

# “Grabbing the ‘Bull’ by the ‘Horns’”: A Critical Analysis of the Establishment of AfCFTA

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## Abstract

The establishment of the Free Trade Area (FTA) covering the whole of Africa is intended to combine the existing Free Trade Areas (FTAs) within the Regional Economic Communities (RECs), to attain maximum gains from trade and bolster AU's growth and development objectives. But several regional blocs, including the Tripartite Free Trade Areas (T-FTA), have all missed their deadlines set to achieve the objectives of the Abuja Treaty of 1991 in six stages. This means that the launch of the CFTA has become a parallel process with immediate effect since all FTAs and T-FTA are to collapse into the AfCFTA when trading commences. The question therefore is, why hasn't the AU waited until it can harmonize, that is, combine existing arrangements of trade and the movement of persons, under its “building blocs” concept for continental unity? In launching the AfCFTA by the AU, does such a “hasty act,” tantamount to the removal of layers of complexity in Africa's existing arrangements? The prevailing continental state system in Africa, according to *functionalists*, contributes to continental tensions and conflicts because it is institutionally inadequate. Accordingly, it cannot deal with the basic continental problems because it has arbitrarily divided continental society into national units based on *territory*, and not on the *problems* (or issues) to be solved. This is because any successful integration project requires autonomous and credible central institutions that can act as motors of acceleration. Employing theories of functionalism and neo-functionalism, this paper is of the view that the attempt to launch the AfCFTA by the AU is an act of rebooting the dormant Custom Unions across the respective RECs. The action by the AU is to arrest their failures, hence “*grabbing the bull by the horns*,” so as to empower and also embolden RECs to own the regional integration processes and to build resilience against global shocks.

## Keywords

Regional Integration, Functionalism, Continental Free Trade Area, Economic

## 1. Introduction

The expression “*grabbing the ‘bull by the ‘horns’*” depicts the wrestling of young steers (*young bulls*) by cowboys and cowgirls in a rodeo show. Originating from the American “wild-wild West” stretching from California through Nevada to Texas, it was, and still is a common, but a very dangerous practice, for cowboys and cowgirls to entertain audiences at rodeo shows as it was, and still is, part of the everyday working life of ranchers and cowhands throughout the West. To control a bull or a steer the cowhand would first have to catch it. Trying to grab the neck or legs of a dangerous creature like that is not an option. The only solution, the spectators will chant to the rodeo cowboy or girl is, “*to take a deep breath and face the problem directly by “grabbing the ‘bull by the ‘horns’ and then pull it to the ground”*”. This expression best describes the actions of the Assembly of African Heads of State and Government of the 54 African countries known as the African Union (AU), and the “guts” they mastered to propose the setting up of the AfCFTA in June 15, 2015 in Johannesburg, South Africa. This landmark event was scheduled for two years; 2017, but could not come on until July 7, 2019 when the Heads of State and Government finally agreed to operationalize AfCFTA at its 12<sup>th</sup> extraordinary session of the Assembly in Niamey, Niger. Despite the delay in operationalizing AfCFTA, due to the Coronavirus (COVID-19) Pandemic at the end of 2019 through the 2020; the African Heads of State and Government have finally “*taken down the bull*”. Still holding on to the “horns” of the “bull”, AfCFTA finally became operational on January 1, 2021, with the start of negotiations in goods and services within phase I of the articles of negotiations. The AfCFTA has its headquarters (Secretariat) in Ghana’s capital, Accra. African integration, as well as the AfCFTA is first and foremost a political-inspired project. Whenever they have taken big steps towards anything, it has been at the behest of individual “strong leaders,” who have spelt out their vision and convinced other (colleagues) Heads of State and Government of its merits. As with any other project in Africa, AfCFTA requires strong political foundations and drivers. The member states have a crucial role to play in this, but only a small number of countries have the clout, influence and credibility to help grab the “bull” by the “horns” for an eventful and dynamic internal market for Africans.

