

## **Regional integration in Africa**

Regional economic integration has a fairly long history in Africa, and in some sub-regions pre-dating independence. Although a number of leaders called for the integration of Africa soon after independence, it was only in the 1970s and 1980s that concrete steps were taken to re-launch or establish economic institutions in all sub-regions. The expressed interest and continuing political rhetoric in support of integration has not, however, for the most part been matched by political will and systematic action to advance and deepen the process. Although a few of the groupings are beginning to make modest progress, the overall achievement to date has been insignificant, both in terms of cross-border trade and investment among member countries and with respect to the strength of the institutions themselves. Moreover, the proliferation of integration schemes operating within the same geographic area has inevitably resulted in overlapping membership and duplication of mandates.

However, despite the disappointing record, the promotion of regional integration remains an important economic and political goal on the continent. There are significant economic as well as "non-economic" reasons why countries should pursue such goals.

The principal benefits include the following:

- Link and merging of small economies to create relatively larger markets, thus allowing current and future production to benefit from economies of scale. In other words, regional integration provides more opportunities for trade, while also making new investment – by both domestic and foreign capital – more likely to be viable and profitable. In particular, it provides a wider market that enables the private sector to expand existing operations or to initiate new economic activities. Competition in regional markets may also serve as an intermediate stage that can be used by enterprises to prepare for successful export performance in global markets. Deeper integration involving the free cross-border movement of all factors of production would create wider economic opportunities for individuals and businesses. Expanded opportunities, and enhanced trade and investment, will all contribute to economic growth and improved welfare in each member country.
- Countries can present themselves as a united and credible group in international trade negotiations and at other multilateral forums. This advantage is however dependent on the existence of a pool of expertise that can analyse the trade and related issues under negotiation.
- National-level reforms and other economic policies may gain more credibility if closely co-ordinated and harmonised with neighbouring countries. Reforms may be more securely “locked-in” to a sub-regional framework, which can also shield policy-makers from domestic pressure groups seeking to dilute or reverse such reforms. Conversely, some reforms can have negative spillovers on neighbours, if the timing and content of such reforms are uncoordinated among neighbouring countries.
- An integration framework enhances the potential for sub-regional specialisation and co-operation in a variety of economic and social spheres. Universities and research centres can enter into co-operative arrangements whereby each will specialise in a few disciplines, rather than spreading their resources thinly and ineffectively in an effort to cover a large number of academic or research areas. Programs for combating corruption may also be jointly undertaken and co-ordinated within a sub-regional set-up. Controlling diseases, countering the operations of crime syndicates, achieving equitable sharing of

such trans-boundary resources as water from international rivers, and developing transport corridors and other multi-country infrastructure will all be much better facilitated if undertaken within a formal integration framework. The development of infrastructure along major trade corridors reduces transactions cost and encourages new investment.

- The nurturing of new and fragile democracies, promotion of stability, management of conflict, and development of joint security arrangements against external threats are possible and useful undertakings at the sub-regional level within the context of regional integration institutions. In time, the deepening of integration within a sub-region may minimise the potential for hostilities between neighbouring countries.

The third African Development Forum (ADF III) that will be held from 3 to 8 March 2002, will address these issues through the theme “*Defining priorities for regional integration*”. The Forum will focus on five thematic clusters:

- Economic policies for accelerating regional integration,
- Physical integration through infrastructure development,
- Regional approaches to regional issues,
- Institutional arrangements and capacity, peace and security architecture.

The Forum plans to deliberate complex issues behind the successes and failures of regional co-operation and integration, and to chart possible paths towards better co-operation in order for the region to achieve the desired peace, security, economy of scale and sustained development.

### **Regional integration and the role of ICTs**

Recent innovations in telecommunications and transport have condensed time and space, quickening the pace of globalisation in recent years, which is increasingly disintegrating economic and political nationalism and accelerating regional integration or regionalism worldwide. Examples include Mercosur, NAFTA, EU, and ASEAN to name a few. However, in Africa, the lack of adequate transport and communications infrastructure is a formidable constraint that makes trade between many countries difficult and costly. Technological innovations especially in the areas of information management and communication, combined with increased capital mobility, have exposed the limitations of national economic policies. Consequently, any discussion on regionalism cannot ignore this globalisation process, which implies both opportunities and challenges.

