

TRANSCRIPT:

PROF. THANDIKA MKANDAWIRE'S KEYNOTE ADDRESS:

"ON THE POLITICS OF REGIONAL INTEGRATION"

**TRALAC ANNUAL CONFERENCE, 15 - 16 MAY 2014, CAPE TOWN, SOUTH
AFRICA**

I would like to thank Tralac for inviting me here to Cape Town; it's always a great pleasure coming down South from Britain. Usually when you get invited to conferences, you have to worry about why they invited you. I just look at the books on display here, and I realised that much of what I was going to say is already contained in some of these books! So I may be saying things that are quite obvious to some of you.

What I would like to do is to raise a question, is to draw on Napoleon, if you like. Napoleon once said that 'War is too important to be left to generals'. I have an impression that regional integration is too important to be left to the institutions of regional integration and that we ought to bring in more actors and find out why those actors are not acting as they should be. I would like to deal with this whole question of how treaties are not adopted. Who writes the treaties and how come they never get signed and if signed never implemented? I think this is partly a reflection of this gap between the generals and the politicians.

The main thesis of my presentation is through a complaint about how we discuss integration in Africa. Much of the discussion is very normative and prescriptive, we are often telling the regional organisations how they are not doing that, and they should do this. It's much less analytical; we don't say very much about how things are and why they are the way they are. It's much more of a prescriptive look at what they should do.

Because of the success of the European Union, we are all compelled to unconsciously compare the African experience with the European experience. We read the European experience in a very teleological sense, in the sense that we assume that whatever happened in Europe since the Second World

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War was part and parcel of a deliberate process to build the Europe that we see today. We interpret every event in the past as if it was a necessary and well thought out activity that led to this integration of Europe.

Often, and this is perhaps my main point, our discussion on regional integration is actually detached from the key ideas, interests and capacities at the national levels. It often doesn't pay much attention to actual capacities of African states to perform the roles that they are assigned to.

I have in my old age become much more generous to African states recognising that perhaps in our younger days many of us expected too much of them and often assigned them roles that were historically impossible to perform. This is not an apologia for African states and their leaders, but an attempt to understand why states do what they do.

I will not be arguing the case for regional integration. I am a strong believer in regional integration and I consider myself a Pan Africanist of Nkrumahist mode. I believe that the case for regional integration has been forcefully stated a thousand times; I needn't repeat it. But after the case has been made for regional integration we always end up with a line that tells us it has not been done because of "political will". But I think that we should begin to question this trope and ask— whose political will? And why doesn't that will manifest itself in the way that we want it to manifest itself?

I think that's an important question to ask if we are going to go beyond the usual process of listing why we should integrate, and then countering that political will says no. The question then being, why are we performing the exercise? We should start by getting the political story clear, before we start giving prescriptions.

I think sometimes we are also unkind to ourselves. Let me start with a much more positive note on regional integration before I discuss the negative side. I think Africa brings out very conflicting experiences regarding regional integration. On one hand there are a lot of accounts that intra-African trade is

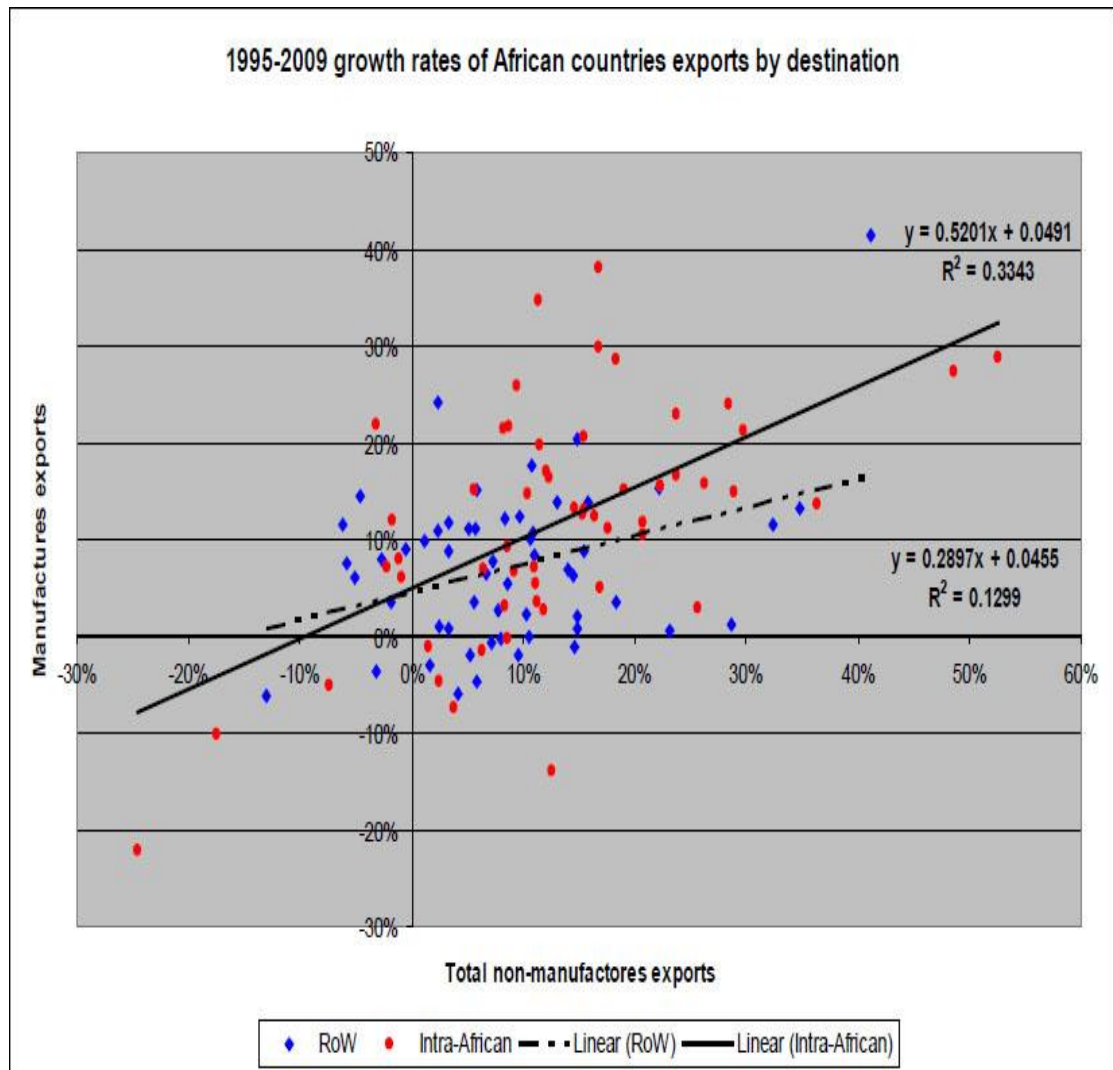
very low, but if you look at a regional level, you'll find that there are different levels of regional integration..