## 2. Background of AfCFTA

AfCFTA’s negotiations started in 2015 committing all 54 member counties of the African Union (AU), which automatically brings together a combined population of 1.3 billion people with a combined Gross Domestic Product (GDP) of more than US\$3.4 trillion (World Bank, 2020). As such, the agreement commits

all countries to remove tariffs on 90 percent of goods, with 10 percent of “sensitive items” remaining, but to be phased out at a future date yet to be determined. The agreement liberalizes services and tackles “non-tariff barriers,” which hamper trade between African countries such as the long delays at the ports and borders, investments and intellectual property. The AU and its member countries believe that the AfCFTA will accelerate continental integration and address the overlapping membership of the continent’s regional economic communities (RECs), whose performance over the years have limited (efficiency and effectiveness) the realization of the African Economic Community (AEC) objective. The AU is optimistic that the advent of the AfCFTA will curb, if not end, the existence of numerous bilateral trade agreements in Africa with the rest of the world, such as the Lome Conventions, the Africa Growth and Opportunity Act (AGOA), Yaoundé Rounds, and to curb divergent levels of economic and industrial development.

### 3. The Protocols

Being the largest trade area in the world (in terms of the number of countries), and the difficulty of getting consensus on such matters; the launch of AfCFTA was very swift and unanimously accomplished. In the events leading up to AfCFTA’s ratification, the Agreement text was first negotiated, then adopted, signed and ratified by the required number of participating member states on the continent before it entered into force. Interestingly, it was the fastest piece of Agreement with the largest number of signatories to effect its launch in the history of the AU. According to Article 22 of the Agreement, the said agreement was to be adopted by the Assembly of the African Union “after acquiring signatures and ratification or accession by the AU member states in accordance with their respective parliaments” (AfCFTA, 2019). Indeed, the AfCFTA’s agreement was enacted on March 30<sup>th</sup>, 2019, having received the 22 ratifications required in Article 23 of the Agreement to enter into force. As at the end of July 2019, the Agreement had been ratified by 27 AU member states. The next was the operational phase of the African “internal market,” which was also granted the green light at the 12<sup>th</sup> extraordinary session of the Assembly of the AU, held on July 7, 2019 in Niamey, Republic of Niger. So far, AfCFTA’s phase I negotiations has been on Trade in Goods and Services and on Dispute Settlement and commenced on January 1, 2021. The long delay has been occasioned by the Coronavirus (COVID-19) Pandemic, which has ravaged the global economy and equally (negatively) impacted the African continent, in terms of trade in goods and services. Phase II negotiations will be on the facilitation of intra-African Investments, Intellectual Property and Competition. Phase III negotiations, which will commence after Phase II, has a focus on e-commerce, although there is discussion at the AU to have this item brought under phase II. The AfCFTA is complemented by other continental initiatives, including the Protocol on Free Movement of Persons, Right to Residence and Right to Establishment, and the

Single African Air Transport Market (SAATM). Indeed, the scale and magnitude of Africa's CFTA and its potential impact on the continent, makes it vital to understand the main drivers of the agreement and the best methods to harness its opportunities and overcome its risk and challenges. To achieve this goal, this paper is divided into the following parts: the introduction; AfCFTA's background and its protocols; the trade facilitation within AfCFTA; the hallmark of AU and ECA in Africa's development; the transformation Act from OAU to the AU; the issues, risks and challenges; the analysis part of the paper and conclusion.

#### **4. AfCFTA Is about Trade Facilitation**

Regional economic integration schemes have been part and parcel of African countries' growth and development, to the point that it does no more inhibit national development objectives. Moreso, Africa's 54 countries have each instituted trade policies aimed at making trade contribute to wider national development goals. Trade facilitation (TF) is the physical movement of goods between countries, including neighboring counties involving transportation, warehousing, transit services, security and customs clearance. The ease of conducting trade transactions and thus ensuring efficient and effective delivery of goods from production to sale and consumption, as well as minimizing costs for businesses is what trade facilitation is all about. [United Nations Economic Commission for Europe \(2003\)](#) has defined TF as: 1) the agreement of sale between the buyer and seller; 2) the processing of the agreed commercial documentation; 3) compliance with health, safety and other regulations and standards; 4) the fulfilment of the required customs and other documents and procedures at the time of border crossing; 5) the efficient movement of the goods from the seller's to the buyer's premises; 6) compliance of the goods with the buyer's requirements; 7) payment for the goods; and 8) disposal of goods and end products ([UNECE, 2003](#)).