### **Opportunities for harnessing ICTs:**

- Improve institutional information management, intra-institutional communication between regional co-operation institutions and their constituencies to facilitate integration. They can also play a critical role in linking national or regional organisations that work on similar objectives to consult, share information and collaborate on joint projects.
- Promote trade, financial co-operation, agricultural development, food security, environment protection, foreign direct investment and improvement in the industrial and manufacturing sectors with greater information management systems. ICTs have become essential components in the whole chain of trade promotion, facilitation and regional co-operation. Tools such as the Internet promote global markets and give voices to small and medium

enterprises and farmers alike, to enable them market and deliver goods and services irrespective of their location.

- ICTs could also catalyse trans-border data flows bringing down barriers to personal communications, and removing the constraints of national boundaries, physical disabilities, distance, and time zones. Access to expanded telecommunication networks also reduces the costs of international communication among countries, and fosters cross-border information and data exchange.

### **Challenges include:**

- Need to develop an Africa regional information infrastructure (ARII) that could integrate and deregulate the telecommunications sector, facilitating greater interconnectivity between countries and interoperability of networks. Such efforts would also resolve local imbalances and inefficiencies through the development of common networks and regional backbones. This would cover among others regional interconnectivity and interoperability; the development of high speed direct connection/broadband services for the backbone network; improving universal access and narrowing the digital divide in the “least connected” countries; capacity building and human resource development programs.
- Need for mutual recognition or acceptance of equipment type-approval procedures would facilitate intra-regional trade in telecommunication equipment. By making efforts to aggregate regional telecommunications requirements and co-ordinating countries’ negotiations for networks, applications and funding mechanisms costs could be reduced and access improved to services.
- Develop regional technical and policy framework and regulatory capacity so as to coordinate and harmonise CT policies and programmes that can enhance the region’s competitiveness in the global economy.
- Enhance cooperation and freer trade in services to include telecommunications and ICTs, and facilitating intra-African trade and investment in telecommunications and the ICT sector, and promote the development of indigenous ASEAN telecommunications and IT content;

### **The role of AISI**

The African Information Society Initiative (AISI), an action framework developed to build the information and communication infrastructure of Africa calls for the elaboration and implementation of national information and communication infrastructure plans involving development of institutional frameworks, human, information and technological resources in all African countries and the pursuit of priority strategies, programmes and projects which can assist in the sustainable build up of an information society in African countries.

In this regard, over 28 countries have been engaged in defining national ICT policies and strategies and these national exercises need to be replicated at sub-regional level to guarantee harmonisation of policies and strategies with the view to attain regional integration. The AISI initiative is being implemented through the collaborative actions of a network of partners sharing common vision of promoting connectivity and information technology development in Africa.

### **Critical areas where Sub regional and regional co-operation could be most useful:**

Joint procurement of telecommunication and communication products and services from international and multinational suppliers can enable African countries, organised sub-regionally and/or regionally, to be in a better position to negotiate important discounts.

Sub regional/ regional backbones: telecommunication and Internet traffic routed outside the continent is at present extremely expensive and costly to the African end user. Putting in place the necessary institutional arrangements and financial investment to create sub regional & regional backbones could facilitate direct connection between African regions and exchange of network information between African Internet Service Providers (ISPs)

Common Tariffs: The RECs could play a major role in promoting and facilitating cross boundary communication through the adoption of regional strategies aiming at the reduction of tariffs and transit charges on telecommunication services and establishing roaming agreements on mobile networks.

Compatible standards: as seen in other dynamic economic communities, the adoption of compatible standards for ICT products and services stimulate the market and encourage the private sector to invest in neighbouring regions. This will also facilitate connectivity between various IT systems and thus contribute in the expansion of exchanged information.

