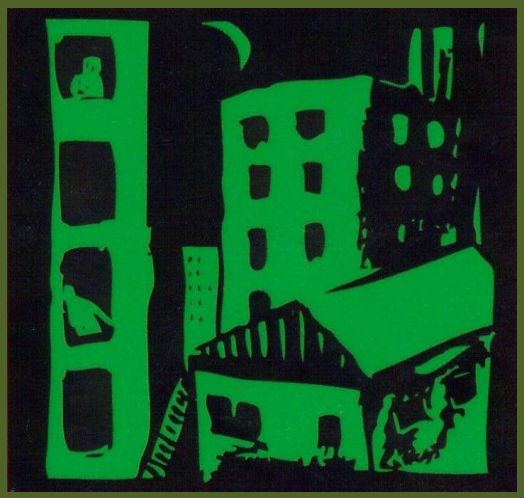
LAW
DEMOCRACY
& DEVELOPMENT



VOLUME 20 (2016)

DOI: http://dx.doi.org/10.4314/ldd.v20i1.5

ISSN: 2077-4907

Exploring the citizen inclusiveness and micro-economic empowerment aspects of regional integration in Africa

PALALLO MICHAEL LEHLOENYA

Senior Lecturer, University of South Africa

MAROPENG NORMAN MPYA

Developmental Lecturer, University of KwaZulu-Natal

1 INTRODUCTION

The history of regional integration in Africa dates back to the pre-independence period when the colonial powers established regional schemes with the primary intent to preserve their interests on the continent. Only in the post-colonial period did regionalism come to be seen as a strategy for development and economic emancipation.[1] Although the main idea

[1] Malipula M & Kitigwa M "Strengthening civil society organisations' participation in regional integration: an experiential search for East African Community adoption" (2014) at 1. Available at http://www.academia.edu/7291118/Strengthening_Civil_Society_Organisations_Participation_in_Regional_Integration_An_Experiential_Search_for_East_African_Community_Adoption (accessed 16 October 2014).

behind the latter concept of regional co-operation was the establishment of continental institutions with adequate economic and political influence to demand fair international economic relations,[2] these institutions have been beset by multiple challenges that have impaired their effectiveness.

Some of the challenges include poor public participation in regional integration initiatives and the failure to ensure transfer of benefits to the grassroots level. These go against the notion that "regional integration activities and programmes need a collective participation of governments, civil society, private sector, academia, and development partners at all levels".[3] At the same time, the existing bias against grassroots allocation of the benefits of regional integration raises questions about the adequacy of support given to small, medium and micro enterprises (SMMEs), which are seen as having the potential to engender inclusive community empowerment.

This article examines the reasons behind the low levels of public involvement in matters relating to regional integration across Africa. It also looks at the impact that regional integration is having on SMMEs. It then seeks to provide an analysis of what this means for the African continent. The article is organised as follows. The second section traces the evolution of regional integration in Africa and the challenges it has encountered in the post-colonial period. The focus in the third section shifts to specific instances of public exclusion from integration issues and the causes thereof. In the fourth section, SMMEs and the informal sector, which are seen as critical components in the effort to empower ordinary people and spur economic growth, are examined with a view to evaluating the manner and extent to which they have been affected by regional integration in Africa thus far. Some conclusions and recommendations for the way forward are contained in the last section.

2 EVOLUTION OF AFRICAN REGIONAL INTEGRATION

During the period between the All Africa Conference in Accra in 1959 and the founding summit of the Organisation of African Unity (OAU) in Addis Ababa in 1963, there were sharp differences among African States regarding the approach the continent should follow in pursuing unity and development post-independence.[4] These included, on the one hand, the view that the continent must integrate with immediate effect, while, on the other, another view was that unity must follow a step-by-step approach entailing initial strengthening of the newly independent African States, followed by the creation of sub-regional economic blocks.[5] As things turned out, the latter approach prevailed.

The first major initiative to map Africa's development plan and formulate an integrated market strategy for the continent was the Lagos Plan of Action (LPA) of 1980.

[2] See Malipula & Kitigwa (2014) at 1.

[3] United Nations Economic Commission for Africa "Study report on mainstreaming regional integration into national development strategies and plans" (2012) at 28. Available athttp://www.erisee.org/sites/default/files/paper-on-mainstreaming.pdf (accessed 9 August 2014).

[4] Bujra A "Africa Transition from the OAU to the AU" (2002) para 10. Available at http://dpmf.org/meetings/From-OAU-AU.html (accessed on 22 September 2014).

[5] See Bujra (2002) para 10.

