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**FACULTY OF SOCIAL AND
MANAGEMENT SCIENCES**

**POLITICAL SCIENCE AND
PUBLIC ADMINISTRATION**

**THE RELEVANCE OF SUB REGIONAL ECONOMIC INTEGRATION IN
CENTRAL AFRICA**

By
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A Thesis Submitted to the Department of Political Science, Faculty of Social
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in Political Science

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DEDICATION

This work is dedicated to Mr and Mrs Penn Augustine and to Mr Tizih Wilson.

IJSER

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CERTIFICATION

The thesis of **Penn Rene Azie (SM14P165)** entitled, “**The Relevance of sub Regional Economic Integration in Central Africa**”, submitted to the Department of Political Science and Public Administration, Faculty of Social and Management Sciences of the University of Buea in partial fulfillment of the requirements for the award of the Master of Science (M.Sc.) Degree in Political Science, has been examined and approved by the examination panel composed of:

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ABSTRACT

Regional Economic Communities (RECs) in the Central Africa sub region are set out to promote intra-regional trade, and ultimately unite and develop the economies of the sub region. With the above ambitions, it is controversial as to why Central Africa is signing economic partnership agreements (EPAs) with the EU, which discourage intra-regional trade.. This work covers the three regional economic integration schemes in the Central Africa sub region. Primary and secondary data were collected from treaties and protocols, the EPA, international organizations, and books, Newspaper and journal articles, respectively. The work uses the custom union theory to ascertain the fact that integration in the sub region aims at increasing welfare. Data was analyzed using content analysis. Conclusions were drawn based on the content of data reviewed. It was discovered that, the EPA, in one of its clauses, seeks to promote free trade between the EU and the Central Africa sub region. Regional economic integration in the sub region has promoted intra-regional trade, the free movement of community citizens and goods in the sub region, environmental protection, construction and maintenance of regional infrastructures and services, and a host of others. Problems like weak community vision and political will, distrust, poor transport infrastructure, keeps playing down on the advancement of economic integration in the sub region. It is recommended that: the sub region should avoid ratifying EPAs as it might increase the welfare effects of its inhabitants but end up discouraging intra-community trade and pushing local producers out of the markets; it also recommended that there should be the implementation of a sub regional integration plan to be followed by all RECs and that, economic efficiency should be fostered through a policy of effective and respected free trade within the sub region which will stimulate competition and raise the standard of living of the population.

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ACRONYMS

ACP:	Africa Caribbean and Pacific
AEC:	African Economic Community
AfDB:	African Development Bank
AMU:	Arab Maghreb Union
BDEAC:	Development Bank of Central African States
BEAC:	Bank of Central African States
BVMAC:	Central African Stock Exchange
CDS:	Defence and Security Commission
CEBEVIRHA:	Economic Commission on Cattle, Meat and Fishery Resources
CEMAC:	Economic and Monetary Community of Central Africa
CEN-SAD:	Community of Sahel Saharan States
CEPGL:	Economic Community of Great Lakes Countries
CET:	Common External Tariff
CICOS:	International Commission of the Congo-Ubangi Sangha Basin
COBAC:	Banking Commission of Central Africa
COMESA:	Common Market for Eastern and Southern Africa
COPAX:	Council for Peace and Security in Central Africa
COSCAP:	Capacity Building Programme of Aviation Safety Oversight
COSUMAF:	Central Africa Financial Supervision Commission
CPAC:	Inter-State Committee on Pesticides

CU:	Custom Union
EAC:	East African Community
ECA:	Economic Commission for Africa
ECCAS:	Economic Community of Central African States
ECOWAS:	Economic Community of West African States
EIED:	Inter-State School for Customs Officers
EPA:	Economic Partnership Agreement
EU:	European Union
FOMAC:	Multinational Force for Central Africa
FOMUC:	Multinational Force in the Central African Republic
FTA:	Free Trade Area
GABAC:	Task Force on Money Laundry in Central Africa
GNP:	Gross National Product
GSP:	General System of Preferences
IEF:	Institute of Economy and Finance
IGAD:	Intergovernmental Authority on Development
ISSEA:	Institute for Statistics and Applied Economics
MAR:	Market Access Regulation
MARAC:	Central African Conflict Early Warning System
MICOPAX:	Mission for the Consolidation of Peace in the Central African Republic
MPC:	Monetary Policy Committee

NEPAD:	New Partnership for Africa's Development
OCEAC:	Organization of Coordination for the Control of Endemic Diseases in Central Africa
PDCT-AC:	Consensual Transport Master Plan for Central Africa
PEAC:	Power Pool for Central Africa
RECs:	Regional Economic Communities
RPFS:	Regional Programme for Food Security
SADC:	Southern African Development Community
SSA:	Sub Sahara Africa
UDEAC:	Customs and Economic Union of Central Africa
UEAC:	Central African Economic Union
UMAC:	Central African Monetary Union
VAT:	Value Added Tax
WTO:	World Trade Organisation

CHAPTER ONE

GENERAL INTRODUCTION

1.1 Background to the Study

Balassa (1961) in (Hosny, 2013:13) defined Economic Integration as "the abolition of discrimination within an area". Kahnert et al (1969) sees it as "the process of removing progressively those discriminations which occur at national borders" while Machlup (1977) sees it on his part as the process of combining separate economies into a larger economic region. The definition this research work considers the most apt is that put forward by Ernst Haas (1958). He defined it as any interstate activity with less than universal participation meant to address some commonly experienced needs.

According to the ECA (2004: 39) reports, regional economic integration in Central Africa is made up of three regional economic communities (RECs): the Economic Community of Great Lakes Countries (CEPGL) created in 1976 having just three members: Burundi; Democratic Republic of the Congo; and Rwanda. The Economic Community of Central African States (ECCAS), having 10 member states: Cameroon; Equatorial Guinea; Gabon; Congo Brazzaville; Chad; Central African Republic; Angola; Burundi; Sao Tome and Principe; and the Democratic Republic of Congo, created in 1983 and the Economic and Monetary Community of Central Africa (CEMAC), created in 1994 having six member states: Cameroon; Equatorial Guinea; Gabon; Congo Brazzaville; Chad; and the Central African Republic.

Regional economic agreements in the Central Africa sub region have all aimed at reducing economic inequalities and creating an integrated regional area for the smooth functioning of

economic activities. Cooperation and integration agreements in the Central Africa sub region have mainly sought to reduce economic inequalities and create an integrated regional area. Agreements such as those that instituted the Customs and Economic Union of Central Africa (UDEAC), Central African Economic and Monetary Community (CEMAC) or the treaty instituting the Economic Community of Central African states (ECCAS) sought to eliminate the problem of small-sized national markets, to ensure optimal conditions for opening up and creating a larger area capable of facing market competition resulting from globalisation. The main motive for regional integration in the Central Africa sub region has been for the economic advancement of the sub region. Though the economic and monetary community of central Africa (CEMAC) and the Economic Community of Central African States (ECCAS) are the main schemes championing the economic integration of the sub region, the Economic Community of the Great Lakes Countries (CEPGL) also plays a vital role in the economic integration of the sub region. CEMAC was created in 1994 with the objective of fostering the process of economic and monetary integration of central Africa. The CEMAC heads of States set a number of objectives to be achieved within the framework of the revised treaty of CEMAC of 2008 and its subsequent texts. These objectives are, among others, the creation of a Common Market, the implementation of disciplines on the free movement of persons, goods, capital and services, and the adoption of the common policies in many areas amongst which are good governance and human rights. Similarly, ECCAS was created in 1983 to foster cooperation between States in all domains of economic activity (Nono, 2014: 8-9) while CEPGL, created by the signing of the Agreement of Gisenyi on Sept. 20, 1976, aims at ensuring peace and security of member states and the development of public interest activities, promoting trade and the free movement of persons and cooperation among it countries in

regard to political, economic and social life (International Fertilizer Development Centre, 2010).

Regional integration in Africa can be said to have started from colonial legacy which resulted in the artificial boundaries between states in Africa, coupled with great ethno-linguistic diversity contributed to the continent's high number of conflicts and to its high trade and communication costs (Alesina et. al, 2011; Alesina et al, 2003). The RECs were to be the 'building blocs' of the hoped-for African union in the immediate postcolonial era in Sub-Saharan Africa. Now, they are central for implementing the New Partnership for Africa's Development (NEPAD). Borrowing from Melo and Tsikata (2013: 3 - 4), RECs were and continue to be the glue that will cement African unity.

An early phase of integration started during the first decades of independence, and was embedded in the Lagos Plan of Action, an initiative of the Organization for African Unity, adopted by the heads of states in 1980. The proposed framework was for African integration into pan-African unity and continental industrialization by the division of the continent into RECs that would constitute a united economy - the African Economic Community. Three regional integration arrangements were initially supported by the Economic Commission for Africa: Economic Community of West African States (ECOWAS); Common Market for Eastern and Southern Africa (COMESA), and the Economic Community for Central African States (ECCAS). The Arab Maghreb Union known by the acronym AMU was later added (Melo and Tsikata, 2013: 4). Today, the AU recognises eight regional grouping the region.

This first phase of integration promoted central planning, which was held that faster industrialization would take place if carried out at the regional level under free trade among members with high tariff barriers applied to non-members. This was seen as the solution for Africa's development dilemma since focus was on economic unification of the continent. However, the leaders of these young post-independence states were reluctant to encourage the erosion of national sovereignty and the emergence of a supra-national authority, which would have been necessary to co-ordinate and manage the affairs of the hoped-for African Union (Melo and Tsikata, 2013: 4). The outcomes of the first phase of African RECs were significantly low, with the Gross National Product (GNP) of Belgium alone same as that of Sub Sahara Africa at that time (Foroutan, 1992: 234)

The second integration phase started in the 1980s following the end of the cold war. It was a more outward-looking phase. Mostly a revival of previous efforts that had either been abandoned or not implemented such as the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA). Others were new with significant membership overlap and till date, this overlap complicates the task of policy co-ordination and slows down attempts at integration. Aryeetey and Oduro (1996) supported this assertion when they argued that multiple memberships in RECs hinder regional integration. For example, Zambia is both a member of the COMESA's Customs Union and the Southern African Development Community's (SADC) Free Trade Area. This puts the country in a conflicting position as COMESA applies common external tariffs to non members. Today, the African Union recognises eight RECs, which consist primarily of trade blocs. These Communities form the pillars of the African Economic Community (AEC). The EAC is the most advanced Community which launched its Common Market in

2010. COMESA launched its Customs Union in June 2009. ECOWAS and SADC are making progress in their FTAs and planning for a Customs Union while ECCAS launched its FTA in 2004 but and still facing enormous challenges in implementing it. UMA, CEN-SAD and IGAD are moving slowly and still in the stage of cooperation amongst their Member States (AU Commission, 2013: 10)

Regional integration schemes in Africa and Central Africa in particular have all aimed at overcoming constraints arising from small domestic markets-allowing them to reap the benefits of scale economies, stronger competition among them, and more domestic and foreign investment. Such benefits will raise productivity and diversify production and exports. Also, the small size of many African countries makes cooperation in international negotiations an attractive option achievable through regional integration arrangements. Cooperation will definitely increase the scheme's bargaining power and visibility. In a nutshell, Africa in general and Central Africa in particular have been trying to protect and expand their production structure and domestic markets considering the fact that most African countries are weak and poor and cannot compete with the advanced developed world and by strengthening regional integration, Africa would move towards being an integral part of the world economy and avoid further marginalization (ECA, 2004: 17, 21, 23).

The outcome of economic integration in the region is still below expectation. According to the Economic Commission for Africa (2010), the situation of intra-African trade is disappointing since it remains consistently low compared with its intercontinental trade. World Trade Organization (2011) also confirms this by illustrating how about 80% of Africa's exports are still destined for outside markets, and imports more than 90% of her

goods from outside of the continent. The ECA (2004: 97) makes it clear that despite an abundance of trade liberalization reforms within RECs in Africa, inter-Africa trade remains low and undiversified. This is so despite its growing by 7.6% during 1994–2000, overall intra-community trade is still low averaging only 10.5% of total exports and 10.1% of imports. Inter-Africa trade between regional economic community members was worse, averaging 7.6% of total exports and 9.0% of imports from 1994–2000.

In Central Africa, the situation is not different. The Central African sub regional integration schemes were created, among other reasons; to promote socio-economic development of all its member states, and as such, create a common market in the sub region where local producers are well protected from established economies from outside the continent. All these were to be achieved through; harmonising trade regulations and economic policies of all member states in order to help reduce intra-regional trade barriers; implementing a common external tariff, establish a common market based on the free movement of factors of production within the region. However, not much has been achieved in the sub region after decades of the existence of these schemes. The region still has a very low standard of living, poor road network linking the various countries. In general, the living standard of the population of the sub region has not improved much. Most of the population lacks basic necessities (Akitoby and Sharmini, 2012: 76) and the local producers still faces tough competition with economies of the western world that still penetrates the economies of the sub region.

1.2 Statement of the problem

RECs in the Central African sub region are set out to promote intra-regional trade, establish a Central African common market and ultimately unite the economies of the sub region. The European Commission (2001) supports the assertion that member states of Central Africa consider regional integration as a means to greater regional development and a way through which the regional economy will be integrated into the global economic system. Central African member states are influenced by economic theories of integration such as Viner's customs union theory which holds that the elimination of tariffs through integration will increase the market size and, will leads to trade creation and hence, development within the scheme and world at large (Viner, 1950).

It is controversial as to why the Central African sub region is signing economic partnership agreements with the European Union with similar developmental agenda but will discourage the sub region's intra-regional trade and allow local producers to compete with EU producers. According to the European Centre for Development Policy Management (2006: 2), Central African countries were all signatories to the Cotonou Partnership Agreement which required an Economic Partnership Agreement (EPA) to be negotiated with the European Union, which is on-going and among others, requiring Central Africa to grant EU an unrestricted access to the local economies in the near future. It should be noted that EPAs supposedly aim to promote trade and development, regional integration, sustainable growth and poverty reduction but this remain deeply controversial as it discourages intra-regional trade, which is one of the priorities of regional economic integration (Ochieng and Sharman 2004: 26). This work is set out to investigate if regional economic integrations schemes in the Central African sub region are still relevant for the

region's development and "deep integration" in the midst of these EPAs given that integration in the sub region seeks to promote self-reliant development by expanding markets, creating economies of scale and diversifying the sub region's production base.

1.3 Research Questions

This research is guided by the following research questions:

- What is the benefit of the presence of several integration schemes in the sub region?
- What has been achieved by the different regional integration schemes in the sub region?
- What explains the performance of regional economic integration in Central Africa?

1.4 Research Objectives

The main objective of this research is to examine the relevance of regional integration schemes in the Central African sub region and it is supported with the following specific objectives;

- To examine benefits of the presence of many integration schemes in the Central African sub region,
- To investigate the achievements of regional integration schemes in the sub region, and
- To assess what explains the performance of regional economic integration in the sub region.

1.5 Justification / Significance of the Study

Regionalism does not only seem necessary to preserve political stability in Central Africa but has also been described as indispensable for the development of the sub region. Judging from Gandois's (2006: 15) views on African regionalism, it is concluded that majority of Central African states are economically weak and dependent, with small and poor populations. As a consequence of this, the production for domestic markets is small and entails extremely high production costs. With such a small outlet of production, it will be very difficult for economies in the sub region to enjoy economies of scale, diversify their production base, increase their intra-regional trade, or even become developed. Regional economic integration is seen as the solution to economies of scale and subsequently, the development of the sub region. It is therefore important to investigate how far these schemes have been doing in the integration of the sub region.