Trade in East Africa is much higher than one would expect, in fact East Africa compares fairly well with ASEAN and MERCASUR.

Within Africa there are differences in the performances, and I think we need to understand why there are these differences within Africa itself. An important exercise would be to learn from within Africa why certain regions are doing better than other regions. It's also true that regions may do well in one area—COMESA, for example, is doing fairly well in terms of labour.

It could be, and the evidence suggests that, given our levels of development and infrastructure, we are probably trading as much as you could expect. If you look at the levels of intra-African trade, and if you control for other variables such as level of industrialization or infrastructure, level of diversification within member states, we are doing as well as we can. It's perhaps therefore not the fault of the regional technocrats that we are not doing better, when comparing ourselves to other parts of the world.

Trade in manufacturing among African countries is growing faster than that to the rest of the world



There is of course huge confusion within Africa about integration; African countries belong to all kinds of contradictory arrangements. There are often a lot of jokes about this ‘spaghetti bowl’ integration of Africa.

We look at this setup as if it’s crazy. When one country belongs to 5 or 6 schemes part of this can be the result of the madness of individual leaders, I do not want to dismiss that. There are many cases when two heads of state in Africa will meet and sign an agreement, and the next day the nations are integrated. But quite a number of these have a fairly strong historic and even economic logic for their existence. But if you look very carefully, there is logic behind the madness. The logic being partly the political origins of member states. Member states in Africa have many identities, which we have to deal with. If you are Francophone, you are Francophone, you cannot

ignore the peculiarities of your origins. So in trying to manage their multiple identities, these states end up joining all kinds of integration groups. And each of these has logic of their own. The main trick is not to dismiss these logics, but to see how they can be made coherent or irrelevant to individual member states. That requires more research and dialogue. What I am trying to point to is a discourse that is less dismissive of these complexities. And tries to under some of the exigencies of local situations if only to enable countries disentangle themselves from conflicting arrangement.

If you drew the European story and didn't confine yourself only to economics, you would find a similar problem of Europeans belonging to all kinds of arrangements which don't always coincide. So the trick really is to find out what are the logics behind this, and can these logics be reconciled?

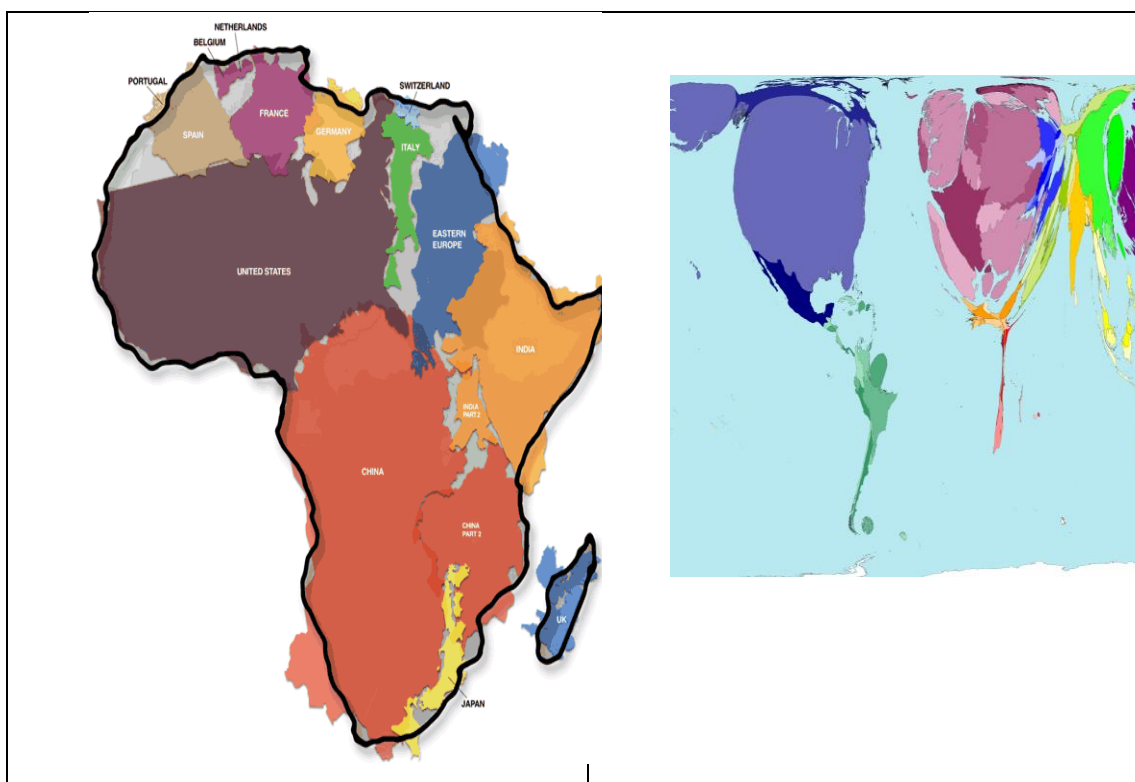
I will use as drivers what I call 'the seven I's', to pose questions and use as entry point for discussing regional integration. These are initial conditions; ideas; interests; individuals, who play a very important role in African politics; institutions; industrialisation, as a measure of development and international context. I could have added an eighth, which is idiocy, it does play an important role, and you would be surprised what a role idiots and ignorance play in debates on integration. But I'll leave it out for the moment.