The AfCFTA targets boosting trade in more diversified and processed products within Africa, and to reduce the dependency of most countries in Africa on imported products. In specific terms, the main objective of the CFTA for Africa include: 1) creating a single continental market for goods and services, with free movement of business, persons and investments, and to pave the way for fast-tracking the establishment of the continental customs union, hence the African Customs' Union (ACU); 2) expand intra African trade through better harmonization and coordination of trade liberalization and facilitating regimes and instruments across RECs and across Africa in general; 3) and resolve the challenges of multiple and overlapping memberships as well as expedite the regional and continental integration processes. Furthermore, the CFTA agreement is expected to boost competitiveness at the industry and enterprise levels by exploring opportunities for scale production, continental market access and between reallocation of resources ([AUC/UNECA, 2012](#)). But over the years, progress have been slow, and in some instances, have failed to meet the timelines proposed. Indeed, the crucial assignment of boosting intra-African trade and forging an

inclusive, comprehensive and a modern continental trade arrangement has become important and too urgent to keep waiting. The launch of the AfCFTA was because African leaders could not wait until the six stages set for continental integration within the Abuja Treaty to be achieved. The case goes for SADC and ECOWAS, who have for some time now moved that idea to the backburner of their progressive march towards fully-fledged customs unions for continental integration (AU, 2017).

## 5. The Hallmarks of AU and ECA in Africa's Development

In the assessment of the initiatives taken by the OAU (1963), now the AU (2002), it is important first, to highlight how the OAU transformed itself into the African Union Commission (AUC) from the 1960s until the year 2002 (OAU, 2002). According to Art. 2, Chapter 2 of the African Economic Community (AEC), the authorized (legal) powers to integrate all 8 RECS in Africa is conferred on it by the Treaty of Lagos of 1980 and the Abuja Treaty of 1991, which took effect in 1994. To underscore regionalism on the African continent, regional economic integration has been a linear and progressive process, which can be attributed to numerous initiatives for integration in Africa before and after the formation of the Organization of African Unity in 1963. The pioneering effort in this direction was before the formation of the OAU; the then calls for a “united Africa” propaganda phrase via the ideology and philosophy of Pan Africanism; whose objectives was to rid Africa of slavery, racism and colonialism. The second initiative was indeed, to pursue amongst other objectives: 1) the promotion of unity and solidarity among African States, 2) to coordinate and induce cooperation and development; 3) to rid the continent of the vestiges of colonialism and Apartheid in Southern Africa; 4) to safeguard the sovereignty and territorial integrity of member states and 5) to promote international cooperation within the framework of the United Nations (UNECA, 2016). From 1960s to the 1980s, the OAU made strides in safeguarding the sovereignty and territorial integrity of member countries by ridding Africa of colonialism and later apartheid and provided for member countries, an effective communication for the adoption of common positions on matters of common interest to the continent, such as liberation struggles, the fight and success against apartheid, the OAU's positions on international issues, as most members on the continent were non-aligned to the then ideological divisions of the world into “East” and “West” (UNECA, 2017). The third initiative was in April, 1980 when the OAU made a giant leap in the adoption of the Lagos Plan of Action (LPA), which can be attributed to the initiation of the “building-blocs” concept of rationalizing the various regional integration schemes towards a common objectives on the continent (African Development Bank, OECD, & United Nations Development Programme, 2016). The fourth initiative was the establishment of the African Economic Community (AEC), commonly known as the Abuja Treaty in 1991, which reaffirmed the commitment of the African leaders to the achievement of a monetary union by the year

