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Name: OHANAEMERE NONSO DAMIAN

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THE AFRICAN CONTINENTAL FREE TRADE AGREEMENT:
A REVIEW OF ANTICIPATED EFFECTS OF AFRICAN REGIONAL
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Preface

This thesis is written as a final requirement for the completion of the Master of Science in Business degree at Nord University. Writing this thesis was, at times, very challenging, mainly due to the set standard the research intends to achieve. Despite the challenges and demands, this thesis has been a dream come true, this is because of my special interest on policies that will bring about economic development in Africa.

Foremost, I give all glory to the Almighty God for the gift of life, health, strength, and other enablement with which this project work became a reality, especially after the ordeals of the covid that just ravaged the world,

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Abstract

This study intends to evaluate the anticipated effect of the implementation of the African Continental Free Trade Area as a key instrument of regional integration in Africa. The study adopted a narrative systematic literature review by Kitchenham which divides the process into three main phases: planning, conducting the review, and reporting the review. In keeping with a methodological outline, the study followed the suggestions proposed in Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) for the Development of a review protocol stage, as well as in the final part for presenting the report. The broad objective of the study is to evaluate the anticipated effect of African Continental Free Trade Area in promoting regional integration in Africa. However, other specific objective looks at what the benefits and shared opportunities of the AfCFTA among signatory members in promoting regional integration in Africa would be, the core effect of AfCFTA in promoting regional integration in Africa and lastly, the challenges faced by the member countries, in the establishment and implementation of the AfCFTA in the region. On the findings of the study, the study carefully reviewed a total number of 387 literatures including book chapters and in a rigorous process a total number of 315 were excluded given the adopted criteria in line with PRISMA approach. In all 72 literatures were selected and the findings holds that the AfCFTA promises a virtuous circle of greater market opportunities that will trigger regional integration in Africa. Also, study shows that in the face of likely challenges AfCFTA will face, one of the biggest shared benefits of AfCFTA is that the Agreement will give African region a common voice in the global corridor, and as well boost the sustainability of the regional trade both within and outside the continent. The study recommends that member States need to take effective actions to reduce all NTBs by easing border regulations, ensure the safety of traded goods/services, invest in cross-border infrastructures. Government policies be channelled to take supportive complementary policies designed to support structural transformations across the countries of the region. Also, among others to take a full advantage of the Fourth Industrial Revolution presented by this agreement, the study recommends that member states must take commitments according to their comparative advantage and economic structure to boost diversification and develop value-chains across the region.

CHAPTER ONE

1.0 INTRODUCTION

Regional/economic integration theory seeks to explain the establishment and development of regional international organizations. According to Schimmelfennig (2018), a brief definition of regional integration has four necessary and jointly satisfactory features: members states, organizational capability, multilateralism, and geographical proximity. First, regional integration is established by states and have states as their signatory members. Second, regional integration as an organization has a physical headquarters and their own staff; they have regular procedures such as meetings of their member states; and they possess the power to make decisions and implement it. Third, regional integration on the contemporary era consists of more than two member states and finally their membership is geographically proximate and limited. Regional integration blocs are distinct from universal organizations such as the UN organizations and from organizations with limited membership if member states are geographically distant from each other (such as the Commonwealth).

The early proponents of regional integration theories distinguished integration from (simple) international organization or cooperation. For instance, the term integration demarcated supranational regional organizations (for example, the European Coal and Steel Community, ECSC) from intergovernmental organizations (such as the Organization for European Economic Cooperation, OEEC); or it signified the achievement of communal sense within the member states (Chadwick & Deutsch, 1973).

However, early theorists often defined regional integration purposefully as a process aimed at some form of federal polity superseding the nation-state. Conventional regional integration theories views integration as an open-ended process; it normally avoids both qualitative and teleological definitions beyond the minimal definition above. It employs terms such as “supranational” and “intergovernmental” to classify types of regional integration blocs rather than to distinguish regional integration blocs from other organizations (Schimmelfennig, 2018). The theoretical foundation of regional integration is customarily seeing in the specialties of economic and political theory. Globally, functional thinking and focus on transaction assessment has been crucial. In true regional perspective federalism and in particular neo-functionalism have been two important approaches, with strong links to real world integration initiatives. In a continental or regional perspective there seems to be strong evidence that economic and political integration and spatial proximity are closely related.

However, the word “integration” according to Balassa (1961) denotes the bringing together of parts into a whole, he defined regional/economic integration as “the abolition of discrimination within an area. Therefore, measures which merely diminish discrimination between countries are considered forms of cooperation not integration. According to R. L. Allen (1963), economic integration may mean something different to nearly everyone. That's why R. L. Allen (1963) argues that one of the many useful elements of the well-known Balassa (1961) book is that it evidently defines integration, clearly differentiating between it and cooperation. In the economic literature, the concept economic integration” does not have such a clear-cut meaning. This will become noticeable if we examine some of the interpretations given by different authors. Myrdal (1956) defines economic integration as a social and economic process destroying barriers between the participants of economic activities. “The economy is not integrated unless all avenues are open to everybody and the remunerations paid for productive services are equal, regardless of racial, social and cultural differences. Furthermore, Lipsey (1960) provided the following definition of the customs union theory (economic integration theory) as follows: "The theory of customs unions may be defined as that branch of tariff theory which deals with the effects of geographically discriminatory changes in trade barriers [among countries]" Economic Integration according to W. R. Allen (1978) is the process of combining separate economies into a larger economic region. W. R. Allen (1978) further argue that integration is concerned with the "utilization of all potential opportunities of efficient division of labour". However, an important question arises, and it is why study economic integration theories? Chou (1967) did justice to this question by arguing that the primary reason for studying the traditional theory of economic integration is to assess the desirability of a customs union from the world's welfare point of view using static effects as criteria. Besides, new (dynamic) theory of economic integration has introduced dynamic effects of economic integration\agreement, and as a result this study will also focus on the anticipated dynamic effect of African continental free trade area on the African regional integration as one of the most recent economic/regional integration in the region.

Regional economic integration has enabled countries especially emerging economies like African region to focus on issues that are relevant to their stage of development as well as encourage trade between neighbours. Mariadoss (2015) in his work on the core principle of international marketing highlighted four main types of regional economic integration which includes:

Free trade area; described as the most basic form of economic cooperation. Member states eliminate all barriers to trade among themselves but are free to separately establish trade

policies with non-member countries. An example is the African Continental Free Trade Area, (AFCTA) which is the focal point of this study.

Customs union: this provides for economic cooperation as in a free-trade zone. Barriers to trade are cut off among member nations. The primary distinction from the free trade area is that members oblige to handle trade with non-member states in a related manner.

Common market: this type allows for the creation of economically integrated markets between member countries. Barriers to trade are eliminated, as are any limitations on the flow of labour and capital within member nations. In customs unions for example, there is a general trade policy for trade with non-member countries. The main benefit to workers is that they need no visa or work permit to work in another member nation of a common market. Common Market for Eastern and Southern Africa (COMESA) is a typical example of this.

Economic union: this is seeing when countries sign a pact on economic agreement to eliminate trade barriers and implement common economic policies. A good example of this is the European Union (EU).

Besides, in recent times they have been an increase in the emergence of trade blocs with more than one hundred agreements in place and more in discussion (Klonsky et al., 2011). A trade bloc is basically a free-trade zone, or near-free-trade zone, formed by one or more tax, tariff, and trade agreements between two or more countries. Most trading blocs have resorted to agreements that have been more meaningful than others in creating economic cooperation. However, there are benefits and challenges in creating regional agreements and these will constitute among others one of the research aims and questions which the study intends to answer in the broader perspective.

Moreover, there is adequate backing from African leaders for regional integration, since independence they have embraced regional integration as a crucial part of their development strategies and resolved a very large number of regional integration arrangements (RIAs), most of which have important membership overlap. However, the European Union was Africa's most important trade, investment and development partner. Trade with the EU was regulated by a series of Lomé Conventions, which allowed African countries (excluding South Africa) unilateral privileged access to EU markets. The EU and African countries concluded the Cotonou Agreement which paved the way for the negotiation of World Trade Organization (WTO) compatible Economic Partnership Agreements, in 2000. Various configurations of African countries have constituted negotiating groups; many of which however cut across existing neighbourhood regional integration arrangements, adding an additional layer of complexity to the regional integration process in Africa (Hartzenberg, 2011).

However, the first major indication that Africa was taking regional economic integration seriously came with the adoption of the Tri partite Free Trade Area (TFTA) Agreement in June 2015 in Egypt. The agreement covered 26 nations with a population of 720 million people and GDP of US\$1.3 trillion (Juma & Mangeni, 2018). For several years in the past, African Heads of Government have been eager of establishing a single and integrated African market free from any form of barriers to trade of goods and services. They needed a single market designed next to that of unified European market by EU. After several failed attempts due to divergent economic and political interests, the African leaders at the 18th ordinary session of the Assembly of Heads of State and Government of the AU held in Addis Ababa, Ethiopia in January 2012 eventually reached a decision to create a Continental Free Trade Area (CFTA), setting a uncertain date of 2017 for take-off.

On 21 March 2018, AU leaders met in Rwanda to finalize the signing of a new trade agreement creating the African Continental Free Trade Area (AfCFTA). The AfCFTA comprises of a framework agreement establishing the AfCFTA, the rules and guidelines on Trade in Goods and Trade in Services, and the Etiquette on Rules and methods on the Settlement of Disputes. These developments came on the back of 10th and 11th rounds of AfCFTA negotiations concluded in December 2017 & May 2018 in Addis Ababa Ethiopia respectively (Parshotam, 2018). The AfCFTA signals the beginning of a new chapter for mega-regional trade relations on the African continent and enhanced efforts at regional integration. Despite the Abuja Treaty of 1991, which highlighted regional integration as crucial to Africa's development goals, although effort was not as successful as predicted, for various political and economic reasons. Therefore, African countries' ability to work towards the 2017 deadline has been a positive development, with hopes that the AfCFTA will provide renewed impetus and a strong framework for deepening trade and regional integration across the continent.

The AfCFTA is the first agreement of its kind to bring together all 55 African countries under a single Free Trade Area (FTA), with a focus on creating a common avenue for exchange of goods, services and investment and enabling the free movement of persons. African heads of state decided to establish the AfCFTA in 2012 at the 18th ordinary session of the AU, and negotiations formally commenced in June 2015. The AfCFTA stems from African leaders' realization that intra-African trade is critically low and that regional economic community (RECs) have not prioritized developing and enhancing regional trade (Parshotam, 2018).

The AfCFTA is one of several AU frameworks supporting the Abuja Treaty's end goal, the establishment of an African Economic Community (AEC). The vision for the AEC is a continentally based, uniform approach to fiscal, social and sectoral policies, and is part of the AU's broader development frameworks designed to boost intra-African trade and establish a continental customs union. Deeper regional integration creates significant social welfare benefits by encouraging lessened trade barriers, heightened competition and diverse markets within the continent. This will enable citizens to improve their welfare by obtaining goods and services based on comparative advantage among competing markets. Other potential gains from a successfully implemented AfCFTA agreement include simplified rules of trade and customs procedures, improved transportation, better linkages to global value chains, and the opportunity to implement common safety standards, rules of origin and the removal of non-trade barriers (NTBs). Although tariff elimination is an important end goal for deeper intra-African trade, some of the greatest benefits would lie in significant export growth and welfare gains accruing from enhanced trade facilitation and eliminating NTBs affecting trade in agricultural products, food safety and sanitary and phytosanitary concerns, and preferential rules of origin. AU members have vastly different levels of economic development and intra-regional integration. The AfCFTA has to get buy-in from all African countries and the agreement has to take into consideration the needs of smaller and less-developed countries (LDCs). A bottom-up approach to trade liberalization and integration is required, which includes aligning long-term national interests with regional interests, ensuring transparency in negotiations, and addressing the needs of smaller and weaker economies (Parshotam, 2018).