The LPA strategy involves a set of principles deemed capable of setting Africa on a path to sustainable development and lifting it out of the crises it is facing.[6] These principles can be summarised as follows: self-reliance as the basis of development at national, sub-regional and regional levels; equity in the distribution of wealth at national level; expanded public sector; recognition of outside capital as an inevitable necessity that should be channelled to key areas in which African capital is lacking or inadequate; recognition of the importance and urgency of inter-African economic co-operation and integration; and striving for change in the international economic order so that it is favourable to Africa and other developing countries.[7]

Although the LPA goes into great detail in explaining and offering solutions to Africa's urgent need for a coherent social and economic order, including suggestions for maximum exploitation of the continent's resources and creation of an independent economy, the Plan has a basic flaw in that it fails to provide for clear monitoring and follow-up mechanisms to oversee its implementation.[8] As a result, African governments have never really bothered to implement the LPA, nor felt that they had a duty to do so.[9]

Another notable African integration initiative is the Treaty Establishing the African Economic Community (1991) (the Abuja Treaty), which came into operation in 1994. Along with its aim of establishing a functioning continental economic community by 2028, the Abuja Treaty lists among its objectives the integration of African economies so as to increase economic self-reliance, self-sustained development and co-ordinating policies among economic communities.[10] While the signatories to the Abuja Treaty have committed to creating favourable conditions for the African Economic Community to flourish,[11] as with the LPA, the legal framework also has some inherent weaknesses that have rendered progress in this regard particularly slow.

To begin with, despite adopting an economic integration approach that relies on the creation and success of regional economic communities (RECs),[12] the Abuja Treaty does not require the established RECs to be parties to the Treaty. This effectively exempts the RECs from having obligations towards the Abuja Treaty[13] and gives them a licence to counteract the Treaty's objectives. Another weakness of the Abuja Treaty relates to its failure to bar its Members from joining more than one REC. As Afadameh-Adeyemi has rightly pointed out,

> [W]hile it is recognised that some African states might have already been members of more than one [REC] before the Abuja Treaty came into force, the legal framework would

[6] See Bujra (2002) para 34.

[7] See Principles 1 to 354 of the Lagos Plan of Action for the Economic Development of Africa (1980 to 2000).

[8] See United Nations Economic and Social Council (1991) at 1.

[9] See United Nations Economic and Social Council (1991) at 1.

[10] Article 4 of the Abuja Treaty.

[11] See Art 5 of the Abuja Treaty.

[12] See Art 88 (1) of the Abuja Treaty.

[13] Afadameh-Adeyemi A "Economic Integration in Africa: re-examining the capacity of the African Union" (2014) at 4. Available at https://www.academia.edu/753906/ECONOMIC_INTEGRATION_IN_AFRICA_RE-EXAMINIMG_THE_CAPACITY_OF_THE_AFRICAN_UNION (accessed on 09 February 2016).

have been strengthened if the drafters of the Abuja Treaty or subsequent protocols expressly prohibited overlapping membership.[14]

There have been other significant sub-regional and regional integration initiatives in Africa over the years. These include the Economic Community of Central African States (UDEAC) (1964), the Economic Community of West African States (ECOWAS) (1975), Africa's Priority Programme for Economic Recovery (1986-1990), the African Alternative Framework to Structural Adjustment Programme (1991), the Southern African Development Community (SADC) (1992), CEMAC (1994), the Common Market for Eastern Africa and Southern Africa (COMESA) (1993), the Cairo Agenda (1994) and the New Partnership for Africa's Development (NEPAD) (2001).[15] Despite the elaborate plans and ambitious timeframes outlined by the architects of these initiatives, like the LPA and the Abuja Treaty, many of them have been dogged by numerous problems that have hampered their successful implementation. Thus, it is fair to say that the general history of regional integration in Africa has been one punctuated by episodes of inactivity and multiple reversals.

Amid all these challenges, it is critical to maintain a proper perspective regarding the significance of integration in Africa. Regional integration is especially pertinent in the African context because of the generally small and fragmented domestic markets that make it difficult for businesses and individuals to achieve the economies of scale needed to succeed globally.[16] To have a real impact, however, integration initiatives should promote growth and create opportunities in a manner that is as inclusive as possible.[17] In particular, they must address issues that are important to ordinary people, such as, unemployment, effective transfer of technology and reducing inequality.

In the end, how regional integration affects ordinary people and their welfare depends on a variety of contextual factors that include appropriate policies, among others.[18] If the right policies are adopted and implemented, they have the potential to "shape institutions and capacities in the direction of inclusive growth and human development".[19] The next section examines the extent to which the general public is involved in the regional integration process.

---

[14] See Afadameh-Adeyemi (2014) at 5.

[15] Food and Agricultural Organisation of the United Nations "Regional integration and food security in developing countries" (2003) Chapter 6. Available at http://www.fao.org/docrep/004/y4793e/ (accessed 10 August 2015).

[16] African Development Bank "African Development Report 2014 – regional integration for inclusive growth" (2014) at 2. Available at http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/ADR14_ENGLISH_web.pdf (accessed 13 July 2015).