Regional economic integration helps to overcome the disadvantages witnessed by low per capita incomes, narrow resource bases and small population size economies and makes possible a higher rate of economic growth and development (Gandois, 2006: 16). In Central Africa, this is done with the help of ECCAS, CEMAC and CEPGL. These RECs have as priority to protect the local producers by protecting home made products from foreign and cheap products. In so doing, this will normally give a leeway to all the home manufacturers rather than competing with foreign products. The call for concern here is the act of these RECs in the sub region signing EPAs with the EU that will give the EU unrestricted access into Central Africa's economies. It is therefore important to investigate this issue and see if RECs in the sub region and the continent in general are still worth depending on for the continent's integration and development.

With RECs in Central Africa very active, the sub region's intra-regional trade still remains poor. In 2009 for instance, intra-regional exports accounted for 0.6% of total ECCAS exports and 1.2% of its total imports (Trudi, 2011: 11), while according to International Monetary Fund Database (2006), CEMAC intra-regional import accounted for 5.2% of its total trade while its intra-regional exports accounted for an even worse rate of 0.9%. It is therefore imperative to investigate and discover if really these RECs in Central Africa are worth relying on.

The study will add to the body of knowledge existing about regional economic integration. Many scholars have actually written about regional economic integration but few have actually investigated how economic partnership agreement (EPAs) will hamper regional economic integration in the Central Africa sub region if not well negotiated. So this study investigates the performance of economic integration in the sub region in mind with the signing of the EPA.

This research is relevant and timely given that Central Africa is trying to enhance its regional integration and there are outstanding issues, like the relationship between EPAs and RECs that needs to be recognize and readdress by Central African states in order to further economic integration in the sub region.

This research work can also help Central African policy makers and planners in the future on how to make policies or take decisions in the sub region based on these findings. Since they will know whether to continue relying on EPAs or to break the chain and forge for a different and genuine way for the region's economic integration and subsequent development.

1.6 Theoretical framework

Theories of regional economic integration abound. Some of which are Functionalism, Hegemonic Stability theory, the Customs Union theory, and a host of others. Viner's custom union theory is used as the bases of analyses in this work. The theory identifies concrete criteria to distinguish between the possible advantages and disadvantages of economic integration and as such, remains one of the best options in explaining the relevance of economic integration in the Central African sub region.

The customs union theory was propounded by Viner in 1950 and along the years, it has been redefined and popularized by Balassa (1961), Meade (1955), J.K Lipsey (1960), Krauss (1970), Meyer (1956), who are said to be among the major proponents of the theory (Hosny, 2013: 134 - 139).

This theory is premised on the assertion that economic integration can bring welfare gains to member states and to individual members in an integration scheme or world at large. Viner points out that the questions whether customs union increases welfare or decreases it cannot be answered a priori, and that the correct answers will depend on just how the customs union operates in practice when it is formed. All that a priori analysis can do is to demonstrate how the customs union should operate if it is to improve the welfare of the citizens (Viner, 1950: 43). Viner based his considerations on the welfare effect of integration in the world or member countries. If the welfare effect of the world or individual countries improved as a result of integration, then integration becomes necessary.

Viner's 1950 book; *The Customs Union Issue*, debunked the intuitively accepted position held prior to the 1950s that because customs union brings about free trade through the elimination of discriminatory tariffs among integrative member states, it tend to increase

welfare. He supported the view that when a customs union is formed, relative prices in the domestic market of member countries are changed because the tariff on some imports are removed which will normally increase consumption rate in the region and hence, an increase in welfare but also made it known that this is not in all cases as he brings in the idea of trade creation and trade diversion showing the trade-creating and trade-diverting effects of a customs union. Viner (1950) in (Lipsey, 1957: 40) makes it clear when he categorically said that trade diversion; a shift from low production to high production cost is a “bad thing” and trade creation; a shift from high production cost to low production cost is a “good thing”. This confirms the assertion that integration does not necessarily bring about improvement in the welfare of the member countries or individuals. It depends on whether the economic integration is creating or diverting trade.

Central Africa member states holds that the elimination of tariffs through integration will not only increase the market size but will lead to trade creation, hence-development, and other assumptions that regional economic integration will increase the level of private-sector investment, standards of living of the average population and GNP of all its member states through an increase in the size of the markets (Jaber, 1979: 254). Though this is normally true, it is necessary that trade diversion be avoided for the benefits of economic integration to be reaped. The intuitively accepted notion that integration brings welfare gains to its member citizens or the region in general can be said to still being held in the Central African sub region. This is so because all hopes are on that economic integration will bring about an improvement in the welfare of the region with little regards to whether trade is being created or diverted or whether there is a significant increase of trading activities within the bloc in general. It should be noted that Viner (1950: 43) discussed trade creation as increased imports from within a trading bloc that the countries formerly did not

import or export within and trade diversion as imports that members of the customs union will now newly import from within whereas before the customs union, there were imported cheaply from a third party. The sub region has been active in economic integration with the notions of increasing intra regional trade, welfare in the sub region, and subsequently development as opine by the customs union theory.

EPA discourages intra regional trade and will definitely send off the market local producers who cannot compete with EU producers. It will therefore be difficult for the sub region to experience welfare gains as a result of decreased intra-regional trade. In 2009 for instance, intra-regional exports accounted for only 0.6% of total ECCAS' exports and 1.2% of its total imports (Trudi, 2011: 11), while according to International Monetary Fund Database (2006), CEMAC's intra-regional import accounted for 5.2% of its total trade while its intra-regional exports accounted for an even worse rate of 0.9%. Official data may underestimate the magnitude of intra-regional trade in CEMAC due to large unrecorded trade flows, especially between neighboring countries (Nkendah: 2010). However, even with an adjustment for underreporting, the magnitude of intra-regional trade would still remain very low. All these are indications that though economic integration is believed to bring about an increase in welfare and economic development, it is supposed to be cautiously applied as Viner had earlier noted that the outcome of economic integration could be positive or negative.

1.7 Research Methodology

This study uses the qualitative research approach and analyses existing literature that exists on the relevance of regional economic integration. It is built on the elements of past research and reports from international organizations. Data was collected from both

primary and secondary sources and analysed qualitatively. Primary sources of data used in this research are, among others: treaties and protocols signed between parties like, the treaty creating the different regional integration schemes in Central Africa, the Economic Partnership Agreement signed between the EU and ACP countries; reports from international organizations like, World Trade Organisation, African Development Bank, the United Nations Economic Commission for Africa, International Food and Agricultural Trade Policy Council, and others. Secondary data was gotten from analysing past research thesis on the topic, books, newspapers, journal articles, and a others. Conclusions and recommendations are drawn based on the findings from the collation of both primary and secondary data.

1.8 Clarification of Concepts

Regional economic integration: It is the unification of economic policies between different countries through the partial or full abolition of tariff and non-tariff restrictions on trade taking place among them prior to their integration. This will lead to lower prices for distributors and consumers and hence, an increase in the level of welfare and economic productivity within the scheme.

Economic Partnership Agreements (EPAs): These are schemes to create a free trade area (FTA) between the European Union and the African, Caribbean and Pacific Group of States (ACP). They are a response to continuing criticism that the non-reciprocal and discriminating preferential trade agreements offered by the EU are incompatible with WTO rules. The EPAs are a key element of the Cotonou Agreement.

1.9 Scope and Limitations

1.9.1 Scope

This work covers the three regional economic integration schemes in the Central Africa sub region. The research covers a broad time frame ranging from 1976, 1983, and 1999 when CEPGL, ECCAS and CEMAC were created. Prime focus is after the year 2000 when the Cotonou Agreement between the European Union and the Africa, Caribbean, and Pacific (ACP) group of countries was signed to 2016.

1.9.2 Limitations

The researcher faced the problem of getting concise trade statistics between the various members of the RECs in Central Africa. In trying to get Cameroon's trade statistics with the other members in the sub region, the researcher was persistent enough as rendezvous at the Cameroon Chamber of Commerce in Douala were repeatedly cancelled. Patience was exercised by the researcher and data gotten from there was not concise enough. For instance, Cameroon's trade statistics with the EU was not gotten and the researcher had to rely more on journals and publications from different international organizations.

The researcher also experienced difficulties in sampling the opinions of intra-regional traders and drivers within the sub region about the effectiveness of the free movement of goods and community citizens. Traders were rarely met and for the few truck drivers met, they could hardly rationally explain the phenomenon as some could not even read or write well. Depending on the information provided by such persons would have affected the credibility of the research and as such, the researcher focused on information provided by international governmental and nongovernmental organizations.

Another problem faced by the researcher was the French language. With the researcher coming from English background, it was difficult to analyse documents from the schemes as they are mostly French speaking countries making up the sub region. This issue was overcome with the use of a translator.

1.10 Organisation of Study

This work is consisting of five Chapters. Chapter one is the General Introduction and consists of background to the study, which provides the reader with background information to the study; statement of the problem; rationale and significance of the study, which all brings out the precise problem(s) that needs to be fixed and the reasons why that research is important. Followed are the research questions; a theoretical framework, which puts the research into the ambit of an existing theory; methodology explaining the design used in the research; conceptualization, defining concepts as used in the research; and the scope and limitations, showing the area covered by the research and the limitation faced during the research.

Chapter two is title review of literature and it explains and analyses past research works on the topic. It is divided into themes ranging from different theories of regional economic integration to the Economic Partnership Agreement. Chapter three examines the institutions and benefits of regional economic integration in the Central Africa sub region and why economic integration is necessary in the sub region. Chapter four investigates the challenges of regional economic integration in the sub region, and then assesses the economic integration performance in the sub region. Chapter five summarises and

concludes on the arguments raised in the research and brings out possible recommendations.

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CHAPTER TWO

REVIEW OF LITERATURE

2.1. Introduction

Limited studies have actually been carried out on the relevance of regional economic integration in the Central Africa sub region with consideration of the economic partnership agreements (EPAs) going on between Central African Countries and the EU. Some scholars have actually favoured the EPAs and regional economic integration while others see it as a major obstacle to the economic integration of the sub region. However, this research is interested to see if economic integration remains relevant in the sub region with the coming of the EPAs and what must be done if the sub region is to continuously use regional economic integration for its economic development and as we all know, Viner's conclusion on economic integration emphasised that integration could either lead to trade diversion or trade creation (Viner, 1950: 43).

2.2. Theories of regional economic integration

According to Marinov (2014: 165), many authors claim that economic integration theories goes through two development stages, each of which addresses the political and economic issues relevant for its time. The first stage includes the traditional theories of economic integration, which explain the possible benefits of integration and are often referred to as static analysis of integration. The second stage includes the new economic integration theories, which are developed in changed economic conditions and trade environment referred to as dynamic analysis of economic arrangements.

For Static analysis, it should be noted that research on trade integration and the explanation of theoretical issues related to preferential trade agreements are based on Viner's "Customs Union Issue", which is often referred to as the first study of the benefits of economic integration analysed from the economic point of view (Catudal, 1951: 210). Viner's study was the first to define specific criteria for the distinction of the pros and cons of economic integration. His static analysis of economic integration distinguishes the now well-known effects of trade creation and trade diversion. Viner claims that trade creation increases a country's welfare while trade diversion reduces it. When speaking about the role of customs unions on increasing economic welfare, he emphasised that customs union is only a partial, uncertain, and otherwise imperfect mean of doing what a world-wide non-discriminatory reduction of trade barriers can do more fully, more certainly, and equitably (Viner, 1950: 135). What Viner's theory practically means is that countries would have motivation to participate in integration if it would possibly bring more benefits than costs or in other words, when integration leads to more trade creation than trade diversion. Many researches add on to Viner's static analysis by addressing different issues of integration effects. All of them come to the conclusion that no one-sided answer could be given to the question of whether customs unions increase global welfare or not. Meade (1955: 107). Had to conclude that it is impossible to pass judgment upon customs union in general as they may or may not be instruments for economic growth and that it all depends on particular circumstances.

For dynamic analysis, it became clear that static analysis of trade creation and trade diversion is not sufficient. Viner concluded that a preferential trade policy (free trade) is a far better way to liberalise trade than a customs union, or in other words, the better

allocation of resources is no longer applicable as a rationale for the creation of a customs union. According to Balassa (in Marinov, 2014: 166), the static effects analysis could not fully assess the impact of integration on welfare and as such, the dynamic effect analysis was introduced.

Balassa (1961) and Cooper and Massell (1965) are the first researchers that introduce the concept of the dynamic effects of economic integration, which adds a new dimension to the research in this area. Balassa defines the main dynamic effects of integration as large-scale economies, technological change, as well as the impact of integration on market structure and competition, productivity growth, risk and uncertainty, and investment activity (Balassa, 1961: 117). Schiff and Winters had to summarise the definition of the dynamic effects of economic integration as anything that affects the rate of medium and long term economic growth of the member-states (Schiff and Winters, 1998: 179). So far, some scholars have referred to the static effects and developments of the theory of economic integration as "old regionalism" while "new regionalism" is represented by dynamic effects such as increased competition, investment flows, economies of scale, technology transfer, and improved productivity (Hosny, 2013: 139).

New theories of economic integration are developed together with the change in global economic conditions. Lawrence (1997: 18) rightly claims that the driving forces behind previous integration efforts (simple trade creation and trade diversion) are drastically different from the factors that stand behind recent integration development such as: private sector participation; foreign direct investment; economies of scale; economies of scope; investment creation and investment diversion; and increase competition. The only obvious setback of dynamic analysis is that, unlike the static one, there is no reliable method for

quantitative assessment of dynamic effects. Dynamic analysis of the effects of economic integration comes from the characteristics of today's free economy. Because of their deeper scope, dynamic effects have a larger impact on economic processes than static ones. The dynamic effects of economic integration can be summarized as: increase of investment expenditure; sustainable increase of demand; consolidation of production and increase in specialization; improvement of the organization and management of production and production technology; rationalisation of territorial distribution and utilization of resources; increase of production efficiency; and creation of economic growth (Marinov 2014).

2.3. Static and dynamic effects of regional economic integration on African Countries

According to (Carbaugh, 2004) in (Madyo, 2008: 48), it is observed that not all welfare effects of regional economic integration are static in nature. Dynamic effects do exist and also influence member countries' long term growths. Africa is characterised by countries with different levels of development. It has many countries too small and relying on large economies in order to enjoy economies of scale. Of the 54 countries in Africa, 39 have fewer than 15 million people and 21 have fewer than 5 million. This small population and low income limits the size of African markets (ECA, 2004). Economic theory on static effects predicts that free trade will improve welfare by enabling citizens to procure goods and services from the cheapest source, leading to reallocation of resources based on comparative advantage. It is thus reasonable to conclude that regional economic integration in Africa will generate welfare gains. This will occur only when trade creation dominates trade diversion in Africa. Furthermore, regional economic integration offers a particular way of overcoming the disadvantages of smallness. That is, pooling resources or combining markets. According to Madyo (2008: 47), this does not mean that regional economic

integration is the only way of overcoming the problem of smallness, as there are still economies who believe that unilateral liberalisation is more powerful than collective liberalisation.

