Reflection Piece on the 8th Lecture of the Afronomicslaw Academic Forum: The AfCFTA in the Shadow of Contending Visions of Pan-Africanism by Prof Olabisi D. Akinkugbe

By:

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On Saturday, 10 April 2021, Olabisi D. Akinkugbe delivered the 8th Lecture in the ongoing Guest Lecture Series of the Afronomicslaw Academic Forum. The title of Professor Akinkugbe's presentation was "*The African Continental Free Trade Area in the Shadow of Contending Visions of Pan-Africanism.*" The Lecture was based on his forthcoming book chapter entitled "A Critical Appraisal of the African Continental Free Trade Area Agreement."

Prof. Akinkugbe’s main argument was that although the AfCFTA has been referred to as a pan-African trade agreement, it is unclear what that means since pan-Africanism is subject to different interpretations.

Prof. Akinkugbe premised his presentation on three arguments. The first premise he laid out was that African states are not monolithic in their policy choices. Secondly, the African Continental Free Trade Area’s (AfCFTA) success depends on the effectiveness of Africa’s Regional Economic Communities (RECs) since they are the building blocks of the AfCFTA as provided for by the AfCFTA treaty. While Prof. Akinkugbe agrees that this is a good idea because RECs have already made strides towards free trade and a customs union, he raised concerns about whether the problems of these RECs have been analyzed and addressed, given the fact that past continental integration initiatives have struggled to make any meaningful economic impact on the continent. The third premise is that Africa’s position in the global economic order impacts the AfCFTA since it is impossible to imagine this agreement outside of the global context where African countries interact with other actors outside the continent.

To put Prof. Akinkugbe’s argument in perspective, it is essential to remember that the AfCFTA is an agreement that focuses on accelerating intra-African trade and boosting Africa’s trading position in the global market by strengthening Africa’s common voice and policy space in global trade negotiations. It came into force on 1 January 2021, which means that the formal requirement of trading started on that day. This agreement has been signed by 54 out of the 55 African Countries but has only been ratified by 37, out of which 19 are Least Developed Countries (LDCs). Prof. Akinkugbe argues that the substantial number of LDCs involved in the AfCFTA is a huge indication of support for African integration. The purpose of the AfCFTA is to liberalize trade within the continent. Liberalization refers to the removal or reduction of restrictions or barriers on the free exchange of goods between nations. The barriers may either be tariffs such as duties or non-tariff barriers such as licensing and quotas. As provided for under the AfCFTA treaty, the AfCFTA will be implemented in two phases. Prof. Akinkugbe sought to break down the technicalities of the two phases before delving into the substantive discussion.

The AfCFTA is currently in Phase 1, which deals with the liberalization of trade in goods, trade in services and has a protocol on dispute settlement mechanism. Phase II shall deal with intellectual property rights, investment and competition policy as provided for under Article 7 of the AfCFTA treaty. What liberalization means in technical terms is that the African countries that sign and ratify the agreement consent to liberalize 90% of their tariff lines such that these countries will reduce and ultimately seek to eliminate the tariffs on the designated goods/products. While implementing this, a distinction has been drawn between LDCs and non-LDCs whereby LDCs have 10 years to achieve 90% liberalization, while non-LDCs have 5 years. This is based on the principle of **variable geometry**, which involves states moving at different speeds towards integration. In this particular case, it allows LDCs to implement tariff requirements over a more extended period because of the economic differences they have vis-à-vis non-LDCs. The remaining 10% of tariff lines are divided into two categories. Of the 10%, 7% will be fully liberalized over another period. LDCs have 13 years, while non-LDCs have 10 years for this second period. The remaining 3% of tariff lines are excluded from liberalization entirely.

While I believe that the variable geometry approach is good, it does not fully solve concerns over tensions within and between countries since the national reforms required to enforce the removal of barriers involve politically difficult choices. This perhaps explains why over 15 countries are hesitant to ratify the AfCFTA treaty. Additionally, there is a notion that there will be winners and losers after the implementation of the AfCFTA such that countries with relatively open markets and also those larger manufacturing bases and more developed transport infrastructure will tend to benefit more from improved access to other markets. Despite its necessity in the African context, the variable geometry concept might also contribute towards the slow progress of the implementation of the AfCFTA. This is because, as Sewagegnehu Dagne has argued in an earlier post on the Forum, it is trying to '*accommodate countries unwilling to move as fast as others* and therefore making trade liberalization more complicated, thus slowing down integration initiatives.