The AfCFTA follows the establishment of the Tripartite Free Trade Area (TFTA), a free trade area between Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC) and the African Economic Community (EAC). It aims to bridge regional divisions by building on the TFTA's regional industrial development policies and strengthening trade among the various regional economic community (RECs), with the aim of incorporating all African economic blocs under standardized rules and regulations.

In the light of the above, African leaders have seen regional integration as a ban for economic prosperity, based on that, they have been a relentless effort towards African region (given the economic and political benefits which will be discussed in details in the later parts of this study) and this economic quest is worthy of investigation, it is on that note that this study seeks to investigate through its article/literature review the anticipated effect of AFCFTA on African regional integration.

1.1 Problem Statement

Regional economic integration has a fairly long history in virtually all parts of African region. Several governments had called for the integration of Africa already on post-independence, but it was only in the 70s and 80s that tangible steps were taken to re-establish economic integration organizations in all sub-regions. The first-generation regional integration schemes were driven partly by the political idea of African Unity, also as a means for making available adequate scale to import substitution industrialization policies. According to Mistry (1996) this inward-looking regional strategy failed for the same reasons as the underlying national import-substitution policies because: (i) national markets were too small and too poor; (ii) cost of input unfavourably affected transformation and export, causing foreign exchange shortages and highly valued currencies; (iii) domestic monopolies and trade protection resulted to powerful rent seeking and “nationalistic” lobbies, biased and organized against regional as well as global trade; (iv) nationalistic governments with spoken interest in regional cooperation gave token support to regional organizations, broke their regional commitments and implementation lapsed; and (v) there was excessive emphasis on joint public investments as opposed to creating a truly unified markets for private operators.

The economy of Africa consists of the trade, industry, agriculture, and human resources of the continent, as of 2019, approximately 1.3 billion were living in 54 countries in Africa (Bureau, 2017). However, dependency theory asserts that the wealth and prosperity of the superpowers and their allies in Europe, North America and East Asia is dependent upon the poverty of the rest of the world, including Africa. Economists who subscribe to this theory believe that poorer regions must break their trading ties with the developed world or rather focus in intra-regional trade in order to prosper (Tausch, 2018). Besides, Trade between African states accounts for only 11% of Africa's total commerce as of 2012, around five times less than in Asia (BBC 2006). Intra-African trade has been slowed by protectionist policies among countries and regions, and remains low at 17 percent, compared to Europe, where intra-regional trade is at 69 percent (Usman & Landry, 2021).

Similarly, most studies on the evaluation of the African continental free trade area such as the work T. J. G. C. Albert (2019) have concentrated on the opportunities this trade/economic union has presented but fails to bring out how the agreement will be a major push of the age long anticipated regional/economic integration in Africa

However, Promotion of regional integration remains an important economic and political goal in Africa. In view of this, this study will appropriately and vigorously evaluate the anticipated effect of the key drivers of African continental free trade area as instrument of regional integration in Africa, with a special interest on the benefit and challenges of this economic union/agreement (i.e., AFCTA) to the signatory members.

1.2 Research Aims and Questions

This study intends to evaluate the anticipated effect of the implementation of the African Continental Free Trade Area as a key instrument of regional integration in Africa. The study will specifically analyse the anticipated effect of how the agreement will trigger a more harmonized and mutual regional integration amongst the members who are signatories to the agreement. Many studies Wacziarg and Welch (2008) have shown that trade, investment, and growth have increased following reductions in protection. However, with great volatility in growth coupled with external and internal shocks, detecting any growth effects of African regional trade agreement has so far proved elusive. According to de Melo and Tsikata (2014) the first expected effect of any Preferential Trade Agreement is an increase in trade among members via three channels. The first is a reduction in tariffs between members; the second is a reduction in Non-tariff Barriers (NTBs); the third, and hardest to apprehend, is via the two components of 'trade facilitation: a 'hard' component related to tangible infrastructure such as ports, roads, highways and telecommunications; and a 'soft' component related to transparency, customs management, the business environment and other intangible institutional aspects that affect the ease of trading.

Also, the study will analyse the benefit and shared opportunities of AFCTA of the 55 signatory members. Trade enhances productive efficiency and presents consumers better choices, and in the long run these benefits are much better than any effects on employment. However, Contemporary trade agreements go much beyond traditional trade restrictions at the border. They cover regulatory standards, health and safety rules, investment, banking and finance, intellectual property, labour, the environment, and many other subjects which the study will discuss in detail in the preceding part of the work. They reach well beyond national borders and seek deep integration among nations rather than shallow integration (Rodrik, 2018).

Moreso, what are the challenges faced by the members countries, in the establishment and implementation of the AFCFTA in the region. And lastly, the study will unravel the how

AFCFTA may shape/and contribute to the economic and regional integration among the members countries in the future.

1.3 Significance of the Study

The conduct of this study is quite germane especially considering the fact that issues of regional integration has formed policy thrust of successive governments across the region and hence, none seems to have accomplished this loft goal. Accordingly, this study will be beneficial to a wide category of people including especially the regional governments across the region and academic researchers. To policy makers, findings from this study will equip them with information regarding the expected implication of regional integration especially as it concerns the implementation of African Continental Free Trade Area (AFCFTA).

To researchers and students, this study will contribute to the stock of literature existing in the area of economic/regional integration for their consultations in the course of their academic and research activities.

1.4 Methodological Approach

This study will adopt a systematic evaluation method by reviewing the former studies on the AfCFTA to achieve/answer the research aims/questions. The method will evaluate the existing studies of the anticipated effects of regionalism in Africa. Literature review including document analysis and critical examination of other regional trade agreement/bloc which pre-existed before the establishment of the African continental free trade area will inform the findings of this study.

However, The ideal scenario for the implementation of the AFCTA given other existed trade agreement would be for there not be a need to choose one or the other between coexistence or absorption, but rather for both elements of coexistence and absorption to be pursued, hence need to find a balance that allows for a mutually reinforcing implementation approach to ensure the overall objectives of all the trade agreement/bloc, which is enhance regional integration for its common benefits.

The study will be informed by a qualitative methodological approach. As indicated above, it will draw its logical findings from articles, academic literatures and documents of other existed regional or trade agreement which must have served as bedrock for the establishment of the AFCFTA. However, the systematic review of the previous studies will give a special attention

the anticipated impact of AFCFTA in promoting regional integration in Africa, considering the challenges that will be faced in its implementation. Previous studies concentrated on the opportunities presented by the establishment of this agreement (i.e AFCFTA), but this study will go beyond that to look at the anticipated positive and negative impact the agreement will have as one of the key instruments for promoting regional integration considering other similar agreement that existed before the establishment of the AFCFTA.

1.5 Chapter structure

Chapter 1: This will contain an introduction into what trade agreements are, a brief history about trade agreements, the aim of the study, and the questions it intends to address.

Chapter 2: This chapter will contain an in-depth view of what trade agreements are. It will explore the various forms of trade agreements with special interest on AFCFTA, history and challenges faced. It will further explore trade agreements in Africa and its anticipated impact on regional integration and examine its successes and failures.

Chapter 3: This chapter will analyse the findings from the case for AfCFTA in Africa and examine the impact that AfCFTA will have on regional integration in Africa.

Chapter 4: Chapter 4 will analyse the research findings and attempt to address the research question. It will explain how AfCFTA is different from previous agreements in Africa and why it is bound to improve multilateral relations in Africa.

Chapter 5: This chapter will be the conclusion. It will reiterate the salient points of the study as well as answer the research question. In addition, we will discuss what aspects of the agreement may be tweaked to enhance its viability. Finally, there would be areas highlighted for further studies.

CHAPTER TWO

2.0 LITRATURE REVIEW

2.1 Overview of Regionalism

Scholars of the European Union (EU) have been busy dusting their theories of integration so as to account for the challenges the facing the EU ever since the Lehman Brothers Bank collapsed in 2008 (Börzel & Risse, 2019). Perhaps, Integration theories took off in Europe, where regionalism was meant to go beyond trade liberalization through inter-state bargains from the very beginning (Risse, Carlsnaes, & Simmons, 2008), but the question is can integration theories that have been developed with the European experience in mind travel beyond Europe and shed light on regionalism across the globe especially in the emerging economies like Africa?. However, Initial attempts at theory building where not confined to Europe (Haas, 1970). They were gradually developed to include the changes of the European integration process and its worldwide results. Integration (Regional/Economic) became practically synonymous with European integration, and the EU served as the yardstick for measuring regional integration in other parts of the world.

Besides, given the specific historical context in which the project of European integration emerged, it is indeed not obvious that grand theories of European integration have much to say about the creation of regional institutions in other parts of the world, where states are not necessarily advanced industrial democracies. This ‘liberal’ bias might confine the explanatory power of liberal inter-governmentalism, neo-functionalism, or post-functionalism to regions dominated by open economies and liberal democracies (Wiener et al., 2019).

According to Hooghe and Marks (2019) democratic pluralism and rationalist functionalism has a deep influence on neo-functionalism and this is true for other integration theories, such as liberal inter-governmentalism, which derive from classical cooperation theories in international relations or share their functionalist assumptions that ‘complex interdependence’ (RO Keohane & Nye, 1977) among states fosters cooperation and integration (Martin & Simmons, 1998).

According to Robert Keohane (1984), ‘Institutionalists could interpret the liberal international arrangements for trade and international finance as response to the need for policy coordination created by the need of interdependency’.

In a most recent overview of neo-functional theories, ‘interdependence requires that political actors/ authors act collectively in order to resolve some mutually recognized problem’ (Wiener et al., 2019). States share an interest in dealing with the multiple ties between them, which entail

scale economies but also give rise to conflict, also international institutions help to realize economies of scale and to address issues and differences among states.

However, the theory of economic integration stresses among other things those competitive countries are more likely to receive benefits from regional trade agreements than complementary economies. This coincides with the fact that intra-regional trade grows faster than extra regional trade in most arrangements. This is also the reason why these arrangements, for a long period, have had rather limited success in third world (such as African countries) with their relative strong dependence on extra regional trade with the industrialized world (Armstrong & Taylor, 1985).

Besides, the purpose of this study is to discuss the anticipated impact of African continental free trade area (ACFTA) on regional integration or rather regional development in Africa. Regional integration is in many ramification a contradictory concept, differing from a very general notion that defines cooperation among regions or countries, to certain social theories of human or organizational behaviour (Andreas P, 1999), however, given the broad objective of this study, a brief discussion of political and economic concepts of regional integration is necessary, besides the two approaches are distinct. Economic theories of integration have their roots particularly in the field of international economics and trade theory (Balassa et al., 1963), the conceptual anchors of the political theories of integration has to be found in various branches of political science (Pentland, 1973).

