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BI-REGIONAL INTEGRATION IN AFRICA: AN EVALUATION OF THE MAJOR CHALLENGES OFTHE COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA (COMESA)

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Abstract:

Regional Integration is seen as a means of encouraging trade and achieving economies of scale. The Common Market for Eastern and Southern Africa (COMESA)which replaced the Preferential Trade Area of 1981(PTA) and established by COMESA Treaty of 1993 ratified a year later in Malawi is one of Africa's largest regional trading block. This paper begins by looking at the history, theoretical issues, aims and objectives, COMESA's administrative and decision making structure, achievements and challenges facing this 22 member group. Books, journals, articles from various authors, reports and data from UNTAD, COMESA secretariat were utilized. It finds that a lot of agreements have been signed by the member countries and some important institutions like PTA Trade and Development Bank, the COMESA Clearing House, the COMESA Re-insurance Company and the Trade Information Document Centreto enable them achieve their aims. The market transformed into a Free Trade Area (FTA) in 2000 while the COMESA Customs Union was launched in Harare, Zimbabwe in 2009. Intra trade among member countries has not increased as expected due to over dependence on few and similar primary products. In addition, standard of living has not improved in these countries as ten (10) out of the twenty two members are among the poorest countries in the world.Other issues and concerns affecting the progress of COMESA include lack of government political will &commitment, overlapping memberships, inadequate infrastructure, reliance on capital rather than labour intensive techniques of production, Africa's debt burden, lack of information, underdeveloped human capabilities, unequal distribution of benefits,war damage, disease, drought,bribery and corruption.These issues appear to have made building a successful economic groupings in African an overwhelming task, despite its perceived importance in the increasingly globalized world. Project cooperation, research and a commitment to intensify efforts in eliminating or at least reducing the many obstacles currently affecting the regional group would help address some of these problems and create a healthy basis for regional and global trade integration.

Keywords: Regional Integration, Custom Union, Free Trade Area, COMESA, Southern Africa & Eastern Africa

Introduction:

Regionalism is another form of economic multilateralism that involves the coming together of regional states sharing common interests, values, history and similar economic goals with the purpose of achieving their designated goals. Sheriff (2013:152). Every continental region has at least one major integration movement: Europe has the European Community (EC); Asia has the Association of South East Asian Nations (ASEAN), and the Asia-Pacific Economic Cooperation (APEC); North America has the North American Free Trade Agreement (NAFTA); Latin America has the Latin American Integration Association (LAIA), and the Andean Common Market (ANCOM); the Caribbean has the Caribbean Community and Common Market or simply the Caribbean Community (CARICOM); the Middle East has the Council of Arab Economic Unity

(CAEU); Central America has the Central American Common Market (CACM); and finally Africa has three major ones: the Southern African Development Community (SADC); the Economic Community of West African States (ECOWAS); and the Common Market for Eastern and Southern Africa (COMESA).

These regional blocs or economic groupings have the common goals of economic transformation and development, implicitly including eradication or reduction of poverty in the process. Economic cooperation and integration aretherefore not an end in themselves, but rather a means towards sustainable economic development.

According to Sheriff (2013:152) the cooperation process under regionalism is consistent with the features and principles of globalisation; in contemporary global economic system it is inevitable, as nations must cooperate in order to consume what they cannot produce and sell what they can't consume. The Common Market for Eastern and Southern Africa (COMESA) is one of the pillars of the African economic community. It was formed to promote intra-regional trade among member states with the ultimate objective of creating more wealth and more incomes for the people of the region (COMESA Treaty, 1993).

The expectation according to Tumwebazeand Ijjo (2015) was that, by progressively dismantling trade barriers among the countries that make up COMESA, trade in the region would be enhanced through increased competition and a bigger market. Increased trade would ultimately foster economic growth and development of the member countries

This paper focuses on the experience of the Common Market for Eastern and Southern Africa (COMESA). It begins with background details on COMESA, including its composition, aims and ideals. Performance of the regional grouping in the context of intra-COMESA trade is then discussed before addressing some of the impediments to the achievement of COMESA objectives. For better explanation of the achievements and challenges of COMESA, it is pertinent to provide definitions of concepts or conceptual clarification, which can be seen below.