2000; the attainment of an African economic community in six stages, which could set the stage for the achievement of an African common market and to rationalize the various regional economic communities into “building blocs” for continental unity. The fifth initiative observably begun when the OAU attempted to find a solution to the numerous problems by pushing for the progress and machinations of the various economic integration schemes on the continent. The OAU started by initiating a collective action to combat international terrorism, protection of the environment; initiated programs to fight the HIV/AIDS pandemic, malaria and tuberculosis issues. Other initiatives that impacted regional economic transformation on the African continent included; the 1999 Algiers declaration on unconstitutional changes of government in the year 2000; the Lome Declaration on the framework for an OAU’s response to unconstitutional changes; The year 2000 Solemn declaration on the conference on security, stability, development and cooperation and establishing the fundamental principles for the promotions of democracy and good governance.

## **6. The Transformation Act—From OAU to the AU**

The transformation from the OAU to the AU came about when Libya’s former Head of State, Muammar al-Quaddafi, advocated the idea of deepening regional integration on the continent. In a solemn speech on September 9<sup>th</sup> of 1999, apart from calling for African Union, the former Libyan leader also drew a program of how the AU was charged to establish an African Bank—equivalent to the World Bank—an African Monetary Fund—also equivalent to the International Monetary Fund (IMF), so as to drive a more collective agenda for Africa’s development. From that declaration arose the Constitutive Act of the African Union at Lome, Togo; and adopted in Lusaka, Zambia in 2001, with a plan for the implementation of the “Union Act”. The African Union formally came alive at its first Summit of Heads of State and Government in Durban, South Africa, on July 9, 2002 with a clarion call on Africans (through the achievements of the OAU), to strive to consolidate the gains made by the OAU for continental unity through regional integration efforts by 2063. After the transformation of the OAU into the African Union Commission, the Summit of Heads of State and Government next assembled in Maputo, Mozambique in 2003 and held its third session in Addis Ababa, Ethiopia on July 6, 2004. From that enthusiasm and purpose exhibited by the Heads of State and Government, there was an implied neo-functional role-play using intergovernmentalism as the processes for regional economic integration enterprise in Africa. This is because neo-functionalists places major emphasis on the role of non-state actors and social interest as dynamic forces of the integration process. For the Heads of State and Government to place that responsibility in the conversion of the OAU to the AU to drive the integration process, meant that member states’ decisions had been institutionalized hence the fact that member states’ collective decisions were becoming as important as the AU Commission in making critical decisions affecting them.

While member states remain an integral part of the creation of CFTA in Africa, it has been the AU/ECA, who have driven the processes leading up to the launch of the AfCFTA at Kigali, Rwanda. From the “*modus operandi*” at Kigali, Rwanda, member states, constituting the African States have basically retarded the challenges, constraints, risks and prospects of regional integration and its future “spill-overs” to member states of “African elite” the Heads of State and Government. After all, Africa’s Regional Economic Communities (RECs), have not only been designated as the key “building blocs” for economic integration in Africa (AU, 2020); but constitute the “key actors”—working in collaboration with the African union (AU), in ensuring peace and stability in the respective regions of the continent. As the “building blocs” and implementing arms of the AU, the RECs have been central to various transformative programs of the continent, including the New partnership for Africa’s Development (NEPAD) adopted in 2001, and the AU’s Agenda 2063 adopted by its Summit in January 2015, and its First Ten-Year Implementation Plan adopted by the 25<sup>th</sup> Summit of the AU in June 2015 (UNCTAD, 2017). Beyond their roles in peace and security, RECs have had the immense challenges of working with nation-states, Non-governmental Organizations (NGOs), Civil Societies (CSOs), and the AU Commission (AUC) in raising the standards of living of the people of Africa and contributing towards the progress and development of the continent through economic growth and social development. The RECs has been highly essential and instrumental for the effective implementation, financing, monitoring and evaluation of Agenda 2063, and its flagship programs, in particular, at the regional levels. Dubbed Agenda 2063, AU’s 50-year structural transformation and development plan had always been to realize the Pan-African vision of “an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in global arena,” which provides a new beginning for enhanced engagement with the RECs (Hartzenberg, 2011). Bear in mind that integration is not only concerned with the institutional and structural aspects of the society, but also the integration of values, “loyalties”, and “expectations.” The question therefore is, in the light of disparities of economic conditions and political loyalties still prevailing in Africa, how has the AU maintained its role without infringing on the sovereignty of member states in furthering the subsequent creation of an institution like the AfCFTA? As a process, neo-functionalism is being achieved gradually, by the withering of the power of nation states, as functions of government directly pertinent to the welfare of Africans come more and more to be performed by the AU. In other words, Ray, who cites Mitrany (1975) believes the integration of independent states could best be achieved by first creating a central organization with authority over *technical* economic issues.