2.2 Regional Economic Integration

The economic concepts of regional integration were originally introduced in 1950 by Jacob Viner in his analysis of Customs Unions, but the concepts have been expanded in scope to cover most aspects of regional economic cooperation. Economic integration includes agreements among nations that normally involve the removal of barriers to trade and supporting monetary and fiscal policies, resulting to a more inter-linked global economy. Economic integration is consistent with the economic theory, which argues that the global economy is better off when markets can function in unison with minimal government intervention (CFI, 2022).

However, different scholars also defined integration differently. In the words of Shikova economic integration could be taken to mean a process of economic agglomeration of national economies (Shikova, 2011). Marinov. V. describes integration as organized by the concerned countries process of deep amalgamation of their national production processes which is

objectively irrevocable and results to the regular creation of a relatively united economic complex (Marinov, 1999). According to Panusheff (2003) economic integration is the process of integrating national economies to common mechanisms of interaction in which their independent functioning becomes an element of an upward development and source of dynamism. Savov connects economic integration with the formation of regional economic blocs resulting in increasing their economic interdependence (Savov, 1995).

Perhaps, despite the differences in these definitions one could formulate the following simple definition of economic integration: it is the process of elimination of discrimination in trade relations between countries. Another comprehensive definition describing economic integration with its core features could be that it is an economic agreement between two or more nations that focuses on welfare improvement, which is categorised by a lessening or removal of tariff and non-tariff barriers to trade and by coordination of economic, monetary and fiscal policy, with the primary objective to achieve full integration, including monetary, fiscal, social and economic policies managed by supranational institutions (E. Marinov, 2014).

2.3 Stages/Forms of Regional Economic Integration

Regional Economic integration has many and various forms. A great contribution to the clarification of this issue is the book of Balassa B. "The Theory of Economic Integration" written in 1961, which is widely cited in all subsequent studies of economic integration, theoretical and in terms of the policy implementation. According to Balassa, there are four different stages of economic integration which includes, free trade area (FTA), Customs Union (CU), common market and Economic union.

However, forms of economic integration are evolutive; each scheme of higher rank contains both the characteristics of the lower and new elements that expand the scope and content of the integration process. Stages could be seen as actions of a process that has as its final objective. (As far as is desired by the participating countries) to achieve full integration, common monetary, social and economic policies and supranational institutions whose decisions are binding on member states. So long each more advanced form of integration is linked to providing additional national sovereignty by the active countries, they themselves decide the goals in the process of integration. The shift from one stage to another bigger one means enlarging the areas of economic life and the issue of integration (Marinov, 1999, p. 51). Though integration process has evolutive nature, countries with the belief on its realisation and

consistency with the objectives could start the process accomplished from one of the higher levels.

Besides, there is no consensus in economic theory on the exact number and characteristics of the development forms (stages) of economic integration. In that regards this study will look at one of the conventional studies on economic integration by E. Marinov (2014) which classified stages of economic integration into six(6) stages which are also consistent with the generally cited Balassa approach on the determinant of forms/stages of economic integration.

A. Preferential Trade Agreement

Preferential trade agreements (PTAs) have become a cornerstone of the international trade system and the major feature of preferential trade agreement is a lower trade barrier between member-states. The surge in their number and scope is fast reshaping the architecture of the world trading system and the trading environment of developing (African) countries. The integration of these various treaties into a multilateral framework that enables the growth of trade is expected to be one of the primary challenges that bedevils the world trading system recently. However, hundreds of preferential agreements—free trade agreements and customs unions that involve reciprocal tariff reductions—are currently in force, including close to 300 that had been notified to the World Trade Organization (WTO) as of end-2010. Such a rapid growth of regional and bilateral PTAs, coupled with the slowness of Doha Round agreements towards a fresh multilateral trade agreement, sets severe challenges to the promotion of a more open, clear, rules-based multilateral trading system (Chauffour & Maur, 2011).

Although PTAs may promote development, they necessarily discriminate against non-members and can therefore lead to trade diversion in a way that hurts both member countries and excluded countries. Simultaneously, PTAs builds larger and additional competitive markets and profit producers and consumers through economies of scale and lesser prices, among other effects. Beyond market access motives, PTAs are increasingly used as engines of change in many developing countries, to promote, implement, and lock in reforms in a wide range of policy areas such as investment regimes, competition rules, and government procurement (Chauffour & Maur, 2011).

However, in many developing countries, regional integration has become a key means of promoting economic growth and poverty. It has not been documented any no low-income country has managed to develop and sustainably minimise poverty without global or regional trade integration. Briefly, regional trade adds to growth through market expansion for goods

and services. Between medium to long term, regional integration impacts on growth by enhancements in productivity occasioned by the exchange of improved technology, learning by doing, and heightened competition. Bilateral or regional integration can be an important engine of trade competitiveness, both for small, very poor, landlocked countries and for less regionally integrated or diversified middle-income countries (Schiff & Winters, 2003).

According to Medvedev (2010) the multitude of PTAs is becoming cumbersome to manage for many developing countries. As agreements proliferate, countries become members of several different agreements. The average African country, for instance, belongs to four different agreements or more. This creates what has been referred to as a “spaghetti bowl” of overlapping arrangements, often with different tariff schedules, different exclusions of particular sectors or products, different periods of implementation, different rules of origin, different customs procedures, and so on. The rapid spread of bilateral and regional PTAs may destabilise progress toward a more accountable, open and rules-based multidimensional trading system. For instance, regional integration in Sub-Saharan Africa has, for the most part, taken the form of PTAs among geographically contiguous countries. In various cases, membership of regional groupings has been described by political alliances other than market access goals, leading to overlapping memberships that generates difficulties in execution (Bagwell & Staiger, 1999). Besides, an effort by one of the African regional blocs to negotiate for an economic partnership agreement (EPA) with the EU, which intends to strengthen regional integration, created further confusion in eastern and southern Africa because memberships of the EPA groups and the regional agreements are different, for instance in June 2009, an interim EPA was signed between the EU and Botswana, Lesotho, and Swaziland (part of the Southern African Development Community EPA); Mozambique joined soon afterward. While an interim EPA was initiated (but was not signed yet) between the EU and the Seychelles, Zambia, and Zimbabwe in November 2007 and with the Comoros, Madagascar, and Mauritius in December 2007 for the Eastern and Southern Africa (ESA) EPA. An interim agreement was also initiated between the EU and Uganda in November 2007 for the East African Community (EAC) EPA (Kieck & Maur, 2010). Hence, the proliferation of PTAs that leads to overlapping agreements with varying rules of origin and diverse tariff schedules may complicate integration into global value chains and prove detrimental to trade. Hence, a successful PTA is likely to be associated with non-restrictive rules of origin. Also, trade facilitation measures, because of their effect on the costs of trade, are important to a successful PTA. And the comprehensiveness of the PTA is of importance. The inclusion of behind-the-border regulatory measures that foster increased cross-border competition, including competition in services, and that establish rules governing

investment and intellectual property rights (IPR) suitable to the partners' level of development contributes to the success of the PTA. In summary, even the best-designed agreements, if not implemented in full, will not bear the expected fruits. Often, the most effective PTAs have been those designed to complement a general program of economic reform which enhance economic integration.

B. Free Trade Area

A Free Trade Area (FTA) is a preferential trade agreement in which member countries do not impose any trade barriers (zero tariffs) on goods produced within the union. However, each country keeps its own tariff barriers to trade with non-members (E. Marinov, 2014). A free trade area (FTA) arises when a number of countries decides to remove tariffs among themselves but retain their own external tariff on receipts from the rest of the world. The North American Free Trade Agreement (NAFTA) is a good example of an FTA. When NAFTA was fully implemented, tariffs of automobile imports between the United States and Mexico were zero. Nevertheless, Mexico may wish to set a different tariff than the United States on automobile imports from non-NAFTA countries. Because of the different external tariffs, FTAs generally develop elaborate "rules of origin." These rules are designed to prevent goods from being imported into the FTA member country with the lowest tariff and then transhipped to the country with higher tariffs, hence in general this is the conventional practice on free trade area (.....).

However, according to Theophile, A. (2019) the African continental free trade area is a good example of a free trade area, as a matter of fact the ACFTA will constitute the subject of discussion in this study, and it has set out many ambitious measures that will be progressively implemented. Among other objectives is to create a single market for goods and services, facilitated by the movement of persons and this will strengthen the economic integration of the African continent and a liberalized market for goods and services to increase trade flows and diversify supply and consumer choices.

C. Custom Union

A customs union occurs when a group of countries agrees to eliminate tariffs among themselves and set a common external tariff on imports from the rest of the world (Meier, 1960, pp. 29-36). The European Union (EU) & Southern African Customs Union (SACU) represents such an arrangement. A customs union avoids the problem of developing complicated rules of origin

but introduces the problem of policy coordination. With a customs union, every member nation must be able to accept tariff rates across various import industries. However, Paragraph (8) of article (XXIV) of the General agreement on trade and tariffs (GATT) defined a Customs Union as follows: "A customs union shall be understood to mean the exchange of a single customs region for two or more customs regions, so that: (i) duties and other restrictive guidelines of commerce ... are eliminated with regard to substantially all the trade among the constituent regions of the union or at least with regard to substantially all the trade in products emanating in such territories, and, (ii) ... substantially the same duties and other guidelines of commerce are adopted by each members of the union to the trade of regions excluded in the union". Besides, African leaders' emphasized regional integration as a key element of their strategies, in most of the recent African plan for economic development, a progressive removal of barriers to trade has been advocated as a result to establish a Free Trade Agreements between the region and any other regional bloc (Nkotsoe, 2011). For example, the first regional cooperation treaty in Southern Africa was signed already during the colonial period in 1889. This first customs union eventually developed through various phases to what is currently called the Southern African Customs Union (SACU), which consists of the BLNS countries (Botswana, Lesotho, Namibia and Swaziland) and South Africa (Sidaway & Gibb, 1998). Perhaps, the arrangement was triggered by the small size of countries, low incomes, and consequently limited markets as a limit to economies of scale, thus denying attractive returns to investors and in so doing restricting the expansion of production and exports. And as a result constituted the key reason for pooling resources in order to enhance regional/economic integration (Kalenga et al., 2005).

D. Economic Union

Economic union (ECU) is a deeper form of integration in which monetary and fiscal policies of individual countries are harmonized and even unified. On the issue of the single market economic policies in different areas are integrated, common methods are designed and coordinated funding made available. Eradicating discrimination is attached to a certain level of coordination of national economic policies so as to end the differences between them. This stage is usually referred to as "integration of policies" (E. Marinov, 2014).

An economic union usually will give room to free trade in goods and services, set general external tariffs among members, accept the free flow of capital and labour, also transfer some fiscal spending responsibilities to a supranational agency. The EU's Common Agriculture

Policy (CAP) is an example of a type of fiscal coordination indicative of an economic union (Suranovic, 2010).

The primary aim of the Economic union is the Economic and monetary union (EMU). It creates a common exchange rate mechanism, which develops into a common currency that circulates on the common market. There is a common monetary policy and coordination of macroeconomic policies of the member-states. An example of EMU is the Eurozone within the EU, which since 2001 has a common currency. However, there is also a similar development in Africa, where African Monetary Union (AMU) is the proposed creation of an economic and monetary union for the countries of the African Union, which was intended to be administered by the African Central Bank (Alao, 2014). Such a union would allow for the creation of single currency, like that of euro. Perhaps, as of 2019, the plan is to establish an African Economic Community with a single currency by 2023 (Union, 2019).