Conceptual Clarification:

a) A Preferential Trade Area (PTA) is where member countries reduce barriers to the intra-trade but maintain tariffs on trade with non-members.
b) A Free Trade Area (FTA) is where member countries eliminate all barriers to the intra-trade but maintain their separate tariffs vis-à-vis non-members.
c) A Customs Union (CU) is a free trade area where member countries establish a common external tariff on goods from non-members.This means that the countries which want to be united under a regional integration arrangement, must progressively go through each form of integration, from the PTA to the EU.
d) A Common Market (CM) is a customs union where member countries also allow free movement of labour and capital in their territories.
e) An economic union (EU) is a common market where member countries harmonize their
f) Economic policies.
g) Rules of Origin are addressed by Article 48. According to the Article, goods shall be accepted as eligible for common market tariff treatment if they originate in the member States. The definition of products originating in the member states is provided in the Protocol on the rules of Origin. The Rules of Origin enable importing countries to distinguish between products that have undergone substantial transformation within the region and those coming outside the region or have not been sufficiently processed within the region.

The Rules seek to promote and enhance industrial development, employment and generally economic activity. The goods among others should be wholly produced or obtained in a member State (that is, they should contain no materials imported from outside the common market.

Material, Method and Theoretical Framework:

The type of material used for this research is the library literature, which involves the utilisation of text books, journals, periodicals, newspapers, reports and other printed or documented volumes of authored works. The methodology applied is known as the secondary methodology which supports qualitative research instrument. The material and method are also supported by a theoretical framework that best explain the topic under study.

There are basically three traditional theories of regional integration, which are: the Federalist, the Functionalist and the Neo Functionalisttheories that provide the tools for understanding regional integration. For the purpose of this study, the neo-functionalist theory will be adopted.Neo -functionalism is rooted in the liberal tradition of international relationsstudies. According to Thanawat (2015) this theory was initially developed by Ernst Hass in his work the Uniting of Europe (1958) and applied by Leon Lindberg inThe Political Dynamics of European Integration (1963). Itis generally recognized as a theoretical approach to study regional integration. It starts from therealization of 'the significance of interdependence', not only between states, but also between areasof human activities.

The neo-functionalist theorists argued that successful economic cooperation in one area would permeate to other areas eventually be integrated as a whole. This implies the important roles of the market and economic actors in stimulating closer regional cooperation.

To Ernst Haas, cited by Thanawat (2015) regional integration flows from a process of spill-over or ramificationin which the integrating of an individual sector is constructed by aiming to achieve the process of integration in other sectors. With this proposal, the interconnected nature of modern and capitalist economies meant that integration in one policy area would pervade other areas of the economy and spill over into connected areas. The liberalization of trade within the customs union, for example, would lead to the harmonization of general economic policies and eventually spill-over into political areasand lead to the creation of some kind of political community Monnet andSchuman (2008).

History, Aims and Objectives of COMESA:

Tumwebaze and Ijjo (2015) tracedCOMESA's genesis to the mid-1960s, when the countries of Eastern and Southern Africa initiated a process towards creating an Eastern and Southern African cooperation arrangement. This was after the post-colonial African leaders envisaged that the small sizes and fragmentation of post-colonial African national economies constituted a major constraint to economic development. In 1965, during the ministerial meeting of the United Nations Economic Commission for Africa (UNECA) held in Lusaka, Zambia, the creation of an Economic Community of Eastern and Southern African states was recommended. In 1981, a treaty establishing the Preferential Trade Area for Eastern and Southern Africa (PTA) was signed and it entered into force in 1982. The PTA Treaty envisaged the eventual transformation of the PTA arrangement into a common market. Subsequently, the treaty establishing COMESA was signed on 5th November, 1993 in Kampala, Uganda and was ratified a year later in Lilongwe, Malawi on 8th December, 1994.

COMESA was established 'as an organisation of free independent sovereign states which have agreed to co-operate in developing their natural and human resources for the good of all their people'(Kebel cited by Sheriff, 2013:178).Its main focus is on the formation of a large economic and trading unit that is capable of overcoming some of the barriers that are faced by individual states.

COMESA is the largest regional grouping in Africa, in terms of the number of member states as it has 22 members, almost half the total number of countries in Africa. With a combined 1993 population of 290 million, COMESA is also home to about half of Africa's total population). It is home to 10 of the poorest countries in the world: Angola, Burundi, Ethiopia, Malawi, Mozambique, Rwanda, Somalia, Sudan, Zaire and Zambia.As of 1997, COMESA member states include: Angola, Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zaire(now Democratic Republic of Congo (DRC), Zambia, and Zimbabwe. (COMESA Secretariat 1996).