Turning to the substantive issues, Prof. Akinkugbe argues that the implementation of the AfCFTA will not be done in a vacuum. The history of state diplomacy in Africa dictates that states believe that they support each other

such that African states have always believed that they enjoy support from other African states. This mutual support is based on Pan-African ideals. However, at the heart of these ideals is the call for a more nuanced understanding of what it means for each of the African states regarding their national interests vis-à-vis their regional obligations, especially from an economic perspective. Hence the phrase by Prof. Akinkugbe "**situating the AfCFTA in the contending vision of pan-Africanism**".

Using this background, Prof Akinkugbe explains that pan-Africanism is subject to different interpretations. It is a nebulous concept, a construct that is constantly made up to mean something different during each phase of a particular move on the continent. Why is it that only 37 out of the 55 African states have ratified the AfCFTA treaty? He asks. African states have protectionist tendencies such that they do not exhibit all the hallmarks of integration. African countries have been at the forefront of various regional economic integration schemes for a long time, but what is clear is that since colonization and intensified post colonization, African countries have devolved into highly stratified economies with widening inequalities. This has come with deep-seated inequalities in the socio-economic realm as well as power asymmetry among African states hence the term regional hegemons for countries such as Nigeria, South Africa, Egypt and Kenya. These countries hold economic power that is not comparable to their fellow integrating states, especially the LDCs. The AfCFTA treaty fails to elaborate how these inequalities will be addressed, yet this disparity might hinder African unity and make integration more difficult.

Additionally, the AfCFTA also has the highest levels of income disparity of any regional free trade agreement. Three countries contribute 50% of Africa's cumulative GDP (Egypt, Nigeria, and South Africa), while Africa's six island nations contribute just 1 % combined. This will pose a challenge to the success of AfCFTA since a significant deviation between countries economically will challenge the principle of fair competition on equal terms. Such disparity in development and economic power will differentiate their interests and thus their visions of Pan-Africanism.

Prof. Akinkugbe further emphasizes that beyond the symbolic power of the AfCFTA, which refers to the signing and the celebration, scholars have raised

concerns about the extent to which the AfCFTA truly engenders a fair, equitable and radical future for the continent. There are some non-obvious challenges which if not addressed, will render the AfCFTA a mere celebratory instrument.

During the Q&A session of this Lecture, Mr. Harrison Mbori raised a closely related concern asserting that the ideological base of the entire AfCFTA is wrong because it is based on a neoliberal economic model that has been prevalent since the 1990s. On this premise, Harrison was sceptical if the AfCFTA can benefit Africans. This is an important concern since we are talking about a continental move that drives a majority into a very different future. While it seeks to create this new umbrella at the continental level that is supposed to drive the continent towards a new trade liberalization agenda, the AfCFTA intensifies the density of fragmented sub-regional economic levels. We now have one big umbrella to contend with when looking at pan-Africanism. Regions are trying to do their bit, but we now have to think about how pan-Africanism relates to the AfCFTA.

In her article "**Internationalists, sovereigntists, nativists: Contending visions of world order in Pan-Africanism**", Prof. Rita Abrahamsen situates the contending visions of the ideology of pan Africanism in Africa as one that mimics ideas that are fluid, overlapping, morphological and critical to our understanding of the idea of pan-Africanism. In other words, it does not mean one thing, its fluidity changes as you think about policies and national schemes. Following this argument, Prof. Akinkugbe emphasized that African states have an idea of where they want to go depending on who they are acting with and that changes depending on who the party is. For instance, this can be seen in how various Western states such as Switzerland, Finland, and the United States of America have come up with different African strategies. What is going on? One might argue that those are externalities, which is true, but that says a lot about the role of African States vis-à-vis those external actors. These varying approaches reflect contending visions of pan-Africanism.