Besides, there are two existing regional currency unions in Africa, using the West African CFA franc, and the Central African CFA franc, respectively. As well, the Common Monetary Area connects and unites several countries in Southern part of Africa based on the South African currency (rand). Hence, the African Union's plans for further integration encourage the development of more such regional unions as an intermediate step to full monetary/Economic union. And this validate another stage of integration process talked about by Balassa which according to him is the full economic integration (FEI), which "implies the unification of monetary, fiscal, social and anti-cyclical policies and involves the formation of supranational authorities whose rules and agreements are binding on the member-states (Balassa, 1994). Here, the making and execution of economic policy is an absolute competence of the institutions of the integration community.

E. Political Union

Some researchers such as Hosny (2013) claim that there is another stage of the integration process, which however, is political. Herein, the main political aim of integration is to accomplish a political union (PU) where integration is implemented, also in areas that has to do with national sovereignty. Up to this point, no integration community has realized this stage of integration, although the EU tried to deepen political integration so as to become a real political union – with the introduction of the common citizenship and the attempts for implementation of common policies in foreign affairs, security, justice and internal affairs. Perhaps, this union

must have been existed or rather existing in the various capacity of regional association of political interest, but it has not been popular t among various regions of the world.

F. Monetary Union

Monetary union creates a single currency among a group of countries. This has to do with the establishment of a common monetary authority that will make decisions on monetary policy for the whole group. The Maastricht treaty signed by EU members in 1991 suggested the use of a common European currency (the Euro) by 1999. Probably the finest example of an economic and monetary union is the United States. Every US state has its own government that makes policies and laws for its own citizens. Nevertheless, every state cedes control, to some extent, over foreign policy, welfare policy, agricultural policy and monetary policy to the federal government. Goods, services, labour and capital can all move freely, without restrictions among the US states and the Nations sets a common external trade policy (Suranovic, 2010).

A case in point of a Common Monetary Union, that shows regional cooperation in Africa is the pact signed in 1986 between Lesotho, South Africa and Swaziland (Namibia joined in 1992). The pact validated the existing, de facto monetary integration, as the South African currency had been in use as an official medium of exchange in Lesotho and Swaziland since the 1920s. Hence, unlike most other regional cooperation schemes, the creation of the Common Monetary Area (CMA) was not accompanied by far-reaching, long-term objectives. The CMA agreement provides for fixed exchange rates among its members and common bloc floating vis-à-vis other currencies, as well as intraregional capital account liberalization, the distribution of seignior age and intraregional financial transfers. Both the Lesotho and the Namibian currencies are linked at par to the South African rand; and although Swaziland officially pulled from this commitment in 1986, it is still honouring its de facto. Botswana participated in the CMA talks in the 1970s, but withdrew in favour of a managed floating of the pula (Botswana currency). Since then, Botswana has pegged the pula to a trade-weighted basket of rand and special drawing right (SDR) whose specific composition is not disclosed; however, the South Africa rand has a large weight in the basket. Each of the four members has its own central bank, which issues its currency and is formally responsible for monetary policy within its respective country (Metzger, 2008).

2.4 Political Integration

With respect to the political integration theories, four approaches are usually deemed to be the classical schools in the discipline. They are often labelled as: the federalism, the transaction or pluralistic approach, and the functionalism and the neo-functionalism. In the seventies new variants have been added namely the so-called inter-governmentalism and trans-governmentalism, mainly taking into account the obvious changes real political integration has taken in the period (Chrysochoou, 1997). The schools point out that no common consensus with respect to the meaning of integration exists. Some focus on the process of forming a regional body, others emphasize the stage of integration.

In particular, the neo-functionalistic approach to regional integration, often addressed as the 'theory of Western European integration', was modified and extended as the original version failed the empirical proof, partly due to real world developments, and partly because of conception weaknesses and shortcomings. Meanwhile, Neofunctionalism happens to be a theory that anticipates the regional integration and its theoretical expectation - achieving regional integration, represented as creating supranational organizations in certain sectors, with a precise approach – “incremental approach” (Majone, 2009).

“Functionalism is a theory of international relations, emerging as a result of promoting the obsolescence of the State concept, as a dominant form of social and political organization” (Hammarlund, 2005). It usually has to do with global integration, not with the possibility of regional integration. The functionalists concentrate on the general interests and needs, distributed across the states, in the course of global integration, motivated by the erosion of the national sovereignty, and the broad knowledge of the scientists and experts in policy-making process (Rosamond, 2000).

However, the integration in a political sense and the political integration are relating to the social sciences in broader sense, and narrowly to the political and economic sciences. Integration in a political purview, could be taken to mean uniting, unifying, organizing in a group of two or several units. Alternatively, it depicts “centralization”.

In that dimension, understood as uniting and centralization, political integration always could be connected and based on several conditions and elements as; Establishing unified law frame, creating common institutions, creating common institutions, developing decision-making center and Projecting identity (Ilievski, 2015). The central idea in this integrating activity is the act of allocating the autonomy of the political units to the recently established political community.

2.5 Spatial Integration

Spatial integration is not a commonly used phrase, but rather a kind of summarizing description of a comprehensive notion dealing with and overall assessment of regional changes. Spatial integration involves features such as: The development of certain geographical defined production systems like industrial district, industrial cluster or innovation systems, An urban network system defined in accordance with precise functional links, The availability of a relevant regional infrastructure linking the analysed area together, Last but not least, the intensity of intra-regional flows relative to the outside flows can be considered to be the 'conditio sine non quo' whether we talk about a spatial integrated area (Andreas P, 1999).

In particular, the last condition is restrictive. In this notion the concept of spatial integration must be understood as the most far-reaching concept of integration. In this analysis the spatial concept is not merely a consequence of the physical environment, but also the result of economic and political integration.

In a continental or regional perspective, we have strong evidence that political and economic integration is 'powered' by spatial proximity and adjacency, but at the same time political and economic integration bolster the other facet of spatial integration, accessibility.

2.6 Motivations/Determinants of African Regionalism

Regional economic integration became a crucial subject in Africa as various African countries started to gain independence from the early 60s. This was due to the realization that considering colonial rule and the effects of Africa's balkanization, it would be difficult for newly created African states to make progress in a global system controlled by powerful, rich, and industrialized western countries. African states would need to unite. As such, the quest for cooperation and integration was influenced by pan-African desires for collective self-reliance, solidarity, development, peace, and unity. This led to the establishment of the Organization of African Unity (OAU) and, subsequently, the formation of sub-regional groupings and institutions to promote regional integration (Jiboku, 2015).

Africa keeps engaging at the periphery of the global economy, as is seen from the continent's deteriorating share in global trade and output. The majority of sub-Saharan Africa's (SSA) 47 countries are small and least developed, according to UNCTAD's definition (Taylor & Smith, 2007)

A lot of African countries have low-income per capita levels and undersized populations that results in small markets. In 2008, 12 SSA states had populations of less than 2 million while 19 had a gross domestic product (GDP) of less than US\$5 billion, six of which had a GDP of less than US\$1 billion. Most SSA economies are not just small and poor, but 15 are also landlocked, a crucial contributory determinant to high costs of trade transaction, and more generally to the high costs of doing business within African region (Hartzenberg, 2011).

However, many factors lay behind the recent spurt in regionalism. Among the objectives, stated and implicit, were: (Schiff & Winters, 2003). Governments wish to bind themselves to better policies including democracy, and to signal such bindings to domestic and foreign investors, hence the following are not left out of the key motivations of African quest for regional integration according to (Schiff & Winters, 2003);

- A need to obtain more safer access to major markets
- The pressures of globalisation, forcing firms and countries to seek efficiency through larger markets, increased competition, and access to foreign technologies and investment
- Governments need to maintain sovereignty by merging it with others in aspects of economic management where most countries are too small to act alone.
- A desire to jog the multilateral system into faster and deeper action in selected areas by showing that the General Agreements on Trade and Tariffs (GATT) was not the only game in town and by creating more powerful blocs that would operate within the GATT system
- Desires to help neighbouring countries stabilize and prosper.
- The fear of being abandoned as the rest of the world moves into regionalism.

Besides, many researchers claim that when it comes to developing countries, economic/regional integration should be regarded an instrument for their economic development, and not that much as customs or even trade policy (Balassa & Stoutjesdijk, 1975). Integration theory is more focused on better resource allocation while development theory and policy deals more with the benefits from faster economic growth in the long term and the management of under- or not at all employed resources and factors of production. Consequently, in most developing countries, integration attempts are geared towards or more interested on the execution of common projects in the area of development which includes poverty reduction, support for the development of healthcare and education systems, achievement, and preservation of regional security.

Also, Shams Shams (2003, pp. 9-10) claims that even if all trade prerequisites are fulfilled when an integration agreement among developing countries is signed, the divergence of their macroeconomic policies, combined with absence of coordination within the member-countries, could lessen the potential gains of integration, mainly regarding the upsurge of interregional trade.

However, it is established that in most developing countries, there exists a situation of generally low productivity plus mounting unemployment (Hosny, 2013, p. 141). Therefore, when there is trade diversion that leads to labour force to be transferred from low-productive sectors and activities to ones with higher value added, welfare will increase.

The integration benefits to employment are even more obvious (Sakamoto, 1968, p. 283). Again, they are connected to the reason that the changes in the geographical distribution of production impact demand for labour, and on the contrary the bigger flows of workers influences labour force supply (Longhi & Nijkamp, 2007, p. 3), thus increasing employment possibilities and rates and as a results among others constitutes the reason for the pursuit of African regionalism.

2.7 Historical Overview of African Continental Free Trade Area (AFCFTA)

The quest for African cooperation in development efforts and unity could briefly be traced to post independence in the late 1950s to 1960s. In 1964, the establishment of the Organization of African Unity (OAU) pointed out this desire for regional integration and cooperation.

The OAU's primary goals at this point were to promote peace and unity among African countries before the world governance and trading system. The organization later implemented the Lagos Plan for action in 1980, which intends to promote the integration of the Africa based on the "self-reliance, endogenous development and industrialization" of the continent.

In July 1991, ten years later, the OAU accepted the Abuja Treaty that adopted a progressive approach to regional integration in Africa. This involved the formation of Regional Economic Communities (RECs) and a plan for establishing an African Economic Community by 2028. The Abuja Treaty made available a detailed route towards the formation of the African Union. The first step was to establish Free Trade Areas (FTAs) in each region, followed by customs unions, and then the creation of a common market to finally form a monetary union (UNECA, 2018). Perhaps, at the beginning of the new millennium, eight significant RECs had already

been created and were advancing the process of regional integration. These RECs were the following:

A. The Southern African Development Community (SADC); composed of sixteen countries and was established as a development coordinating conference (SADCC) in 1980 and transformed into a development community in 1992. It is an inter-governmental organization that aims to encourage sustainable and fair economic growth and socio-economic development through efficient productive systems, greater co-operation and integration, good governance and lasting peace and security among sixteen Southern African Member States (Amos, 2010).