## 7. Analyzing AfCFTA and Regionalism in Africa

Regionalism and regionalization has been with us for a long time and theories of integration have mainly been developed to explain European economic integra-



tion but not those of Africa. Processes of regionalization, often led by non-state actors, may indeed increase the incentives for governments to collaborate, but one process does not automatically follow from the other. We have adopted over the years such theories to explain Africa's own, since the substance and achievements of regional economic integration are borrowed from the European experience. The emphasis placed on functionalism /neo-functionalism is the role and influence of IGOs as actors in the international system, and in shaping the foreign policies of nation-states. More so, it explicitly captures the process of integration in Africa, especially taking into account the functioning of the different institutions of Africa's Regional Economic Communities (RECs), the AU, UNECA, NEPAD and APRM and how these entities have shaped regional integration on the continent. Even though, functionalism and neo-functionalism are weak in accounting for salient political economic issues on regionalism in Africa they do serve as indicators of transition. Africa's integration processes are elite/leadership-driven, which raises questions on the formulation and design of regional policies, programs and projects. Europe was the scene of the world where regional integration started in the early 1950s, wherein, Ernest Haas theorized the experiences in the "*The Uniting of Europe* in 1958, with respect to the concept of "spill-overs" in regional economic integration. Taking a look at some concepts of integration applied in the studies of the European communities (EC), AfCFTA has arisen from the "spill-over" of the objectives and goals of the defunct Organization of African Unity (OAU), now the African Union (AU), in the sense that the AfCFTA has become the expansive logic of sector integration "where the proposed trade liberalization within the RECs, stipulated under the Abuja Treaty of 1991—would lead to the harmonization of general economic policies and eventually lead into political areas and evolve into some kind of political community" (Haas, 1961) in Africa. Over the years African governments have used regional integration as a means to maximize their national security and economic interests in the context of regional interdependence. Also, integration outcomes have resulted from intergovernmental bargaining and reflects regional preferences and power. Functionalism is one of the contemporary theories of IR that emerged from notions about the obsolescence of states or national governments as the primary actor in the international system or the "state," as a form of social organization (Lindberg, 1963). Indeed, the two competing theories of regional integration, neo-functionalism and intergovernmentalism, are theories used to describe the purpose for, and the creation of the European Union (EU) and its transformation over the years. Even though these theories have been criticized, amended over time and were even abandoned at some point, they still contain numerous and strong theoretical arguments in favor of the Africa Union's/Economic Commission for Africa's work in Africa and by extension the establishment of AfCFTA.