Aims and Objectives of COMESA:

It has also been recognized that countries with small populations or per capita gross domestic product (GDP) will continue to find it difficult to attract foreign investment unless this is within the context of a wider common market. According to the COMESA Brief (1996) member states see the specific objectives of the market as:

(a) The attainment of sustainable growth and development of member states by promoting a more balanced and harmonious development of its production and marketing structures;
(b) The promotion of joint development in all fields of economic activity and the joint adoption of macro-economic policies and programs, thus raising the standard of living of its peoples; and fostering closer relations among its member states;
(c) Co-operation in the creation of an enabling environment for foreign, cross-border and domestic investment, including the joint promotion of research and adaptation of science and technology for development;
(d) Co-operation in the promotion of peace, security and stability among the member states in order to enhance economic development in the region;
(e) Co-operation in strengthening the relations between COMESA and the rest of the world and the adoption of common positions in international fora; and
(f) Working towards the establishment and realization of the objectives of an African Economic Community.

The COMESA Brief points out that in addition to the above objectives, the member states also agreed to create and maintain:

1. A full free trade area, guaranteeing the free movement of goods and services produced within COMESA and the removal of all tariffs and non-tariff barriers;
2. A customs union, under which goods and services imported from non-COMESA countries, will attract an agreed single tariff;
3. Free movement of capital and investment, supported by the adoption of common investment practices so as to create a more favourable investment climate for the whole region;
4. Gradual establishment of a payments union, based on a COMESA Clearing House and the eventual establishment of a common monetary union with a common currency, and
5. The adoption of a common visa arrangement, leading eventually to free movement of people from member states.

COMESA Principles:

In pursuit of the above aims and objectives and in conformity with the Treaty for the Establishment of the African Economic Community signed at Abuja, Nigeria on 3rd June 1991, the member States of COMESA have agreed to adhere to the following principles:

(a) Equality and inter-independence of the member States;
(b) Solidarity and collective self-reliance among the member States;
(c) Inter-State co-operation, harmonisation of policies and integration of programmes among the member States;
(d) Non-aggression between the member States;
(e) Recognition, promotion and protection of human and people's rights in accordance with the provisions of the African Charter on Human and People's Rights;
(f) Accountability, economic justice and popular participation in development;
(g) The recognition and observance of the rule of law;
(h) The promotion and sustenance of a democratic system of governance in each Member State;
(i) The maintenance of regional peace and stability through the promotion and strengthening of good neighbourliness; and
(j) The peaceful settlement of disputes among the member States, the active co-operation between neighbouring countries and the promotion of a peaceful environment as a pre-requisite for their economic development.

The COMESA future agenda according to (COMESA, 2011) include:

1. The establishment of a common market by 2015
2. The formation of a monetary union by 2018
3. Launch of a COMESA community by 2025 and thereafter a single trade and investment area with no internal tariffs, non-tariff and other impediments to the movement of goods, services, capital and people.

COMESA Structures and Institutions:

There are four organs of COMESA which have the power to take decisions on behalf of COMESA, these being: the Authority of Heads of State and Government; the Council of Ministers; the Court of Justice; and the Committee of Governors of Central Banks.

The Intergovernmental Committee, the Technical Committees, the Secretariat and the Consultative Committee make recommendations to the Council of Ministers, which in turn make recommendations to the Authority.

1. **The Authority**: This is the supreme Policy Organ of the Common Market and is responsible for the general policy, direction and control of the performance of the executive functions of the Common Market and the achievement of its aims and objectives. It is made up of Heads of State and Government
2. **The Council of Ministers**: This is the second highest Policy Organ of COMESA composed of Ministers designated by the member States. The Council is responsible for ensuring the proper functioning of COMESA in accordance with the provisions of the Treaty. It takes policy decisions on the programmes and activities of the COMESA, including the monitoring and reviewing of its financial and administrative management. As provided for in the Treaty, Council decisions are made by consensus, failing which, by a two-thirds majority of the members of the Council.
3. **The COMESA Court of Justice**: This is the judicial organ of COMESA, having jurisdiction to adjudicate upon all matters which may be referred to it pursuant to the COMESA Treaty. Specifically, it ensures the proper interpretation and

application of the provisions of the Treaty; and adjudicates any disputes that may arise among the member States regarding the interpretation and application of the provisions of the Treaty. The decisions of the Court are binding and final. Decisions of the Court on the interpretation of the provisions of the COMESA Treaty have precedence over decisions of national courts. The Court, when acting within its jurisdiction, is independent of the Authority and the Council. It is headed by a President and consists of six additional judges appointed by the Authority.