Larger economies like South Africa, Nigeria and Egypt may reap efficiencies attributable to greater specialisation of workers and machinery and this may also promote greater competition among producer within a custom union. Firms are persuaded to cut prices and increase sales and consumers get to benefit as monopolistic tendencies are removed. Firms that are benefiting from monopoly in such countries will have no option than raise standards and improve the quality of goods and services at reduced prices. In order to survive in expanded and more competitive markets, producers will need to come up with strategies which will include investment in new equipment, technologies, and product lines. Production efficiency of firms within the union will tend to increase, as will the investment expenditure, and as a result, the production capacity will be stimulated, and in turn the income and output levels of member countries. Investment expenditure from outside the union may also be stimulated (Bretschger and Steger, 2004).

In 2004, African countries undertook cost-benefits analysis studies of their integration and of those countries, 42% found that regional economic integration showed prospect of net long-term gains while 8% concluded that they were likely to experience net long-term cost (ECA, 2006). The findings clearly support integration in Africa and this supports national decisions regarding economic communities. However, the point is that the small size and relative closed structure of many African countries mean that there is a scope for more fully exploiting economies of scale and removing local monopoly power. Therefore, regional economic integration may offer African Countries substantial potential gains through

competition and scale effects. The benefits are never automatic and this situation calls for careful policy planning and development to ensure that they are achieved. According to the ECA's (2006) findings, many African countries reported benefits in trade, markets integration, and transport programs in the cost-benefit studies on integration of 2004 but this has not been qualified. In effective and efficient regional trading agreements, African countries would benefit from integration and cooperation, especially resource pooling, in order to promote regional public goods. Regional economic integration promotes cooperation in two ways; firstly, they generate regular contact and collaboration between policy makers and secondly, they provide a framework for cooperation on shared resources or problems. Thus, embedding regional cooperation in regional integration can boost enforceability.

Theory indicates that it is possible to reduce tariffs and still maintain revenue. African Trade Policy Centre (2004) highlighted the fact that Lesotho manage to triple its income when equalisation of VAT rates with South Africa and other agreements reduced smuggling and simplified revenue collection on the border. There are other countries that have achieved success in removing trade barriers. In moving deeper into the levels of integration, it is important to note that there are gains that have not been properly addressed by static and dynamic effects. For instance, a study by the ECA indicates that allowing dynamic effects such as capital accumulation will enable Sub Sahara Africa to benefit from full liberalisation by becoming six times larger (ECA, 2004b). It is therefore an accurate observation that monetary unions can generate potentially large benefits for African countries through increase trade flows, macroeconomic stability and economic growth. Therefore, strong monetary integration is required if regional economic integration wishes

to go beyond free trade agreements or customs unions to a truly unified common market. According to ECA (2006), African countries have benefited a lot from regional policies coordination. More than half of African countries reported that regional integration assisted in controlling inflation and 44% reported an increase in investment. However, in macroeconomic policies convergence and a few other sectors, most countries did not feel that they had realised significant benefits from regional economic integration.

2.4. Stages of regional economic integration

Schneider in (Machlup, 1977) indicates two extremes of possible integration between two or more countries. A country, at one extreme, lies in complete isolation and at the other, in perfect integration. In between, there are many different degrees of integration. Economic integration schemes can be categorized broadly into partial and total; with the former being the integration of a selected sector or sectors of the economies, interchangeably being referred to as a functional or step by step approach to economic integration, while the latter encompasses simultaneous integration of all sectors or the entirety of the economies involved. Advocates of the functional approach sees it advantageous because of its flexibility in bringing countries into an agreement since some countries find it otherwise difficult to take all sectors into account, whereas advocates of total, that is, all sectors integration indicates that the simultaneity brings compensating changes and synergy into integration process. Further, adjustments in one sector alone are self-defeating amid the existence of distortions in other sectors at least until the next sector/s are brought in. Since some industries contract, while others expand in response to adjustments of relative prices and resources allocation, integrating all sectors simultaneously proved to be appropriate (Balassa, 1961).

One cannot talk about the different stages of economic integration without mentioning the work of Balassa (1961) which is considered the cornerstone of any work done on issues of economic integration. In accordance with the classification of Balassa (1961), five levels or stages of integration are identified in increasing order of integration:

2.4.1. Free Trade Area (FTA)

Under this arrangement member countries abolish tariff and quotas on imports within the group while retaining their own restrictions on imports from the rest of the world. This could lead to a situation where, products of the rest of the world enter the member country with high tariff and through a member country with low tariff. This situation is, according to Balassa (1961), referred to as trade deflection.

2.4.2. Custom Union (CU)

CU takes yet another step over and above what is found in a FTA. Member countries apply a common external tariff vis-avis the rest of the world.

2.4.3. Common Market (CM)

CM goes further than a CU to allow free movement of factors of production, capital and labour. At this stage restrictions on both trade in products and factor movement are abolished.

2.4.4. Economic Union (EU)

This is a CM with some degree of harmonization of national economic policies.

2.4.5. Total Economic Integration (TEI)

This is an economic union with the unification of monetary, fiscal and social policies. It needs a supra-national authority to coordinate and implement its decisions. The first three stages of the above classification seem to refer to market integration while the latter two have to do with policy integration. However, in practice the first three stages also need some form of policy integration for stabilization purposes. In reality, regional integration schemes are diverse in nature and may not directly conform to any of the schemes discussed above (Hine, 1994: 235).

Lipsey (1968) on his part, introduced six integration stages, namely: a preferential tariff system made up of lower level of tariff internally than externally; a free trade area made up of zero tariff internally; a customs union of common external tariff; a common market characterised by the free movement of factors of production; an economic union made up of a common monetary, fiscal and other policies; and a complete economic integration of single economic policy. It should be noted that Lipsey's first stage which is a free trade area made up of zero tariff internally is not accepted under the General system on Tariff and Trade and the Sixth stage indicates a single economic policy although in reality it is hardly possible. Yet another slightly different categorisation of integration stages are available in EI-Agraa and Jones (1981: 12), Molle (1990: 12-13). Javonovic (1992: 9) and they include a few other aspects while generally following the categorisation of Balassa.

2.5. Trade creation and trade diversion

Viner (1960) was the first to identify concrete criteria to distinguish between the possible advantages and disadvantages of regional economic integration. Viner's so called static

analysis of economic integration has divided possible effects of economic integration into the well-known trade creation and trade diversion effects. Viner sees trade creation as a case where two or more countries enter into a trade agreement, and trade shifts from a high-cost supplier country to a low-cost supplier member country found in the union and trade diversion as when imports are shifted from a low-cost supplier (non-member country of the union) to a high-cost supplier (member country of the union). If trade barriers between neighbouring countries are reduced, it is often argued that customs union and free trade area could promote economic efficiency in the allocation of resources. If an integration scheme is creating trade, normally, the scheme is expected to increase the welfare of its member states and when trade is being diverted, it becomes a source of economic inefficiency especially in cases when the most competitive producers of a particular product suddenly find themselves excluded from the regional market as a result of the custom union Viner (1950) stressed that the welfare cost derived from trade diversion is borne by the consumer of member countries and not by the exporters of other countries. This trade diversion effect is damaging because it results in the introduction of a new obstacle to the entry of goods into the union which are cheaper. In contrast, new theories of economic integration do not aim primarily at trade creation, but rather at increasing credibility and attracting sustainable private capital flow. This is also in accordance to Marxist-Leninists theorists who believed that integration emerges as a reflection of the internationalisation of capital. These theories view the move towards the creation of a single market as being the concentration of capital and intern nationalisation of firms rather than the desire to maximise welfare in order to rationalise the allocation of scarce resources among member

states. In this respect, the integration of markets is a consequence and not a precursor of the transformation of production and trade in favour of larger firms (Madyo, 2008: 32-33).

2.6. Regional Economic Integration and Economic Partnership Agreements

Economic Partnership Agreements (EPAs) are trade agreements meant to safeguard ACP countries' preferential access to EU markets, which had previously been granted through the Lomé Convention. EPAs are changing this preferential access from non-reciprocal to reciprocal access demanding that ACP countries opens their markets to EU imports as well. However, many ACP countries are not happy with the deal on the table because to them, it restricts their development options. In particular, there is a glaring absence of agreed EPAs with African countries as only four out of forty seven involved has ratified an interim EPA and in the Central Africa sub region, only Cameroon has signed an interim agreement (Traidcraft, 2014: 1), which took effect as of August 4th, 2016 (Websi, 2016).

Given the low levels of complementarity between African economies, regional integration should adopt a production-focused approach which addresses supply-side constraints such as infrastructure and other regional public goods (for example: roads, dams, research and development). This approach will generate growth and create the scope for increased trade rather than a trade-focused strategy favoured by the EPAs, which does not align trade liberalisation with the development strategies or interests of individual countries. The trade-focused approach reduces regional integration to trade liberalization. EPAs would not lead to increased trade between Africa and the rest of the world unless the significant supply-side constraints currently plaguing African countries are urgently addressed (Ochieng and Sharman, 2004: 27).

According to McDonald et al (2013), many African countries believe that they have no choice than to sign EPAs or lose preferential access to the EU market, while according to the European Parliament (2014: 1), African countries are caught in the dilemma of losing their preferential market access for the few products they export to the EU if they do not sign the EPAs, versus their longer-term development prospects if they do sign the EPAs. They recognised possible threats on Africa regional integration for signing the EPAs as: significant tariff revenue losses; threats to local industries; and serious disruption of existing or planned customs unions and the displacement of existing regional trade and regional production capacities. The EU is progressively threatening not only to remove special LDC preferences available under EU-ACP programmes, but also withholding General System of Preferences (GSP) benefits from more advanced Central African economies. They went further to state that EPAs benefits do not provide the requisite structural safeguard measures necessary to protect sub Saharan Africa economies from the negative consequences of trade concessions. As it stands today, individual countries and groups enter into agreements with the EU with little or coordination with the rest of the membership. Relatively, this leave countless issues and contradictions between African countries. As mention earlier, the European Commission (EC) has proposed changes to the EU's General System of Preferences which would see over 80 developing countries being removed from it. Under this proposal, countries like Gabon in Central Africa would no longer be able to fall back onto GSP, because it will be classified as Upper Middle Income Countries and for those ACP countries which will still benefit from GSP, the problem is that GSP either doesn't cover their most important exports. The new GSP proposal is a major departure from its function as a development tool, because it will now use only an income criterion to determine eligibility. Some of the countries now excluded, such as

Gabon, may have reasonable average incomes, but nevertheless also have high inequality and widespread poverty (Traidcraft, 2014). The end of 2007 saw the EU introduced Market Access Regulation (MAR) 1528/2007. This regulation allows the ACP countries that had signed EPAs, but had still not ratified or implemented them to export to the EU under the same terms as the Cotonou regime (duty-free and quota-free). However, in 2011, the European Parliament proposed to remove trade preferences for 18 countries that have been exporting duty-free to the EU under MAR 1528/2007 on the grounds that they had not gone to ratify or implement the EPA. In Central Africa, Burundi and Cameroon were among (European Parliament, 2014: 14).

In the context of EPAs, Hinkle and Schiff (2004) argue that SSA's gains from liberalization of trade in the service sector are likely to come from the import side, due to the less developed nature of the export service sector. This argument also extends to the case of CEMAC where exports are dominated by the oil sector. Hinkle and Schiff suggest that imports of services should be liberalized in order to attract investment by the most efficient service providers and benefit from economies of scale. At the same time, the timing of the liberalization in various service sectors depends on the capacity of the SSA countries to implement the required accompanying regulatory reforms in these sectors (ibid). According to Martijn and Tsangarides (2007: 18-19), an overall evaluation of the costs and benefits of an EPA should also incorporate the likely incidence of trade diversion and revenue losses. The eventual revenue impact of EPAs would be substantial, as more than 50 percent of CEMAC's imports originate from the EU.

Nonetheless, the EPAs aims to: provide a coherent support framework for the development strategies adopted by each ACP State, sustain economic growth, developing the private

sector, increasing employment and improving access to productive resources, encouraging regional and sub-regional integration processes which foster the integration of the ACP countries into the world economy in terms of trade and investment, as indicated by the European Parliament. The International Food & Agricultural Trade Policy Council (2007: 9-13) reported that the move towards reciprocal trade by the EU has been considered controversial by a number of stakeholders in the ACP but that it remains a good step as there is increasing evidence that preferences have not helped developing countries as much as is sometimes averred. Preferences have locked countries into certain commodities for which they might not have a comparative advantage. Preferences have also shielded producers from competition and many are now so high cost and inefficient that they cannot compete in the world market. Finally, preferences are very inefficient ways to transfer incomes to farmers in the developing countries and when this happened, it makes most developing countries to begin the transition away from trade dependence on preferences towards more sustainable and competitive sectors. The International Food & Agricultural Trade Policy Council also averred that EPAs greatest benefit for Africa does not lie with increased export to EU but rather increased trade between themselves to the extent that EPAs will help to speed up regional economic integration in Central African sub region and the whole continent in general. In a nutshell, EPAs supposedly aim to promote trade and development, regional integration, sustainable growth and poverty reduction. However, they remain deeply controversial. There are fears they may be actually undermining the sustainable and long-term development of ACP countries and their regional integration processes.

2.7. Enhancing regional economic integration in Central Africa

On a general view, Schiff and Winters (2003: 31) noted that a well-crafted economic integration bloc can raise efficiency and economic welfare in its member countries by facilitating consumer choice and increasing the competition that producers face. They acknowledged that dropping tariff barriers enlarges markets and gives more efficient producers entry into countries where their prices had been inflated by duties and other trade barriers but emphasized that trade blocs can easily end up adding, rather than removing distortions to trade and efficiency. A trade bloc is usually aiming at increasing trade between its members. An important issue however is whether it creates trade, by allowing cheaper products from within the bloc to substitute for more expensive domestic production or it diverts trade, by substituting cheap imports from outside the block to more expensive ones from within the bloc. Robson (1968) in (Berinyu, 2012) argues that in Africa, there is a widespread belief that if economic growth is to be accelerated, external links must be substantially supplemented by strengthened intra-African links. It is also argued that in the African context, there are many more intergovernmental co-operations at economic levels as most African states are more willing to interact economically than they are willing to give up on their sovereignty. Robson on his part is affirming the assertion that, for Africa to developed, intra-African links must be encouraged though alongside external ones. Awad and Ishak (2013: 1-2) argues forward that augmented linkages among African countries, through an expansion of intra-regional trade can be an essential mechanism in producing the required growth spillovers and encourage regional take-off but that despite the efforts made to facilitate such integration in the African Continent, the outcomes of these efforts are still below expectation and disappointing. More than 80% of Africa's exports are still

destined for outside markets, and they import more than 90% of finished products from outside the continent (ibid).

According to the African Development Bank (2011: 9-10), the ECCAS 2025 Vision seeks to transform the region into a haven of peace, solidarity and balanced development where each citizen could move freely. This objective is so because ECCAS, as a REC is believed to make it possible as opposed to the individual nations. CEMAC Regional Economic Programme (REP) 2009-2015, based on the vision (2025) is also geared towards building a competitive regional environment in an attempt to attract substantial private investments and growth. Though the Bank and the African development Fund compared this to other regions in the Continent and found that Central Africa still has limited basic infrastructure caused by slow implementation of the community vision and also insufficient institutional capacity of ECCAS, CEMAC and CEPGL to coordinate and ensure the smooth implementation of regional economic, sectorial and trade policies. Despite this, the relevance of regional economic integration remains clear both in the Central African sub region and the continent at large.