## 8. The Unstoppable and Inevitability of Neo-Functionalism

Neo-functionalism was developed during the 1950s as a "classic" among grand



theories and narratives of European integration. It is a theory of regional economic as well as political integration building on the work of [Ernest B. Haas \(1958\)](#) and [Leon Lindberg \(1963\)](#). The basis of neo-functionalism is the concept of “spill-overs”—a process which refers to an initial decision by a government of a country to place a certain sector under the authority of a central institution, which creates pressure to extend the authority of the institution into neighboring areas of policy ([Lindberg, 1963](#)). Neo-functionalists believe that cooperation in one field has a knock-on effect on the next field of cooperation which leads to another as in a modular construction of a house. Therefore, the making of further commitments towards a full-fledged political unification or integration is unstoppable or inevitable. The theory relies heavily on international system or institutions; NGO, CSOs (non-state actors). Many scholars of European and African integration have written and debated the outcomes of regional integration in different perspectives ([Ezeanyika, 2006](#); [Anichie, 2006](#)). The debates have questioned whether at the time of agreeing to a regional integration, such countries may have agreed that the integration will move from the onset until the attainment of a full-fledged political union (the supranational institution status) or by default. Despite their variations and associations, in which most of these can be used—this article, in a search of an optimum theoretical explanation of AfCFTA—will stay within the confines of functionalism, neo-functionalism and intergovernmentalism, by describing and analyzing regional integration and democratic reforms, taking into account the enormous security challenges still confronting the African continent.

## 9. The EU and the AU—Comparing Mangoes and Apples?

The example best used to describe the transformation of the European Union, begun from the 1950s and stem from the creation of the European Coal and Steel Community (ECSC), a Treaty of Paris, signed in 1951 and operational in 1952 among six European countries. The six countries: France, Germany, Italy, Luxemburg, Belgium and the Netherlands wanted an effort to prevent war between Germany, Italy and France, who notably, were at war amongst themselves at any instance. At the time, the absolute abrogation of national sovereignty was a difficult thing to imagine as nation states approached regional integration, directly focused on the functionalist approach as expressed in [Jean Monnet's \(1978\)](#) Schumann Plan. Over time, the creation of the European Coal and Steel Community (ECSC) spiraled into a Free trade Area, and into a Custom Union and a Common Market, until the attainment of the European Economic Community (EEC) in 1957. The “spoils”/fruits or what functionalists will call, “spill-over” from the Treaty, later culminated in the establishment of Common Assembly and the European Court; a Commission and a Council of Ministers for the new communities. In November 1993, the official name of the European Economic Community changed to the European Union (the EU) after the ratification of the Treaty documents at Maastricht by parliaments of member states. The EU has since expanded from the six members to twenty-five, and to a total

number of twenty-eight today. Except the recent walk away (December, 2020), from the Community of the United Kingdom – referred to as “Brexit”. On the other hand, intergovernmentalism followed in the 1960s and was propounded by Stanley Hoffman. The theory of the Logic of Diversity—sets limits to the degree which the “spill-over” process can limit the freedom of actions of the government. The logic of diversity implies that on vital issues, losses are not compensated by gains on other issues, as any increase in power at the supranational level, results from a direct decision by governments (Hoffmann, 1966). The belief was that the decisions taken by governments were driven by domestic political and economic issues of the time. The theory however rejects the “spill-over” effect that neo-functionalists proposes as well as the idea that supranational organizations have the same footing as national governments.

In the case of the creation of the AfCFTA, there are elements of functionalism and neo-functionalism exhibited by both the member countries and the AU. Functionalists believe it is the role of member states, acting through the Summits of Heads of State and Government (intergovernmentalism), to control the continental integration efforts. While neo-functionalism is inherently an extended version of functionalism, it seen to have resolved and embolden the trusted efforts of the AU and its affiliated organs into establishing the AfCFTA based on *functions* and *needs*. After all, in the correction of some of the inbuilt flaws of the concept of regional integration propagated by functionalists, Ernest B. Haas (1958) in *The Uniting of Europe*, sees regional integration as a “bottom-up” approach, which entails cooperation right from the bottom line, through time and trust, for member states to move from a preferential trade area to a political union. Referred to as “spill-over” within the progressions, it is an element of neo-functionalism, which brings about the increasing degree of cooperation and integration from one policy area to the next, which has the modular effect that creates pressure and the desire for integration from one policy area to other policy areas. Additionally, the spill-over concept stresses an essential means of increasing cooperation and trust between states requiring integration from one policy area to the next. These kinds of spill-over in cooperation and integration have occurred over time, and from the AU’s perspective, rolled up from the setup of the six stages of integration from the Abuja Treaty of 1991 to the African Economic Communities (AEC) for continental unity. Included in those initiatives are those of NEPAD, the Peer Review Mechanism; the BIAT as well as other programs for the full integration of African states into a futuristic “United States of Africa.” In the examination of the theories of integration applied here and the progression from the ESCS to the European Union; the realization of the AfCFTA is nothing like the EU. It is like comparing mangoes and apples – as the case of the AU, though resembles a theorize-path integration, fails to meet the standards of the EU in policy and more so than not, in timelines for the ratification of protocols and treaties. Conventionally, there are two kinds of spill-overs functional and political. With functional spill-over, the AU, by creating the CFTA is using a mechanism at the various RECs as the interconnections to the