4. **The Committee of Governors of Central Banks**: The committee determines the maximum debt and credit limits to the COMESA Clearing House, the daily interest rate for outstanding debt balances and the Staff Rules for Clearing House staff. It also monitors, and ensures the proper implementation of the Monetary and Financial Co-operation programmes.
5. **The Inter-governmental Committee**: This is composed of permanent secretaries from the member States in various fields. Decisions of the Committee are by a simple majority. Its main functions include:
   a. The development of programmes and action plans in all the sectors of co-operation, except in the finance and monetary sector;
   b. The monitoring and keeping under constant review and ensuring proper functioning and development of the common market; and
   c. Overseeing the implementation of the provisions of the treaty and, for that purpose, requesting a technical committee to investigate any particular matter.
6. There are 12 **Technical Committees**, namely, on Administrative and Budgetary Matters; on Agriculture; on Comprehensive Information Systems; on Energy; on Finance and Monetary Affairs; on Industry; on Labour, Human Resources and Social Affairs; on Legal Affairs; on Natural Resources and Environment; on Tourism and Wildlife; on Trade and Customs; and on Transport and Communications. The Technical Committees are responsible for the preparation of comprehensive implementation programs and monitoring their implementation and then making recommendations to the Council.
7. **The Consultative Committee of the Business Community and other Interest Groups** is responsible for providing a link and facilitating dialogue between the business community and other interest groups and other organs of COMESA.
8. **The Secretariat** is headed by a Secretary General who is appointed by the Authority for a term of five years and is eligible for re-appointment for a further term of five years. The basic function of the Secretariat is to provide technical support and advisory services to the member States in the implementation of the Treaty.

Several institutions have been created to promote sub-regional co-operation and development. These include:

a) The COMESA Trade and Development Bank in Nairobi, Kenya
b) The COMESA Clearing House in Harare, Zimbabwe
c) The COMESA Association of Commercial Banks in Harare, Zimbabwe.
d) The COMESA Leather Institute in Ethiopia.
e) The COMESA Re-Insurance Company (ZEP-RE) in Nairobi, Kenya.
f) COMESA Court of Justice.

Achievements and Challenges of COMESA:

The paper assessed the activities of COMESA using available data from COMESA Secretariat in Lusaka, Zambia (1996),COMESA (2011) report, COMESA program report (2012), COMESA success story (2013), and data compiled from academic journals and research reports. Below are the lists of achievements recorded by COMESA:

1. COMESA has established several important institutions including the PTA Trade and Development Bank, the COMESA Clearing House, the COMESA Re-insurance Company and the COMESA Leather and Leather Products Institute, the Trade Information Document Centre.
2. The PTA Bank has, over the years, been very active in promoting investments and providing trade financing facilities. The Bank's cumulative project approvals, 1995-1996, stand at USS$148 million and cumulative trade finance activities, 1992 - 1996 totalled US$345 million.
3. The Re-Insurance Company (ZEP-RE) has, since its establishment in 1992, been able to carve out a reasonable share of the regional insurance business and is now transacting business in some nineteen (19) countries. The share capital has risen to US$6.07 million. By the end of 1995, the premium income realized had increased to US$7.5 million.
4. The market transformed into a Free Trade Area (FTA) in 2000 while the COMESA Customs Union was launched in Harare, Zimbabwe in 2009.
5. The Regional Payment and Settlement System (REPSS) started live operations on 03 October 2012 and registered its first transaction between Bramer Bank of Mauritius and Fina Bank of Rwanda, through their respective Central Banks. REPSS operates on the basis of same day settlement in USD and EUR and beneficiaries receive money on the same day if the local payment infrastructures are automated at a lower cost.
6. The COMESA Innovation Council was fully constituted, and inaugurated on 08 April 2013, in Kampala, Uganda. The aim is to harness, nurture and grow the innovative capacities of the youthful population in the region. Through this initiative, COMESA envisages an increase in intra-COMESA trade volumes from US $19.3 billion in 2012 to US $42 billion by 2017 because the enhanced technological innovations foster the development of small and medium sized enterprises (SMEs).
7. Eastern and Southern Africa Climate Change Media Network, was established in Kampala, Uganda in a meeting that took place in April 2013. The network is to act as a forum for the exchange of views on the implications of climate change on people's lives and also act as a channel to convey climate information to the public.
8. Automated System for Customs Data and Management (ASYCUDA) is being implemented in 13 COMESA countries (Burundi, Comoros, DR Congo, Madagascar, Mauritius, Rwanda, Sudan and Zimbabwe), with formal requests for the system having been received from Malawi, Swaziland and Zambia and projects underway in Eritrea, Ethiopia, Namibia, Tanzania and Uganda. ASYCUDA is to assist the business community to clear goods faster from customs areas, make available up-to-date and accurate international trade statistics, modernise customs administrations and, through improved efficiencies, increase the revenues of COMESA member States.