Prof. Akinkugbe argues that not only is pan Africanism not a neutral value, but its meaning at any time is also constituted by socio-economic and political interactions with prevailing ideologies of the international economic order. By this, he means that African states are transactional in their dealings with themselves and with fellow states outside the continent, which is not a problem

except for the fact that it matters when it comes to issues as important as the AfCFTA. Perhaps we should not overpromise about its potential at its early stages. In particular, African regional trade regimes in general and the AfCFTA project have not paid sufficient attention to the mutability and privity of pan-Africanism regarding economic cooperation in Africa, particularly when it comes to the implementation phases of these trade agreements. For instance, we are now at the implementation phase, and yet some countries are signing agreements (for example, the Kenya-US FTA, the UK-Cote d'Ivoire EPA), with non-African states, bilateral agreements are rising and less than 40 states have submitted their instruments of ratification. While the sovereignty principle grants States the right to enter into any agreements that they deem fit, the actions above might be detrimental to intra-African trade and will therefore frustrate the successful implementation of the AfCFTA.

While concluding the Lecture, Prof. Akinkugbe explains that the AfCFTA is an important project with a lot of promises. Still, promises are just promises if we do not drive them to actualization. This does not mean that we cannot surmount the problem and challenges we have but rather that we need to address non-obvious challenges. We have not gone beyond deep seated national thinking amongst African states. The fact that this notion of pan Africanism runs into significant tensions once we think about the interest of powerful African states vis-à-vis the AfCFTA shows that there is more to be addressed.

Despite the above arguments, I strongly believe that pan-Africanism is still very important towards the success of the AfCFTA and regional integration in Africa. The AfCFTA has been described as Africa's historic journey towards the dream of the pan-African leaders like Kwame Nkrumah, for a peaceful, prosperous and integrated Africa. Pan-Africanism was an important force in the decolonization and liberation struggles of the African continent and it formed a basis upon which some regional integration initiatives were formed. Although the effect of this force has reduced with time, it continues to be influential within regional integration schemes. As earlier stated, the success of the AfCFTA rests on the RECs, whose mandate includes peace, security, development and economic integration. The Preamble to the AfCFTA Agreement states that the RECs are building blocks "towards the establishment of the African Continental Free Trade Area," and the treaty also promises to resolve the challenges of

overlapping REC membership. One of the main challenges that the RECs face that is closely connected to this Lecture is the challenge of ensuring compliance by member states. They don't have supranational accountability or the power to impose sanctions. RECs have also struggled to achieve the economic integration objectives in the past due to the weak and ineffective institutions they have. It is therefore important to address such challenges to ensure the effectiveness of the AfCFTA.

In response to a question from the audience regarding the best way to address challenges brought about by the problematic aspects of the AfCFTA, such as the continental preferences of RECs, Prof. Akinkugbe states that we need to have a common vision as a continent. We need to think of a structure that addresses these issues instead of codifying inequities, division and ideas whose implementation will tear us apart as a continent. We need to have a vision that drives the continent to take measures that lockout externalities, locking out internal division and punishing those kinds of moves by measures and restrictions. African states need to soul search! African states must identify common values that can unify them to form a collective vision. At the very least, if we are to succeed at a continental level, then a minimum common vision of Pan-Africanism would go a long way in promoting the success of the AfCFTA.

In its policy notes on Pan-Africanism and African integration, the Nordic Africa Institute argues that the falling back of the pan-Africanist consciousness justifies the ongoing efforts by the AU towards African regional integration, peace and development in Africa, hence the AfCFTA treaty. It explains that even though Pan-Africanism's has less presence in the current African elite's discourse on development as compared to the national liberation struggle period, the need for African unity is still very relevant, especially economically. It is true that pan-Africanism keeps re-emerging in different ways. Still, maybe the reason for that is because the needs of Africans and African countries have also evolved over time and not because it is an unstable ideal. While the solution may not rest in supranationalism, it is important to address both the obvious and the non-obvious challenge. In doing so, I would agree with Prof. Akinkugbe that, indeed, African states need to soul search and put regional obligations at the heart of their national policies.

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