[17] African Development Bank (2014) at 2.

[18] Other factors include geography and climatic conditions. UNDP "Regional integration and human development: a pathway for Africa" (2011) at 3. Available at http://www.undp.org/content/undp/en/home/librarypage/poverty-reduction/trade_content/regional_intergrationandhumandevelopmentapathwayforafrica/ (accessed 15 October 2014).

[19] See UNDP (2011) at 3.

3 CITIZEN INCLUSIVENESS OF INTEGRATION IN AFRICA

Although African countries have become much more aware of the importance of regional integration to the continent's economic growth and place in the world economy,[20] they still seem not to attach much importance to ensuring active involvement by the public and other non-State actors in the process. Indeed, many African governments have shown somewhat of a disdain for civil society organisations and have gone out of their way to suppress their participation in integration initiatives, mainly through the enactment of restrictive legislation.[21]

Concerns have also been raised in various fora about the continuing lack of formal linkages between national, regional and continental integration initiatives among civil society organisations and intergovernmental processes.[22] This has hindered the improvement of relations between citizens and their States, while also denying the citizens a platform to express their demands and concerns at the different levels. Commenting on this state of affairs, Malipula and Kitigwa have remarked that "the missing piece in the integration jigsaw has always been the role of civil society organisations (CSOs) which bridge the gap between the state and people at the grass roots in economic issues".[23]

Given Africa's goal of sustainable development at the economic, social and cultural levels[24] and the pivotal role that civil society can play in unlocking the full developmental potential of the integration process, it has been argued that regional integration efforts in Africa must be people centred.[25] Creating the democratic space for civic engagement and promoting human development considerations would, according to the United Nations Development Programme (UNDP), serve to strengthen Africa's integration agenda.[26] Young people and women in particular can help to ensure the sustainability of regional integration - young people because they represent the future; and women because they have a long-standing and embedded involvement in the informal sector and cross-border trade.[27] At the same time, the wealth of knowledge and experience possessed by women would complement the resources of governments and the private sector to achieve outcomes that are mutually beneficial.

In order for regional integration to be people centred, it is essential for civil society representatives to be part of both the design and implementation of the regional integration process.[28] Involving civil society in this way and engaging with it

[20] African Development Bank "Southern Africa regional integration strategy paper" (2011) at iii.

[21] Pan-African Parliament "Citizen engagement for African integration and transformation" (2009) at 4.

[22] See Pan African Parliament (2009) at 3.

[23] See Malipula & Kitigwa (2014) at 1.

[24] Art 3 (j) of the Constitutive Act of the African Union 2000.

[25] See High Level Panel of the Audit of the African Union "Audit of the African Union" (2007) Clauses 34 and 35. Available at www.pambazuka.org/actionalerts/images/uploads/AUDIT_REPORT.doc (accessed 28 July 2015).

[26] See UNDP (2011) at 3.

[27] Ross-Larson BC *Assessing regional integration in Africa II: rationalizing regional economic communities* (Addis Ababa: The Economic Commission for Africa and the African Union 2006) at 87.

[28] See Malipula & Kitigwa (2014) at 5.

meaningfully will help to bring issues that are important to ordinary people to the fore and ensure their inclusion in the regional integration agenda.[29] In recognition of this, in the Pan African Parliament (PAP), which is seen as key to realising the citizens' rights and to airing their wishes and concerns at the continental level, a recommendation was made for establishment of formal engagement mechanisms between civil society groups and the PAP.[30] Initiatives such as this will also serve to lend legitimacy to regional integration projects and help to dispel the suspicion that often surrounds them.[31]

Although the responsiveness and accountability of regional actors and institutions to the public and their concerns is increasingly recognised as conducive to effective regional governance,[32] public access to these actors and institutions remains a problem in Africa. This has been shown to be the case even in instances where platforms have been established for the specific purpose of facilitating public participation. For example, a study on the SADC revealed that, despite a majority of nationally based civil society groups being aware that there might be platforms set up to facilitate their involvement in SADC processes, they lacked sufficient knowledge about the platforms and how to access them.[33] One of the reasons given for this lack of knowledge is poor consultation with civil society groups by State and regional actors.[34]

3.1 Evaluating the extent of citizens' exclusion

There is abounding evidence that most African governments and regional structures tend to disregard the role of civil society in regional integration. This is explained by the perception that most governments have that civil society groups are little more than political agents bent on wrestling power from them.[35] This perception is rooted in the adversarial relationship that exists between the two sides which emanates from, among other things, the strict registration requirements imposed on civil society groups, sharp differences regarding political and human rights issues, and the funding of many civil society groups from external sources.[36]

In the East African Community (EAC),[37] for instance, the 1999 EAC Treaty has been criticised for failing to establish clear mechanisms for allowing citizens to

[29] Lwaitama AF, Kasombo J & Mkumbo K "A synthesis research report on the participation of citizens in the East African Community integration process" (2013) at 37-39. Available at http://library.fes.de/pdf-files/bueros/tanzania/10173.pdf (accessed 18 September 2014).

