Book Review I of The African Continental Free Trade Area Agreement: The Development of a Rules-Based Trading Order - The Problem of Protectionism in Africa

By:

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Abstract

This paper explores the persistence of protectionist trade policies across Africa and their implications for economic development, regional integration, and the African Continental Free Trade Area (AfCFTA). While protectionism can support emerging industries and strategic sectors, excessive reliance on it undermines long-term growth and regional cooperation. Kofi Oteng Kufuor's work on protectionism in Africa, as a sub-part of his recent monograph *The African Continental Free Trade Area Agreement: the Development of a Rules-Based Trading Order*, dissects the problem of protectionism within Africa. He

demonstrates the threat to the planned single market from a range of forces, that can operate on two-levels, the sub-regional level and the regional level. African countries have stunted intra-African trade with protectionism. Drawing from historical developments, legal frameworks, and policy case studies—including Nigeria's 2019–2020 border closure—the study evaluates the balance between national trade protection and continental liberalization efforts. It also highlights institutional and regulatory constraints that hinder AfCFTA's implementation. The paper concludes by advocating for a pragmatic approach to trade policy—combining time-bound protectionism with structural reforms to foster sustainable development and pan-African economic unity.

Introduction

Protectionism—defined as the economic policy of restricting trade between countries through tariffs, quotas, and regulations—continues to pose a significant barrier to Africa's development. While such measures are often intended to support domestic industries and reduce foreign dependence, they frequently hinder economic growth, reduce efficiency, and fragment regional markets. This paper explores the extent, causes, and consequences of protectionism in Africa, with a particular focus on its impact on trade, development, and regional integration efforts, especially the African Continental Free Trade Area (AfCFTA). By examining theoretical frameworks and real-world case studies, the paper argues that while targeted protectionism may have merit, excessive reliance undermines Africa's economic prospects and continental unity, goals that the AfCFTA seeks to help attain.

Historical Context

Post-independence, African economies inherited colonial structures oriented toward the export of raw materials and the import of manufactured goods. In response, many nations adopted import substitution industrialization (ISI) strategies in the 1960s and 1970s to stimulate domestic manufacturing. However, limited market sizes, poor infrastructure, and governance issues hampered these efforts. By the 1980s, dissatisfaction with ISI led to broad economic liberalization under structural adjustment programs. Nevertheless, protectionist tendencies persist, especially in politically sensitive or strategic sectors.

A World Bank report notes that Sub-Saharan Africa saw poverty decline from 54% in 1990 to 41% in 2015, alongside improvements in education and health. Yet, economic growth has recently slowed, and poverty remains widespread due to rapid population growth. The World Bank recommends focusing on income opportunities, regulatory reform, and targeted poverty alleviation. Achieving this requires moving beyond macroeconomic stability to address productivity, job creation, and risk mitigation for vulnerable populations [1].

Forms of Protectionism and Legal Challenges in Africa

The AfCFTA, is rooted in regional integration theory and influenced by neoliberal principles, seeks to deepen economic cooperation across Africa. Article 3(1) of the AfCFTA Agreement states its goal: to create a single market for goods and services, facilitated by the movement of persons, and aligned with the Pan-African Vision of an integrated, prosperous, and peaceful Africa as envisioned in Agenda 2063 [2].

The Agreement outlines eight objectives, including:

• Creating a liberalized continental market;

• Advancing through successive negotiation rounds;

• Promoting capital and labor mobility;

• Laying the foundation for a Continental Customs Union;

• Supporting inclusive development and structural transformation; • Enhancing competitiveness in global and continental markets;

• Encouraging industrial development and food security; and

• Addressing overlapping memberships and accelerating regional integration [3].

Despite these ambitions, legal and regulatory obstacles persist in the form of the following:

Common Forms of Protectionism:

• Tariff and Non-Tariff Barriers: Customs delays and regulatory inconsistencies persist despite tariff reductions.

• Subsidies and Quotas: Governments protect domestic sectors through subsidies or import bans.

• Intellectual Property Rights (IPR): Inconsistent enforcement creates risk for investors.

• Dispute Resolution: The AfCFTA Dispute Settlement Mechanism is in place but remains largely untested.

• Legal Inconsistencies: Varying national laws complicate compliance.

• Tax and Customs: Disparate rules and policies challenge cross-border trade.

• Local Content and Labor Laws: Firms face varying employment and sourcing regulations.

• Competition Law: Legal standards differ widely across countries [4].

Though often justified to protect emerging sectors, such measures can distort markets, deter investment, and reduce consumer welfare. Multinational corporations must conduct rigorous due diligence, secure expert legal advice, and develop localized compliance strategies to benefit from AfCFTA's potential. It is against this background therefore, that Kufuor’s work gains significance. His chapter on protectionism in Africa, pre-AfCFTA suggests that notwithstanding pro-trade rhetoric and the role of regional trade blocs as supposed laboratories for free trade, protectionism is real and current in Africa.

Arguments in Favor of Protectionism

Advocates of protectionism highlight the need to:

• Foster local value addition, especially in resource-rich sectors. Africa possesses strategic minerals crucial for global energy transitions, such as cobalt and lithium. The DRC, for instance, holds over 50% of global cobalt reserves.

• Shield infant industries from overwhelming foreign competition.

• Preserve jobs and prevent deindustrialization.

• Protect key sectors like energy and telecommunications.