With regard to the achievements of COMESA, it is fair to say that enough agreements and protocols have been signed by heads of state and their finance ministers to facilitate successful integration. But as argued by BaxNomvete (former Secretary-General of the PTA/COMESA), successful integration is not measured by the type (technical, administrative or policy) and regularity of meetings at which many resolutions and declarations are adopted. Trade, economic growth and poverty statistics are more appropriate yardsticks.

Table 1: COMESA Value of total trade (import & export) & intra trade export in USD Million

DESCRIPTION	1980	1990	1995	2000	2002	2003
Total Trade	14,204	19,911	20,335	25,772	26,861	30,950

Intra Trade	555	890	1,027	1,281	1,465	1,812
% Share of Intra Trade	3.9	4.5	5.0	5.0	5.4	5.8

Source: Compiled From UN Conference on Trade andDevelopment Statistics

Intra-trade grew from US$ 890 million in 1990 to US$ 1.3 billion in 2000 and to US$ 1.8 billion in 2003 (Table1). One must admit that, although the intra-regional trade increased, its share in the COMESA world trade remains small. For example, in the period from 1980 to 2003, the intra-trade was between 3.9% and 5.8 % of COMESA's world trade. These figures are very low in comparison to the other regions, e.g. around 9% in SADC, 23% in ASEAN and 65% in the EU according to Lee, (2003:87); Geda and Kibret, (2002:6) cited by Umurungi (2005). In addition, the implementation of the agreements was very slow. For example, the original target to attain a free trade area by 1992 was postponed to 2000 and even then, only nine countries out of twenty eliminated all the tariffs.

Challenges on Trade Integration among COMESA Members:

Despite progressive regional integration over the past two decades, economic growth in most COMESA member countries has generally not been impressive. The average annual GDP growth rate for COMESA member countries was only 2.9 per cent for the period 1994–2010, and 12 of the 19 COMESA member states were classified among the most impoverished countries in the world by the United Nations (UNCTAD, 2011). The slow progress in the COMESA region is due to many constraints as discussed below

Political Obstacles to Integration:

One of the political obstacles to integration in COMESA was the fear of losing sovereignty, Muuka, Harrison, and McCoy (1998: 12) point out the different ideological and political perspectives of member countries of COMESA that hamper the progress of trade integration, because these countries have different conceptions of how the goals of COMESA can be attained. Furthermore, most of the COMESA countries have experienced civil wars for many years, which have prevented them from participating effectively in the integration process. These countries are Angola, Burundi, Rwanda, Sudan, Somalia, DRC and war-torn Ethiopia and Eritrea.

Overlapping Membership:

Overlapping membership (being a member of many organizations at the same time) has been an obstacle to regional integration, especially regarding SADC and COMESA, which have the same objectives. It is noted that in SADC, except for Botswana, South Africa and Mozambique, the remaining countries are simultaneously members of COMESA.

There are many ways in which overlapping membership can constitute an obstacle to the process of regional trade integration, Muuka, Harrison, and McCoy (1998: 12) point out the unnecessary duplication of functions and costs associated with the membership and the fragmentation of markets. Adding to the list, Geda and Kibret (2002:14) cited by Umurungi (2005) emphasise the problems of harmonising policies, especially in the areas of rules of origin and customs procedures.