[30] See Pan African Parliament (2009) at 3.

[31] See Lwaitama, Kasombo & Mkumbo (2013) at 31.

[32] See Nzwe O & Zakwe L "Democratising regional integration in Southern Africa: SADC national committees as platforms for participatory policy-making" (2009) at 25. Available at http://cps.org.za/cps%20pdf/RR122.pdf (accessed 10 September 2014).

[33] Nzwe & Zakwe (2009) at 25.

[34] Nzwe & Zakwe (2009) at 25.

[35] Moyo B "Opportunities and challenges for citizens' participation in Africa's development" (2009) at 12. Available at http://unpan1.un.org/intradoc/groups/public/documents/un-dpadm/unpan039233.pdf (accessed 13 August 2014).

[36] See Moyo (2009) at 13.

[37] The EAC is a regional intergovernmental organisation comprising Burundi, Kenya, Rwanda, Uganda and Tanzania.

participate in the regional integration process.[38] This omission persists despite Article 7 (1) (a) of the Treaty committing the EAC to pursuing its objectives through "people-centred and market-oriented co-operation". Although a number of competent civil society organisations have emerged in the region over the years, so far no institutional framework has been created to engage with them.[39] As a result, the integration process is still dominated by the political elite and bureaucrats.

Efforts to press for a people centred regional integration agenda in East Africa have also been frustrated by lack of commitment on the part of some of those involved.[40] Lamenting this lack of commitment and co-operation, Reiss has observed that "…NGOs, CSOs and other Civil Society Actors do not work towards a common agenda to push forward issues of political relevance for them".[41] She has suggested that a concerted effort by everyone involved is necessary at both national and regional levels. Furthermore, she has made the point that it is easier for economic interests to find a place on the regional integration agenda than it is for human development concerns because civil society groups, which often represent the latter, generally lack the money and resources to lobby governments.[42]

With respect to the ECOWAS, its original constitutive document, the ECOWAS Treaty of 1975, made no provision for meaningful public participation in the organisation's processes. It was only with the 1993 revision of the Treaty that some changes were introduced. In Article 4 (h) of the Revised Treaty of ECOWAS 1993, the Members pledge to adhere to the principle of "accountability, economic and social justice and popular participation in development". This was followed up by a decision granting civil society groups improved access to the regional body.[43] Although national civil society groups continued to be excluded from the decision making processes, regional civil society groups could apply for accreditation to observe public meetings, make presentations and circulate documents.[44]

These changes notwithstanding, individual ECOWAS member countries continue to leave very little scope for citizen participation in formulating the organisation's policy.[45] This role is instead left mostly to the governments and a few of their loyalists. As in the case of the EAC, the explanation given for excluding inputs from civil society groups is that such groups are often agents of foreign business interests and, therefore,

[38] See Lwaitama, Kasombo & Mkumbo (2013) at 31.

[39] See Lwaitama, Kasombo & Mkumbo (2013) at 31.

[40] Reiss M "Political integration in the East African Community: vision or reality?" (2011). Available at www.fes-tanzania.org/publications/working-papers.html (accessed 07 August 2015).

[41] Reiss (2011).

[42] Reiss (2011).

[43] Decision A/DEC.9/8/94 establishing regulations for the grant to non-governmental organisations (NGOs) of the status of observer within the institutions of the community (1994).

[44] Decision A/DEC.9/8/94 establishing regulations for the grant to non-governmental organisations (NGOs) of the status of observer within the institutions of the community (1994).

[45] Kufor KO *The institutional transformation of the Economic Community of West African States* Hampshire: Ashgate Publishing Limited (2006) at 78.

a potential threat to national security and welfare.[46] Thus, decisions taken at the ECOWAS level seldom include inputs from the people at country level.

In the SADC, Article 9 of the amended SADC Treaty of 2001 established the SADC National Committees for each of the member countries. The primary responsibilities of these organs are stated as being: to provide input at the national level in the formulation of SADC policies, strategies and programmes of action; to co-ordinate and oversee, at the national level, implementation of SADC programmes of action; to initiate projects and issue papers as inputs to the preparation of the Regional Indicative Strategic Development Plan (RISDP), in accordance with the priority areas set out in the SADC Common Agenda; and to create a national steering committee, sub-committees and technical committees.[47]

Looking at the contents of Article 9, it is safe to say that the SADC National Committees were intended to channel grassroots issues to the regional level or, as Nzewi and Zakwe put it, they are "vehicles for bottom-up policy-making within SADC".[48] This notwithstanding, the SADC National Committees have been found to be mostly dysfunctional and constrained by a shortage of technical capacity and resources.[49] Their ability to execute their mandate has consequently been compromised to a large extent.