Victor Essien (2006), extensively reviewed integrative efforts in Africa and concluded that though little success has been recorded on account of different problems like overlapping membership and duplication of functions, he still concluded that regional economic integration is the modality Africa must follow to develop despite the problems hindering the it furtherance in the region. In this same light, Daniel C. Bach (1999) affirmed regionalism as an engine for development when he claimed that the time has passed when programs aimed at regionalism were seen to be harbouring hegemonic and suspicious tendencies. To him, economic regionalism is a major process for development. The AU

also strongly believe that for any socio-economic, political and cultural integration of Africa to take place there should first be the strengthening of regional economic integration which will facilitate social interaction of the players among members states (Groom and Heraclides,1985). While O'Neill (1996) adds to this by saying that regional integration is a multifarious rather than a one-dimensional process. It can either bring positive or negative results depending on how the concept is being implemented.

The Central African sub region has engaged in regional economic integration with the aim of increasing trade and subsequently development with the sub region and Africa at large. Though this has work and still working in other areas like the European Union, it is normal that the environment be scanned in order to make sure all obstacles to economic integration are removed. The signing of an Economic Partnership Agreement (EPA), a pact with similar developmental options, with the sub regional economic integration has proven to be a problem for the realisation of economic integration results. The EPA favours an open border trade between the sub region and the EU which is very much contradicted by the economic integration of the sub region which favours intra regional trade. It is proposed that the EPAs should not be ratified as they might hinder economic integration of the sub region rather than promoting it. Theoretically speaking, regional economic integration has contributed to economic growth of member countries. Though the short term costs of regional economic integration to member states are high and short term gains low, in the long run, the benefits outmatched the costs initially encountered.

CHAPTER THREE

INSTITUTIONS AND BENEFITS OF ECONOMIC INTEGRATION IN THE CENTRAL AFRICAN SUB REGION

3.1. Introduction

Institutional development has been recognised as one of the important processes to the economic integration of Central African sub region. The three regional economic communities in the sub region: ECCAS; CEMAC and CEPGL, with other sub institutions responsible for the functioning of the above mentioned schemes, are presently the most recognisable institutions for the economic integration of the sub region. Harmonisation and coordination among RECs has been seen as a prerequisite for the economic integration of the Central African sub region and has been recommended by most economists and government. Institutions of regional economic integration in the sub region are tasked with harmonising and coordinating the activities of the different RECs in the sub region. Harmonisation will ensure that development among RECs follow the same pace as they will learn from each other. This is also evidenced in the Abuja treaty as it stresses the importance of creating the African Economic Community through coordinating, harmonising, and progressively integrating the activities of the different RECs in Africa. The Abuja treaty further outlines the structure for attaining economic integration by gradually consolidating economies into a single regional market.

Merits of regional economic institutions in the Central African sub region abound. Generally, regional economic integration in Central Africa is recognised as a means of accelerating and consolidating economic and social development. The Post-Independence era of the sub region saw governments embracing the idea of regional integration, initially

for political reasons and later as a development strategy to: increase the size of the market; promote trade; diversify the economy; and attract foreign direct investment. Central Africa's risk of further marginalization in a multi-polar world, dominated by trading blocs of North America, Europe, South-East Asia and China, have made regional economic integration imperative (Madyo, 2008). This chapter examines the different regional economic institutions in Central Africa, cooperation among them, as well as their benefits to the sub region. The benefits these institutions bring to the sub region will portray how relevant economic integration is to the sub region.

3.2. Regional Economic Integration Institutions in the Central African Sub Region

As mentioned above, regional economic institutions abound in the Central African sub region. This sub chapter examines the different regional economic integration institutions in the sub region.

3.2.1. The Economic Community of Central African States (ECCAS)

The Economic Community of Central African States was created in 1983 and launched in 1985. Conceived as a pillar of the African Economic Community (AEC), under the Lagos Plan of Action, its initial aim was to promote and strengthen harmonious cooperation among its members. It was also tasked with promoting balanced and self-sustained development in all fields of economic and social activity in Central Africa sub region, with a view to contributing to the progress and development of the African continent (Meyer, 2008: 9). According to Meyer (2015: 2-3), the scheme presently has 11 members; Cameroon, the Central African Republic (CAR), Chad, the Republic of the Congo, the Democratic Republic of Congo (DRC), Equatorial Guinea, Gabon, Burundi, São Tomé and

Príncipe, Angola and Rwanda. Rwanda, one of the founding members who struggled with its multiple regional memberships withdrew in 2007 but rejoined the community at its 16th summit on 25 May 2015 (ibid). In the same light, Rwanda's leading English daily-The New Times (2015), made it known that Rwanda was readmitted as the 11th member of ECCAS in May, 2015 during an annual conference of the heads of states and government of the organization in N'djamena, Chad. Explaining Rwanda's move to exit from the bloc in 2007, Ngango, acting director of the bilateral cooperation at the Rwandan ministry of foreign affairs, said they wanted to concentrate in the EAC and that this was on the advice by the AU which urged countries to avoid overlapping memberships in several RECs. Ngango concluded that EAC has achieved the three main steps of integration; the custom union and common market and that they are now working on a monetary union indicating that it is now possible to belong to both communities (ibid).

ECCAS was created to promote economic cooperation among its members and contribute to the general amelioration of living conditions and development across the continent (Meyer, 2008: 9). Acknowledging that economic cooperation requires a context of political stability, the heads of state and government agreed in June 1999 in Malabo to substantially revise the community's mandate toward the development of regional capacities for the maintenance of peace, security and stability which are the prerequisites for regional economic integration. Without peace, economic activities will hardly flourish. From 1999, ECCAS' four newly defined priority fields became: Peace and Security; economic and monetary integration; a culture of human integration; and the setup of an autonomous financing mechanism for ECCAS (Meyer, 2015: 3). All these are responsible for the economic integration of the region. In June 1999, ECCAS was selected as one of the main

pillars of the African Economic Community. In October same year, ECCAS signed the protocol on relations between ECA and RECs. In January 2001, Resolution 55/22 on cooperation between the United Nations and ECCAS and Resolution 55/161 granting ECCAS observer status at the United Nations was adopted by the UN General Assembly. A memorandum of understanding was signed between the United Nations High Commissioner for Human Rights and ECCAS relating to cooperation in the areas of human rights and democracy. Consequently, ECCAS has also been designated as a focal point for coordinating and implementing its activities in Central Africa (Ayangafac, 2008: 130). Though ECCAS is yet to produce significant results in terms of economic integrations, much has been achieved in the area of security, with the formation of the Council for Peace and Security in Central Africa (COPAX) and its organs responsible for the maintenance of peace in the sub region.

3.2.1.1. Organizational setup of the Economic Community of Central African States

ECCAS has as key organs: the Conference of Heads of State and Government; the Council of Ministers; and the General Secretariat. There is also a Court of Justice, a Consultative Commission, Specialised Technical Committees and the Peace and Security Council of Central Africa (COPAX) that deals specifically with peace and security (Elowson and Wiklund, 2011: 26-27).

The Conference of Heads of State and Government is the supreme decision-making body. It defines ECCAS' general policy and orientation and controls the functioning of the other ECCAS institutions. It meets once a year in an ordinary session but can also convene extraordinary sessions (Art 8, 9, 10, 11 of ECCAS constitution).

The Council of Ministers is in charge of the functioning and the development of the ECCAS. Among other things, it formulates recommendations for the Conference of heads of states, directs the activities of the other ECCAS institutions, and submits the budget to the Conference of heads of states. The Council consists of ministers from each member state. There is a contact ministry for ECCAS in each member state, although different states have appointed different ministries to be in charge of this task, depending on what focus they put on ECCAS. Certain states have representatives from their Trade Ministry, others from their Ministry of Foreign Affairs, and again others the Ministry for Development Cooperation (Elowson and Wiklund, 2011: 28).

The General Secretariat is headed by a Secretary-General, who is elected for four years (renewable once). She or he is assisted by four deputy Secretaries-General. The General Secretariat is tasked to ensure the execution of the projects and programmes of ECCAS. This includes preparing and carrying out the decisions and the directives of the Council of ministers as in: execution of the budget; establishment of annual work programmes; reporting on the activities that have been accomplished; and undertaking studies on how to achieve ECCAS' objectives (art. 20-21 of the ECCAS constitution).

The Consultative Commission consists of experts designated by the member states. It can be charged with researching and examining specific issues or projects in detail for the Council of Ministers. The Specialised Technical Commissions are set up in application of annex protocols of the ECCAS treaty; they can also be created by the Conference of heads of state (art. 23-26 of ECCAS constitution).

For peace and security structure, the Peace and Security Council of Central Africa (COPAX) was created as the main structure for the promotion, maintenance and consolidation of peace and security in Central Africa. It is in charge of monitoring and execution of decisions taken by the conference of heads of state, and is to exercise any other mandate that the Conference can give. The Protocol relating to COPAX underlines sovereignty and non-interference in internal affairs as guiding principles which is not respected (Elowson and Wiklund, 2011: 35). According to the protocol relating to the Peace and Security Council of Central Africa (art. 4, 5, 6), it has as objectives to prevent, manage and regulate conflicts and to undertake activities of promotion and consolidation of peace and peacekeeping; to promote policies for peaceful regulations of disputes; to implement pertinent measures relating to non-aggression and to mutual assistance in defence; to facilitate mediation efforts during crises; ensure common approaches to such problems as refugees and internally displaced people; as well as transnational crime and arms trafficking; fight against terrorism, border crimes, illegal drug-trade and trade of weapons. Its technical organs are; the Central African Conflict Early Warning System (MARAC), the Defence and Security Commission (CDS) and the Central African Multinational Force (FOMAC).

3.2.2. The Economic Community of Central African States (CEMAC)

The Economic and Monetary Community of Central Africa, considered to be one of the oldest regional groupings in Africa consists of six countries: Cameroon; Central African Republic; Chad; the Republic of Congo; Equatorial Guinea; and Gabon. CEMAC replaced UDEAC which had as objectives to: form a customs union which would promote economic integration among its members; facilitate free trade between member states; and to

implement a common external tariff on imported factors of production from non-member countries. CEMAC officially came into existence following the ratification and adoption of an action plan under the Malabo Declaration with the objective of completing the process of the economic and monetary integration of central Africa sub region (Nono, 2014: 8).

CEMAC member states have a common currency and monetary policy. In order to establish a solid economic base for such a monetary union, CEMAC has engaged in a wide range of programs for streamlining and convergence of macro-economic policies of member states to a multi-lateral surveillance mechanism. The free trade area and the customs union in the CEMAC zone were officially established in 2000. Member states decided to gradually implement the tax and customs reforms adopted in 1994. The common external tariff is also gradually being applied. With regard to indirect domestic taxation, a harmonised value-added tax has been applied since December 1998. States have equally initiated reforms in the area of direct domestic taxation, such as company tax, in addition to establishment of the customs union and a common market (Ayangafac, 2008: 113-114). CEMAC has devised a transit system and adopted community regulations on competition and investment. Regarding the free movement of persons, it is already effective in four of the six member states (Cameroon, Republic of Congo, the CAR and Chad) (ibid). CEMAC has instituted a common passport and harmonised laws governing the activities of certain professional occupations and service providers, as well as student admissions, higher education establishments in the region, and others. CEMAC has started examining the issue of liberalising certain services that have a direct impact on production costs, notably telecommunications, air transport and financial services. For free flow of capital, a regional stock market was created with its headquarters in Libreville, under the control of the

Central Africa Financial Supervision Commission (COSUMAF). In brief, as it now operates, CEMAC represents an economic union (Central African Economic Union – UEAC) and monetary union (Central African Monetary Union – UMAC). CEMAC personifies community regulations, policies and projects and lastly, there is a gradual emergence of an institutional dynamic within CEMAC which has enabled it to progressively and steadfastly play a political and diplomatic role and to address the peace and security issues which impede integration and development in Central Africa. In this connection, it should be noted that security measures have been undertaken in the sub-region to enhance the fight against transnational crime. The Executive Secretariat of CEMAC also provides assistance to the Central Africa Police Chiefs Committee and is engaged in cooperative ventures ranging from sponsoring the signing of a cooperation agreement on criminal intelligence between states in the region in April 1999 to the conclusion of a cooperation agreement between the secretariat-general of INTERPOL and the executive secretariat of CEMAC. According to Ntuda (2006), in (Ayangafac, 2008: 115), other actions, among others include: the deployment of the CEMAC Multi-National Force (FOMUC) to the CAR in October 2002 with especially the aim of securing the border between Chad and the CAR and accompanying the transition process towards national reconciliation; and granting Bangui, in June 2003, financial assistance amounting to about five billion CFA francs. All these projects and actions have promoted regional economic integration in Central Africa either directly or indirectly.

3.2.2.1. Organizational Structure of the Economic and Monetary Community of Central Africa

According to article 10 of the CEMAC revised Treaty of 2008, CEMAC leaders created five institutions: the Economic Union of Central Africa (UEAC); the Monetary Union of Central Africa (UMAC); the Community Parliament; the Court of Justice; and the Court of Auditors, to achieve its goal of accelerating the process of political and socio-economic integration in the CEMAC zone. According to Nono (2014: 10), CEMAC has as organs: the Conference of Heads of State; the Council of Ministers; the Ministerial Committee; the CEMAC Commission; the Bank of Central African States (BEAC); the Development Bank of Central African States (BDEAC); the Banking Commission of Central Africa (COBAC). Specialized institutions exist to support the implementation of the Community policies and programmes. They are: the Economic Commission on Cattle, Meat and Fishery Resources (CEBEVIRHA); the Inter-State Committee on Pesticides (CPAC); the Institute for Statistics and Applied Economics (ISSEA); International Commission of the Congo-Ubangi Sangha Basin (CICOS); the Inter-State School for Customs Officers (EIED); a Tourism School (EHT-CEMAC); and the Institute of Economy and Finance (IEF) (Nono, 2014).

The Conference of Heads of States is the greatest body of the Community and consists of political leaders of CEMAC member states who are known to be the highest decision making power of the institution. They come together yearly to discuss regional and institutional issues, as well as the granting of access to new members. Their main function is to determine the principal orientation of the Community and its institutions. They also nominate the heads and directors of most of the community bodies, with the only exception being the parliamentarians (Art. 12 and of the revised CEMAC treaty of 2008).

The Council of Ministers main role is to ensure the direction of the Economic union (art 17 of the CEMAC revised Treaty). They legislate with respect to import duties and taxes and determine the conditions of applications for the CEMAC customs Code.

The CEMAC Commission is in charge of establishing cooperation agreements with third parties. It represents the Community in international negotiations. Its head acts as the Secretary of the Summit of Heads of States and makes proposals to the Conference of Heads of State and the Council of Ministers regarding member states' economic policies (art. 25, 35 and 37 of the CEMAC revised Treaty). Each CEMAC member state is entitled to propose one Commissioner in charge of a specific sector while the Commissioners and the Commission's President and Vice-President are nominated by the Conference of Heads of State for a four year term, renewable once (art. 26 and 27 of the CEMAC revised Treaty of 2008).

Three institutions (the Parliament; the Court of Justice and the Audit Court), out of the five, are in charge of controlling the whole CEMAC Community. The Audit Court ensures the budgetary control of the Community institutions' accounts and spending while the Court of justice ensures respect of the law through the interpretation and application of the CEMAC revised Treaty by member states, institutions and bodies (art. 46 and 48 of the revised CEMAC treaty). For the parliament, deputies are elected through direct universal suffrage for five years. The Parliament is headed by a bureau and a president elected by the parliamentarians among themselves for one year while the parliament's Secretary General is nominated by the CEMAC Conference of Heads of State for four years non-renewable. The Parliament has two functions: democratic control and participation in the decision making process (art. 7, 8 and 14 the parliament convention).