Initial conditions

This is probably still the heart of the matter for African countries, and there are two types of initial conditions I am talking about here. One has to do with the geography or, more specifically, the size of Africa; the other is the underdevelopment of the continent. As you can see on the map, Africa is huge. If you look at this:

The United States, India, China, Western Europe, Japan and more - they all fit into the African continent. So when you say 'integrate Africa', you are saying integrate US, China, India, France. You're talking about, integrating an

incredibly large amount of space. And I think it's remarkable that Africans have maintained the project of integration, s.



The other map shows a different story. This map shows economic size. So we are talking about a continent that is a contradiction; a huge continent with a very small economy. This compares the size of different economies, and this is Africa here, more or less the size of South Korea. I think these graphs will show you very dramatically the dilemma we have. We have a very large continent with very small economies. And of course one argument for integration is that it will facilitate development. But we have to also remember that the level of development actually negatively affects integration. Just look at the sheer size of the continent, the distances. And in a continent with bad infrastructure, the distances are even worse than we would imagine.

That is, if member states are poorly developed, then their infrastructure is bad, their communications are bad, and that makes integration even more difficult. So we have a huge task. Our end, which is development, happens

also to be the means towards integration, and that complicates our affairs enormously. That is the first initial condition, geography.

The other initial condition is the colonial legacies. And unfortunately those play an important role, up to this day. Those who are involved in Pan-African organisation know how important and frustrating these colonial legacies are in terms of alliances, in terms of understanding what integration is, even how states are constituted. Of course the legacies also leave behind pre-existing regional arrangements, some of which contribute to that spaghetti bowl arrangement I was talking about.

Ideas

So that's one of the I's. The second I is ideational factors. And, often the more technocratic people in the regional institutions are impatient with ideologies. And they get angry when people bring up ideologies of Pan-Africanism, Nkrumahism. They want to get down to technical issues and get Africans integrated. They say 'we want discussions which are ideology free', Well, ideas are very important for regional integration not only because they determine the objectives of integration, but also because they sanction the kinds of instruments that you can use. And give a moral and political purpose to the project.

One of the good things on an ideational is that there is a very deep commitment to the continent. How often do you see Africa on music albums? How often you see Africa on earrings, t-shirts with Africa? Africa is probably the most drawn, the most sculpted, the most sung about continent ever. So there is a very strong sense that Africa really matters to Africans. I'm sure that if you walked up to most Africans and told them that they now belonged to the United States of Africa, they wouldn't be upset, because there is pan-Africanism has a positive emotional resonance. Unfortunately there are no institutions translating that emotional commitment to the continent into regional integration.

And ideas also matter in how you characterize the economies of member states. Today we are actually much more regional. One of the puzzles today is that we are now in a neo-liberal era which essentially finds regional integration to be a nuisance, because in the language of neo-liberalism, it creates distortions. If you have Ministers of Finance who are neo-liberal meeting to discuss regional integration, you can be sure it's a non-starter. This is because it just doesn't make sense, starting from where they are starting. The arguments for regional integration are very structuralist, about economies of scale, about complementarities and so forth. These are ideas build on certain understandings of how economies function. So if you don't have the same understandings of how individual economies function, it's very difficult to think of how the regional project will look like.

We should also understand that historically, Pan-Africanism has had two sides to it. The first is the intellectual one; the founders of Pan-African ideas were mostly diasporic scholars. They were people of African descent outside of the continent, and they tended to view integration in a continental sense. There was no room for nation states. It was only at the 1958 meeting in Accra, when Pan-Africanism was discussed as a continental project, that it became a national project, a state project. We still have not found a way of reconciling this continental vision with the actual existence of nation states. That divide appeared in the early days between Nkrumah's vision that Africa must unite with a continental government, and the other visions which took as their starting point the building blocks of the nation states. We still have that debate going on in Africa.

Individuals

One of the P's is individuals. Africa has had very big names in the debate about integration and some of the personal conflicts between the great names in Africa have been decisive in how far we have moved. The Nkrumahs, the Nyereres, the Bandas... they have affected how regional integration has

proceeded in Africa. I understand now that there is a misunderstanding between the two presidents of Rwanda and Tanzania. How these individuals behave will affect the process.

We also know that personal experiences in the liberation struggle have an effect. You see this a great deal in this region of Southern Africa; the ties and loyalties that were created during the struggle by individual leaders have very strong implications on how the region works. I am from Malawi, and in Malawi we found ourselves often on the wrong side of the liberation struggle. I think that up to this day there are members of SADC who are very suspicious of Malawians because of this. And Malawians themselves are often very insecure about how they are perceived by the other member states because they were not part of the struggle for liberation.

I recall speaking to someone from FRELIMO who told me that he knew that in a delegation from Malawi, there were two people who were supporting RENAMO. Immediately, that perception affects how the deliberations will proceed, because of these individual experiences.

Institutions

Another big player, of course, is the institutions. Today we live in a world in which there is a lot of scholarship on institutions. Institutions can have their own interests. They may be created by political or economic interests, but eventually they can acquire their own logics. The question in Africa is whether the technocrats running them have the same vision as the member states and whether the incentives for the staff of these institutions are inductive of a pan-African outlook.

European history, at least one version of it, argues that after the Second World War, the young technocrats, who wanted to bring an end to conflict in Germany and France, were very important in tying up the member states to a European project. And these Eurocrats, as they called them, were committed to a Europe free of war, where Europeans were friends with each other.

The question we must ask firstly is whether we have our own ‘Afrocrats’ – 9technocrats who are competent and driven by a pan-African vision): what drives them. Is it a commitment to the Pan-African ideal, or is it just another job in an international organisation? We have to deal with the question of how our regional bureaucracies are constituted, what their political agendas are and what their political perceptions of the project they are working on are.

I think it would be very sad if our regional bureaucrats felt that they were representing their own national government or if they felt that they were Francophone, or Anglophone. It would be worse still if it were just another international job, a case of ‘I wish I was in the World Bank, but I’m stuck here in this institution’. You would hope that they actually think of this as the career, as the dream, to work for an African project. If that is the case, then we are alright- if our Afrocrats have another vision, then we are in big trouble.

The other big institutional problem is much more political- it’s the nature of Authoritarian rule at national levels. One can say without fear of contradiction, that there has never been a federation of dictators. For one simple reason- that this regional integration involves some surrender of sovereignty. You have a collection of tin pot dictators, each of whom sees any surrender of sovereignty as undermining their authority. If you are a life president, how do you surrender sovereignty? .