As regards the rules of origin for example, there have been conflicts between Kenya and South Africa over South African goods' penetrating freely into the Kenyan market via other countries, which are simultaneously members of COMESA and SADC, while South Africa imposes tariffs on Kenyan goods entering its market, because Kenya is not a member of SADC.

Unequal Distribution of Benefits:

The unequal distribution of benefits among member countries of a regional trade arrangement is the root cause of conflicts between such countries. This problem arises because the more developed members benefit more than the less developed ones, whilst there are mostly no compensation mechanisms to help the losers. For example, in the first COMESA technical workshop on Customs Union held in Lusaka, Zambia, in March 2004, Rwanda raised the problem of compensation mechanisms for countries that may have lost revenue as a result of joining the FTA and implementing the common external tariff. However, COMESA "has no redistributive or compensatory mechanisms to help alleviate regional inequalities, one of the principal reasons behind South Africa's decision not to join" Gibb (1998:305).

The Dependence on Few and Similar Primary Exports:

The goods produced and traded among and outside member countries of COMESA are a few similar, primary commodities such as coffee, tea, cocoa, cotton and copper, which are legacies of the colonial period. COMESA countries face a challenge to change their industrial structures and introduce new export products if they want their integration process to succeed. According to COMESA brief (1996), primary commodities constitute an average of 82.6% of total export earnings for these countries, of which 59.4% are from single commodities. Apart from creating balance of payments problems if production of the single commodities is disrupted, any slump in world commodity prices erodes the ability of COMESA economies to maintain investment in infrastructure, to say nothing about the negative effects on regional integration efforts.

Capital Versus Labor Intensity:

Another structural bottleneck of COMESA economies is their reliance more on capital rather than labour-intensive techniques of production, a situation many critics attribute to the nature of the import-substitution-industrialization (ISI) strategy embarked upon after independence for most of these countries. Donges and Heimenz (1991:217) cited by Muuka, Harrison and Mccoy, (1998) point out that import-substitution policies tend to favour: (1) production of relatively capital-intensive products (2) the application of capital-intensive technologiesbecause of relatively low barriers to imports of capital goods; and (3) an inefficient use of capital owing to the lack of competition in domestic markets. All this happens at the expense of labour-intensity, of which COMESA has a relatively large endowment.

Underdevelopment of Human Capabilities:

With a 1993 combined population of about 290 million, COMESA economies are potentially rich in human resources. Yet as Stewart (1991:426) points out, people have been relatively neglected, badly educated and in poor health, with their capacities frequently under-used. The consequence is low labour productivity and lack of competitiveness, despite very low wages.

Parochialism:

Problems in COMESA stem from failure, on the part of member-state governments, to internalize COMESA agreements in their national administrations and development plans (Nomvete, 1993:51). In many of the member states cooperation does not go far beyond the signing of treaties and protocols. Moreover, some governments do not send to meetings those officials who have the appropriate expertise on the issues to be discussed. For example, BaxNomvete, first Secretary General of the PTA (COMESA), maintains that it is not unusual for an official who is a general economist or administrator to be designated to attend all cooperation meetings, irrespective of whether the topics to be discussed are technical, policy or administrative matters. The result, of course, is that appropriate substantive ministries, whose officials or experts do not attend such meetings, are generally unaware that collective decisions are being taken on topics in their fields of competence. Hence no action is taken to implement the decisions or to set aside funds for the implementation of programs adopted.

Africa's Debt Burden:

Africa, generally, has experienced mounting external indebtedness accompanied by very high debt service ratios which have diverted a significant portion of export earnings from development programs (including those that are specifically integration-related) to debt servicing (PTA, 1992). A debt service ratio measures debt-service payments as a percent of export earnings. Of the 9 countries in the world whose 1996 debt is unsustainable, 5 are in COMESA: Zambia, Mozambique, Burundi, Zaire and Sudan (Financial Mail, 30 June 1996). These countries do not have the capacity to service existing debt from export earnings, capital and aid flows without undue burden on their people.

Inadequate Infrastructure:

Muuka, Harrison and McCoy (1998) highlight this point when they point out, for instance, that Burundi, Comoros, Mauritius, Rwanda and Lesotho do not have railway systems, which would be a cheap way to transport goods. As a result of the inadequate infrastructure, especially in telecommunication services, there exists a general lack of information. Muuka, Harrison and McCoy (1998) also add that, according to Nomvete, the first Secretary-General of COMESA, member countries of COMESA, other African countries, are not aware of what other African countries can offer as substitutes for products they import form developed countries. Gunning (2002) cited by Muuka, Harrison and McCoy (1998) thinks that the way to overcome this problem is to co-operate in infrastructure projects that may, for example, lower electricity costs by linking grids. Infrastructure projects may also lower transport costs through investments in the construction of roads, railways and ports.