B. The Eastern African Community (EAC); Composed of 7 Partner States, East African Community (EAC) is a regional intergovernmental organization. The role of the EAC is guided by its Treaty which set up the Community. It was endorsed on 30th November 1999 and took effect on 7th July 2000 following its confirmation by the original three Partner States – Uganda, Kenya, and Tanzania. The Republic of Burundi and Republic of Rwanda consented to the EAC Treaty on 18th June 2007 and became full Members of the Community with effect from 1 July 2007, while the Republic of South Sudan consented to the Treaty on 15 April 2016 and became a full Member on 15th August 2016. The Community's latest member, Congo DR consented to the EAC Treaty on 8th April 2022. With the formation of the EAC Customs Union in 2005, the members of the community promised to maintain common excise tariffs and customs. They also agreed to allow freedom of movement within East Africa for goods originating in any of the partner states and to adopt mutually beneficial trade practices. However, as one of the fastest growing regional economic blocs in the world, the EAC is widening and deepening co-operation among the Partner States in various key spheres for their mutual benefit. These spheres include political, economic and social. Presently, the process of regional integration is blooming as shown by the encouraging progress of the East African Customs Union, the creation of the Common Market in 2010 and the implementation of the East African Monetary Union Protocol (EAC, 2022).

C. Common Market East and South Africa (COMESA); The history of COMESA began in December 1994 when it was formed to replace the former Preferential Trade Area (PTA) which had existed from the earlier days of 1981. COMESA (as defined by its Treaty) was established ‘as an organization of free independent sovereign states which have agreed to co-operate in developing their natural and human resources to the best interest of their people hence it has a

wide-ranging series of goals which essentially include in its priorities the promotion of solidarity and cohesion in the region. It is the largest regional economic organization in Africa with 21 African States, 586 million People and one of the Largest Market for Trade & Investment. The chief interest of the organization is the creation of a large economic and trading unit that could withstand some of the barriers that are faced by individual states (COMESA, 1998).

D. Economic Community of West African States (ECOWAS); Economic Community of West African States (ECOWAS) is a regional organization of 15 West African countries established on 28th May 1975. Its main goal is the promotion of the economic integration among its members. Actually, ECOWAS is one the five regional strongholds of the African Economic Community (AEC).

However, ECOWAS was founded to achieve collective self-sufficiency for the member states by means of economic and monetary union creating a single large trading bloc. It was named among the five regional strongholds of the African Economic Community (AEC). Together with COMESA, Economic Community of Central African States (ECCAS), Intergovernmental Authority on Development (IGAD), and SADC, ECOWAS signed the Protocol on Relations between the AEC and Regional Economic Communities (RECs) in February 1998. However, the very slow progress towards economic and monetary integration meant that the Treaty of Lagos was revised in Cotonou on 24 July 1993, towards a looser collaboration (Bakare, 2021).

E. Economic Community of Central African States (ECCAS); It is an organization for promotion and of regional economic co-operation in Central Africa. It "intends to accomplish collective autonomy, improve the living standards of its members and stabilize their economic through peaceful and unhindered cooperation". ECCAS was established in 1983 by eleven Central African States. Its original goal was to foster exchange and collaboration among the members and provide an institutional and legal framework to their cooperation. ECCAS is the leading economic community in Central Africa, regrouping the member States of the Central African Economic and Monetary Community (CEMAC). The Economic Community of Central African States (ECCAS) was created in 1983 as part of the Lagos Plan of Action, adopted by the Organisation for African Unity (OAU) to encourage the creation of Pan-African single market by the year 2000. The main initial objective of the Community was to prepare, on the regional level, for continent-wide economic integration (Bakare, 2021). Its main objective was highlighted as fostering and consolidating economic and social cooperation and self-sustained

development “so as to achieve shared self-reliance, improve the living standard of its people, increase and maintain economic stability, foster close and peaceful relations between Member States and contribute to the progress and development of the African continent.”

F. Intergovernmental Authority on Development (IGAD); Intergovernmental Authority on Development (IGAD) in Eastern Africa was created in 1996 to supersede the Intergovernmental Authority on Drought and Development (IGADD) which was founded in 1986. The recurring and severe droughts and other natural disasters between 1974 and 1984 caused widespread famine, ecological degradation and economic hardship in the Eastern Africa region. Though individual countries made considerable efforts to manage with the situation and gain generous assistance from the international community, the extent and degree of the problem deliberated strongly for a regional approach to supplement national efforts. However, in 1983 and 1984, six countries in the Horn of Africa - Djibouti, Ethiopia, Kenya, Somalia, Sudan and Uganda - took action through the United Nations to set up an inter-governmental agency for development and drought management in that area. The Assembly of Heads of State and Government assembled in Djibouti in January 1986 to sign the Treaty which legitimately launched IGADD with Headquarters in Djibouti. The State of Eritrea became the seventh member after gaining independence in 1993.

In April 1995 in Addis Ababa, the Assembly of Heads of State and Government decided to revitalise IGADD and extend cooperation among member countries. On March 21st, 1996, in Nairobi, Kenya, the Assembly of Heads of State and Government approved 'Letter of Instrument to Amend the IGADD Charter / Agreement' establishes the revitalised IGAD with a new name “The Intergovernmental Authority on Development”. The Revitalised IGAD, with enlarged areas of regional cooperation and a fresh organisational structure, was unveiled by the IGAD Assembly of Heads of State and Government on 25th November 1996 in Djibouti, the Republic of Djibouti. The mission of IGAD was to aid and encourage the efforts of the member States to accomplish, through heightened cooperation: food security and environmental protection, peace and security, and economic cooperation and integration in the region.

G. Arab Maghreb Union (AMU); composed of five countries, established in 1989, not only improved relations between the Maghreb states—Algeria, Libya, Mauritania, Morocco, and Tunisia—but also underscored the need for concerted policies. The AMU sought to bring the countries closer together by creating projects of shared interests.

Since 1990, the five countries have signed more than 30 multilateral agreements covering diverse economic, social, and cultural areas. As member states have confirmed varying numbers of these agreements, only five have been endorsed by all Union members. These include agreements on trade and tariffs (covering all industrial products); trade in agricultural products, investment guarantees; avoidance of double taxation; and Phyto-sanitary standards.

However, the Union was originally formed principally to enable its members to negotiate with the EU when it declared a single European market and to encourage trade and economic co-operation by allowing freedom of movement across frontiers. The primary objectives of the AMU Agreement are to fortify all forms of relations among Member countries (so as to ensure regional peace and boost policy coordination), also to gradually establish free movement of goods, services, and production factors among them. Common defence and non-interference in the domestic affairs of the partners are also key aspects of the Treaty. The Treaty pointed out the general economic strategy to be used, namely, the development of vital sectors like agriculture, industry, commerce, food security, and the formation of joint projects and general economic cooperation programs. Lastly, the treaty made available the possibility for other Arab and African countries to become a member of the Union at a later stage.

H. Community of Sahel-Saharan States (CENSAD): CEN-SAD was established in February 1998 by six countries, but since then its membership has grown to 29. One of its main goals is to achieve economic unity through the implementation of the free movement of people and goods to make the area occupied by member states a free trade area. At the global scene, CEN-SAD achieved observer status at the UN General Assembly in 2001 and concluded association and cooperation accords with the United Nations Economic Commission for Africa (ECA) and with UN specialized agencies and institutions such as UNDP, WHO, UNESCO, FAO, and the Permanent Interstate Committee for drought control in the Sahel. All CEN-SAD member states are also active in other African economic unions that have the objective to establish a common African Economic Community. The proposed Free Trade Area of CEN-SAD would be difficult to practically enforce because it is overlapping with the proposed customs unions of the Economic Community of West African States (ECOWAS/CEDEAO), ECCAS and COMESA and other trade groups more developed in their integration.

However, despite the intended purpose of using RECs as steppingstones toward greater unification, the fact that some countries were part of various Economic Communities became problematic. To get over with this situation, Ministers of Trade and Industry of three RECs

(SADC, EAC and COMESA) decided to unite them. Thus, in June 2011, Heads of State of the SADC, EAC, and COMESA initiated the Tri-Partite Free Trade Agreement (TFTA) negotiations in Johannesburg, South-Africa.

Besides, in January 2012, in a paper titled “Boosting Intra-Africa Trade; Issues affecting Intra-Africa Trade, Proposed Action Plan for boosting Intra-Africa Trade and Framework for Fast Tracking of a Continental Free Trade Area”, the Economic Commission for Africa made a strong case for a CFTA negotiation to be launched by the African Union (the successor of the OAU). Upon the 18th ordinary session of the Assembly of Heads of State and Government of the AU convened in Addis Ababa, the purpose of the CFTA was granted upon.

Subsequently, three years later (10 June of 2015), the TFTA was signed by representatives of most of the 26 Member States of the AU, in Sharm el-Sheik, Egypt. The Sharm el-Sheik Declaration, launching the TFTA, confirmed the “developmental integration approach built on the three strongholds of industrial development, infrastructure development, and market integration.

The TFTA summoned the leaders of the AU to be more determine about regional integration and economic cooperation. Shortly thereafter, on June 15th, 2015, the AU’s Heads of State meeting (25th Ordinary Session of the Assembly) in Johannesburg started the negotiations toward a Continental Free Trade Agreement (CFTA). They decided that the CFTA negotiations should be run in parallel with the TFTA Phase II, which provided a timeframe of 24 months to conclude negotiations on trade in services, competition policy, intellectual property rights (IPR). etc. It was on the course of this meeting, which led to the Abuja Treaty, the aims, and principles of the CFTA were pronounced.

The same year, the AU launched its own fifty years vision and action plan called “Agenda 2063” which urged urges for a Continental Customs Union. This would only be achieved after the implementation of an African Common External Tariff (ACET). Finally, the Treaty establishing the AfCFTA was endorsed by the 10th Extraordinary Session of the Assembly in Kigali, Rwanda, on 21st March 2018.

However, Before the 12th Extraordinary Session of the Assembly of the African Union on the AfCFTA in Niamey, Niger on 7 July 2019, there was one significant issue: the Nigerian reluctance to sign the treaty in order to protect its industry from low-income workers. Considering Nigeria’s efforts to encourage local manufacturing and the expansion of

agriculture in the country, Nigerian officials had expressed concerns regarding the possibility of low-priced goods flooding their market. Meanwhile, in the end, they signed the AfCFTA during the aforementioned session. This signifies an important boost to the Treaty since Nigeria is seeing as the largest economy of the continent. Following the Assembly of the African Union on the AfCFTA in Niamey, fifty-four out of the fifty-five states of the continent had signed.

Also, during this 12th extraordinary session, Accra (Ghana) was selected by the Assembly of Heads of State and Government of the AU as the host country for the Secretariat of the AfCFTA.

2.8 The Aims of the African Continental Free Trade Area (AfCFTA)

The AfCFTA has set out many impressive measures which will be gradually carried out. There are general objectives and specific ones. The central focus is to create a common market for goods and services, enabled by the movement of persons. This is aimed at strengthening the economic integration of the African continent and it follows the Pan-African Vision of “an integrated, prosperous and peaceful Africa” enshrined in Agenda 2063. Through continuous rounds of negotiation, African State Parties plans to establish a free market for goods and services so as to enhance trade flows and expand supply and choice of the consumers. The Agreement compels countries to remove tariffs on 90% of goods.

The Agreement equally intends to enhance the free flow of production factors and persons hence accelerating investment at both the country and continental levels. Through these methods, African countries anticipate setting up the foundation for the formation of a Continental Customs Union (CCU).