The preamble of the AU says something along the lines “we, the heads of state’. It doesn’t say ‘we, the African people’. As Mwalimu Nyerere suggested this gave impression that the AU was a committee of dictators because there was no room for appeal against member states mishandling African people. So we have to reexamine the political underpinnings of our regional integration.

This leads to problems of the legitimacy of whole regional integration project. When you have national structures that are authoritarian, the Pan-

Africanism of the population finds no room for expression. There has never been a referendum to consult on whether the country should join this regional or exit a regional arrangement. If the head of state gets angry with one of his/her colleagues, the country pulls out. There's no sense that this should be explained to and approved by the people.

The chairperson raised the point that it was only a few people who signed onto the AU. Gadafi was a very important person in this story. So you can imagine the thought process: Gadafi is a dictator, and he wants me to sign this document so I can be under him. Well, if I am also a dictator, then why should I sign it so as to be under him? And, so it doesn't go through. In a sense we ought to ask the new democracies, which are becoming numerically more important, and are probably in the majority to begin to play a much more proactive role and change the image of the African pan-African project from that of heads of state to that of the African people themselves.

There are also difficulties with the national institutions that deal with regional issues. In the 1980's, African government requested international organisations to come up with two conflicting documents that would help the economy accelerate its economic growth. The Ministers of Finance asked the World Bank, through their governors in the bank, to come up with a document that would help Africa to catch up with the growth in Asia. That report was called the Berg Report which was the first statement of the neo-Liberal position by the Bretton Woods institutions on African economies. The same governments through their ministers of planning asked the OAU to prepare an action Plan for Africa with similar objectives... These documents are two different views about integration. The Lagos Plan of Action was a very structuralist, very developmentalist argument for regional integration while the Berg report drew on neoliberal economics. So you had, within the same government, pursuing conflicting agenda. And that repeats

itself quite often, where, at national level, the institutions that are supposed to be dealing with regional affairs arrive with a conflicting agenda.

Making those policies coherent is very complicated as it often leads to turf wars. So you have within our governments a structure of power which makes integration depend very much on one or two ministers. And that is something that we need to reflect on. It is complicated further by the fact that the power of ministers in African countries is no longer determined entirely by local politics. Ministers of Finance are empowered by forces beyond local borders - they have almost become the last word. If the Minister of Finance says, 'No. If we sign this agreement, we will lose revenue from custom duties', then that's it. It doesn't matter what the Minister of Trade thinks it should be.

National interests

When you talk to people who are around regional institutions, you immediately confronted with that they are very impatient with about national interest. They think national interest is what is blocking everything. Their own framing of the problem is regional. In fact one of the strange things about Africa and the debate on regional integration is that it is often cast in a regional mode, so we say regional integration is good for African development, is good for African growth, and that's a very strong case to make. We don't say, it's good for Gambia, it's good for Malawi, and it's good for Congo. We don't discuss what are the costs and benefits of each member state joining this scheme, and we definitely have not been successful in devising methods of compensating the losers and taxing the winners. And we do not indicate to member states what are the costs and benefits of their national policies to the regional endeavour.

But I think it is wiser to start off with acknowledging those interests, and really understanding them. In that case the role of regional bureaucracies would be reconciling those national interests to the pan-African projects and to each other. Simply dismissing them doesn't help very much. You do that if

you start off from a premise that national interests are legitimate, that they are one of the constants that we will be dealing with, and that we must find ways of reconciling them.

One way of reconciling them will be the technocratic approach of measuring costs and benefits, and using taxes, but there is another element which we must bear in mind, which has been important in the European case: a notion of solidarity which, in fact, was at the heart of pan-Africanism. We must rekindle the idea of solidarity. We must think of ourselves as a continent where diverse nations and peoples share certain common objectives and that in certain cases some may have to pay more than others.

Societal interests

Let me turn to the issue of societal interests. We can think of many interests that matter for regional integration, and one of the first ones that come to mind is that of those that are directly involved in production. Business is a good example. In the early days of import substitution, in the sixties and seventies, much of the industrialization was state controlled or joint ventures with TNCs. And it was built on the ability of TNCs to perform in a particular market. So there were no logical or economic imperatives for these business enterprises to lobby for regional integration. They were happy with position they held in the protected national market. Yes, they had excess capacity, but they were better off living with excess capacity when it is protected, than venturing into regional markets. So there were really no business interests in regional integration. The parastatals were happy with the local market. There were no strong national business interests in individual member state to push for regional integration. The multinationals were functioning quite well, and they too were making a profit in these fragmented, but highly protected markets. So again there was no drive from their end.

Today there are African business men and women s interested in regional markets. I'm talking about some of the big South African financial

and retail companies, Nigerian cement companies that are performing outside of Nigeria, and are investing in other parts of Africa. They may be interested in some form of regional integration. I think we have to bring such interests to the table. Such interests can be important to a regional project. But this also means we need to know more about such interests? What are their interests in a regional project? How do you reconcile their interests with those of the continent or the regional schemes that we are talking about? For capitalist economies that we have the failure to bring on board these interests is tantamount to a performance of *Hamlet* without the prince. We are talking here as bureaucrats and academics, and the actual big actors are not involved. And we don't fully understand what their interest is.

And apropos interests: In the days of the seventies and sixties, there was a leftist, Marxist critique of African states which said that these are petit bourgeoisie and capitalist bureaucracies, and that you can't expect petit bourgeoisie bureaucrats to embark on a scheme like regional integration, which requires real and serious national bourgeoisie or captains of industry. So there was an argument that the rulers of Africa were petit bourgeoisie and they could not carry out this scheme of regional integration. In fact, Nkrumah's later works focussed on the class constraints on regional integration. He became very sceptical of whether his colleagues, who were agents of neo-colonialism, would actually embark on it.

The State

This brings me to the question of the state, which is of course a very important actor. There is a discourse about African states, and how individual interests, class interests and ethnic interests affect the state. In fact, much of the writing on African states is very negative. And regional integration in Africa has been very state-centric. It's the state that sees itself as the guardian of national interest. Given the centrality of the state, we have to understand the weakness of the African state as an actor in the project of regional

integration. The very nature of statehood has certain imperatives, and we may not like those imperatives, but they are things that we have to worry about when we talk about regional integration.