For its part, the African Union (AU) in its Constitutive Act acknowledges the important role that civil society organisations can play to bring its goals to fruition.[50] This acknowledgement has been given expression through the creation of the Economic Social and Cultural Council (ECOSOCC),[51] which is an advisory organ comprising different social and professional groups from AU member states.[52] According to the AU website, the ECOSOCC represents an opportunity for civil society in Africa to play an active part in shaping the future of the continent through formation of partnerships with African governments and by contributing to the principles, policies and programmes of the institution.[53]

In the early years of the ECOSOCC, there were concerns about its independence.[54] These stemmed from, among other things, the lack of openness regarding the election of personnel to its interim structures, the fact that a sitting government representative was elected as its president, as well as the ECOSOCC's

[46] See Kufor (2006) at 78.

[47] Art 16A (4) of the Southern African Development Treaty of 2001.

[48] See Nzewi & Zakwe (2009) at 9.

[49] See Nzewi & Zakwe (2009) at 9.

[50] Art 4 (a) of the African Union Constitutive Act 2000.

[51] See Arts 5 and 22 of the African Union Constitutive Act 2000.

[52] See Malipula & Kitigwa (2014) at 11.

[53] See African Union "ECOSOCC mandate". Available at http://pages.au.int/ECOSOCC/mandate (accessed 10 July 2015).

[54] Kane I & Mbelle N "Towards a people-driven African Union: current obstacles & new opportunities" (2007) *African Network on Debt and Development, the Open Society Institute Africa Governance Monitoring and Advocacy Project, and Oxfam GB* at 33.

dependence on the African Citizens' Directorate (CIDO) for support despite the latter being an organ of the AU.[55]

In more recent times, the ECOSOCC has been credited with unifying African civil society organisations and in the process helping to make their efforts more effective.[56] It is also implementing practical measures to address initial concerns that its outcomes are not sufficiently representative and that ordinary people are not familiar with its vision and agenda.[57] This was seen in the recent "sensitization and motivation" campaign held in various AU Member States aimed at encouraging civil society groups to participate in ECOSOCC activities.[58] However, the view persists in some quarters that the ECOSOCC can still do more to bring on board a broader range of civil society organisations.[59]

It is worth mentioning; however, that many of the civil society organisations in Africa themselves lack the necessary capacities and strategies to participate meaningfully in the integration process. They continue to focus most of their energies on tackling domestic issues in their individual countries, while neglecting to establish essential cross-border partnerships and to undertake the research needed to address broader regional issues.[60]

3.2 Lack of interest in promoting citizen participation

In view of the discussion above, there is a clear need to establish effective mechanisms through which ordinary citizens and other non-State actors can participate in shaping the direction and pace of regional integration in Africa. However, as mentioned earlier, many governments on the continent may not necessarily favour such a move. In the words of Clark, "in Africa, experience suggests that most governments are determined to maintain their status quo by especially controlling [civil society organisations] through legislation".[61]

Examination of a number of regional integration arrangements in Africa seems to confirm a lack of political will on the part of governments to promote public

[55] The CIDO is located in the office of the chairperson of the AU and at the same time provides the secretariat services for the ECOSOCC. For example, it has hosted meetings aimed at identifying ways in which civil society organisations can support the work of the ECOSOCC. See Institute for Security Studies "Profile: Economic, Social and Cultural Council of the African Union". Available at https://www.issafrica.org/profile-economic-social-and-cultural-council-of-the-african-union-ecosocc. (accessed 10 July 2015).

[56] See European Centre for Development Policy Management "Building the African Union: an assessment of past progress and future progress and future prospects for the African Union architecture" (2010) at 20. Available at http://ecdpm.org/wp-content/uploads/2013/10/PMR-18-African-Union-Past-Progress-Future-Prospects.pdf (accessed 10 July 2015).

[57] See Kane & Mbelle (2007) at 20.

[58] African Union "Sensitization and motivation campaign to encourage African civil society organizations to participate in the election for the 2nd General Assembly of the Economic, Social and Cultural Council (ECOSOCC) of the African Union" (2014). Available at http://pages.au.int/ecosocc/events/sensitization-and-motivation-campaign-encourage-african-civil-society-organizations (accessed 6 October 2014).

[59] European Centre for Development Policy Management (2010) at 20.

[60] See Lwaitama, Kasombo & Mkumbo (2013) at 31.

[61] Quoted in Madipula & Kitigwa (2014) at 2.

participation in regional integration. In East Africa, the initial proposal to create a liaison office linking civil society organisations and the EAC was rejected and instead civil society organisations were only granted observer status.[62] Only in 2010, ten years after the original proposal was made, was a desk officer appointed to liaise between civil society organisations and the regional body. Even then, the limited resources made available meant that vigorous and effective engagement between the desk officer, civil society and the various governments would not be possible.[63]

Even in the SADC, where the mechanisms for channelling civil society inputs into the mainstream have been created, such mechanisms are, as shown in the preceding sub-section, mostly rendered ineffective by serious technical capacity challenges, inadequate resources, and lack of full commitment to engage civil society on the part of governments.[64]

A good starting point in fostering a people centred approach to regional integration would be to educate the citizens of various African countries on their rights deriving from different regional agreements and on the benefits of integration. Armed with such knowledge, citizens would be more inclined to demand enforcement of their rights and to provide the much-needed support for the integration initiative. Just as important is to solicit information from citizens concerning their expectations in regard to regional integration and how it is affecting their lives. This would further help to demystify the integration process and persuade citizens to embrace it. To this end, it will also be critical to put appropriate mechanisms in place to enable the people to express their views and concerns.

Suggestions have been made for direct citizen representation and popular participation in regional matters through consultations between regional bodies, governments, national parliaments, the private sector and civil society groups.[65] This inclusive approach to decision making would go a long way towards ensuring that ordinary people have a say in regional integration and that the benefits of regional integration are spread more evenly and equitably among the various stakeholders. To succeed, however, this approach would also need to be accompanied by a genuine commitment from all concerned to the removal of the existing obstacles to the implementation of agreed decisions and to the establishment of a mechanism capable of ensuring fair distribution of the benefits of regional integration.[66]

Failure to address the highlighted problems within the current regional integration set-up in Africa will only see them get worse as the continent moves to

---

[62] Malipula & Kitigwa (2014) at 9.

[63] See Madipula & Kitigwa (2014) at 10.

[64] See Nzewi & Zakwe (2009) at 10 and 34.

[65] Southern Africa Trust and Flemish Government "Regional Integration: challenges of regional integration for poverty" (2011) at para 5. Available at www.b4dpathfinder.org/news_media.php#downloads (accessed 6 August 2015).

[66] The absence of such a mechanism in the SADC despite the organisation's undertaking to seek closer co-operation and integration on the basis of "equity, balance and mutual benefit" in Article 4 of the SADC Treaty exemplifies a recurring mismatch between the aspirations expressed in many African regional treaties and the reality on the ground.

implement the next wave of its integration initiatives. The recent launch of the Tripartite Free Trade Area (TFTA)[67] in June 2015[68] and the anticipated implementation of the Continental Free Trade Area (CFTA)[69] by 2017 will surely present far more complex and tougher challenges than their older counterparts. This is so primarily because of the enormous size of these new regional structures and the fact that the entities from which they are to be constructed have not always seen eye-to-eye on numerous issues.

4 MICRO-ECONOMIC EMPOWERMENT

4.1 The important role of SMMEs and their need for support

Aside from advocating public participation in regional integration processes as a way of ensuring inclusiveness of the initiative, another complementary method of pursuing the same goal would be to empower ordinary people so that they are able to take advantage of the benefits of integration. Because SMMEs and informal businesses, rather than large firms, can help to create low-skilled jobs capable of employing more people due to their labour intensive nature,[70] they are best suited to assume this role. With the relevant support, SMMEs and informal businesses would ensure that more people at the grassroots level gain access to the opportunities that arise from more open regional markets.

Long seen as engines for economic growth in developing countries, SMMEs have received the backing of the World Bank and other international aid agencies through targetted assistance with the stated aim of speeding up growth and poverty reduction.[71] Those leading the integration drive in Africa should be persuaded to follow suit as such a move would give ordinary people an improved chance of benefitting meaningfully from the opportunities created by regional integration. In this way, ordinary people would not only be able to participate in the processes that are shaping the regional integration initiative, but would also be empowered to enjoy the outcomes thereof.

The need to give special attention to SMMEs as the process of integration in Africa unfolds has been highlighted by a number of commentators. Sikuka, for instance, has remarked that "[t]he push towards regional integration in eastern and southern Africa depends on...ensuring that small and medium enterprises (SMEs) are fully

[67] The TFTA is a proposed free trade area comprising the COMESA, the SADC and the EAC.

[68] See Trade Law Centre (TRALAC) "SADC-EAC-COMESA Tripartite Free Trade Area: legal texts and policy ocuments" (2015) para 1. Available at https://www.tralac.org/resources/by-region/comesa-eac-sadc-trapartite-fta.html (accessed 8 August 2015).

[69] The CFTA is set to build on the TFTA negotiations to establish one huge continental market for goods and services. See Soininen I "The Continental Free Trade Area: what's going on" (2014) *International Centre for Trade and Sustainable Development* para 3. Available at http://www.ictsd.org/bridges-news/bridges-africa/news/the-continental-free-trade-area-whats-going-on (accessed 8 August 2015).

[70] Beck T, Demirgio-Kunt A & Levine R "SMEs, growth, and poverty" *National Bureau of Economic Research* (2005) at 1. Available at http://www.nber.org/papers/w11224 (accessed 6 September 2014).

[71] Beck , Demirgio-Kunt & Levine (2005) at 1.

equipped to contribute towards socio-economic development".[72] According to Sikuka, SMMEs constitute an essential conduit through which development can be stimulated since they provide jobs to the majority of the population, especially young people and women.[73] Kelosiwang has expressed a similar view, arguing that sustainable regional integration is not possible unless there is full participation by SMMEs in the process of wealth creation.[74]

4.2 The continent's position on SMMEs

On the continental front, the NEPAD initially adopted a strategy aimed at encouraging a change of mindset among African governments and big businesses involving provision of support for SMMEs with the object of facilitating their transition from the informal sector to the formal sector.[75] This was intended to spread the benefits of economic growth more evenly across society. While the NEPAD's programme of action was seen as holistic and comprehensive, it was criticised for its top-down approach and for failing to give the African people an opportunity to give their inputs.[76] However, with the introduction of the revised AU/NEPAD African Action Plan 2010-2015, an effort has been made to render the Plan more accessible and responsive to the needs of all stakeholders.[77] In particular, it has been designed to promote better communication between the NEPAD and those it serves.[78]

As regards the AU, although it does not seem to have a clear policy on SMME empowerment, at a recent conference of AU Ministers of Industry, recommendations were made to African governments to take specific measures to provide more support for SMMEs. These include: putting SMMEs at the centre of all policies aimed at developing the private sector; putting in place policy instruments and measures to facilitate registration, operation and access to finance by SMMEs; and exploring various ways of assisting SMMEs in the informal and formal sectors.[79] It remains to be seen whether these recommendations will eventually become part of government policy in AU member countries.

---

[72] Sikuka K "SMEs: key players in regional integration" *Southern Times* (2014) at para 1. .Available at http://www.southerntimesafrica.com/articles/9456/SMEs--Key-players-in-regional-integration/ (accessed 6 September 2014). See also Bachmann V & Sidaway JD "African regional integration and European involvement: external agents in the East African Community" (2010) (1) 92 *South African Geographical Journal* 1 at20.

[73] See Sikuka (2014) at para 2.

[74] Kelosiwang M "The New imperative for SMME development in the SADC region: cooperation and collaboration of SMME development institutions" (2011). Available at www.africagrowth.com/2011_SMME_presentations/Mpho.ppt (accessed 11 August 2014).

[75] Mears R & Theron DJ "The development and management of SMMEs by NEPAD" (2006) (6) 1 *Acta Commercii* 20 at 22.

[76] See Mears & Theron (2006) at 21 and 23.

[77] African Development Bank "Review of the AU/NEPAD African Action Plan: strategic overview and revised plan, 2010 – 2015" (2009) at (i). Available at www.nepad.org/system/files/AAP%20Rev%20-%Final%20Report.pdf (accessed 13 July 2015).

[78] See African Development Bank (2009) at (ii).

[79] AU Conference of Ministers of Industry "Accelerating industrialization for Africa within the post-2015 development agenda meeting of ministers" (2013) at 3 - 4. Available at http://ti.au.int/en/sites/default/files/TI12655%20_E%20Original.pdf (accessed 6 October 2014).

4.3 The challenges facing SMMEs

The reality on the ground is that SMMEs in Africa are confronted by multiple challenges that prevent them from functioning optimally and which limit their prospects of success. At the national level, most governments lack an integrated policy to develop and support SMMEs.[80] A majority of the SMMEs also lack the funding needed to start or grow their businesses and are generally considered high risk borrowers, which has led to most financial institutions being reluctant to grant them loans.[81] There is a further problem of duplication of efforts and waste of resources resulting from poor co-ordination of support by various government departments.[82]

The SMMEs in Africa have also faced an influx of SMMEs from Asian countries, like China, in recent years. Although some of the companies from Asia operating in areas such as the natural resources sector have benefitted the continent through their investments, many others happen to be SMMEs operating in direct competition with local SMMEs. The Asian SMMEs are often willing to do business in places where other foreign businesses usually do not consider it worthwhile or profitable to go. Because they tend to import their own workforce, the Asian SMMEs hardly contribute to job creation.[83] Furthermore, they tend to repatriate their profits back to Asia instead of reinvesting them in the host country.[84] In effect, what the Asian SMMEs are doing is to drive the local ones out of business and then take all the profits they generate out of the country.

Having looked at the situation of SMMEs in Africa and the difficulties they encounter, the challenge is to translate some of the suggestions made on how to bolster them into pragmatic solutions. Such solutions must be focussed on ensuring that SMMEs have the desired developmental impact and improve the living conditions of ordinary people. They must also ensure that individual success at the level of the firm, contributes towards the competitiveness of the national economies.