Knowing that women and minorities are still experiencing barriers in engaging in trade and could be further side-lined if adequate measure is not put in place, the AfCFTA acknowledges (as the fifth objective) the need for encouraging and achieving sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties. This objective points out the desire of African Countries to support inclusive trade policies and economic growth so as to take full advantage of the economic capacity of Africa.

Another goal is to enhance the economic competitiveness of State Parties not just within the continent but across the world. For this reason, the AfCFTA makes available the promotion of

industrial development through expansion and regional value chain development, agricultural development, and food security. Besides, investing in Quality Infrastructure (QI) is vital to enhance competitiveness, to facilitate trade across borders and to encourage an inclusive economic development (especially for MSMEs, youth and women).

In a bid to resolve the issue of multiple and overlapping RECs membership and accelerate the regional and continental integration processes the agreements provides that all State Parties have to gradually remove tariffs and non-tariffs barriers to trade in goods and services. *“Non-tariffs barriers could be legal barriers, technical barriers, structural barriers, infrastructural barriers (such as lack of communication infrastructures) or cultural barriers (language for instance)”*.

More so, according to the Working Paper ‘Advancing the Continental Free Trade Area (CFTA) and Agenda 2063 in the context of the Changing Architecture of Global Trade’ (December 2016) from the Trade & Industrial Policy Strategies, the negotiators of the Continental Free Trade Area (CFTA) ought to adopt a “development integration” strategy to ensure that the result of the CFTA is for the benefit of its members. At this juncture, the CFTA representatives will work on three parallel tracks. First, they must ensure that the architecture of regional integration is asymmetrical in favour of the Small, Vulnerable Economies (SVEs) and the Least Developed Countries (LDCs). Again, they must concentrate on the inclusion of all African member states in regional productive value chains that promote industrialization of the continent. Finally, they must facilitate the co-operation of member states towards the construction of cross-border infrastructure.

Other necessary measures include the need for better cooperation on investment, intellectual property rights, and competition policy. The agreement established a mechanism for the settlement of disputes concerning their rights and obligations of member states to prevent countries from being trapped in political stagnation because of divergent interests. Furthermore, State Parties will ensure an institutional framework for the enactment and administration of the AfCFTA.

Besides, the AfCFTA is being implemented in two phases. Phase one provides a framework for the free flow of goods and services, and a procedure for conflict resolution. On trade in goods, the agreement provides an avenue for removing tariffs on 90 percent of product categories. Countries can adopt reduction of tariffs over a long period in event of sensitive goods or

maintain already set up tariffs—where the products are not included—for the remaining 10 percent of product categories (tariff lines). The procedure on trade in goods comprises extensions on tariff waivers, rules of origin, customs cooperation, trade facilitation, non-tariff barriers, technical barriers to trade, sanitary and phytosanitary measures, and transit and trade remedies.

Phase II of the AfCFTA will cover competition policy, investment, and intellectual property rights. Negotiations for Phase II were scheduled to begin after the Niamey Extraordinary meeting held on the 7 of July, with an expected completion date of December 2020. One of the main negotiation issues is that African economies are characterized by huge diversities and disparities. Nigeria, Egypt, and South Africa account for over 50% of Africa's cumulative GDP, while its six sovereign island nations represent 1% of the continental GDP. The economic size ranged from less than \$1 billion in GDP in São Tomé and Príncipe to more than \$350 billion in Nigeria in 2017. Moreover, there is also significant diversity in the population: the largest population, Nigeria's, was 190 million in 2017, while the smallest, Seychelles', was 94,000. These differences lead to the rise of several interests and economic objectives among African countries. Hence, the AfCFTA Agreement provides for differential treatment. In fact, African' LDCs support differential treatment in order to protect their economies from bigger and more competitive countries such as South Africa, Nigeria or Egypt. For example, some LDCs have been given a 10-year delay to get rid of tariff-barriers in strategic economic sectors. Included to these LDCs, a group of six countries with the likes of Niger and Malawi has got a 15-year delay to eliminate tariff-barriers.

CHAPTER THREE

3.0 METHODOLOGY

3.1 Research Design

Given the broad objective of the study, a systematic literature review was adopted, Tranfield et al. (2003) to evaluate the anticipated effect of the implementation of the African Continental Free Trade Area as a key instrument for regional integration in Africa. The study will use the method for a systematic analysis of literature review by Kitchenham et al. (2009) as adopted by the work of Bacca et al. (2014, pp. 133-149), which divides the process into three main phases: planning, conducting the review, and reporting the review.

However, the method will show a systematic illustrative model which guides the entire process of organizing the search, and discrimination stating the inclusion and exclusion criteria for the various literatures reviewed.

Besides, the following is the systematic illustration of the model/ procedure for the systematic review as adopted by this study.

3.1.1 Planning

A. Identification of the problem statement, this is because research problem is the starting point of all scientific process, and therefore it is also the systematic review of Literature.

Hence, as Ander (2011) puts forward as recommendation for the approach of the problem: one should not pretend to make a perfect formulation from the first moment; and as result must consider the personal and social dimension; and, it has to be done with sociological ideology. Hence, the keywords for the search were greatly informed by the research questions and objectives of the study.

B. Development of Review Protocol; at this stage the study defined the criteria for inclusion and exclusion of reviewed articles/literature including the selection process of the journal.

However, on the criteria for selection, the literature review comprises English-speaking peer reviewed articles/literatures and book chapters that are present in the google scholar search engine but was not limited to impact factor journals and Scopus search engines as well, relating to the 'Social Science', 'Business, Management and Accounting' or 'Economics, statistics development and Finance' and related subject areas. The study although minimized the use of obsolete publications with regards to year of publication but did not set a definite

year as a benchmark for its selection, this is because the study needed to trace the origin of some of the basic concepts of the study like “integration” both “economic” and “regional” and with a specific interest in “African region”.

3.1.2. Conducting the Search

Conducting the search as Kitchenham et al. (2009) explains, once the protocol has been agreed, the review proper can start. This process is dependent on the findings from the previous phase: the involvement and omission criteria and the list of journals. Therefore, in keeping with a methodological outline, the study followed the suggestions proposed in “Preferred Reporting Items for Systematic Reviews and Meta-Analyses” (PRISMA) Swartz (2021) for the “Development of a review protocol” stage, including in the final stage for presenting the report, taking into consideration that the goal of PRISMA is to aid researchers organize systematic review reports.

However, In order to identify the contributions relevant for the scope of our analysis, we used a combined search string which included words having the root : “integra” (i.e integration, economic integration, integration-Africa, regional integration etc), “Regio” (i.e regionalism, regional-integration, Regional-Africa, etc), “anticip” (anticipated, anticipated –effect, anticipated impact etc) and “Afri” (i.e African continental Free trade Area).

3.1.3 Reporting the review

In total, 387 contributions have been identified using this selection process.

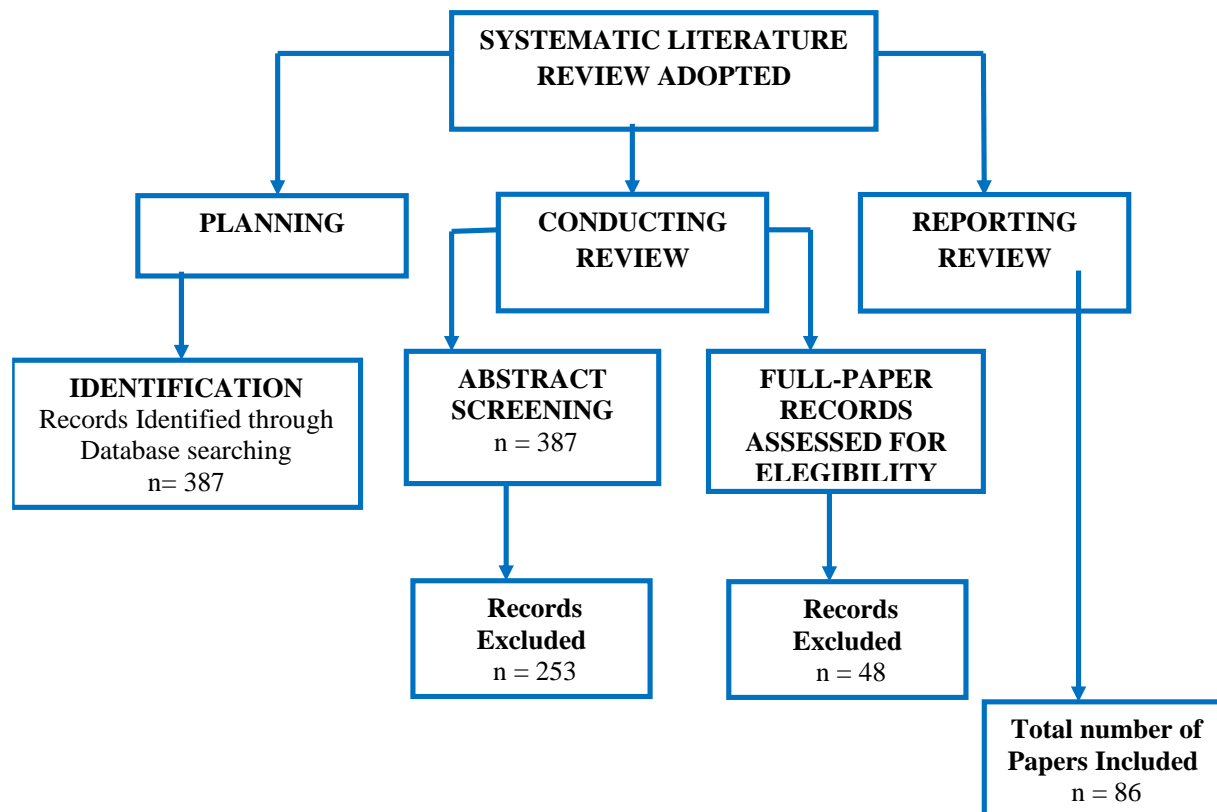


Figure 1. The Paper Selection Process articulated by the author

To ensure the study identified contributions that fit with the purpose of the study, an abstract screening was performed followed by full-text screening, however the following criteria were the point of focus for the search.

1. The study focused on tracking the origin or rather early perception of what regional integration is all about, on this the study concentrated on literatures that elucidate the history and grand theories of regionalism. Papers and books chapters that look at the history and grand theories with definitions of the concept by various scholars were prioritized.

2. Also an in-depth abstract screening was carried out focusing on the History of African Regionalism, papers that contains the trace of African regionalism especially from post-colonial period was given a high priority.

3. Lastly the study looked at literatures on African continental free trade area (ACFTA), the study concentrated on the papers/articles that reviewed how ACFTA will promote regional

integration in Africa; on that note studies on overview but not in-depth of the agreement were not given a high priority.

In all 387 literatures on the various concepts related to the study search were downloaded mainly through Nord University's google scholar search engine and screened. A total of 253 were excluded at the abstract screening because they did not meet one or more of these criteria. In cases where the abstract was not explicit enough to understand if these criteria were met, the study performed a full article screening, following this additional screening, a further 48 articles were excluded basically; because they it was not possible to access the full text or were not in English. Finally, 86 contributions were considered in the analysis as listed in table 3.0 below.