In more recent years, two dominant views about the state in Africa have affected how people perceive African states. In the first case, people see African states as having been captured by rent seeking interests, whose policies therefore will always be selfish and will never support the project of regional integration unless it generates rents for them. The other big school is the neo-patrimonial school which holds that in African states neo-patrimonialism affects policies of the state. This concept of capture either by rent seeking or by neo-patrimonial interests, is then said to make regional integration impossible. If you believe their rent seeking is driven by greed, then you can forget about regional integration. I personally don't share those views I think they are too simplistic; they reduce human motivation to very narrow economic interest. I have written critically about these views- But I think they do point to the importance of actually understanding how member states are politically constituted.

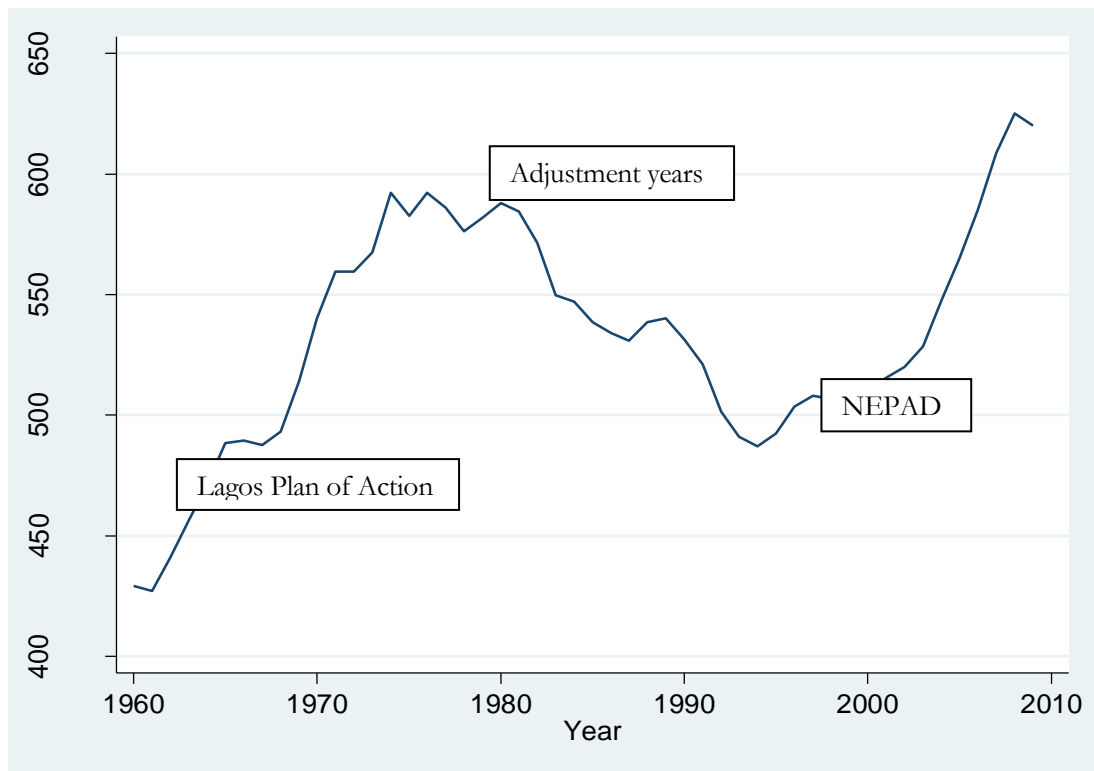
Normally in our discussion we give a lot of prominence to economic integration, but actually the states themselves have given many other reasons for integration. And people who are interested in economic integration often find those reasons very annoying. Governments talk about collective self-reliance. About peace and conflict management, and there are a lot of diplomatic concerns about how they should deal with each other. Those objectives should not be dismissed as time-wasters, just because we want to get down to the economic business of integration. I would argue that in fact some of the strongest unifying factors are non-economic. As I said, in Europe, the drive behind integration as a means to end conflict was much more important than simply maximizing the returns of particular industries. And even within Africa, the strong motive of SADC was not economic; it

was the liberation struggle, which has remained in many ways the symbolically important in tying this region together. One of ECOWAS' most important roles in the region of West Africa has been building and maintenance of peace in the region. So we have to find ways of exploiting these non-economic motivations for regional integration. And we wouldn't be the first to do that, all other regions have done the same thing. Generally, when you focus exclusively on economics, you will in most cases, undermine the political underpinnings of these regional schemes. That's it's important that we pay attention to these non-economic objectives for regional integration.

Bureaucrats, both national and regional, say that we must depoliticize the debate around regional integration. But regional integration is a political project. When it functions at all, it functions as a political project. And so we have to relate to these national interests who, in today's world, are expressed through states of different capacities and different ideological persuasion.

Industrialisation

The other 'I' is industrialization, which I use as a measure of development. The level of industrialization of member states is central to the performance of our schemes. I need not tell you that we have very low levels of industrialization, and that it makes certain things difficult in terms of integration. One of the things I want to stress about industrialization is the importance of economic conjuncture in understanding the political behaviour of member states.



I have drawn a graph here of the performance of African economies since 1960. You will see that in 1960's and up to the 1980's there was fairly high growth in Africa, and then we entered through the last decades of decline, and then from 1995 we have the so-called Africa Rising story. It's interesting that if you look at the different schemes, the Lagos Plan of Action was conceived when Africa was doing quite well. The point I want to make is that the language of the Lagos Plan of Action, and its optimism was based on a project of fairly successful economies. Commodity prices were good and their decline in the mid-1970s was seen as a temporary matter. The hope was that the future of Africa was going to be one of collective self-reliance based on resources. The Lagos Plan of Action talked a lot about how we can convert our resources into industrialization and so forth.

In fact, when African heads of state and the African governors at the World Bank requested the famous Berg Report, their problem was the following; how do we make our economies, which were growing at 5.7% at that time, grow as fast as Asian countries are growing, which was about 6 or

7%. That is what they asked the World Bank. Well, the World Bank gave them 0% growth. Someone once said 'we asked for bread and they gave us a stone'. The Berg Report gave us two decades of very low growth. Then came the SAP Era, and basically, regional integration was set aside. Member states were each being forced to liberalize and each were being forced to forget about preferential treatment of anybody in your region. One major premise of regional integration is preferential treatment of members of a particular integration scheme. Liberalisations ought opening to entire world. This put paid to the Lagos Plan of Action.