AfCFTA project.

Whereas the AU applied the “political” spill-over in the creation of supranational governance models into the establishment of the AfCFTA, it was a select few, being the “elite leaders” of the AU—the “cowboys and cowgirls” who finally pulled down the steers—by *grabbing the bull by the “horns”*—the success of which, brought about the intended political cohesion. Ideally, neo-functionalism focuses on the immediate processes of integration among states—regional integration and the AU’s experience of establishment from the “bottom-up” over the years as the actions serve as the “guarantee” and “trust” towards future achievements like the AfCFTA. Even though the neo-functionalists adhere to the notion that the AU, ought to be administered through common economic social and security policies, and under a common single president, the AU will have to clarify how the said “spill-over” effects would link the economic integration to that of the political integration. That is, the kind of scholarly criticisms that were leveled against neo-functionalist after the Founding Fathers’ failure to make the EU a supranational authority, where member states were to surrender their sovereignty to the supranational organization, the EU (Lindberg, 1963). Nevertheless, this paper is of the view that, despite the failures of neo-functionalist to put a time limit on how long the spill-over would take, the AU and the African Summit of Heads of State and Government will not necessarily abort their plans (despite the dismal performances), for continental unity. The AU and the Summit, based on experience do not believe that political integration would come about by default, hence their gradualism approach at times, at regional integration summits that have been criticized by Aryeetey and Oduro (1996).

## 10. The Challenges, Risks and Prospects

A continental free trade area is an organizational arrangement intended to facilitate the free movement of goods and services among counties in a geographical setting. Put another way, Africa’s economic regionalism is undertaking a conscious effort by member countries, to manage constraints posed by the dynamic issues of globalization and the global trading system. The AfCFTA is at the instances of free trade areas, customs union, common markets and economic unions combined. Trade on the African continent has been characterized by high transaction costs, quantitative restrictions, customs duties and non-tariff barriers to trade, just to mention a few. Africa’s share of world trade, estimated at 3 percent, needs to double its efforts to integrate regional markets to ultimately boost global trade. For instance, there are global figures, indicating that intra-Asia trade is at 52 percent; intra-North American trade is at 50 percent, intra-Europe trade is at 70 percent and intra-Africa trade is currently between 16 percent and 18 percent (UNECA, 2016). But since the majority of trade in most African countries happen in an informal manner, Africa’s efforts must include the monitoring of informal trade sector in the calculation of trade, which could be closer to about 38 percent. Second, there are a number of colonial cross-border ar-