According to article 15 of the parliament's convention, CEMAC deputies have to assess the action program of every newly appointed commission president as well as the CEMAC commission's annual report on the Community's evolution and functioning. If they identify any irregularity in the way the Commission carries out its mission, they can either seize the CEMAC Council of Ministers; address the CEMAC commission, or pass a vote of no-confidence. According to Marcel Nono (2014: 13), the power of the parliament is limited by the fact that it is only the Conference of Heads of State which has to react upon a vote of no-confidence in the CEMAC Commission and decide upon the dissolution of the Commission.

The other two institutions (UEAC and UMAC) are considered to be the organisation's two main pillars. UEAC is responsible for all matters pertaining to economic integration while the UMAC is in charge of the monetary and financial integration. UEAC is headed by the Council of Ministers while UMAC on the other hand is run by the Ministerial Committee which is made up of two ministers from each member state. The Committee remains heavily reliant on the structures of the UDEAC such as the Bank of Central African States (BEAC) which issues the Central African Franc CFA currency and implements the monetary policy of the organisation.

3.2.3. The Economic Community of the Great Lakes Countries (CEPGL)

As per the convention establishing the Economic Community of the Great Lakes Countries (CEPGL), the scheme was created in Gisenyi, Rwanda on 20 September 1976. In Article 2 of the convention, the scheme has as functions to: ensure the security of the States and their people in such a way that nothing disturbs peace and order along their respective frontiers;

plan and encourage the organization and development of activities of common interest; promote and intensify trade and the movement of persons and goods; cooperate closely in the social, economic, commercial, scientific, cultural, political, military, financial, technical and tourist fields, and more particularly in legal, customs, public health, energy, transport and telecommunication matters.

Between 1997 and 2007, the Community was paralyzed (Genocide in Rwanda, civil war in Burundi and the Democratic Republic of the Congo). According to the International Conference on the Great Lakes Region (2006), in reviving the scheme, some projects and areas were selected to promote economic growth and regional integration in the region. These projects, among others are: a program aimed at improving transportation systems (railways, roads, pipeline and water ways) within the northern corridor. The Corridor stretches from Mombasa to the DRC, and joins the major urban areas of Mombasa, Nairobi, Kampala, Kigali, Bujumbura, Goma, Bukavu, Beni, Bunia and Kisangani; a trans-African high way which is meant to connect the western Africa road system with those of both central and eastern Africa regions through a highway running from Mombasa to Lagos; rehabilitation and expansion of the hydropower generation capacity at the Inga Dam on the River Congo, for use within the region and for export beyond; and the extension of the Mombasa Oil Pipeline, from Kampala to serve the countries beyond including Burundi, DRC and Rwanda. These go a long way to foster the economic integration of the sub region. The scheme has as specialized institutions: the Development Bank of the Great Lakes Countries; the Institute for Agricultural Research and Animal Husbandry; the Economic Community of the Great Lakes Countries for Energy; and the International Society for Electricity in the Great Lakes Region.

3.2.3.1. Organisational structure of the Economic Community of the Great Lakes Countries

According to Article 5 of the convention creating the CEPGL, the scheme has as organs: the Conference of Heads of State; the Council of Ministers and the State Commissioner; the Permanent Executive Secretariat; and the Arbitration Commission.

The Conference of Heads of State is the Community's supreme authority. It has the decision making power in all spheres, and in particular: promoting unity and solidarity between the States; coordinating and developing their cooperation under the most favourable conditions possible, in order to ensure the happiness and prosperity of their peoples. The conference of heads of states determines the general policy in all matters relating to cooperation and supervises the work of the Council of Ministers and the State Commissioner. It determines the location of the Community's headquarters; draw up its own rules of procedure and approve those of the other organs; decide whether to establish specialized organs and common services; decide on the Community's annual budget, on the recommendation of the Council of Ministers and the State Commissioner; appoints the Executive Secretary and the Assistant Executive Secretaries; It may delegate its decision-making power in designated matters to the Council of Ministers and the State Commissioner. Decisions by the Conference is taken unanimously (section 1 of the convention creating the CEPGL)

As in section 2 of the treaty creating this scheme, the Council of Ministers and the State Commissioner of the Community comprises of members of the Governments and Executive Council of the member States or plenipotentiaries designated by the States. The Council is presided over each year by a Minister or State Commissioner, in rotation. The Minister or State Commissioner may not be from the country which is currently presiding

over the Conference of Heads of State. At the request of a member State, the Council may meet in special session, subject to the consent of all the members. The Council is responsible for promoting any activities aimed at developing the region, formulates and proposes general development and cooperation policy measures for the States members of CEPGL, is responsible to the Conference of Heads of State and considers any matter referred to it by the Conference. The Council decisions under are taken unanimously and binding on all member States.

The Permanent Executive Secretariat of the Community is the responsibility of the Executive Secretary (section 3 of the convention creating CEPGL) and has as functions:

- To formulate projects of common interest and to submit them to member States with specific proposals relating, in particular, to the establishment of industries, taking account of common criteria, mutual advantage and the volume of trade to be generated by such industries.
- To prepare for meetings; to monitor the implementation of current projects, to formulate proposals for possible changes or readjustments, to report on difficulties encountered and to propose solutions thereto
- To make proposals relating to sources of finance; to prepare working papers for the competent authorities of the member States, to prepare drafts of agreements, understandings and conventions among the member States in all areas of cooperation and, if necessary, to update such instruments.
- To carry out any studies necessary to promote cooperation among member States, such as consideration of ways and means of implementing decisions taken by the competent authorities, as well as consideration of any matter referred to it by such authorities; and

- To prepare annual reports for the authorities of the member States.

As in Section IV of the convention creating the CEPGL, the Arbitration Commission consist of four judges who are designated by the States, with the exception of the Presiding Judge. Nominated by the judges from among their number, the Presiding Judge is appointed by the current President of the Conference. The Commission takes decisions by an absolute majority, ensure compliance with the law in interpreting and applying this Convention, competent to rule on any dispute between member States under this Convention, and its decisions have a binding force.

3.2.4. The Bank of Central African States (BEAC)

The bank of the central Africa States (BEAC) is a multinational financial institution created by a monetary cooperation agreement of November 22nd, 1972 in Brazzaville between 5 countries of Central Africa (Chad, Gabon, Congo, CAR, Cameroon) and France. Equatorial Guinea later joined this unit on January 1st, 1985. The BEAC is charged to emit on a purely exclusive basis the currency on the territory of the States members and to guarantee its stability. It is also charged to lead the policy of exchange and the management of monetary reserves (through an account open to the French treasure). The currency in force in the 6 African countries is CFA franc (FCFA) or franc of the financial cooperation in Africa. The convertibility of this currency is guaranteed by France and the backing of the FCFA to the French franc was deferred on the Euro at the time of the advent of this currency common to several European countries. Nowadays, countries having the BEAC as issuing house belong to the Monetary Union of central Africa, which in its turn is integrated in the Economic and Monetary Community Central Africa (Nadingar and Yang, 2011: 35).

The BEAC also referred to as an international public institution whose head office is in Yaoundé (Cameroon), with the main tasks of defining and steering the Union's monetary policy, managing exchange rate policy and the official reserves of the member countries, and promoting the smooth operation of payment and settlement systems with the exclusive right to issue currency units in the member countries of the Union. The Bank's governing authorities are made up of six members: the Governor, the Deputy Governor, the Secretary General and three Director Generals. The Governor is appointed unanimously by the Conference of Heads of State, on the proposal of the Ministerial Committee of the Central Africa Monetary Union and with the assent of the Bank's Board of Directors acting unanimously. He serves a non-renewable seven-year term. The other members of the Bank's governing authorities are appointed under the same conditions as the Governor, for a non-renewable six-year term (Coustin, 2010). The Monetary Policy Committee (MPC) is responsible for the BEAC's monetary policy and the management of foreign exchange reserves. The BEAC has a national branch in each member country to which is attached a national Monetary and Financial Committee, made up of the ministers representing the member country in the Ministerial Committee, representatives of the member country in the Board of Directors of the BEAC and the MPC, a prominent personality appointed by the government of the member country and the Governor. Each Committee is chaired by the finance minister of the member country. Supervised by the MPC and the Board of Directors of the central bank, the national Monetary and Financial Committee makes proposals regarding the coordination of the national economic policy with the common monetary policy and proposes to the MPC monetary and credit targets and the maximum level of refinancing of the member country (ibid).

3.2.5. The Central African Banking Commission (COBAC)

The COBAC was set up in January 1993. It is charged with ensuring that credit institutions comply with the legal and regulatory provisions laid down by the national authorities, the BEAC or by itself, and with sanctioning any violations. In this respect, the COBAC carries out on and off-site inspections of credit institutions and contributes to defining the prudential regulations of the area's banking system (Coustin, 2010). The COBAC is chaired by the Governor of the BEAC assisted by the Deputy-Governor. It also includes: the three censors of the BEAC; seven members selected for their expertise in banking, finance and law, appointed for a three-year term, twice-renewable on the proposal of the Governor, by the Board of Directors; a representative of the Prudential Supervisory Authority appointed by the Governor of the Banque de France. Decisions are taken at a two-thirds majority of votes cast. Changes in the statutes of the COBAC are made by a unanimous decision of the Board of Directors. The General Secretariat of the COBAC is in Yaoundé (Cameroon).

3.2.6. The Council for Peace and Security in Central Africa (COPAX)

COPAX was created in February 1999 to promote, maintain and consolidate peace and security in the area covered by ECCAS. The COPAX protocol was adopted in 2000 and its standing orders in June 2002. Article 4 of its protocol mainly defines COPAX's objectives in the field of preventing, managing and settling conflicts; reducing tensions and preventing armed conflicts; developing confidence-building measures between member states; promoting peaceful dispute-resolution measures; and facilitating mediation efforts in crises and conflicts between member states and with third parties (Meyer, 2011).

COPAX has three key technical organs: The Commission for Defence and Security (CDS), bringing together member states' chiefs of staff and commanders-in-chief of police and

gendarmarie forces. It advises the conference of heads of state on security and defence issues as well as on the organisation of any joint military operations; The Central African Early Warning System (MARAC) collects and analyses data for the early detection and prevention of conflicts and crises; and the Central African Multinational Force (FOMAC), a non-permanent peace-support operation comprising contingents from member states for regional peacekeeping and peace-support. The protocol establishing COPAX was officially ratified in January 2004 and the new organs and mechanisms have been progressively put in place. This broadening of ECCAS's institutional structure to include defence and security institutions and mechanisms was undertaken in coordination with the African Union's (AU) efforts to define a common peace and security policy and set up an African peace and security architecture built on regional pillars. This goes a long way to integrate the Central Africa sub region economically as peace is a prerequisite for economic development (ibid).

3.2.7. Central African Forest Commission (COMIFAC)

The Central African Forests Commission (COMIFAC) is the principal forum for guidance, coordination, harmonization and decision-making in the conservation and sustainable management of forest and savannah ecosystems in Central Africa. Created in 1999 by the Yaoundé Declaration, COMIFAC is composed of the Forestry Ministers of its 10 member countries and has an executive secretariat (ES) based in Yaoundé, Cameroon. COMIFAC is recognized as primary coordinator for partner activities of the Congo Basin Forest Partnership (CBFP), a voluntary partnership whose primary aim is to enhance natural resource management and improve the standard of living in the Congo Basin (Jason, 2011). The COMIFAC Convergence Plan, last revised in 2005, has the vision of sustainable and

joint management by Central African States of their forest resources for the wellbeing of their people, the preservation of biodiversity and the protection of the global environment. The Convergence Plan thus defines regional intervention strategies for governments and development partners concerning the conservation and sustainable management of forest and savannah ecosystems in the region.

COMIFAC authority is derived from the 1999 Yaoundé Heads of States summit which designated ministers to represent their respective countries in the COMIFAC Council of Ministers. COMIFAC convened a subsequent Heads of State summit in 2005, which resulted in its current Convergence Plan and organization. The 2005 summit also resulted in COMIFAC becoming a treaty based organization, transforming COMIFAC into a legal entity empowered with full responsibility to coordinate all conservation initiatives in the Congo Basin. The treaty also provides a strong legal framework for negotiating with bilateral and multilateral funding agencies to establish long-term funding mechanisms for these initiatives. The COMIFAC Ministers Council meets on average twice a year to approve high level COMIFAC decisions, budgets, plans, and results. Since 2007, COMIFAC is a Specialized Institution of the Economic Community of Central African States. The move was made with the goal of securing a more sustainable financing mechanism for COMIFAC from the member states, which would be managed by CEMAC. The COMIFAC is involved in numerous activities regarding the coordination of regional projects and programs, the attendance of international forums, and the dissemination of information. The primary method in which COMIFAC operates is to convene, through its National Coordinators, representatives from each country for the relevant technical matter of the forum. The most regular groups of representatives have been officially defined and are related to issues like Climate, Biodiversity, Forest Governance, and others. COMIFAC

is slowly advancing towards fuller functionality, harmonization, and monitoring of forest and environmental policies in Central Africa. The economic and cultural importance of the Congo Basin Forests (both within the member countries and the whole of Central Africa) is linked to the security, stability, and health of the Central African region (ibid).

3.2.8. International Society for Electricity in the Great Lakes Region (SINELAC)

Established in 1989, SINELAC's purpose is to run the Community hydroelectric power station of Ruzizi II as well as to market the energy produced in the three Member States through their national electricity companies, that is, National Electricity Company (NEC) for the DRC, REGIDESO for Burundi and ELECTROGAZ for Rwanda. It is headquartered in Bukavu (DRC).

Between 1991 and 2001, SINELAC provided, on average, 45 %, 17 % and 21 % of the national production of the electric power within the CEPGL connected grid, intended for Rwanda, Burundi and DR Congo respectively (International Conference on the Great Lakes Region, 2006: 3) This has help in one way or the other further integrate and develop the region and Central Africa as a whole

3.2.9. The Development Bank of the Great Lakes Countries (BDEGL)

BDEGL's main objective is to mobilize financial resources in order to finance projects aimed at furthering economic integration and development in the sub region. It was created in 1977 and is headquartered in Goma (RDC). It has so far aided and establish many projects in the sub region, some of which are, among others; the establishment of an autonomous oxygen production plant particularly for the manufacture of incandescent bulbs (Lengstram) in Kinshasa, construction and equipping of a textile factory (Utexrwa) co-

financed with the Rwandan Bank of Development in Kigali, modernization and extension of the Kiliba (Sucki) sugar basin in DRC, construction of the Ruzizi II Power station in Bukavu (ibid). All these have further deepened the economic integration of the sub region.

3.2.10. Others regional economic institutions in the sub region

Apart from the aforementioned institutions for regional economic institutions in Central Africa, some others ones still exist and are all responsible for pushing the region's economic integration agenda forward. Some of these other institutions, among others, include: the Institute for Agricultural Research and Animal Husbandry (IRAZ); Energy of the Great Lakes Countries (EGL); all created within the frame work of CEPGL. In ECCAS, some of the institutions not mentioned, among others, are: Central African Power Pool; Regional Fisheries Committee for the Gulf of Guinea. And in CEMAC, we have the Central African Stock Exchange Market in Libreville; the common currency zone known as the Communate Financier de l'Afrique (CFA). All these institutions in one way or the other are leading the way for the complete economic integration of the sub region.