NEPAD in a sense comes toward the end of these lost decades, and was obliged to take on a neo-liberal language. It became a project premised on showing to the rest of the world that Africa accepts the markets, and there will be good governance, and so forth, and please gives us 64 billion dollars. They didn't give us 64 billion dollars, but the point was that there was an ideological moment. It was a project which reflected Africa's collective weakness. While the Lagos Plan of Action was premised on the assumption of a strong Africa.

One week after the announcement of NEPAD, the three heads of state, Mbeki, Wade and Obasango, went to Paris to inform the Europeans of the formation of NEPAD. Even the very fact of going to France to announce NEPAD was indicative of a much weaker position in negotiation. So what I am saying is that regional schemes in Africa are affected by these global conjunctures. I think that today's debate would be premised on some of the Lagos Plan of Action's spirit. Africa is in a slightly better position economically, more and more countries are escaping the hold of the Washington crowd, so we can imagine much more independent states negotiating regional schemes than if you were, say, negotiating in the nineties, so conjuncture matters a lot for African economies. By that I mean also that

the strategies of industrialization that each country pursues, which depend on this conjuncture, affect the way that regional integration will be carried out.

I assume that what we are talking about here eventually will be some kind of a developmental regionalism where the project is developmentalist, by that I mean it assumes market failures and all the problems of markets, and assumes a much more active role for the state and assumes some kind of regional import substitution, but premised on a different set of premises than the Lagos Plan of Action. The Lagos Plan of Action assumed that member states were planned economies, which they were not. Now we are assuming market economies, with the logic and politics of that, and we can imagine a lot of collective, regional projects. That project, at a regional level, is premised on that project being dominant at national level. I have a feeling that today in Africa, again compared to the sixties and seventies; you do not have very strong developmental politics at national level. For many reasons, one of the reasons I think is the association or belief by the younger generation is that the reason Africa got into a mess in the first place was because there was too much intervention by the state. There is also a new faith in the market that didn't exist in the seventies. But also I think there is a loss of self-confidence, of the sense that we can do it without Washington making noise.

If regional integration is not perceived by member states as a solution to their national ambitions, then regional integration as an argument for industrialization makes no sense. So we have to go back to the politics of industrialization at a national level and the policies of development at national level to understand why member states may want to have regional integration. If we don't do that, we are in a sense confirming Napoleon's point that war is too important to be left to generals and regional integration is too important to be left to regional integration institutions.

International order

And finally I want to talk about the international order as the last 'P'. When the Lagos Plan of Action was introduced, politically this was the era in which there was talk of the new international economic order. The Lagos Plan was one of those documents. The West, with OPEC rising and the raw material prices going up, was prepared to have a debate on interdependence. The third world was making a lot of noise about the new economic order, and this came with the collapse of structural readjustment and the collapse of prices. Commodity agreements like SIPEC were in trouble. That change in the international order affected how we think about where we are in terms of regional integration. I'm not sure how to read the current international position in terms of Africa's possibilities, but I would assume they are much more favourable than they were in the eighties and nineties, for a new debate—a new autonomous debate about regional integration.

For individual member states, some of the international contexts are defined by the regional hegemons. You have the big countries in Africa, like South Africa and Nigeria, and they are important players in the regional integration scheme. Again, we need to understand their politics much better than we do. Each time I read about South Africa or Nigeria's performance in the region, I am struck by how we really don't have a good knowledgebase to understand what's driving these countries in terms of their regional politics.

Q&A with Prof. Thandika Mkandawire

Q1:

Batanai Chikwene: Trade Department in the African Union Commission.

I just want to ask a question on this notion of developmental regionalism, and cast my question from a framework of protectionism, that is perceived to be the notion of countries that may characterize themselves as developmental. Take for example, one would think that for a developmental

state, the issue of export taxes, to promote value addition locally becomes important. They would also think that it is also important in the region, so perhaps when we pursue this question within the context of developmental regionalism, we need to be able to make national interests part of what becomes important at the region. That would be the first point.

Then the second point is how doing us, in terms of modalities, how do we make regional integration a project of the people? We often talk of declarations that are cast by the heads of SADC or AU or any other regional economic committee, basically leaving out the people, and without that component... sitting in the governmental processes for some time now, I see that we might not be going anywhere at the speed that we want.

And then the important role of a private sector that understands the regional dynamics and is ready to contribute to a successful regional integration programme; again, in terms of modalities, how can this is done? We all understand that it's important that the private sectors, as the people who actually use regional trade agreements, are part of the process. But they are not forthcoming sometimes- you sit in meetings with them, they are not interested. They will tell you they would rather export on an MFL basis rather than pursue a very difficult regional integration agreement with very complicated rules of origin. So how do we bring this to the level where it should be? Thank you very much.

Q2:

Taku Fundira: Studies in Poverty and Inequality Institute.

Thank you, Professor for the interesting presentation. My question is just on, when you look at regional integration and the whole idea about Africa being a poor continent, what you have seen is that the regional integration agenda, as far as I am concerned, has been concentrating on how African countries can increase their growth. But the issue of poverty reduction is not coming out through these agendas. If you look at the graphs that you put

across, we have seen phases where Africa has experienced high growth. And there is this whole notion of Africa rising, but what is it rising on? Is it growth only? Because if you look at poverty reduction, that is not really translated into a significant impact when you link the two. But also we are seeing a rise in inequality. So while we are integrating, which means that there is a notion of freedom of movement of people, but the social security nets we need to be looking at to reduce poverty and destitution are not really being addressed. I wanted to hear your thoughts on that, thank you.

Q3:

Zodwa Mabuza: Tralac Board

Thank you, Prof, for the interesting presentation, especially the point that you made at the beginning that regional integration is too important to be left to the institutions of regional integration, and it is very true for Africa's regional integration initiatives.