Africa's Economic Crisis:

It is no secret that most African economies are in a near-hopeless situation. Weak and stagnant economies are a major obstacle to integration because of their negative impact on government policies. Some causes are deeply rooted in history— as with the mono-cultural or single-commodity-dependent, primary-export-led economies that colonial masters bequeathed to individual nations at independence; Yet other causes are direct results of the World Bank and IMF's structural adjustment programs, as with the many devaluations of African currencies which, instead of inducing the required supply response from non-traditional exports, has let inflation loose.

Both the causes and extent of Africa's economic crisis are as diverse and complex as to make regional economic integration difficult at best, impossible at worst. As Nomvete (1993) observes, most African nations entered the 1990s poorer than they were in the 1970s. Most of them are faced with mounting economic problems, minimal to negative economic growth rates, low domestic savings and investment, severe foreign exchange scarcity, balance of payments difficulties and a heavy foreign debt burden.

Dis-Equalizing Effect of COMESA Integration:

Some countries in COMESA (notably Kenya and Zimbabwe, judging from their dominance of intra-COMESA exports reflected in COMESA Brief. (1996) are economically more advanced than the others. COMESA works on the premise that the benefits of integration will be distributed among member states in an equitable manner. However, the elimination of trade barriers and the adoption of common investment policies do not necessarily lead to such an equitable distribution, but rather support or stimulate the tendency of investments to concentrate on the relatively more advanced economies (Nomvete, 1993).

Various mechanisms directed towards the equitable distribution of benefits become necessary. In COMESA's case, no mechanism has resolved the issue. It is this tendency for the polarization of development in some members of COMESA, especially the inequitabledistribution of new activities in the production and research sectors, which may be one of the greatest threats to integration

Lack of Information:

Nomvete (1993:53) makes the useful point that lack of information has also hindered the development of intra-COMESA trade. Lack of information is a direct result of inadequate economic infrastructure in COMESA, especially in telecommunications and transportation facilities, directly hindering interaction among COMESA countries. Yet as Brahmbhatt and Dadush (1996) cited by Muuka, Harrison and Mccoy, (1998) argue, high-quality communications are essential for countries that aim to participate in global production structures (some established by multinational corporations); to respond promptly to rapidly changing market conditions; or to participate in new export markets for long-distance services such as data processing, software programming, and customer support.

War Damage, Disease and Drought:

It would be out of place in this paper not to make reference to the disastrous effects of war, drought, and disease on national and regional economies. It has been pointed out earlier that COMESA has the most distressing list of nations (of any African regional grouping) that have effectively ceased to function as modern nation states. Burundi, Rwanda, Mozambique, Sudan, Ethiopia, Somalia, Angola and Zaire face enormous and expensive reconstruction problems from years of civil wars that have left them desperately short of skills and infrastructure that will take a generation to rehabilitate. Likewise there is a massive back-log of unfulfilled social development. They cannot, therefore, be expected to be equal and effective participants in a regional economic grouping.

Disease from malnutrition to Aids cannot be ignored either. Many analysts, among them Holman (1993) cited by Muuka, Harrison and McCoy (1998) point out that AIDS is already taking a heavy toll on Africa generally. More than half of the world's more than 15 million sufferers are in Africa, many from the skilled urban class on whose shoulders ought to lie squarely the arduous task of rejuvenating African economies through structural reforms, regional integration, and other means.

COMESA has had its share of drought-induced impediments to integration. Several countries have been constant victims of either inadequate rains or drought during the last 10 years. Ethiopia's experience in the mid-80s is by far the worst case. In 1992 Southern Africa experienced its worst drought in living memory, whose effects crippled agriculture, cutting supplies of raw inputs to down-stream industries which in turn rely on agro-based industries for a huge slice of their domestic sales. In Zambia, the 1992 drought precipitated a 39.3 percent drop in agricultural output (Price Waterhouse, 1993).