3.3. Cooperation between Regional Economic Integration Schemes in Central Africa

In the Central African sub region, cooperation and integration agreements mainly sought to reduce economic inequalities and create an integrated regional area. Agreement to issue Central African Economic and Monetary Community (CEMAC), that instituting the Economic Community of Central African states (ECCAS) and the Economic Community of the Great Lakes region (CEPGL) sought to eliminate the problem of small-sized national markets, to ensure optimal conditions for opening up and creating a larger area capable of facing market competition resulting from globalisation. However, there are discrepancies

between the goals, organisation, functioning and resources of ECCAS, CEMAC and CEPGL. Due to a plurality of integration and co-operation systems and structures, countries in the Central Africa Region belong to various RECs which are at different stages of integration or implementation of certain programmes. This has produced a number of technical problems and even resulted in inefficiency and stagnation in the integration process (Ayangafac, 2008:110)

The magnitude of actions to be carried out in the region requires, on the part of these schemes, collaboration and harmonisation efforts to avoid duplication of tasks, overlapping and even incompatibility. For instance, the treaty to establish ECCA provided of a court of justice, a court which effectively exists within CEMAC or the decision by ECCAS on the control of drugs, money laundering and organised crime, whereas CEMAC had set up the Action Group against Money Laundering in 2001 (ibid). It should also be noted that although the treaties to establish ECCAS and CEMAC were signed at different periods, their objectives are all based on a common guiding principle, that of seeking the convergence of policies and harmonisation of development programmes, based on the principle of endogenous and self-reliant development contained in the Lagos Plan of Action. The schemes are however, cooperating in the agriculture and industry, transport and communications, natural resources and energy, the trade and customs sectors (Ayangafac, 2008:111). CEMAC ECCAS and CEPGL have partnership ties. Both communities are members of same commissions, notably those relating to NEPAD, the Consensual Transport Master Plan for Central Africa (PDCT-AC) and the Regional Programme for Food Security (RPFS) supported by FAO. An ECCAS/CEMAC Cooperation Protocol on transport has also been signed. The two communities are

mandated by their respective authorities to jointly prepare the negotiations on the Economic Partnership Agreements (EPA) with the European Union, and have consequently set up a Joint Regional Committee for the preparation and coordination of the negotiations. Furthermore, an agreement was signed in August 2004 between ECCAS and Development Bank of Central African States (BDEAC), a specialized structure of CEMAC which permits institutional cooperation between these two organizations. Similarly, in an effort to control endemic diseases in Central Africa, the activities of the Organization of Coordination for the Control of Endemic Diseases in Central Africa (OCEAC) have been extended to the entire ECCAS region (African Development Bank Group, 2005: 37).

At the fiscal and customs level, CEMAC decided in July 2004, at the request of ECCAS, to amend the CET in force in its Member States based on the Community Integration Contribution (CCI) rate adopted by ECCAS. On the whole, the integration process is relatively more advanced in the CEMAC zone than in ECCAS and CEPGL. There is therefore a need to enhance synergy between the three communities. Close cooperation between the three institutions should emerge as one of the strategic pillars to boost integration in the sub region. There is also a need to strive for the consolidation and generalization of CEMAC's achievements in all the countries of the region. In this regard, it should be mentioned that a tripartite memorandum was signed in April 2005 between the ECA/Central Africa/ECCAS/CEMAC putting in place a structure to coordinate activities and programmes with a view to ensuring complementarity, consistency of policies and decisions and to jointly implement projects/activities. The steering committee set up to rationalize ECCAS and CEMAC (COFIL) offers other prospects for collaboration with regard to the integration frameworks of the two RECs to achieve synergy in their actions. In

this regard, an action plan, including a schedule covering 2011-2023 has been developed (AfDB, 2011: 19). According to Anchunda (2015), experts from ECCAS and CEMAC met in Yaounde in their third steering committee meeting on the 21st of April 2015 to harmonise integration policies, programmes and instruments of the regional economic communities in Central Africa, stressing how harmonizing the programmes of the institutions in the sub region will help reduce costs and unify the institutions more politically and economically facilitating the process of regional integration and development in the sub region.

CEPGL is yet to make a substantive progress towards their stated objectives. The establishment of CEMAC and CEPGL Structural Funds for Capacity Building of Research Centres with a sub-regional scope, such as the Institute of Agronomic and Zootechnical Research (IRAZ) are sub regional approaches and interventions that will enhance the development and competitiveness of primary commodities from the sub region. CEMAC and CEPGL are working together to provide States with programming and assistance frameworks for attaining medium term objectives, particularly through: the formulation of common standards for the design, construction and maintenance of interstate transport infrastructures; building management capacities for sub regional networks; establishment of support funds for the development of transport infrastructures; and the harmonization of national transport policies (ECA, 2006: 137).

3.4. Benefits of Regional Economic Integration in the Central Africa Sub Region

Regional economic integration schemes and institutions have achieved a lot so far as regional economic integration is concerned in Central Africa. These achievements are

examined in this sub chapter as the benefits the sub region is reaping from it economic integration. The subsequent paragraphs will try to show how the Central African sub region is benefiting directly as a result of the economic integration of the sub region. This sub chapter will further review the general benefits that are averred to come alongside regional economic integration.

3.4.1 Immediate benefits

These are benefits that the sub region has directly reaped as a result of it economic integration initiatives, as opposed to general benefits that are assumed to come alongside regional economic integration

3.4.1.1. ECCAS recovery programme:

Since its revival in 1998, ECCAS regularly holds statutory and technical meetings. Its governing bodies have resolved to raise it to the level of other RECs. The recovery programme addresses peace and security as well as economic, financial and social issues. Indeed, due to the fragile socio-political and security situation of the region, the Heads of State, as a matter of priority, established the Central African Council for Peace and Security (COPAX) in 1999 which is modelled on the Mutual Assistance Pact between the Member States and has the following three specialized organs: the Central African Early Warning System (MARAC) that collects and analyses information for early warning and conflict prevention; the Defence and Security Commission (DSC) that brings together military chiefs of staff and police and gendarmerie chiefs of Member States to plan, organize and advise ECCAS organs on military operations, where necessary; and the Central African Multinational Force (FOMAC), a non-permanent force comprising military contingents of

Member States whose mission is to carry out peace, security and humanitarian aid operations (Meyer, 2011).

According to the African Development Bank (2005), ECCAS played a decisive role in restoring the rule of law in Sao Tome and Principe in July 2003 after a coup d'état. It also organized in Libreville the first FOMAC military manoeuvres in June 2003 known as Biyongho 2003. Furthermore, during the Brazzaville Summit of June 2005, the Heads of State decided to establish a regional Military Command and a Standby Brigade within FOMAC as well as an election support unit within the ECCAS Secretariat. The economic and social component of the ECCAS recovery plan enhances poverty reduction by regional mainstreaming. It formulates programmes and plans of action with a view of: strengthening institutional capacities; establishing a free trade area and a customs union; a Fund for Compensation for Loss of Revenue; adopting a common agricultural policy and establishing multilateral trade negotiations; implementing NEPAD in Central Africa; adopting and implementing the Consensual Transport Master Plan for Central Africa (PDCT-AC); gender mainstreaming in ECCAS programmes and projects; adopting a strategic framework and establishing a Regional Fund to Fight HIV/AIDS; and formulating and implementing a Regional Programme for Food Security (RPFS). It should be noted that the recovery program provides for the establishment of an ECCAS Cooperation and Development Fund (CDF) to finance community projects and assistance to Member States. In April 2003, ECCAS established the Central African Power Pool (CAPP) to harmonize power production and marketing policies. A Network of Parliamentarians of Central Africa (REPAC) was also created in June 2002 in Malabo. Generally speaking, the benefits reaped

so far are still inadequate due to the General Secretariat's low capacity to give the requisite impetus to regional activities and bodies (ibid).

3.4.1.2. CEMAC's mission:

As earlier noted, CEMAC was officially established in June 1999 and its objectives include: the creation of a common market through the elimination of customs barriers and other protective measures; harmonization of sector policies; convergence of macroeconomic policies; stability of a single currency; equal distribution of community projects and the building of an economic union based on a three-phased five-year schedule from 25 June 1999 to 24 June 2004, 25 June 2004 to 24 June 2009, and 25 June 2009 to 24 June 2014. In respect of the above phases, the Executive Secretariat strove to establish CEMAC Institutions and Organs to pursue the development of the macroeconomic framework, integration and harmonisation of the financial sector, the building of a common market, stabilising the FCFA franc, and other (Nono, 2014: 9).

3.4.1.3. CEPGL's mission:

From inception, the CEPGL has focused on the promotion of activities of common interest in economic areas (agriculture, energy, transportation, trade, and others.) Resumption of the activities of the Development Bank of the Great Lakes Countries, Institute of Agricultural Research and Animal Husbandry, Electricity in the Great Lakes Region (SINELAC) and Energy in the Great Lakes Region (EGL) are indispensable for the economic integration of the sub region (International Conference on the Great Lakes Region, 2006: 9). This scheme has restore a climate of trust and mutual understanding among the States towards promotion of economic integration programs and the setting up of revised instruments for

the prevention, management and resolution of conflicts, restored social and economic growth in the Member States of the sub-region, and has positioned itself as a solid link in the process of the creation of a single economic space in the region as recommended by the Dar-es-Salaam Declaration (ibid).

3.4.1.4. Integration of the financial sector in the CEMAC:

As a prerequisite for economic integration, the financial sectors of the economies of CEMAC are gradually being integrated. This is a huge benefit arising from economic integration. The reform programmes implemented since 1994 have aimed at streamlining the banking sector, enhancing bank supervision, combating money laundering, modernizing the payment systems, regulating microfinance and launching the Central African Stock Exchange (BVMAC). Efforts to reform the financial sector resulted in the restructuring and privatization of banks in CEMAC countries. By the end of 2003, there were 31 operational commercial banks and a development bank in the CEMAC zone. Overall, these banks grant short-term loans. Half of these banks in the sector were found in Cameroon and Gabon. With respect to supervision, the Central African Banking Commission (COBAC) is enhancing its activities in the area with the support of the international community. Moreover, the effective operationalisation of the Task Force on Money Laundry in Central Africa (GABAC) will be stepping up the anti-money laundering drive (IMF, 2016: 31-32). With regard to microfinance, its development in Central Africa, particularly in Cameroon, Chad and Congo, prompted the financial and monetary authorities to envisage the regulation of the sector as early as in 2002. However, the level of activity of microfinance institutions (MFI) is generally low compared with the major microfinance needs of business operators outside the formal banking system. Furthermore, the sector remains fragile and

volatile as it is confronted by low capitalization and poor management. COBAC was entrusted with the task of promoting MFIs in the context of a regulated and supervised system (African Development Bank, 2010: 98-102).

3.4.1.5. The Development Bank of Central African States (BDEAC):

Created in December 1975 to bolster the economic integration of the sub region, the bank has greatly benefited the region. It is recognized as an international financial institution and has as authorised capital CFAF 81.5 billion. The reform of its statutes adopted in November 2002 opened 29% of its authorized capital to institutional investors. BDEAC is mandated to: contribute to the economic development of the CEMAC countries through the mobilization of domestic and external resources for the financing of investments in the sub region; allocate credits for the implementation of development projects in the CEMAC zone; provide technical and financial assistance for the conduct of feasibility studies on investment projects; and promote the economic integration of the member countries. Sectors and activities that contribute to social development such as mines, agriculture, rural development, basic infrastructure (roads, ports, airports and railways), public infrastructure and services (energy and water, equipment for services, telecommunications, hotel equipment and tourism facilities), and financial sector are eligible for BDEAC loans. In June 2007, the BDEAC approved loans and other financings for a total amount of CFAF 54.1 billion, allocated to 24 projects. Analysing the economic sector, energy and transportation infrastructure received 49%, telecommunications infrastructure received 17%, agriculture and industry got 18%, and the financial sector (including refinancing microfinance institutions operating in rural areas) and services received 16% (African Development Bank Group, 2010: 102-103). Two principal regional infrastructure

development programs for the promotion of regional integration (the Central African Consensual Transport Master Plan and the Central African Power Pool Development Program) have been backed by the BDEAC since 2003.

3.4.1.6. Trade promotion

The benefits regional economic integration brings on Central Africa's trade are far reaching. ECCAS launched a Free Trade Area (FTA) in 2004 with the adoption of the preferential tariff aim at gradually reducing current customs duties in Member States based on a time frame adopted by ECCAS authorities that seeks to achieve a 100% reduction on handicrafts and local specialties outside mining products. For mining and manufactured products deemed as original products, customs duties were gradually to be reduced as follows: 50% by 1 July 2004, 70% by 1 January 2005, 90% by 1 January 2007 and 100% by 1 January 2008, which has hardly been true. To offset the fiscal revenue loss arising from the preferential tariff, a compensation fund was set up in January 2004. The fund also provides for the allocation of funds in a special account for landlocked countries, island countries, semi-island countries, semi-landlocked and/or countries falling under the category of least developed countries (African Development Bank, 2005: 23). This move promotes trade inside the scheme as tariffs are removed allowing goods and services to trade freely. The Council of Ministers held in Brazzaville in June 2005 urged the General Secretariat to: intensify sensitization and extension activities on FTA instruments in Member States, conduct a study for better programme coordination and use of FTA instruments, taking into account the fact that some States belong to other RECs, address the issue of customs statistics for the harmonization and processing of data, conduct a thorough impact study to assess revenue loss by member States, and take the necessary measures to

conduct studies on the eventual institution of a common external tariff. In this respect, it is worth noting that since 2000, the CEMAC countries have been applying a common external tariff (CET) to imports from third countries all aim at fostering trade in the sub region (WTO, 2013: 35). All these developments are brought about following the integration calendar of the sub region, hence, a benefit of economic integration to the region

3.4.1.7. Free movement of goods, services and community citizens:

The effective free movement of persons is an overarching objective of ECCAS and the scheme have been working toward lifting administrative barriers to the free movement of persons and goods which is presently more of a myth than reality within ECCAS and CEMAC zone. ECCAS took decision No. 03/CCEG/VI/90 in January 1990 to allow the free movement of certain category of persons (tourists, professionals, students, trainees, researchers and teachers, frontier zone inhabitants and commuters) and in CEMAC, the implementation of the Community customs code makes CEMAC a customs union and an incubator for the free movement of goods. In actual fact, CEMAC has implemented a preferential tariff for products originating in Central Africa called Generalised Preferential Tariff (GPT). In principle within the CEMAC zone, the rate of customs duties on goods of regional origin is zero since 1998, though they are subject to Value Added Tax (VAT) and any other internal tax in the final destination member State. Moreover, there is a common external tariff (CET) that is applicable in the CEMAC zone. In short, CEMAC has made very significant progress in its trade liberalisation by creating a customs and monetary union. The customs union is ensured by the existence of a CET and the use of FCFA. The CET is a reality in the CEMAC zone in spite of some of the inconveniences caused by some States or by corrupt officials (Nono, 2014: 15). Many positive steps have also been

made in the domain of the freedom of movement of community citizens, notably the implementation of the CEMAC digital passport since 2010. It is now easy for CEMAC citizens to travel to Cameroon, Congo, CAR, and Chad without a visa as they can simply move across borders with their community passport (Osson, 2013). However, it should be noted that, Gabon and Equatorial Guinea continue to require obtaining a visa for entry into their respective countries from the nationals of CEMAC. In addition, freedom of movement in Central Africa is often characterised by acts of intolerance of the populations towards the immigrants (Nono, 2014: 16). Article 2 of the convention creating the CEPGL emphasised on the promotion and intensification of trade and the movement of persons and goods but no concrete step have been taken toward that direction by the members.