But as you've rightly pointed out, within one institution, if I may take the example of the government, you may have a disconnect among the ministries. You take the ministry of finance, they are purely looking at it from a finance point of view; import taxes. And then you bring together the trade ministries, it's well and good, you see the benefits of free trade. Again, Africa has different experiences. We do have some countries that have benefitted from regional integration, but then if you look deeper, you realize that it calls for countries like Mauritius, Seychelles- they are in the Indian Ocean, they can't survive on their own, they really need to open up. And then we look at countries like the DRC, Congo, Angola they trade mainly in natural resources at MFN rates so basically, when you look at their interest in regional integration, they may not be keen. But then you have this issue that you've raised, which is how we view nation states as opposed to regional integration institutions. Some people think perhaps states are a hindrance to regional integration, I would make an example of the principles of negotiation of the

tripartite free trade area, the negotiations would be driven by Rex/member states. That in itself brings some ambiguity, who will be driving it, is it the Rex or the member states? Practically on the ground, clearly, the negotiations are being driven by member states.

And then the issue of Afrocrats, do we have Afrocrats, vis-à-vis Eurocrats? In all the negotiation sessions that I have sat in, clearly national interests are driving, take prominence in these negotiations. The questions then is how do we convince our negotiations to look beyond national interest, to look at the benefits of regional integration? I think that's the major challenge that we are faced with.

And the issue of individual and national interests, I would say how things happened, to me it's an indication of very weak institutions in Africa. Why should we have, for instance you've just spoken about NEPAD which was driven by the three heads of state. And now that they've left, are we seeing more drive on the NEPAD initiative? It seems like it was more driven by individuals than stronger institutions. And my last comment; you've touched on many issues. It would be interesting to update your presentation, perhaps look at data that is post 2005/6, especially after the global financial crisis, to see how Africa is, and how other economies have fared, post financial crisis. Thank you.

Q4:

Godfrey Ssali: Uganda Manufacturer's Association

Professor, allow me to seek a clear understanding from you in that when we are looking at the aspect of regional integration in Africa in 2014, is it more feasible today than during the times of Nkrumah? Because I find myself in a situation whereby, when you look at the sixties Africa had statesmen, vis-à-vis the current situation where we have politicians. So the real enabling environment for regional integration becomes difficult in an era of politicians vis-à-vis statesmen. I really don't know that we as technocrats at the

institutions might be pushing for something that might not be possible. Political will in each of the capitals is too strong.

Professor, I wanted you to help us understand the aspect of growth of China and India, vis-à-vis the environment in which Africa is. We have China as a super power currently, and it is even inviting African heads of state to Beijing, and they are asked 'how much can I lend each of you?' so I don't know how the African integration really happen in a situation in which currently China and India is more strong and currently stronger than the EU and the US, so the impact of China and India might be a threat to us.

Lastly is the issue of South Africa currently hosting us, that if you asked South Africa, are you more into the BRICS, or are you into the African Union? I think now that helps us settle the case that, South Africa, can you speak it aloud, are you more into the BRICS or the AU? So I'm finding various countries within the African continent, we seem to be pursuing different things. We might look at the African Union and think that it is something so rosy, but the biggest economies are not determined to look at it, and are desirous of pushing the BRICS agenda. So really, I'll be happy if you could help me understand that, thank you.

Q5:

Gus Mandigora: Oxfam

I was very interested in the remark you made, which I agree with, which is about regional integration often being state led and often elite led, now in a lot of my observations, serious discussions about trade are like echo chambers, with the same people seeing each other time and again, speaking the same language, and nobody else understanding what's going on. So, my question is how do we change that, now that we've got the TFTA, which is basically looking at Africa-wide integration, and I've also noticed that the TFTA, outside forums such as this one, and outside the negotiating platforms, the TFTA is not well known at all. So, how do we publicise that,

how do we get people to understand it and how do we get people to actually engage in it, and not the echo chamber and elitist way we've done things before?

RESPONSE FROM PROF. MKANDAWIRE:

Well, the first question, which is in a way related to the last point, is how to make this Pan-African thing a people's project. Pan-Africanism was, until 1958 a Non-governmental organization agenda.

I'll give you an example of the strength of the non-governmental project; in 1958 there was a big conference in Accra. There was a delegation of 3 people, one was from Kenya, one was from Malawi, and one was from Tanzania. Going to the conference, and they had to pass through Leopoldville. When they were in Leopoldville, these three people started talking to a waiter, and criticizing the Congolese for not being involved in the struggle for independence, that nobody from the Congo was going to this conference. This waiter then said, no, we are interested- I'll take you somewhere after work. He took them to a club, and there was Patrice Lumumba and Lumumba hadn't heard about the conference. And these three people put money together for his ticket, and took Lumumba with them to Accra. And that was Pan-African non-governmental organisation in those days. They could do that, they could organise events themselves. We can't do that today- I am sometimes depressed by the fact that much of the NGO world today has no interest in the Pan-African project, they are much more interested in the North-South international arrangements. I will not go into that. But we have to bring back the projects to Pan-Africanism.

In terms of cultural expression, young people are quite comfortable about the idea of Africa. It's not something like trying to bring the Turks into the European Union, which provokes the Christian sentiments against Islam, that's not the problem in Africa.

From 1958 it became a state project. So we have to find ways of recapturing that, once again getting Pan-Africanism to be something that is popular, at least has some link to popular movements in Africa. One of the debates happening in Europe is the anchoring of the European project to society; it is a serious problem. I don't know how it's going to be done.

If the regional project has no developmental purpose, if it does not actually facilitate the member states' development, of course it will not work. And that's why NEPAD was in some ways contradictory, because it assumed that what was not working at a national level, which was the neo-liberal project, would work at a continental level. My suspicion is that no, it wouldn't work. I am convinced that we are starting to see a shift within African countries towards a much more developmentalist perspective. The neo-liberal era is over, intellectually. It takes a long time for dead ideas from Washington to die in the Ministries of Finance in Africa. It's like the Vatican- when the Vatican announces something; it takes 20 years for the remote mission post in Africa to get the news. So many things that are dead in Washington are being practiced- you'll find the ministers in Africa very busy targeting inflation, while the US is saying they are targeting growth. There is some time lag there.