rangements that still pose as challenges to the AfCFTA and integration agenda. There are three such clear examples that relate to: one, the previous African Financial Community (CFA) zone, comprising the West African CFA franc and the Central African Financial community (CFA). According to the proposal currently under consideration the West African CFA franc will be ultimately integrated to the West African Economic and Monetary Union (WAEMU) in the territory of ECOWAS, while the Central African CFA Franc is set-to join the envisioned Economic and Monetary Union of Central Africa (CEMAC) in the ECCAS region. Similarly, in Southern Africa, the Southern African Customs Union (SACU) with its associated monetary union—the common Monetary Area is set to be integrated into the SADC zone. Thirdly, as is widely known, trade growth from AfCFTA will likely develop unevenly, depending on factors such as countries supply capacity, infrastructure, and competitiveness (Aryeetey, E. & Oduro, A., 1996). According to UNCTAD, benefits from trade liberalization would likely create unequal gains and losses depending on a country's development, resource and production capacity. For example, tariff liberalization between the neighboring countries of Nigeria and Niger will likely benefit Nigeria (Africa's largest economy) more than Niger, who frequently lock up their border with the excuse of ridding the area of smugglers of rice and other staples out of Nigeria (Ezeanyika, 2006). Therefore tariff liberalization alone can aggravate the economic imbalances among African countries and result in certain countries suffering from fiscal revenue loss and the destruction of local industries.

The AfCFTA can be termed a new way in Africa's regionalism, which stresses a broader approach to reducing administrative and transaction costs and overcoming market segmentation. In a continent where transportation and communication infrastructure for intra-African trade is less developed than those that connect Africa to the rest of the world, scaling up infrastructure investment to improve connections between and within African countries is a clear challenge. Efforts for the ratification of the necessary instruments of the AfCFTA is however, a positive sign that countries in Africa are still committed to improving the international trading system and promoting free trade. It demonstrates the ability of countries to agree on a single set of standards for engaging in trade on the continent. Finally, the AfCFTA Agreement provides a critical update to the rules that govern the transit of goods. International trade has evolved significantly since the WTO wrote its rule on customs, shipments, and technical barriers to trade. The CFTA effectively catches up to the new realities of trade where faster, cheaper, and more efficient shipping and processing is required. Since the international community knows the potential payoffs, the WTO is helping move the trade facilitation agenda forward. Indeed, the World Customs Organization is assisting WTO member countries in implementing the TFA by providing guidelines for governments that include key steps required for accession and compliance. It is also providing technical support and capacity building and sharing national best practices to help expedite implementation. Similarly, the Global

Alliance for Trade Facilitation is working to engage the private sector and promote business awareness and engagement on trade facilitation. The alliance has partnered with companies and local trade associations to discuss and implement reforms. The group also provides technical and financial assistance to support capacity-building efforts.

## 11. Conclusion

This article is about the launch of AfCFTA and to analyze some of the challenges of regional integration in general and those facing the continent. Rather than in the form proposed by the African Economic Community Treaty (also known as the Abuja Treaty) of June, 1991, the AfCFTA is yet, the most concrete African initiative by the African Union to arrest the fundamental causes of Africa's economic decline. From pre-independence to the Pan-African philosophy, to the Organization of African Unity (OAU) of 1963 and transformed to the African Union (AU) of 2002, the fundamental goal of building integration mechanisms has remained prevalent at the regional and sub-regional levels and driven by the AU. Over the years, these efforts have led to the establishment of integration initiatives for customs' union, economic community, common currency, central bank and one parliament, and to its most recent, the Free Trade Area on the continent. The provisions of the AEC stipulated six stages of progression, which will witness an African Common Market using the Regional Economic Communities (RECs) as the "building blocs". It was supposed to be in a gradual process, which would be achieved by coordination, harmonization and progressive integration of the activities of existing and future Regional Economic Communities (RECs) in Africa. But not much was achieved in the integration of the continent from 1994 through the year 2000 until 2012, when at the 18<sup>th</sup> Ordinary Session of the AU Assembly the Heads of State and Government eventually initiated plans in Addis Ababa, to Boost Intra-African Trade (BIAT), and by so doing, agreed to establish the AfCFTA by an end date of 2017. The current CFTA is driven by the AU's goal of enhancing structural transformation of the Africa's economies through diversification which would boost intra-African trade, provide a comprehensive framework to pursue a development regionalism strategy. Indeed, integration will be key to implementing the new global frameworks such as the Agenda 2063 and Agenda 2030. These two Agendas are the frameworks that will accelerate integration efforts, as well as the achievement of SDGs, as evidenced by the 12 continental flagship programs of which AfCFTA is a part.

## Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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