To ensure the actual implementation of community legislation on the free movement of certain categories of ECCAS nationals, a Council of Ministers in charge of Immigration and Justice was held in Brazzaville in August 2004 and made the following recommendations: extension of community standards; adoption of national laws to waive immigration requirements for nationals from the community; introduction of border crossings exclusively for nationals from the community; and creation of ECCAS corridors in airports, seaports and other border crossings (AfDB, 2005: 24).

3.4.1.8. Development and maintenance of infrastructure services:

Special emphasis has been placed on the development of transport infrastructure programmes to address severe deficiencies. The Regional Coordination for Implementation and Monitoring of NEPAD in Central Africa (CRNEPAD/AC) adopted in July 2004 is in charge of implementing the Consensual Transport Master Plan for Central Africa (PDCT-

AC). The PDCT-AC is making progress in addressing the transport infrastructure problems in the sub region and it has so far prioritised its projects starting with:

The Fougamou-Doussala- Dolisie (Gabon- Congo) highway project; the paving works are running on the stretch of road from Fougamou Mouila (106 km) and studies are also available for the stretch of road from Mouila-Ndendé-Doussala (128 km). This was carried out under the Gabon First Road Programme funded by AfDB. Studies on the stretch from Ndendé-Doussala include the construction of the bridge over the Ngongo River. Studies made for the stretch from Doussala-Dolisie cover a layout of paving the Kibangou-Dolisie border located entirely on Congolese territory, and transport facilitation program involving the construction of a one stop border post. Gabon and Congo signed a MoU on June 15, 2010. The two countries have entrusted to ECCAS the coordinating role of the project and the implementation of transport facilitation component. ECCAS will be assisted by a Joint Technical Committee composed of experts from both countries and CEMAC. This project includes: a Feasibility study of the bridge road / rail on the Congo River between Kinshasa and Brazzaville and the extension of the railway-Kinshasa Ilebo; rehabilitation of transport infrastructure in Angola and the DRC; and the facilitation of transport corridors on the Douala-Bangui and Douala-Ndjamena roads (AU Commission, 2013:54).

Developing the road from Ouesso-Sangmelima and transport facilitation on the Brazzaville-Yaoundé road corridor is funded entirely from the budget of the ECCAS Secretariat General amounting to 300 million CFA francs. The objective is to correct the disparities, remedy certain shortcomings and restore the inclusiveness and multi-national project within the two countries and the sub region in general. The two countries have also entrusted to

ECCAS the role of overall coordination of the Executing Agency of the transport facilitation component including the construction of one stop boarder post. ECCAS is assisted by a Joint Technical Committee composed of experts from both countries and CEMAC. The main Regional project in the area of rail transport is the extension of the railway Leketi-Franceville between Gabon and Congo (AU Commission, 2013:55)

For air transports, All ECCAS member countries are currently covered by the various programs of Capacity Building Program of Aviation Safety Oversight (COSCAP). The Action Plan 2008-2015 adopted by the Ministers of Transport in charge of Civil Aviation in Kinshasa in September 2008 and adopted by the Conference of Heads of State and Government plans to establish a regional agency regulating air space to ensure ECCAS solves all the problems of safety and security (technical regulation) as well as to the economic regulation of air transport in particular based on harmonized regulations (West Africa and Central Africa). Adopted by the Ministers of Transport in Malabo in January 2010, the Action Plan aims to: improve the institutional and regulatory sub-sector of air transport to better manage it; improve air services between Member States to facilitate and increase exchanges to strengthen market integration of member states; reduce the costs of air services to contribute to the competitiveness of the Central African markets; accelerate the implementation of the Yamoussoukro Decision on the liberalization of air transport; and ensure the safety and security of civil aviation in the Central Africa sub region to reduce the accident rate (AU Commission, 2013: 59-60). All these have benefited the sub region in many ways, ranging from providing employment to it citizens to providing a good road networks linking the various economies of the sub region.

3.4.1.9. Environmental protection

The ECCAS General Secretariat supports the implementation of the plan of action of the NEPAD environmental initiative through the following programmes: implementation of the United Nations Convention to Control Desertification (UNCCD); promotion of renewable energies; development of the Lake Chad Basin; adoption of an African strategy on disaster risk management; and implementation of the Central African Forests Commission (COMIFAC) - a sub-regional Convergence Plan for the Sustainable Management of the Congo Basin Ecosystems, adopted in February 2005 in Brazzaville during the Second Summit of Heads of State of Central Africa. The summit also signed the Treaty on the conservation and sustainable management of forest ecosystems. The Convergence Plan aims at the joint management of forest resources through the management of trans border protected areas. The Brazzaville Summit also adopted the establishment of a sub-regional funding facility drawn from levies on revenue accruing from exports of forest and wildlife products with a view to funding the convergence plan and sub-regional cooperation institutions (African Development Bank, 2005: 25).

A great deal has been accomplished since the launching of the Congo Basin Forest Partnership (CBFP). A massive landscape management system has been introduced which is improving the management of over 50 million hectares of fragile and highly sensitive tropical forest throughout seven Central African countries. Tens of thousands of individuals have been trained from government, local and international NGOs and communities in a variety of conservation methods and techniques. USAID through Central Africa Regional Program for the Environment (CARPE) has created a system to measure, track and verify deforestation through satellite remote sensing, and has construct a regional African

organization based in Kinshasa, DRC which is capable of analysing satellite remote sensing data, training experts in the region and disseminating satellite-derived products to all users. National civil society has been trained and motivated to work hand-in-hand with local communities, governments and the international community to educate and organize local groups to play an active role in forest and biodiversity conservation programs (USAID for Central Africa, 2012: 2).

The Central African Forests Commission (COMIFAC) recently completed the review of its sub-regional Convergence Plan called second generation Convergence Plan for a ten-year period 2015-2025 during the sub-regional Forum held from 16 to 17 June, 2014 in Brazzaville. It is the strategic reference and coordination framework for all interventions in the field of conservation and sustainable management of forest ecosystems in Central Africa. In addition to its vision and goal, Convergence Plan two includes a strategic framework broken down into six priority areas for intervention and three cross-cutting areas. The priority areas for intervention include: harmonization of forest and environmental policies, management and sustainable development of forest resources, conservation and sustainable use of biological diversity, combating the effects of climate change and desertification, socio-economic development and multi-stakeholder participation, sustainable funding. The cross cutting areas are the following: training and capacity building, research and development, communication, awareness, information and education (COMIFAC, 2014: 8). Established in 2000 and institutionalized in 2005, the COMIFAC has conducted actions throughout these years which have won it recognition and a reputation at national, sub-regional and international level. Its track record has equipped it with the capacities required to systematically mobilize sub regional actors at

international meetings, through sub regional consultations to prepare common and concerted positions within the framework of international dialogue. The reputation and credibility the institution now enjoys confirm its position as an example of successful sub-regional integration in the area of forestry and environment (COMIFAC, 2014).

3.4.1.10. Food security

In approving the Special Programme for Food Security (SPFS) initiated by the FAO in 1994, the World Food Summit (WFS) in 1996 called for concerted efforts at all levels to increase food production and improve access to food in low income food deficient countries (LIFDC). For the first preparatory phase of monitoring of the WFS, the FAO provided technical support to the countries of ECCAS in the formulation of the Draft National Agricultural Development Strategy. This document contains essential policy elements and major challenges and constraints in matters of food security. The second phase consisted in preparing a Regional Programme for Food Security (RPFS) for CEMAC and ECCAS countries. The RPFS is a framework for the coordination and harmonization of food security policies that can be used for the mobilization of human and financial resources. It is also a framework for consultation with professional and inter-professional organizations working in the area of food security (Africa Development Bank, 2005: 26).

The RPFS comprises of the following ten integration sub-programmes: intensification and diversification of food production through the development of agricultural infrastructure; agricultural research development and extension and dissemination of research findings; production and marketing of high-yield seeds and seedlings in the Member States; management and prevention of food crises among vulnerable groups (refugees and

displaced persons); integration of the regional dimension in national agricultural policies; promotion of improved information management in order to strengthen food security and intra-and extra-ECCAS trade in agricultural produce; promotion of private sector initiatives and partnership for agricultural products processing; strengthening of health security of foodstuff and production inputs to facilitate intra-and extra-ECCAS trade; facilitation of intra-and extra-ECCAS trade; and building the capacities of ECCAS member countries to participate effectively in multilateral trade negotiations on agriculture within the framework of WTO (ibid).

In August 2003, CEMAC adopted the Common Agricultural Strategy (SAC) aimed at promoting trade in agricultural products and ensuring food security through, among others; intensifying agricultural and food production, winning national, regional and international markets, mobilizing and strengthening civil society, carrying out the necessary institutional reforms in the areas of research and access to credit (Regulation No. 11/03-UEAC-019-CM-10 of 28 August 2003). In the field of agricultural research, the Regional Applied Research Centre for the Development of Agricultural Systems in Central Africa (PRASAC) is the Community's specialized institution. Initially a bilateral cooperation initiative between Cameroon and France, PRASAC was subsequently extended to include the Central African Republic and Chad.

The Regional Applied Research Centre for the Development of Agricultural Systems in Central Africa (PRASAC) seeks to create synergy between the national agricultural research institutions with a view to finding answers to local needs and building local intervention capacity. Since 2009 it has managed a sub-regional seed sector development programme. This programme is aimed at equipping the sub region with an effective high-performance seed sector by, among other things,

harmonizing the seed laws and regulations and promoting the establishment of a regional market. CEMAC also adopted a Regional Food Security Programme (PRSA-CEMAC) in 2002 geared towards food security and poverty reduction, particularly in rural areas. At the proposal of the FAO and within the framework of the rationalization of the regional economic communities, the CEMAC and ECCAS Regional Food Security Programmes were merged in 2012 and have been active researching, providing good seedlings to it members. In a nutshell, making sure food is secured in the region (WTO, 2013: 52-53).

3.4.1.11. Securing energy

The coordination of national energy policies features on the Central African Economic Union (UEAC) work programme. In this sector, the Council of Ministers is responsible for recommending the approach to be taken by the States to the formulation and implementation of a common energy policy. Within the framework of the ACP-EU Energy Facility, the European Union is co-financing the CEMAC Energy Facility, improving access to electricity in periphery-urban and rural areas. Launched in November 2008 for a three-year period, this project had two components: a planning component and an intensive periphery-urban electrification component. The planning component is improving energy planning capacity in the sub region by introducing a community energy information system. According to a report by the ECA sub regional office for Central Africa, the following projects are ongoing: the Dimoli (120 MW), Memve'élé (20 MW) and Fe II (36 MW) hydroelectric power plants. Since 2012, CEMAC has been implementing an energy information system in the Central African Republic and the Congo. This system enables these countries to draw up their energy balance sheets in accordance with international standards (WTO, 2013: 61).

ECCAS Member States established the Power Pool of Central Africa (PEAC) in April 2003 and it became an ECCAS specialized agency by decision 021/CEEAC/2004. PEAC is responsible for implementing and coordinating regional energy policy, expanding the community infrastructure and managing the exchange activities of electric power on all ECCAS member countries. The PEAC is mandated to establish a regulatory framework for harmonization, technical and marketing to promote investment and trade in electricity in the region. Successes have been recorded under PEAC, notable the Grand Inga Project as feasibility reports of the study and the construction of the plant Inga 3 (first phase of Grand Inga) are available and are being augmented by supplemental studies and other technical preparations(AU Commission, 2013: 70).

3.4.1.12. Gender mainstreaming

According to the African Development Bank (2011) ECCAS' gender and development policy aims at: eliminating all forms of discrimination, inequality, exclusion and prejudices; promoting human rights; ensuring the effective participation of women and men in all domains of activity and at all levels of society in order to ensure the sustainable development of Central Africa; and building the capacities of women in all domains particularly in the political, economic, social and cultural domains, to enable them to contribute significantly to development. The General Secretariat of ECCAS subsequently set up a technical unit responsible for gender and development issues sensitizing and organising training workshops in gender and development; sensitizing leaders; and providing support to Member States in the formulation of their national gender policy. This has greatly benefited the region.

3.4.2. Other benefits

3.4.2.1. Regional economic integration and improved market access

Regional economic integration expands markets and input sources, better allocates resources and accelerates economic growth. Regional economic integration is one way countries achieve national interests, in concert with others. It expands national markets to the region. Expanding markets and input sources beyond national boundaries is one of the most compelling arguments for integration. With an expanded market for goods and services, for both output and inputs, higher economic growth and improved welfare is expected. Integration helps more efficient resource allocation across the region (or globally) in line with the principle of comparative advantage. If, as a result, productivity growth is enhanced, regional economic integration can accelerate economic growth and increase employment (Asian Development Bank, 2013: 4). But it is important to realize that economic integration may not generate the same benefits for all. Whether in trade, finance, or infrastructure, integration benefits some more than others and when one measures the effects in a broader sense, some countries can even lose (Venables 2009).

In a nutshell, regional economic integration can combine markets thereby increasing the competitiveness of firms in the market. More competition and the increased possibility of bankruptcy may induce firms to eliminate internal inefficiencies and raise productivity. The consequent reduction in staffing and more intense competition can increase worker productivity, an attractive benefit to small and low income countries, like those in Central Africa. According to Madani (2001) in (ECA, 2004: 12), several studies have computed potential benefits of regional economic integration and it offers developing countries substantial benefits.

3.4.2.2. Trade creation

All formal regional integration arrangements reduce barriers (such as tariffs) to trade among member countries. Economic theories predicts that free trade will improve welfare by enabling citizens to procure goods and services from the cheapest source, leading to the reallocation of resources based on comparative advantage. It is thus correct to conclude that regional integration arrangements will generate welfare gains. It should be noted that regional economic integration generates welfare gains only when trade creation dominates trade diversion. According to the Economic Commission for Africa (2004: 12), regional economic integration arrangements improves terms of trade of member countries because of more demand for goods originating from the integration area and less demand for the same goods originating from outside that area as tariffs makes them more expensive. The greater the regional arrangement's share in the world market, the larger the potential gain will be.

3.4.2.3. Regional economic integration increases investments

Regional economic integration arrangements increase investment in member countries by reducing distortions, enlarging markets, and enhancing the credibility of economic and political reforms. The result raises the returns to investments, make larger investments more feasible, and reduce economic and political uncertainty. Moreover, customs unions encourages foreign investors to engage in tariff jumping, that is, investing in one member country in order to trade freely with all members. Apart from its direct impact on production and increased investment, it can also promote knowledge, technology transfers, spillovers, and raising productivity in member countries (ECA, 2004: 13). The investment and investment-related benefits of regional economic integration arrangements exceed the

costs of tariff jumping, that is, real income losses that arise when the costs of local production, even in foreign-owned firms, exceed the costs of imports (Blomström and Kokko 1997).

3.4.2.4. Relocation of production

By reducing distortions and altering incentives, regional economic integration arrangements are likely to induce economic activities to relocate. Industries may relocate based on the comparative advantages of members relative to one another and to non-members. In addition, backward (towards source of raw material) and forward (towards the market) links may generate interdependence among the location choices of different firms, and creating agglomeration of activities. Relocation can change income levels and demand for factors of production, generating gains for some members and losses for others (Venables 1999, 2000). The European Union shows that regional integration arrangements can lead to income convergence. Ireland, Portugal, and Spain have made progress closing the gap with richer EU members. Central African countries must minimize the risk of income divergence, using compensation schemes or varied adjustment processes attuned to the heterogeneity of members in order to fully reap these benefits.