But I think the pressures for performing better economically are getting stronger. It's definitely the case today, and it is why African economies are performing better, that economic performance is one of the indicators, one of the sources of legitimacy of states in Africa. In the sixties and seventies it was enough to say you were a hero or the founding father, and that you had many medals. Today, governments talk about growth rates. At the inauguration of Kenya's president, the vice-President asked why Ethiopia was growing faster than Kenya was. So, African governments see their legitimacy

based on economic performance. If that's the case, regional integration will have strong support if it sustains the ambitions of higher performance.

Poverty reduction, yes- we've been talking about growth, and maybe we didn't say much about poverty. It's important that regional integration of any type has some social welfare underpinnings that we must think, as we think about integration, of a social Africa. Any scheme that is not socially imbedded, whether it is a market, or a planned economy, will collapse. So the African Union must be constantly thinking about how to socially imbed this project of regional integration, or it will collapse. So I think of social Africa as part of the project.

Now we can argue about the things we can do for poverty reduction. One thing I do know for sure is that usually pro-poor policies are poor policies. They are poor for two reasons: one, they are poorly funded, because the middle class does not support them. And number two, because they are for the poor, they don't have political anchoring and can be reversed easily. Now we are faced in Africa with a big dilemma, and this brings in the China problem. At the founding of the OAU, one condition was that the OAU was supposed to be funded entirely by African states. That was maintained for quite a long time. And now we have an African Union funded by outsiders. And this is a big problem because regional integration is an attempt to redefine or reposition oneself in the geopolitics of the world. You then don't allow the others who have similar projects of defining their position, to define you. Because they will define you in terms of their political position. So, Europe is trying to define Africa in terms of its own thinking about the world. The European Union is legitimately pursuing the interests of Europe in Africa. For us to believe that China or India or Europe would be actively involved in a project that redefines Africa's position in the world is a little bit naïve. Because regional integration is a diplomatic move by nation states. So we find a very bizarre situation in which Europe is training Africans on how

to negotiate with Europe. Of course they will train you on how to lose! You don't see Chinese being trained on how to negotiate with Europe! It's not a question of evil intention of these Eurocrats; they are amazingly consistent on European interests. It can be a trivial thing, but once it's on the European agenda, they will pursue it consistently. You could say 'why worry about Tobacco? Tobacco, for Europe, is nothing'. But if one member state pushes the agenda, they will pursue it to the end. So I think we should reflect on the expectation that outsiders will happily join us in weakening them- which is essentially what that story is. We're trying to strengthen ourselves, and in so doing, we are undermining other people's presence in Africa. I don't see why they would push for that.

The low levels of development, of course- it's a chicken and egg problem. You want integration to help you to industrialize, but it's very difficult to integrate if you are not industrialized. So that's the struggle. We are required to think quite strategically to break the cycle. The examples given, of countries like Angola, they are trading with outside countries, so they have no interest in joining in regional integration. Read Lagos Plan of Action carefully. It's a long list, it's not always coherent, but if we are debating about resources in Africa, it is enlightening in placing Africa at the centre. We see debates and projections about how people outside of Africa will consume our resources; somehow we never see ourselves as big consumers. We actually think that if we are producing coal, it will go to China. So if the regional project does not suggest to Mozambique that there is a market within the region for coal, and if there is no long term project that suggests that there will be demand for those products, then of course they will move outside. So we have to begin to have a debate on regional integration in which the uses of these resources within the continent are important. And to convince the producers of those resources that the African market matters.

Mkandawire Transcript -

There is this big debate about the famous INGA project; apparently if it's carried out, will bring huge amounts of electricity. Some company decided that they wanted to capture half of the output for a bauxite refinery in Congo, and almost threatened South Africa's interest in the project. This company was going to use huge amounts of the output; which would have made Congo more interested in this project than South Africa. And that's where bureaucracies can be important, in working out how these economies are actually related, or can be more intensely related.

If states are a hindrance, it's partly because we don't provide an answer to their national political project while, on the other hand national actors see their neighbours as strategically important to their own project, and often see them as a nuisance. I'm from Malawi, and Mozambique is our most important neighbour, and I yet we must have the lowest level ambassador in Maputo. The most important country to Malawi today is Mozambique- they could bring us to a stop tomorrow. But our minds tell us London is more important. We don't see each other strategically. It's ironic; Brazil is building a railroad through Malawi to Nacala, carrying coal. It takes a Chinese company to say 'well, why don't you build a thermo power plant to use coal to supply energy to Malawi?' Because either Mozambique or Malawi think of each other as a market and have not discussed the importance of these resources to their mutual benefits. Those are the things we have to think about.

Now, Afrocrats; how do you produce good Afrocrats? Now, in most developed countries, the production of their bureaucracies is a matter of central interest. In some cases, they are sent to one school, or similar schools. In Africa, at the national level, we have all been trained at all kinds of universities; there are BA's from USA, UK, France, Russia, China, America, National institutions, etc. They have no appreciation for each other's degrees, and yet they are running the same civil service. And that is not very smart, because just as we have failed to create coherent national bureaucracies, we

are having the same problem in our regional institutions. I would suggest that the AU identify one or two universities where all their bureaucrats must spend 3 or 4 months before they join the African Union or undergo regular retooling, to create a coherent story for them and mutual understanding and mutual appreciation. You have to create a bureaucracy, they don't make themselves- they are created for the purposes of whoever needs them. But the African problem is that people are not sure about each other's competencies, they have different degrees, and they haven't gone through similar training processes, so they come with these problems of incoherence at global level.

Is it more feasible to have African integration today, when there are no statesmen? The statesmen of yesterday- yes, they were more committed, but with all the headaches they created for us, they had one thing they were focused on that made economic integration secondary. It was the liberation of Africa. The amount of time that was spent by the OAU on the liberation struggle was enormous. It was only with South Africa's liberation, that issues of economics came back on the agenda full scale. So I am more optimistic that without the preoccupation of liberation, we can begin to talk about economic problems more seriously. The first founding fathers, during the liberation struggle, could put their country through enormous pain economically to get this project liberation through. And that was what was important about here being statesmen. The others did their task. When Mandela died, I wrote a piece where I said for my generation; Mandela's death marked the end of one struggle. Now it's the next struggle, the economic struggle, the struggle for democracy. And that requires a different kind of leader; I don't think that the first statesmen would do well in this new task. They were good for one struggle, and they have achieved it. Africa is free and we can think about the next problem. The new generation will have to have a second liberation; the liberation of the African economies.