Western Europe. Paper presented at the RC-3 (European Reunification) Workshop, Beijing, 5-6 May 2005

Kanbur, R. 2001. The New Partnership for Africa's Development (NEPAD): an initial commentary. Paper presented at the Southern African Regional Poverty Network (SARPN). Pretoria, South Africa. November

Kouam, R.D. 2004. APRM and the challenge of a continental framework for the implementation of governance standards in Africa: Implications for regional governance. Paper presented at a conference on "Africa and Global Governance in the aftermath of 9/11: Prospects and challenges", Addis Ababa, 6-8 December 2004

Mathews, K. 1998. Political economy of regional cooperation and integration in Africa. Paper presented at the Centre for African Studies, University of Mumbai. 29-31 January

Obi, C.I. 2002. Restructuring Africa's Development in the New Millennium through NEPAD Can African Leaders Deliver the Goods? Paper Presented at the 10th CODESRIA General Assembly, Kampala, 8-12 December. http://www.codesria.org/Links/Home/Abstracts%20GA%201-5/continuity_Obi.htm

Söderbaum, F. 2002. Rethinking the New Regionalism. Presentation at the XIII Nordic Political Science Association meeting, Aslborg 15-17 August

Ukeje, C. 2005. Rethinking Africa's Security in the Age of Uncertain Globalisation: NEPAD and Human Security in the 21st Century. Paper Presented at the 11th CODESRIA General Assembly, Maputo, 6-10 December 2005

Speeches

Adedeji, A. 2002a. History and Prospects for regional integration in Africa. Speech presented at the Third Meeting of the African Development Forum. 5 March. http://www.uneca.org/eca_resources/Speeches/2002_speeches/030502adebayo.htm

Amoako, K.Y. 2002. Accelerating the pace of regional integration in Africa: the challenges ahead. Opening speech of the Third Meeting of the African Development Forum. 4 March

http://www.uneca.org/eca_resources/Speeches/amoako/2002/030402Statement_adfiii.htm

Short articles

Africa-Canada Forum, Canadian Council for International Co-operation. 2002. The New Partnership for African Development: A Commentary. April

Herbert, R. Becoming my brother's keeper. In E-Africa: The Electronic Journal of Governance and Innovation. No. 1, October 2003. Johannesburg: South African Institute of International Affairs (SAIIA)

Other

Adedeji, A. 2002b. You must first set your house in order. Interview with Africa Renewal. Vol.16 (2-3) http://www.un.org/ecosocdev/geninfo/afrec/vol16no2/162pers1.htm

IRIN News. Zimbabwe: NGOs disappointed at AU's lack of response. 27 January 2006. http://www.irinnews.org/Report.aspx?ReportId=57954

Kiplagat, B. 2006. Remarks made in a training video produced by the South African Institute of International Affairs (SAIIA)

Oxford Online Dictionary. 2007. www.askoxford.com

UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA