INFORMAL CROSS-BORDER NETWORKS – THE BUILDING BLOCKS TO REGIONAL INTEGRATION IN AFRICA

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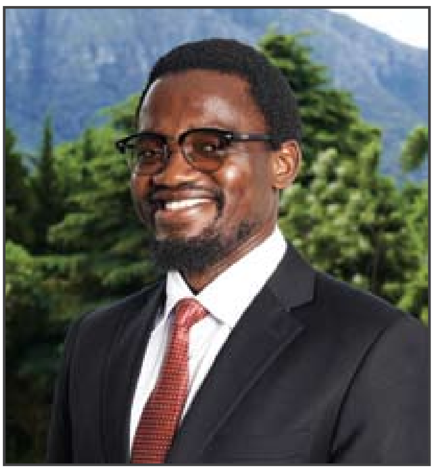

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The writer makes a strong case for informal cross-border networks to foster regional economic integration, through non-state actors that include community-based organisations, women's groups, farmers' cooperatives, informal groups and informal private sector associations.

He points to the success of the regional economic integration created between Indonesia, Malaysia and Singapore and argues this model should be adopted in Africa.

Where state-led regional integration has proven futile, is non-state led regional cooperation the solution to regional integration in Africa? The African Union's (AU's) Agenda 2063, "The Africa We Want," echoes the Pan-African call for African unity as a key element in the realisation of the African Renaissance. In Agenda 2063, Africans rededicate themselves to the enduring Pan African vision of "an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena".

While Agenda 2063 recognises the critical role of Regional Economic Communities as building blocks for continental integration, initiatives for cooperation and integration at the regional level have largely been state-driven for political, economic and security reasons, resulting in the creation of intergovernmental institutions and organisations. While acknowledging the role of the state in foreign affairs, the essay argues that non-state led informal cross-border networks are significant players in the creation of "a citizen driven" integrated and prosperous Africa.

Informal networks of non-state actors such as informal traders connect communities that share common backgrounds, history and culture. Constant face-to-face interactions between these actors define relations in the networks and generate trust among them. The emerging trust creates stability and efficiency that constitutes self-reinforcing expectations (Sako and Helper, 1996). Where the networks traverse state boundaries they integrate the regional informal economies of the communities of the actors involved, increasing the potential for regional integration (Nshimbi, 2015, pp. 537-560).

They create the need for regional institution-building as national governments (on each side of the border) develop institutions that promote and facilitate continuous interaction between the networks.

For example, informal traders have strong cross-border links which operate and succeed where politician's efforts are hindered by a lack of political will. Governments should promote and encourage development of non-state led cross-border links between grassroots and informal networks as a bottom-up approach to regional integration rather than the conventional state-led top-down approach. The essay considers the example of the success of cross-border interactions between non-state actors in the Indonesia-Malaysia-Singapore growth triangle in Southeast Asia, and its application in the Zambia-Malawi-Mozambique growth triangle in Southern Africa.

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REGIONAL COOPERATION, REGIONAL INTEGRATION AND THE MOVE TOWARDS REGIONALISM

There is a contention amongst integration theorists on the extent to which states are the masters of a process in which people cooperate across national and regional borders. The literature on regionalism distinguishes between regional cooperation and regional integration. State-led regional cooperation involves the exercise of political authority by the state in intergovernmental institutions to collectively solve problems related to economic, political or security issues. By contrast, regional integration entails the creation of supranational or regional institutions and the delegation of political authority to such institutions to make collectively binding decisions that may, for example, dismantle national barriers to market access or peacefully settle regional conflicts (Börzel, forthcoming). Regionalism is driven by material gains such as "reduced transaction costs, policy externalities, economies of scale, technological innovation and greater economic and political weight in international markets and institutions" (Börzel, forthcoming).

Regionalism surged as the Cold War ended in 1991, along with the geopolitical conflicts that characterised it (Börzel, forthcoming). Dominant theories of regional cooperation and integration depict states as the main drivers of regionalism. State-led theories emphasise member states and governments as the principal agents in regional integration, driving policy-making to protect geopolitical interests and economic concerns of their constituencies. They emphasise the building of formal regional institutions through cooperation between states. For example, regional trade and investment patterns lead to the design of formal regional institutions that foster market access liberalisation and create security communities.

In Africa, state-led regional integration is often treated with suspicion, particularly amongst political leaders. Examples include the East African Community where both Uganda and Tanzania treat Kenya with suspicion or Southern Africa where distrust exists over South Africa's regional hegemony. However, while African states remain reluctant to delegate political authority to regional organisations, they have formalised decision-making procedures and set up regional institutions such as custom unions, free trade areas and dispute settlement mechanisms.

Contemporary theories such as New Regionalism and non-Western theories of regionalism highlight the role of non-state actors (Akokpari, 2005) and informal institutions in building regional entities. The concept of governance accords legitimacy to non-state actors as drivers of regional integration (Börzel, forthcoming). Defined as "institutionalized modes of coordination through which collectively binding decisions are adopted and implemented," (Scharf, 1996, pp 15-39) formally or informally, governance structures do not determine but rather promote specific modes of coordination. Governance does not prioritise formal over informal institutions, accords equal status to both state and non-state actors (Börzel, forthcoming), and provides a framework for the operation of both state and non-state actors involved in regional institution building, including sub-regional informal cross-border networks.

NON-STATE ACTORS, INFORMAL CROSS-BORDER TRADERS AND REGIONAL INTEGRATION

Besides the traditional state actors, trans-national associations such as non-governmental organisations (NGOs) and businesses are the most visible non-state actors (Higgott, R. 1999). However, broadly, non-state actors include all actors other than the state, including community-based organisations, women's groups, farmers' cooperatives, informal groups like grassroots organisations and informal private sector associations as defined under the Africa, Caribbean and Pacific (ACP)-European Union (EU) partnership framework (ECDPM, 2003). Informal cross-border traders – small-scale quasi-professionals engaged in registered or unregistered economic activities that occur across national borders (based mainly on the popular economy) – are also informal non-state actors (Mwaniki, nd.).

Multinational corporations, terrorist groups, rights activists and cross-border drug trade networks could also pass for non-state actors. Cross-border non-state actors such as informal traders engage in regular face-to-face contact that nurtures interpersonal relationships. These interactions foster collective beliefs, coalitions, information-gathering, trust and development of informal rules of behaviour over a prolonged period. However, contrary to political processes where politicians come and go, with their political agendas for regional integration, grassroots non-state actors are permanently based in their locales and continue with their cross-border network and trust-building activities despite changes in government (Nshimbi, 2015).

Prior to the Berlin Conference of 1884, which introduced borders between African countries dividing them as colonial possessions, ethnically diverse African communities lived in and occupied regions that today encompass two or more national territories. The Maasai for example, are found in both Kenya and Tanzania. The Nilotic group to which the Maasai and many other communities in Kenya and Uganda belong has its origins in southern Sudan. Other examples are Bantu-speaking communities found in various regions of east and Southern Africa. These communities have formed cross-border networks and engage in cross-border trade and other communal activities such as grazing. It is common for the Maasai in Kenya to cross the border and graze their cattle in Tanzania. These shared histories and backgrounds are not only limited to individual communities but also between them and others, across borders (Nshimbi, 2015).

A CASE STUDY OF GROWTH TRIANGLES IN SOUTHEAST ASIA AND SOUTHERN AFRICA

Growth triangles refer to zones of economic cooperation that straddle national boundaries and exploit complementarities between geographically contiguous areas of different countries to gain a competitive edge in production for export (Ramos, 1995). While their effects may be limited to the triangle, their benefits are subsequently applied to national economies of the countries involved, thus offering the prospect for regional integration without loss of economic sovereignty (Giok-Ling, 1995, pp. 337-344). The Southeast Asian Growth Triangles achieved much greater success through initiatives that thrived on activities of non-state actors where the state's role was limited to the provision of a conducive environment, such as infrastructure and enabling legislation that promoted informal cross-border interactions. However, the application of the model in Southern Africa is yet to match the Southeast Asian example.

SOUTHEAST ASIA: THE INDONESIA–MALAYSIA–SINGAPORE GROWTH TRIANGLE (IMS – GT)

Despite political efforts to regionally integrate East Asia, integration owes more to the dynamism of grassroots cross-border traders and networks of non-state actors (Nshimbi, 2015). National governments' contribution to this process was the creation of policies that facilitated entrepreneurial activities and grassroots cross-border interactions. The first Growth Triangle is the Indonesia–Malaysia–Singapore Growth Triangle (IMS-GT) (Giok-Ling, 1995) which is both market-driven and based on state interventions aimed at winning political legitimacy (Nshimbi, 2015). They aim to create a conducive environment for manufacturing, capital flows and political and economic interdependencies which are some of the pillars of the integration policies of the Association of Southeast Asian Nations (ASEAN) members.

Singaporean First Deputy Minister Goh Chok Tong proposed the IMS-GT in 1989 as a "coherent, trans-state economic zone of complementary specialization" encompassing the Malaysian State of Johor and Indonesia's Riau Islands (Rodan, 1997, pp 148-78). The regions forming the triangle complement each other. For example, "Singapore's advanced economy, developed infrastructure, and skilled human and financial capital, balance its meager land and natural resources relative to Indonesia and Malaysia. On the other hand, Johor (Malaysia) and Riau (Indonesia) are richer in labor, land and water resources and provide locations for Singapore's land and labor-intensive industries... The differences in factor endowments and levels of economic development, coupled with the discrepancies in the prices of factors

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and cost structures in IMS-GT enhance its integration" (Nshimbi, 2015).

In its first five years, the IMS-GT had a population of approximately six million people and attracted investment of about US$10 billion from the private sector (Nshimbi, 2015). While the IMS-GT was a government initiative, it is driven primarily by the private sector and grassroots non-state actors. The states of Malaysia and Indonesia participate in the initiative by supporting the development of key infrastructure, finance and the formulation of policies that support non-state actors' activities. As a sub-regional initiative, the IMS-GT promotes the exploitation of economies of scale and creates trade and employment. Furthermore, it defies political boundaries and succeeds where political ideologies which previously divided Malaysia and Indonesia have failed since the interaction of Singaporean and Malaysian non-state actors is based on diverse ethnic links and a common colonial heritage (Nshimbi, 2015). While exclusive to participating countries, the growth triangle benefited the ASEAN region and accelerated the formation of the ASEAN free trade area (Chan, 1994).

SOUTHERN AFRICA: THE ZAMBIA–MALAWI–MOZAMBIQUE GROWTH TRIANGLE (ZMM-GT)

Compared to other regions, Africa has the largest number of Regional Economic Communities whose progressive integration through policy harmonisation is expected to result in the continental integration envisioned in Agenda 2063. The question that arises, though, is how to link the macro-continental agendas and policies with the realities on the ground. What is the role of citizens engaged in grassroots informal cross-border activities in achieving the aspirations articulated in Agenda 2063?

The concept of growth triangles was first tested in Africa in the late 1990s by a United Nations Development Programme (UNDP) official who was inspired by the success of the East Asian triangle (Nshimbi, 2015) as an alternative to the non-effective conventional integration processes. Its aims were to foster improvements in infrastructure and promote joint ventures in agriculture and agro-based industries, mining, transport and communication (African Development Bank, 2016). The triangle comprised the marginal localities of Zambia, Malawi and Mozambique and was established mainly to combat poverty in the region. The three regional borders share cultures, languages, kinship and ethnic identities that predate their colonisation.

The region has been home to communities with similar cultures and ethnic backgrounds. At its formation, the ZMM-GT had a population of approximately nine million people and received a cash injection of $100 million from UNDP for loans to the private sector (Nshimbi, 2015). Like the IMS-GT, the ZMM countries complement each other. Nshibi says, "Zambia brings opportunities in fishing, forestry, timber, mining and tourism. Malawi brings tobacco and abundant water since most of the mineral resources in the Malawian part of ZMM-GT such as coal, gold, platinum and uranium are not (fully) exploited. Mozambique's Tete province currently contributes skills in animal husbandry amongst others. Tete's coal rich deposits are yet to be exploited too" (Nshimbi, 2015).

Cross-border activities in the Zambia, Malawi and Mozambique triangle existed prior to the establishment of the ZMM-GT. Informal cross-border traders in the region sourced their goods from these countries. However, survey findings show an expansion in the type of goods traded across ZMM-GT's borders (Nshimbi, 2015) indicating that traders are sourcing their goods outside the triangle. Despite the slow progress of the ZMM-GT, informal contacts immensely strengthen regional integration in Southern Africa. However, less has been done to promote or account for informal cross-border trade making its economic contribution "invisible" outside formal economic records (Mwaniki, nd). Even though Article 2 of the SADC Protocol aims to improve the climate for domestic, cross-border and foreign investment (Mwaniki, nd), the existing environment discriminates against informal cross-border traders such as women who face gender-based discrimination (Mayisela, 2015), visa-related issues and corruption at border posts. Thus, various institutional reforms are necessary to create an enabling environment through activities that support informal cross-border trade and informal non-state actors.

CONCLUSION

Processes towards regional integration demand participation of both state and non-state actors including both formal and informal business communities. That non-state informal cross-border actors have the potential to enhance regional integration and succeed where political efforts have failed is evident in the Asian growth triangles. Regional and continental integration in Africa stands to benefit if states promote activities and cooperation between both formal and informal cross-border traders and networks. For example, where one community is found in more than two adjacent countries or relatively close borders, cultural communications and interactions should be encouraged between them and other communities as a way of enhancing regional cooperation and integration.

In Asia, ethnic Chinese businesses foster the regions development and integration by hosting Chinese

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businesses and cross-border cooperation between Chinese nationals. While policy initiatives are needed to encourage participation of non-state actors, care should be taken during policy reforms as some policies may conversely marginalise the very people who should benefit from them (Mwaniki, J. nd). Retroactive regulations such as complicated taxation processes may expose informal businesses to burdensome regulations (FAO, CUTS, 2017).

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