Bribery and Corruption:

A final impediment to integration is the issue of bribery and corruption in Africa generally. As in many other developing regions, corruption is prevalent at many levels and in different forms—including government (and government ministries) in the awarding and execution of contracts, and at customs check points in many parts of COMESA

Lessons from the Experiences of Other Organisations:

Regional integration has achieved success in developed countries such as Europe (EU) and North America (NAFTA). In developing countries, however, experiences have been mixed. In ASEAN, regional integration helped countries to establish peace, security and political stability. Although the markets are not fully integrated in ASEAN, countries have managed to develop their economies and to establish some regional projects from which all countries are benefiting. Geda and Kibret (2002) point out that in Africa, many studies assessing the performance of regional blocs have concluded that regional trade integration has failed to achieve its main goals of increasing intra-regional trade and fostering policy co-ordination. This has been the case in the COMESA region.

In contrast to other regional trading blocs, regional integration in COMESA failed to increase trade between the member countries. According to Umurungi, (2005) the growth in intra-trade in ASEAN and SADC from 1980 to 1990 was 120% and 880% respectively, while in COMESA it was only 60%. From 1990 to 1995, the period in which the three regions decided to establish an FTA among their respective member. Countries, the growth of intra-regional trade was 190% for ASEAN, 290% for SADC and only 15% for COMESA.

The limited growth in intra-regional trade in COMESA can be attributed to many causes, However, the lack of diversity and the similarity of the products exported by member countries, the lack of political commitment to integration, lack of security and political stability, poor physical infrastructure, macro-economic imbalances and unequal distribution of gains from integration are considered to be major constraints on increasing intra-regional trade in COMESA.

The lack of progress in the regional trade integration process has led some authors, such as Robinson (1996), Geda and Kibret (2002) and Gunning (2002), cited by Umurungi (2005) to suggest that Africa should re-orient its integration approach from trade integration to projects co-operation and co-ordination. This also suggests co-operation in some sectors found to be relevant to the economy of member countries, by creating projects in those sectors that will benefit all the countries. This kind of integration has been effective in other trade arrangements.

In Europe, for example, countries started to co-operate in only a few sectors, such as coal, steel and agriculture, which were found to be more relevant to their economies. In ASEAN, countries have succeeded in putting in place two projects in the automobile sector from which each country may benefit. In SADC, it has been proved by the success of the Beira project that co-operation with infrastructure is possible. In COMESA countries, this approach did not receive enough attention, although it may help to solve many problems concerning infrastructures, macro-economic co-ordination and diversification of export products, as these do not necessarily involve trade integration and its accompanying problems of unequal distribution of benefits.

Conclusion:

COMESA is made up of twenty countries, most of them poor, with very small and similar industrial bases, which undermine the increase in intra-trade, the main aim of COMESA. Political instability, overlapping membership, inadequate infrastructure, the structure of the economy (which is at a very low level of industrial development), unequal distribution of the benefits between member states and a lack of appropriate mechanisms to compensate the losers are some of the constraints faced by COMESA. Empirical evidence according to Umurungi (2005) indicates that these are prerequisites if regional trade integration is to be successful and that these prerequisites may be attained through projects cooperation, which did not get enough attention in COMESA. COMESA when compared with other regional economic integration group has not fared well. While, EU, ASEAN and SADC accounted for 65%, 23% and 9% respectively from 1980 to 2003; COMESA's share of world trade was only 15%.Umurungi, (2005).

Recommendation:

In the light of the implementation problems that COMESA countries encountered and the time it took to achieve the level of an FTA, it is recommended that:

1. COMESA countries should intensify efforts and commitment in eliminating or at least reducing the many obstacles currently affecting the regional group.
2. Government activity and project cooperation should supplement the market integration. Much more can be done in this field if there is the goodwill to cooperate. For example the project of the construction of a railway that may join such countries like Rwanda, Burundi and Lesotho (which are landlocked and which do not have a railway system) with other country members of COMESA, which are not landlocked will enhance regional trade integration.Umurungi, (2005).
3. Thorough research should be conducted to identify those sectors in which COMESA countries may invest collectively in such a way that each participant will benefit. Textile, clothing and footwear industries may be for example some of those sectors as they are labour intensive and COMESA countries have a high level of unskilled people unemployed (Umurungi, 2005).

Map of the African Continent Showing Location of the COMESA Member States

Source: COMESA Brief. (1994). COMESA Secretariat, Lusaka, Zambia.

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