Promoting Africa's voice in global foras: Internet and e-commerce related activities are global by nature. This means that minimum common rules should be developed at international level. Though at present, the capacity of Africa to influence these decisions is constrained by a number of factors (limited bargaining power and leverage, absence of a coherent and well articulated African positions that anticipate events), African countries and the RECs must be actively involved in the work of several multilateral organisations such as the ITU, WTO, WIPO, OECD...

Networks of regulators: Transformation of regulatory and legal frameworks in Africa is vital to introduce new regulatory framework as well as to build the capacity for regulators in order to promote policy and regulatory harmonisation that would facilitate cross-border interaction and market enlargement. Regional networks of regulators in the region, such as the Telecommunication Regulatory Association of Southern Africa (TRASA), the West African Telecommunication Regulators Association (WATRA), the Association of African Regulators (AAR) are crucial to improve regulatory capacities at national level particularly in improving universal access, and enhancing African capacity to regulate in the interest of the whole African community.

### **The major questions**

1. What could be the role of the RECs in promoting a harmonised African telecommunication and IT sector through common rules and standards?
2. What could be the role of regional regulatory associations in promoting universal access regulation, in developing and sharing accountable, transparent and inclusive systems of regulation?
3. How could the RECs enhance African capacity and participation in global fora?

4. Any best practices on how RECs have developed implemented and monitored regional information society projects?

#### Monitoring and Evaluation (Scan - national and regional)

Since the launch of the AISI, considerable impacts have been created as a result of integrating ICTs in the various sectors of the national economy. Nevertheless, a system has not been put in place to measure the social and economic impacts created by the diffusion and utilisation of ICTs. With the view to develop Africa's capacity in collecting, analysing and organising data on the penetration and utilisation of ICTs for development and to make the data available for decision making in investments in the ICT sector, IDRC and ECA in collaboration with the European Commission and NORAD have embarked on the Scan-ICT project. The first 12 months of the 3 years project are devoted to the pilot phase whereby the suggested framework for the baseline study is tested and refined as appropriate. Six countries namely Ethiopia, Ghana, Mozambique, Morocco, Mozambique and Uganda have been selected and sponsored to conduct baseline studies by employing indicators reflecting AISI thematic areas, namely, infrastructure, content development, sectoral applications such as education, health, e-commerce. The baseline studies are expected to produce a national Scan-ICT profile report. The national level baseline studies will later on be extended to have sub-regional coverage. The sub-regional Scan-ICT baseline will focus on harmonization and identification of common methodological frameworks for the region under consideration. Attention shall be paid to the diffusion of lessons learned from experiences, knowledge and innovative practices national Scan-ICT baseline studies.

#### **Introducing the discussion topics**

The discussion will start on the 14 th of January 2001 and runs up to end of February. Discussion summary will then be compiled and be reported to the ICT focus group session during ADF III.

List members are very much encouraged to express their views whenever they feel appropriate. The discussion is scheduled as follows:

**Week I: 14-20 January 2002:**

Introduction & Role of ICTs in Regional Integration, **Prof Gueye & Aida Opoku- Mensah**

**Week II: 21-27 January 2002:**

Development of regional ICT Policies and Strategies, **Mr Salomao Manhica & Mr Makane Faye**

**Week III: 28 January- 03 February 2002:**

ICT infrastructure and Regional Integration, **Ms Heba Ramzy & Mr Lishan Adam**

**Week IV: 4-17 February 2002:** Sectoral applications:

Telemedicine and Regional Integration, **Professor Gueye & Eskedar Nega**

E- Commerce and RI, **Abdoulaye N'Diaye & Sophia Bekele**

Education and RI, **Tina James and Professor Beda Mutagahywa & Gorfu Assefa**

**Week V: 18-24 February 18-24:**

Harnessing the services of African Diaspora and Regional Integration, **E. Chikezie & Afework T.**

**Week VI: 25 February - 2nd March 2002:**

Summary & Wrap up: **Aida Opoku Mensah & Eskedar Nega**