Table 1. The Contributions considered in the Systematic Literature Review

S/N	AUTHOR	YEAR	TITLE
Contributions on Regionalism and Regional Integration (Africa)			
1	Allen, R. L.	1963	Economic Integration: Analytical and Empirical Survey
2	Allen, W. R.	1963	A History of Thought on Economic Integration. By Fritz Machlup
3	Andreas P, C	1999	Regional Integration and regional development? -Concepts and empirical relevance.
4	Armstrong, H., & Taylor, J.	1985	Regional Economics and Policy
5	Bagwell, K., & Staiger, R. W.	1999	and multilateral tariff co-operation. In International trade policy and the pacific rim
6	Balassa	1994	The theory of economic integration: An introduction. In The European Union
7	Balassa, & Stoutjesdijk,	1975	Economic integration among developing countries
8	Balassa	1961	The Theory of Economic Integration
9	Balassa et al.	1963	European integration: problems and issues

10	Börzel, T. A., & Risse, T.	2019	Grand theories of integration and the challenges of comparative regionalism.
11	Chadwick & Deutsch	1973	International trade and economic integration: Further developments in trade matrix analysis
12	Chauffour, J.-P., & Maur, J.-C	2011	Preferential trade agreement policies for development: A handbook
13	Chou	1967	Economic Integration in less developed Countries. The case of small countries.
14	Chrysochoou	1997	New challenges to the study of European integration: Implications for theory-building
15	de Melo, J., & Tsikata, Y.	2014	Regional integration in Africa
16	Haas		The study of regional integration: reflections on the joy and anguish of pretheorizing
17	Hammarlund, P.	2005	Liberal internationalism and the decline of the state: the thought of Richard Cobden, David Mitrany, and Kenichi Ohmae
18	Hartzenberg	2011	Regional integration in Africa
19	Hooghe, L., & Marks, G.	2019	Grand theories of European integration in the twenty-first century
20	Hosny	2013	Theories of economic integration: A survey of the economic and political literature
21	Ilievski.	2015	Stock markets and tax revenue.
22	Jiboku	2015	The challenge of regional economic integration in Africa: Theory and reality
23	Kieck, E., & Maur, J.	2010	Regional integration and customs unions
24	Klonsky, J Hanson & Lee, B.	2011	Mercosur: South America's Fractious Trade Bloc
25	Lipsey		The theory of customs unions: A general survey

26	Longhi, S., & Nijkamp, P	2007	Economic Integration and Labour Markets: Ways Forward. In Regionalisation, Growth, and Economic Integration
27	Mariadoss, B. J	2015	Core Principles Of International Marketing
28	Marinov	1999	Regional economic integration
29	Marinov, E.	2014	Economic determinants of regional integration in developing countries
30	Martin, L & Simmons, B.	1998	Theories and empirical studies of international institutions
31	Medvedev, D.	2010	Preferential trade agreements and their role in world trade
32	Meier, G. M.	1960	Effects of a customs union on economic development
33	Metzger, M.	2008	Regional cooperation and integration in Sub-Saharan Africa
34	Mistry, P. S.	1996	From: Regional Integration Arrangements in Economic Development: Panacea or Pitfall?
35	Myrdal, G.	1956	An international economy: problems and prospects.
36	Nkotsoe, L.	2011	The impact of the economic partnership agreement for regional integration in the Southern African custom union member states.
37	Panusheff, E	2003	Economic integration in the European Union
38	Pentland, C.	1973	International theory and European integration
39	Risse, T., Carlsnaes, W., & Simmons, B. A.	2008	Handbook of international relations
40	Rodrik, D.	2018	What do trade agreements really do?
41	Rosamond, B.	2000	Theories of European integration.

42	Sakamoto, J.	1968	Industrial development and integration of underdeveloped countries
43	Savov, S.	1995	World Economics
44	Schiff, M. W., & Winters, L. A.	2003	Regional integration and development
45	Schimmelfennig, F	2018	Regional integration theory
46	Shams, R.	2003	Regional integration in developing countries: Some lessons based on case studies
47	Shikova, I	2011	Policies of the European Union
48	Suranovic, S. M.	2010	International trade theory and policy, the Heckcher-Ohlin (factor proportions) model overview
49	Tausch, A.	2018	Globalization and development: the relevance of classical “dependency” theory for the world today
50	Taylor, I., & Smith, K.	2007	United Nations Conference on Trade and Development (UNCTAD
51	Usman, Z., & Landry, D.	2021	Economic Diversification in Africa: How and Why It Matters
52	Wacziarg, R., & Welch, K.	2008	Trade liberalization and growth: New evidence
53	Wiener et al	2009	European integration theory:
Contributions on AFCFTA			
54	Albert, T.	2019	The African Continental Free Trade Agreement: Opportunities and Challenges.
55	Maliszewska, M., & Ruta, M.	2020	The African continental free trade area: Economic and distributional effects
56	Parshotam, A.	2018	Can the African Continental Free Trade Area offer a new beginning for trade in Africa?

57	Signé	2018	Africa's big new free trade agreement, explained
58	UNECA	2018	An empirical assessment of AfCFTA modalities on goods
59	Philomena et al	2020	The promise of the African Continental Free Trade Area (AfCFTA)
60	Union, A	2019	Draft Protocol Amending the 2008 Protocol on Relations between the African Union (AU) and the Regional Economic Communities (RECs).
61	Alao	2014	African Single Currency: The Great White Hope for a New Africa
62	Juma, C., & Mangeni, F.	2018	African regional economic integration: The emergence, evolution, and impact of institutional innovation.
63	Kalenga et al.	2005	Rules of origin and regional integration in Southern Africa
64	Abdessalam.	2021	The African Continental Free Trade Agreement (AfCFTA): Legal Overview
65	CFI	2022	Economic Integration
66	Mangeni	2018	The African continental free trade area—A beacon of free trade
67	Songwe et al.	2021	The African continental free trade area: a historical moment for development in Africa
68	Bureau, P. R.	2017	2017 World Population Data Sheet with a special focus on youth.
69	Asiedu, M.	2018	The African continental free trade agreement (AfCFTA)
70	Bakare	2021	Political Reforms and Implications for Democracy and Instability in West Africa: The Way Forward for ECOWAS and Member States
71	Keohane, R., & Nye, J	1977	Power and Interdependence: World Politics in Transition

72	Keohane, R. J. P., Princeton	1984	After hegemony: Cooperation and discord in the World political economy Princeton.
73	Amos, S	2010	The role of South Africa in SADC regional integration: the making or braking of the organization
74	COMESA	1998	Common Market for Eastern and Southern Africa
75	EAC	2022	Overview of East African Commission
76	Sidaway, J & Gibb, R.	1998	SADC, COMESA, SACU: contradictory formats for regional integration in southern Africa
77	Majone, G.	2009	Europe as the would-be world power: The EU at fifty
78	B. Kitchenham etal.	2009	Systematic literature reviews in software engineering – A systematic literature review,
Contribution On Methods Of The Study Adopted			
79	Tranfield et al.	2003	Towards a methodology for developing evidence-informed management knowledge by means of systematic review
80	Jahan et al.	2016	How to conduct a systematic review: a narrative literature review
81	Durach et al.,	2017	A new paradigm for systematic literature reviews in supply chain management
82	Bryman, A., & Bell, E.	2011	Business Research Methods
83	Bacca et al.,	2014	Augmented reality trends in education: a systematic review of research and applications.
84	Ander.	2011	Learning to investigate basic notions for social investigation
85	Swartz, M.	2021	PRISMA 2020: an update

86	Pannucci, C. J., & Wilkins, E. G.	2010	Identifying and avoiding bias in research
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However, from the table above, most contributions are focused on the contribution that has a clear insight on the history and grand theory of regional(ism) integration, specific focus was given to the studies on African regional integration. Precisely as listed above the study on African regional integration focused extensively on the history and the anticipated effect of regional integration in Africa. The selected papers prioritized papers that looks at some of the regional economic blocs/ arrangement which pre-existed(ing) before the AFCFTA, this was considered as a bedrock to the African continental free trade area which is the main focal point of this study.

More so, the contribution on AFCFTA was rigorously and broadly selected given the design criteria as informed by the research questions and the objectives of the study. Greater contribution on the AFCFTA as listed above looked at the general overview of the agreement, and basically the anticipated effect of this agreement in promoting African regional integration which will in broad perspective promote the economy of the region and as a result constituted the main focus of the study.

However, the contributions have been carefully reviewed using a narrative review approach in line with the PRISMA method. As explained in the work of Jahan et al. (2016) “narrative review will give a detailed explanation of the important steps of a systematic review” to provide a systematic and deductive analysis of the key evidence emerging. A deductive approach has been adopted, accounting for potential within-study bias and expectancy bias that might affect the (systematic) literature review (Durach et al . 2017).

3.2 Research Approach

There are two types of research approaches, deductive and inductive. The deductive approach starts with observation of literature review and already existing theories to develop hypotheses in other to make empirical findings. After developing hypotheses (or research questions as the case might be), researchers need to collect data (i.e., select literatures that best suit the case of the study) to test the hypotheses and check if the hypotheses in overall can provide answers to the questions. It is the “most common view of the relationship between theory and research”

(Bryman & Bell, 2011, p. 11). However, in this study, the deductive method is suitable because the research starts with observation of existing approaches and literature related to the concept under study.

Besides the study adopted a narrative deductive analysis approach in making its findings, as against the meta-analysis as contained in PRISMA method.

3.3 Source of Data

Data collection is an important step in every research. The data collection method includes the data sources for the study, however literatures reviewed which are categorized as secondary data where sourced mainly through the google scholar search engine in various journals and database with related articles under review.

3.4 Validity of study

Validity of research is associated with “whether or not a measure of the concept measures the concept” (Bryman & Bell, 2011, p. 159). However, Bias is a systematic error (or deviation from the truth) in results or inferences. Biases can change the results of any study and lead to an underestimation or overestimation of the true effect. Biases can affect any aspect of a review, both selecting studies, collecting, and extracting data, as well as drawing a conclusion. Biases can vary in magnitude; some are small, with negligible effect, but some are substantial to a degree where an apparent finding may be entirely due to bias (Pannucci & Wilkins, 2010). Besides, systematic reviews are confronted most of the times with selection bias. Selection bias occurs when contribution/literatures selected for review is not representative of the intending concept, however the study developed a meticulous criterion as seen above in order to validate the findings of this study. Also as earlier stated the study during selection process did not set a limit on the year of publication as a selection criterion, this was so in order to validated findings which is based on a broader search and analysis.

CHAPTER FOUR

4.0 FINDINGS OF THE STUDY

4.1 Introduction

Here the findings collected from the various literatures reviewed are discussed in view with the research aims and questions. The study made its findings bearing in mind the objectives of the study. The study will provide its findings of the study based on the aims and the questions the research intends to answer. And the chapter will be concluded with a brief explanation of the major findings as regards to the objectives or rather the research questions that guided the entire research.