Historical precedents, such as South Korea’s strategic use of protectionism, suggest that time-bound, targeted protection can support industrialization. Governments may also use trade barriers to prevent dumping, which can undermine local industries and ultimately harm consumers through monopolization [5].

The Economic Costs of Protectionism

Despite some benefits, protectionism has significant drawbacks:

• Less competition stifles innovation.

• Consumer prices rise due to import restrictions.

• Smuggling and corruption flourish under tight controls.

• Retaliatory trade policies can harm exports.

• Foreign Direct Investment (FDI) may decline in restrictive environments.
Outdated regulations and inefficient bureaucracies continue to constrain African economies. Reform efforts often face political resistance but are essential for enhancing competitiveness and investor confidence.

Case Study: Nigeria’s Border Closure (2019–2020)

In 2019, Nigeria closed its land borders to curb smuggling and promote local agriculture. Although rice farmers benefited, the move triggered negative consequences:

• Sharp increases in food prices.

• Economic disruption in neighboring countries like Benin and Niger.

• Damage to Nigeria’s credibility within ECOWAS.

This policy revealed regional enforcement gaps and highlighted the need for harmonized tariffs and coordinated customs efforts. As AfCFTA implementation

advances, such issues are likely to grow more urgent, requiring robust monitoring systems and enforceable rules. In his book, Kufuor unpacks instances of protectionism and points the finger towards domestic economic forces and lobbies that strong-arm governments into granting them relief from cheap rival imports. He also sees sub-state actors in AfCFTA members as handmaidens in providing shelter from imports. Thus, for AfCFTA to succeed requires its advocates and supporters confronting the challenge of trade liberalism on two fronts, the state as well as at the level of non-state and private actors.

An effective Dispute Settlement Mechanism (DSM) is crucial for AfCFTA's success. Current continental institutions lack the capacity to enforce rules across diverse political and economic contexts. A strong DSM must be accepted by member states, complement diplomatic efforts, and ensure fair, enforceable outcomes [6].

Institutional and Regulatory Gaps

• Rules of Origin Enforcement: Weak systems enable trans-shipment fraud.

• Dispute Resolution: A robust DSM with authority for arbitration, mediation, and enforcement is critical.

• Border Management: Colonial borders and cross-border ties complicate enforcement and need strengthening.

AfCFTA's goals extend beyond tariff elimination to broader economic coordination. Effective implementation requires institutional reform, infrastructure development, and harmonized trade procedures. However, inefficiencies like excessive documentation and slow border processes remain major barriers.

Regional Integration and AfCFTA

AfCFTA is the largest regional free trade area covering 52 of 55 AU members. Its goal is to eliminate tariffs on 90% of goods and increase intra-African trade by over 50%. Yet, several challenges persist:

• Reluctance to liberalize sensitive sectors.

• Informal barriers such as poor infrastructure and bureaucratic inefficiency [7].

• National priorities often trump collective objectives. Realizing Agenda 2063 requires moving beyond symbolic commitments to enforceable rules, functional institutions, and sustained political will.

Toward a Balanced Trade Policy

Protectionist policies are often driven by political incentives:

• Import licenses and subsidies benefit influential elites. • Industry lobbies resist liberalization.

• Policymakers prioritize electoral cycles over long-term strategies.

African countries should embrace “smart protectionism”:

• Offer targeted, temporary support for key sectors.

• Promote public-private partnerships to boost competitiveness.

• Invest in infrastructure, education, and skills development.

• Harmonize and simplify trade rules under AfCFTA.

As the African Growth and Opportunity Act (AGOA) nears expiration in 2025, AfCFTA presents an opportunity to assume its role—if African governments can ensure transparency, regulatory certainty, and investor-friendly environments.

Conclusion

Protectionism poses both challenges and opportunities for Africa. While limited, strategic protection can support key industries, excessive use undermines economic progress and regional unity. AfCFTA offers a transformative platform to integrate markets, enhance trade, and drive development. To succeed, Africa must reduce protectionist barriers, strengthen institutional capacity, and commit to a transparent, cooperative, and rules-based trade system. Aligning national policies with regional goals and enhancing enforcement mechanisms will be critical to fulfilling the vision of a prosperous, integrated Africa.

Footnotes

[1] Beegle, K., & Christiaensen, L. (2019). Accelerating Poverty Reduction in Africa. Washington, DC: World Bank. https://hdl.handle.net/10986/32354 last visited 28 of May 2025

[2] African Union, Agreement Establishing the African Continental Free Trade Area (AfCFTA), adopted March 21, 2018, entered into force May 30, 2019. Available at: https://au.int/en/treaties/agreement-establishing-african-continental-free-trade-area last visisted 28 of May 2025

[3] Ibid

[4] Beegle, Kathleen; Christiaensen, Luc. 2019. Accelerating Poverty Reduction in Africa. © World Bank. http://hdl.handle.net/10986/32354 , 2019

[5] Beegle, Kathleen; Christiaensen, Luc. 2019. Accelerating Poverty Reduction in Africa. © World Bank. http://hdl.handle.net/10986/32354 , 2019

[6] The blog post titled “Nigeria’s border closure: a road block or a speed bump on the road to a successful AfCFTA?”by Woubet Kassa and Albert Zeufack, published on the World Bank Blog on January 23, 2020, is an authoritative source discussing Nigeria's border closure in the context of the African Continental Free Trade Area (AfCFTA).

[7] Trade for Peace: Pathways to sustainable Trade and Peace, WTO 2023, https://www.wto.org . Supra note 4.

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