---

[80] Exceptions are Mauritius, South Africa, Egypt, Malawi, Namibia and Kenya. See Mambara "Assessment of benefits of regional integration in SADC and COMESA: a gender analysis" (2007). Available at www.tradescentre.org.zw/index.php?option=com_docman&task=doc_download&gid=19&Itemid= (accessed 6 September 2014).

[81] See Mambara (2007).

[82] See Mambara (2007). See also Dupasquier C, Meloni M and Young S "UNCTAD's investment policy reviews: key policy lessons" (2012) 21 *Transnational Corporations* 45-60.

[83] Consultancy Africa Intelligence "SMEs in Africa: challenges and the role of government for the future" (2011) at para 7. Available at http://www.consultancyafrica.com/index.php?option=com_content&view=article&id=906:smes-in-africa-challenges-and-the-role-of-government-for-the-future&catid=58:asia-dimension-discussion-papers&Itemid=264 (accessed 11 August 2014).

[84] Consultancy Africa Intelligence (2011) at para 7. See also Hazlewood A "The end of the East African Community: what are the lessons for regional integration schemes" (1979) 18 *Journal of Common Market Studies* 40.

5 CONCLUSIONS AND RECOMMENDATIONS

The key argument made in the preceding sections is that much more needs to be done to provide for a broader and more sustained participation by civil society in regional integration in Africa if the initiative is to succeed and have a meaningful impact. A further argument is made that, in as much as SMMEs have the potential to be a major source of economic growth and to facilitate socio-economic emancipation of ordinary people in Africa, the provision of policy guidance and resource support is essential for their success.

Several proposals are advanced in this section as to how some of the desired improvements may be achieved. First, it is critical for African leaders to move beyond merely voicing their support for regional integration and to commit to becoming the agents of the changes for which Africa longs. To this end, they must put measures in place to ensure that regional institutions become more than mere talk shops and empower them to be able to implement their mandate successfully. At present, many of the African regional institutions lack the necessary power to implement their decisions and objectives.[85] As a result, their ability to support people centred regional integration and development is severely limited. Past experiences have taught that, for Africa to avoid its earlier mistakes, African leaders must make citizens the focus of regional integration initiatives instead of leaving the process to market forces.[86]

Secondly, Africa must develop a practical institutional framework that can support effective public participation in regional integration policy making. This should provide details of the channels open to members of the public to give their inputs, state the criteria to be used to determine who is eligible to participate, and make it easily accessible.

Thirdly, African governments must devise ways of integrating civil society organisations and the work that they do into the broader regional integration agenda. The governments must take responsibility for disseminating information relating to regional integration to national and regional civil society groups and at the same time be receptive to inputs from these groups.

Fourthly, there is also a need to rectify the current situation where corporations have a disproportionate influence over the debates on development in Africa merely because they have access to more resources. This is problematic because it has led to business interests, rather than people oriented processes, being the focus of Africa's integration agenda.[87]

Fifthly, although there is no denying that the provision of foreign assistance and funding to civil society organisations has a role to play in helping to make their advocacy work more effective, such assistance should be accepted sparingly and be

[85] See Pan African Parliament (2009) at 10. See also Khadiagala GM "Institution building for African regionalism" (2011) at 24. Available at http://www.wto.org/english/res-e/reser-e/ersd201114-e.pdf (accessed 8 September 2014).

[86] See Lwaitama, Kasombo & Mkumbo (2013) at 46.

[87] Pan African Parliament (2009) at 10.

limited to where African alternatives are not available. This will help to dispel the perception that civil society organisations are accountable to foreign commercial interests and are used by them to manipulate Africa's development agenda.

Lastly, with regard to the threat posed by foreign SMMEs to local ones, the rest of Africa must follow the example already set by some countries on the continent that have taken steps to protect their SMMEs. In Nigeria, for instance, the government is said to have enacted legislation restricting imports of fully manufactured products from China, thereby compelling Chinese companies to set up their factories locally. In the process, this has helped to create jobs.[88]

The long walk to economic emancipation for Africa is complex and difficult. However, exploring the citizen inclusiveness and micro-economic empowerment aspects of regional integration in Africa will yield progressive economic growth that speaks to most of the inhabitants of Africa. This system will ensure economic benefits for the peoples of Africa and eradicate poverty and many of the ills that come with it.

[88] See Consultancy Africa Intelligence "SMEs in Africa: challenges and the role of government for the future" (2011). Available at http://www.consultancyafrica.com/index.php?option=com_content&view=article&id=906:smes-in-africa-challenges-and-the-role-of-government-for-the-future&catid=58:asia-dimension-discussion-papers&Itemid=264 (accessed 11 August 2014).