4.2 Findings on the Anticipated Effect of AfCFTA in promoting Regional Integration in Africa.

Here the study is concerned with analyzing one of the research questions on “how AfCFTA can trigger or rather promote regional integration in Africa”. However, to find an answer on “how”, the study carefully reviewed a total number of 387 literatures including book chapters as detailed above, and in a rigorous process a total number of 253 were excluded given the criteria stated in the previous chapter. However, out of the 86 literatures selected, a good number of them analyze some of the triggers of African regional integration among others to include the implementation of the AfCFTA agreement. However, T. Albert (2019) in his work “The African Continental Free Trade Agreement: Opportunities and Challenges” anticipated that AfCFTA will promote inclusive integration among the member countries in the region. One of the key priorities of the AfCFTA is to implement an inclusive sustainable integrated market that will promote intra-regional trade; the AfCFTA is a major opportunity for entrepreneurs to enter new markets and to increase their production. Nevertheless, as the cost of cross-border trade is high, it may represent a barrier for MSMEs however, Albert advocated that if public authorities should provide technical and financial support for smaller companies in order to allow them to penetrate the cross-border continental market, large companies would be able to fully benefit in the AfCFTA agreement. Indirectly Albert is anticipating that if AfCFTA is fully implemented it will leave government across the region with no option than to equip their medium small and micro enterprises to be able to meet up with the competitive opportunities created by the agreement which in no small measure will in turn, promote a strong integrated region. Also Albert in his findings is of the view that the agreement will be more inclusive if African government implement specific national plans (such as infrastructural,

financial, technical...) and by so doing will be able to widen the range of companies that can benefit from this agreement across the region and this validate the findings by Philomena et al. (2020) that the AfCFTA promises a virtuous circle of bigger market opportunities, prompting more trade and investment, and paving way for greater additional value and growth efficiency, but for the full benefits of the AfCFTA to accrue to African countries and citizens, numerous additional policy enablers – measures, reforms and investment are also key, not least in infrastructure, transport corridors and logistics, as well as to improve the business climate in African countries. Hence it is anticipated that AfCFTA will trigger micro enterprises among the member countries which will in turn metamorphose into integrated regional market thereby promoting regional integration in Africa.

Besides, according to Vera Songwe, Executive Secretary of the United Nations Economic Commission for Africa “One of the big indirect effects of the African Continental Free Trade Agreement will be that women will be more empowered, economically” the AfCFTA will facilitate the integration of youths and women within the trade system. Both the Protocol on Trade in Goods and Protocol on Trade in Services underline the importance of building capacity in women and youth to reinforce their inclusion within the economic and trading system. Hence, the AfCFTA will produce new opportunities in economic sectors where women are concentrated, including in agriculture, manufacturing, and services trade. And as a result, it’s evident to say that at this point it is anticipated that if AfCFTA is fully implemented it will empower the economic status of women and young people which is a proven catalyst for regional integration.

4.3 Benefits and shared opportunities of the AfCFTA among signatory members in promoting regional integration in Africa

According to a study by (Abdessalam, 2021), he finds out that most countries in the African continent sees the AfCFTA as an investment, economic-diversification, and job-creation opportunities (or blueprint) that will form the future of Africa, assist meet by 2030 the aims of the Sustainable Development Goals (SDG), improve growth and development towards the African Union’s Agenda 2063, and enhance an AU– EU free-trade area in long term. However, the study maintained that with a combined GDP of over \$2.3 trillion and a population of 1.2 billion, of whom most are below the age of 30, African countries stand to gain substantially from a strong intra-regional trade of AfCFTA. Perhaps, this validates the inquiries to an extent of the shared opportunities/benefits of AfCFTA. Also the work of Abdessalam (2021) states

that “Africa accounts for one-sixth of the world’s population but is fragmented into 55 member states of the African Union, many are too small to support economies of scale and attract the investments necessary for industrialization and sustainable growth: 22 countries have populations less than 10 million. Businesses face average tariffs of 6.9% when they trade across the continent’s 107 inter-State land borders, but also substantial Non-Tariff Barriers (NTBs), regulatory differences and divergent sanitary, phytosanitary, and technical standards that increase costs by an approximated 14.3%. And as a result, the AfCFTA seeks to integrate and consolidate Africa into a \$2.5 trillion market of 1.3 billion people”, however, this finding typically shows the shared benefits accrue to the AfCFTA implementation. The agreement based on the finding will be a win-win situation for all the parties that are signatories to it, this is true because it will enhance and consolidate just like Abdessalam assert the intra-regional/economic activities of countries who are signatories to the Agreement. The Agreement will give African region a common voice in the global corridor, and as well boost the sustainability of the regional trade both within and outside the continent.

4.4 Challenges faced by the member countries, in the establishment and implementation of the AfCFTA in the region.

This among many others are one of the questions the research findings intend to unravel, it is established so far based on the theoretical and empirical findings reviewed as enunciated above that AfCFTA if fully implemented is quite promising for a robust and sustainable regional integration in Africa. It is on this note that the study intends to find some of the likely impediments to the establishment and implementation of the agreement.

However, despite the significant long-term socio-economic benefits for African countries, Member State will face many challenges to fully implement and optimize this Agreement. Abdessalam (2021), de Melo and Tsikata (2014), Asiedu (2018) and many other literatures reviewed are of same findings that one of the main challenges that will face the full implementation of AfCFTA is that most African countries are part of more than one Regional economic community (REC) and so convergence among RECs in order to make it compatible with the AfCFTA will become another herculean task. According to findings, from the literatures reviewed, most African countries are bound to their WTO commitments, and many have signed or are unilaterally negotiating treaties with external regions or countries (EU, USA, China, Canada etc). These multilateral or unilateral commitments if not carefully managed will impede the development of the AfCFTA.

Also, the large number of different standards depending on the countries, or the regions remains a barrier for cross-border trade, in that case harmonization of standards and certification become a top priority, however, it is crucial to implement trade facilitation policies to reduce border regulations as well as corruption. These trade improvement policies will enable companies to create cross-border trade.

Besides, another significant challenge posed by this agreement is the question of the Rules of Origin (RoO). According to Mukisha Kituyi, Secretary General of UNCTAD, RoO can be a game changer if they are simple, transparent, and predictable. If they're not, RoO can be a barrier to trade because of bad understanding and because of the unpredictability that may discourage business entrepreneurs to trade. By granting among themselves preferential tariffs, Member States would procure more intermediate and final goods within themselves than import them instead. Consequently, it will increase intra-African trade because countries would rather import from neighbouring African countries than foreign ones.

Asiedu (2018) noted in his work that there are concerns the benefits of the AfCFTA could be disproportionate in terms of its distribution, for instance it is projected that African nations with large manufacturing bases such as South Africa, Nigeria, Kenya, Egypt etc would receive the most immediate improved benefits (Mangeni, 2018). Hence, the key challenge of the AfCFTA therefore is to encourage cooperation in such a way that multitude of national and regional actors with sometimes divergent trade interests work together to ensure the success and sustainability of the Agreement. On this, holistic and workable compliance mechanisms will be very critical to the success of the AfCFTA.

However, it is evidence from the study that the anticipated effect of AfCFTA on regional integrations in Africa is quite germane; AfCFTA according to the findings of the study will not only promote regional integration but an inclusive regional integration. The findings of the study are of the view that if AfCFTA is fully implemented that inclusive framework where women and young people will be widely integrated in the business and trade environment which will have a positive corresponding effect on the African region. Besides, the benefits and shared opportunities of the agreement cannot be over emphasized, the timing young population of the African region will be on advantage of the agreement, and this is because the agreement promises investment, economic-diversification, and job-creation among the member countries. Besides, the findings of the study were not carried away by the impressive content of the agreements. There are number of challenges in which the agreement (i.e., AfCFTA) intends to

contend both at the establishment stage and implementation level. One of the paramount challenges as seen in various studies reviewed in the ability of the parties involve converging the interest of their various REC into the agreement (i.e., AfCFTA) to ensure a sustainable framework that will deliver the yearnings of African countries on regional integration.

CHAPTER FIVE

5.0 CONCLUSION AND RECOMMENDATION

5.1 Conclusion

The study will focus on conclusions drawn from the systematic narrative literature review of various papers related to the concept under study. The conclusion is followed by the implications of the study. The chapter ends with the limitations in the study observed during the selection, review and reporting phase and provides recommendations for future study on the concept.

The African Continental Free Trade Area (AfCFTA) holds great potential for African growth and development. Maliszewska and Ruta (2020) approximated that real income returns from full adoption of the AfCFTA could amount to closely \$450 billion, and that the AfCFTA could alleviate extra 30 million people from abject poverty and 68 million people from average poverty by 2035. The United Nations Economic Commission for Africa UNECA (2018) estimates that a fully implemented AfCFTA will increase intra-African trade by 15–25%, or \$50–70 billion, by 2040. Furthermore, Signé (2018) estimates that under a successfully implemented AfCFTA, Africa will have a combined consumer and business spending of \$6.7 trillion in 2030.

The study adopted a systematic literature review methods with a PRISMA approach which is popular on papers with similar methods, given the nature of the study a systematic (narrative) literature approach was adopted in presenting the findings of the study. However, 387 papers including book pages were reviewed and after the abstract and full-text screening, 86 literatures were selected given the criteria for the study. Perhaps, the broad objective of the study is to find the anticipated effect of African Continental Free Trade Area (one of the recent regional agreements in the African region) in promoting regional integration in Africa when implemented. However, given the rigorous approach adopted by the study, it's pertinent that if the agreement is fully implemented that it will have a sustainable effect in promoting an inclusive regional integration in Africa. A finding of the study shows that as of July 2021, 40 African countries had ratified the AfCFTA agreement (Songwe et al., 2021). This, to a greater extent explains the share opportunities presented by the agreement. Integrating the African market will enable Africa to engage rationally in trading arrangements with the global scene. The United States of America, the European Union, emerging market economies and others are looking to establish trade deals with Africa on a constant basis. Therefore, with a single voice, common interests and positions in the international arena, Africa can negotiate trade deals better than individual countries alone.

Besides, one of the main challenges facing the agreement is the conflicting RECs. As earlier stated, host of African countries are member of various REC and so meeting within RECs should be made mutual and compatible with the AfCFTA. However, member states are facing and going to face many challenges and issues. Particularly, an emerging issue is the whole gamut of implementation challenges, which will require a mix of policy, administration, and funding initiatives.

In summary, the AfCFTA represents a milestone for African Unity. It offers unique opportunities for African countries to increase intra-continental trade and to strengthen the integration of the region which will give them a common position within the international trading system. It will significantly help African countries' development and economic growth by reducing the cost of cross-border trade thereby generating employment, reducing poverty, and modernizing African economic structures and societies.

5.2 Recommendation of the Study

Based on the findings of this study the following recommendations are made especially for policy makers and researchers at all levels;

- To ensure a sustainable integrated region, the study recommends that member States need to take effective actions to reduce all NTBs by easing border regulations, ensure the safety of traded goods/services, invest in cross-border infrastructures.
- To fully take advantage of the economic opportunities presented by the agreement, the study recommends that government policies would have to be channelled to take supportive complementary policies designed to support structural transformations.
- Also, to take a full advantage of the Fourth Industrial Revolution presented by this agreement, the study recommends that member states must take commitments according to their comparative advantage and economic structure to boost diversification and develop value-chains across the region.
- To achieve a strong regional integration, the study recommends that African countries continue to make effort towards an African Single Market (which will require to

progressively deepen liberalization) and an African Monetary Union to move towards continental integration and cooperation level.

- The AfCFTA offers a unique opportunity to develop an inclusive trade system and economic model, to this end the population on the African continent is opportune with young people and women who are the key drivers of industrialization and economic development, as a result the study recommends; improve the legal framework by addressing gender imbalances hindering women's and young people participation in trade.

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