3.4.2.5. Regional economic integration and increased bargaining power

Countries, especially small and low income ones benefit from cooperation, including resource pooling to promote regional public goods. Regional integration arrangements promote cooperation in two main ways. First, such arrangements provides a framework for cooperation on resources (such as rivers, road and rail links, and electricity grids) or problems (such as pollution or transport bottlenecks) shared by members. Second, the

regular contact and collaboration among policymakers in regional integration arrangements generate and enhance rapport and trust, facilitating cooperation in areas not explicitly covered by an agreement. By banding together through regional economic integration, member countries enhance their international economic bargaining power, especially beneficial for small countries in trade negotiations (Schiff and Winters 1998). The EPA negotiations were supposed to be conducted in two phases. The first phase began in September 2002 between the EU and all ACP countries, negotiating as a bloc. This provided a more balanced negotiating scenario, but the European Commission hastily pushed for an inconclusive end to this phase of the negotiations, and then hurriedly forced the second phase, which involved dividing the ACP bloc into much smaller sub-regions whilst the EU remained as a single negotiating bloc (Ochieng and Sharman, 2004: 29). To Ochieng and Sharman, the first phase of the negotiations was very important to ACP countries because they wanted to avoid a situation whereby the EU would use divide-and-rule tactics by seeking agreements with the weakest groupings first and then using these as the template for similar agreements with more advanced regions. In particular, the ACP countries had wanted to use the first phase of talks to obtain a legally-binding framework with the EU on the scope and structure that would guide phase two of the EPA negotiations at the regional level. Such a framework would have resolved the question of reciprocity once and for all and avoided the current situation whereby the EU sets the terms and pace of the negotiations and uses divide-and-rule tactics to obtain maximum concessions from ACP countries (ibid).

For the Central Africa sub region, CEMAC and ECCAS are the sub regional negotiators for the EPAs and it is clear that they possess less bargaining power as was the whole ACP bloc

during the initial negotiation processes. Countries in the CEMAC sub region are not on the same agreement regarding the EPAs. Cameroon is the only country in the sub region to have fully ratified an interim agreement with the EU while others like Gabon and Congo have not shown the same level of interest in signing the EPA in the near future, focusing more on domestic issues (Kwa et al, 2014: 34-35)

3.4.2.6. Regional economic integration and conflict prevention

Regional integration reduces the risk of conflict in two ways (Schiff and Winters 1998: 251–270). First, increasing interdependence among members makes conflict more costly. Economic integration paves the way for political integration, substantially reducing the risk of internal conflict. Secondly, regular political contact among members builds trust and facilitates cooperation. In October 2002, CEMAC heads of state deployed 380 troops, under FOMUC to the Central African Republic with the mission to restore and consolidate peace, security and stability. FOMUC was largely involved in monitoring the transition and reconciliation process launched by Bozizé. It also assisted in the preparations for elections in May 2005 in the CAR. By an agreement between CEMAC and ECCAS, MICOPAX took over from FOMUC in the CAR in July 2008 and by 2010, 527 troops were contributed primarily by Cameroon, Gabon, Chad and the DRC for the restoring of peace in the CAR (Meyer, 2011: 20-21).

MICOPAX peacekeepers saved thousands of lives by opening their gates to fleeing civilians, deploying to vulnerable displacement sites, and militarily engaging those threatening the local population during the 2013 uprising in the CAR (Cinq-Mars, 2015: 9). ECCAS continue to coordinate the surveillance of the maritime security of its member

States of the Gulf of Guinea, including the area known as "D": Cameroon, Gabon, Equatorial Guinea, and Sao Tome and Principe. The Early Warning Mechanism of Central Africa (MARAC) plays its full role as a tool for decision support while the Multinational Force of Central Africa (FOMAC) which develops its capabilities in relation to the African Standby Force (ASF), ensures the work of planning of MICOPAX and programming of a maritime security plans implemented in the framework of maritime surveillance areas of member states of the Gulf of Guinea (AU Commission, 2013: 105-106).

3.4.2.7. Regional economic integration and growth

The theory of endogenous growth suggests that the growth rate of an economy is critically affected by the type of economic policies, the rate of technological progress and knowledge accumulation, and the quality of institutions and governance. Econometric evidence suggests that the correlations between growth and those three factors are statistically significant (ECA, 2004: 15). Regional integration contributes to economic growth by magnifying the impact of the three factors. First, trade is often associated with technological spillovers because a country can import technology and knowledge developed abroad. By stimulating trade, regional economic integration increases the rate of technological progress. Secondly, holding to specific macroeconomic convergence criteria and forcing countries to create a macroeconomic environment supportive of international competition facilitate sound economic outcomes such as low inflation, low deficits, and consistent exchange rates. Participating in regional integration increases the credibility of a government's commitment to macroeconomic stabilization, leading to growth. Thirdly, and as a part of integration, countries are often required to update and improve their legislative and regulatory frameworks. Integrating with countries that have efficient institutions;

bureaucratic procedures, rule of law, enforcement of property rights, efficiency of judicial system, transparency of governance, can stimulate other countries to reform.

There is broad empirical evidence on the growth effects of regional integration (World Bank 2000) in (ECA, 2004). Most studies find a positive correlation between trade and growth. Results differ on the correlation between regional integration and growth, though for several regional economic communities, trade creation dominates trade diversion. There is thus some evidence that regional integration increases growth by increasing a country's total volume of trade. Other research estimates the direct effect of membership in regional economic integration on growth. Here, there is some agreement that more significant growth effects are generated by North-South integration because technology and knowledge spillovers are stronger when developing countries trade with industrial countries than when developing countries trade among themselves. Studies on the effect of integration on growth through FDI find that membership in a regional economic community is often associated with higher FDI flows, with the effect stronger for North-South integration. Several studies find that FDI flows have a net positive impact on growth, meaning regional integration can effectively generate positive dynamic effects on growth by increasing investments. Evidence for Europe suggests that poorer countries in regional communities catch up with richer ones but the evidence is not universal. Downward convergence or even divergence does occur, especially when regional economic communities are formed among countries at similar levels of development (Schiff and Winters, 2003: 251–270).

3.4.2.8. Regional economic integration and commitment

Regional integration enhances the credibility and ensures the continuity of economic and political reforms in countries because such arrangements function as a collective agency of restraint and provides a framework for coordinating policies and regulations (Fernandez and Portes 1998: 197–220). The effectiveness of regional economic integration as a commitment device depends on their provisions and on how enforceable those provisions are. High costs for breaking the rules of an arrangement, leaving it, or being expelled from it make agreements more effective. Stronger economic ties among members and more willingness to punish violations of rules also create more effective agreements and harmonious living between economies though economies have looked at such gestures with suspicion (ECA, 2004: 14)

3.5. The Necessity of Regional Economic Integration in the Central Africa Sub Region

Regional economic integration in the Central African sub region is a pertinent issue particularly given the economic weaknesses of most Central Africa states (AfDB, 2005). According to the United Nations Conference on Trade and Development (2003), regional economic integration is an essential element in reducing the vulnerability of African countries to external influences. It assists in dealing with challenges such as fluctuations in the prices of primary goods and large increases in imports of manufactured goods, which render African countries vulnerable to external influences. Again, Central Africa's high share of primary commodities in exports has been costly, with trade deficits because of declining raw material prices and increasing prices of manufactured goods. In the same light, Schiff and Winters (2003: 31) had to conclude that a well-crafted trade bloc can raise efficiency and economic welfare in its member countries

by facilitating consumer choice, increases the market size and increasing the competition producers face, leading to economic development. This sub sections examines the factors that make regional economic integration imperative for Central Africa.

3.5.1. Small domestic markets

An argument in support of regional economic integration in Central Africa is that it will assist countries to overcome constraints associated with the smallness of domestic markets. This is by allowing them to benefit from economies of scale as well as smooth market access leading to a stronger competition, increase productivity and diversification of Central Africa's production and exports base (Jaber, 1979: 254). Transaction costs involved in border formalities, considered as a hindrance to trade also greatly reduces the gains of Central Africa's regional economic integration schemes (Nguenkwe et al, 2006: 12-14). Central Africa's exports are destined mostly to the well developed and large markets of Europe and USA with minimal percentages destined for the sub region and continent at large. Statistics about the destination of the sub region's RECs average export from 2000 to 2009 indicates that CEPGL had the highest percentage of exports directed the continent (18.2 %) as compared to CEMAC and ECCAS with just 3.4% and 3.9% respectively (UNECA, 2012) . This is so because of the small domestic markets found in the sub region. Deep economic integration will increase the possibility of the schemes products to remain within the sub region.

Below is a list of all the countries of the sub region showing the destinations of their exports from 1995, 2005, and 2014. It is clearly seen that the sub region's export are

destined more for Europe and USA. The share that remains in the continent is very minimal and this is because of smallness of the region's economies.

Table 1 Destination of Central African Countries' average exports (in percentages)

Country	Year	Destination		
		EUROPE	USA	AFRICA
Angola	1995	21.2	64.2	0.3
	2005	14.7	40.0	1.4
	2014	20.0	9.4	3.4
Burundi	1995	86.4	5.9	6.0
	2005	65.2	2.6	9.4
	2014	30.4	3.2	39.5
Cameroon	1995	76.7	2.2	9.2
	2005	65.1	4.5	13.0
	2014	51.4	3.0	14.8
C.A.R	1995	87.3	0.2	10.1
	2005	66.6	3.4	8.2
	2014	35.1	1.9	14.3
Chad	1995	85.0	2.8	3.9
	2005	12.8	73.8	0.6
	2014	2.0	79.2	1.2
Republic of Congo	1995	47.9	20.0	2.5
	2005	7.7	29.7	2.9
	2014	19.9	5.7	3.8
Democratic Republic of Congo	1995	62.8	18.0	7.7
	2005	59.3	17.6	10.2
	2014	21.3	2.2	25.6
Equatorial Guinea	1995	30.6	27.0	19.0
	2005	29.8	25.2	1.0
	2014	37.2	2.0	4.2
Gabon	1995	12.2	61.1	2.2
	2005	14.6	60.1	4.9
	2014	16.1	9.1	3.6
Rwanda	1995	66.8	2.9	24.7
	2005	42.3	5.6	15.3
	2014	12.4	9.1	36.4
Soa Tome and Principe	1995	63.0	2.0	3.6
	2005	74.2	1.4	4.0
	2014	68.1	4.5	5.0

Source: Extracted from UNCTAD, 2015

It is now seen that because of the small size of Central African economies, the sub region appears to be unattractive but as Zafar and Kubota (2003: 23) explained, the potential

benefits as Central Africa embarks towards fuller economic and monetary union will increase the share of the sub region's average exports as markets will be large and more competitive.

3.5.2. Trade diversion

There are several factors that will influence whether or not the net welfare effect of customs union formation be beneficial. Firstly, trade diversion can be eliminated completely if the importing country continues to import from a low-cost producer after entering into a customs union agreement. And secondly, even when the low-cost producer is not a member of the union, trade diversion can be avoided if the common external tariff is so low that low-cost non-member countries can still offer a selling price below that of member countries (Hodgson and Herander, 1983). If this experience is practice in the Central African sub region, regional economic integration will be yielding a production effect that will result in a more efficient use of the region's resources. Apart from that, trade will also be created in the region as the economies of the sub region will be unified as one economy attracting traders partly because of it large market size, one policy, and other benefits that will come along side economic integration.

3.5.3. Poor intra-regional trade

Generally, the continent is home to 14% of the global population but accounts for less than 1.8 % and 3.6 % of global imports and exports respectively. Between 2000 and 2010, intra-African imports represented an average of 14.2% of total African imports while the intra-African exports represent 10.4% of total African exports. It should be noted that African countries trade about just 12% of their goods and services among themselves (Africa Union

Commission, 2013: 26). The level of Intra-regional trade in the sub region remains one of the least developed in the continent. This is partly because of the poor nature of economic integration infrastructures like road network, communication facilities, and other trade barriers that are hindering the development of intra-regional trade and integration of the sub region.

Table 2 Intra-regional trade between Central African RECs (percentages of total exports of each group)

Group	1995	2000	2005	2010	2013	2014
CEMAC	1.8	1.2	1.4	2.7	2.1	2.1
ECCAS	1.3	0.9	0.8	1.6	1.3	1.0
CEPGL	0.3	0.4	1.0	1.6	2.7	2.8

Source: Extracted from UNCTAD, 2015

The table above shows the nature of intra-regional exports in the sub region from 1995 to 2014. It is clearly seen that intra-regional trade remains very weak in the sub region. The highest intra-regional exports within the region were recorded in 2014 where CEPGL exported 2.8% of its total exports with the sub region. The exports from the sub region are destined for the economies of Europe and USA as seen below.

Table 3 Destination of Central African RECs average exports from 2000–2009 (in percentages)

	USA	Japan	Brazil	China	EU	Africa	Others
CEMAC	32.20	2.3	1.0	0.1	26.7	3.4	35.5
CEPGL	13.2	0.6	0.1	0.3	35.0	18.2	32.6
ECCAS	29.0	1.0	0.6	0.2	22.2	3.9	43.0

Source: Compiled from United Nations Economic Commission for Africa, 2012.

CEMAC for instance exported 58.9% of its total exports from 2000 to 2009 to USA and Europe. CEPGL exported 48.2% and ECCAS exported 51.2%. During this same period, their percentages of exports to the continent remain significantly low; 3.4%, 18.2%, and 3.9% for CEMAC, CEPGL, and ECCAS respectively. These are all indications that an

effective economic integration is needed in the sub region as it will boost intra-regional trade and increase the sub region's share of global trade.

3.5.3. Landlocked economies

Regional economic integration is necessary in Central Africa as it represents the best hope for the poorer landlocked economies. In CEMAC for instance, the survival of the economies of Chad and CAR depends on the coastal countries and reforms on their trade and transit systems. Doing business with CAR and Chad has greater chances of taken place within a regional framework (Zafar and Keiko, 2003: 23). A more cohesive Central Africa will bring about great cooperation between countries which is a much needed factor for peace and economic activities to flourish.

3.5.4. Millennium Development Goals

In 2000, world leaders made commitments to raise the standard of living within developing countries in the form of Millennium Development Goals (MDGS). The goals were set out as follows: to eradicate extreme poverty and hunger; to achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability and develop a global partnership for development. The Economic Commission for Africa (2005) acknowledged that attaining the proposed targets without increasing external assistance is impossible. However, with the resources available in Central African countries, the size of the market might still hindered the complete attainment of these goals. The fact that the whole region can never adopt unified or regional policies without being integrated as one is also a shortcoming for completely achieving

these goals. It can be concluded that, unless the economies of the region are effectively united through economic integration, the goals will never be effectively attained.

3.5.5. Investments

According to Rosenstein in (Mutharika, 1975), investments are less profitable when undertaken by an individual state. When an individual state in the developing region invests largely in capital, the result is underutilisation because the application of such capital in isolation has often been uneconomic and wasteful, due to the very underdeveloped nature of their markets. The table below show how small inward flow of foreign direct investment has been in the sub region.

Table 4 Inward flow of foreign direct investment into Central African economies

Country	Inward stocks (Millions of dollars)							
	1980	1990	2000	2005	2010	2012	2013	2014
Angola	61	1025	7977	16365	16063	6141	----	----
Burundi	7	30	47	47	6	9	16	48
Cameroon	330	1044	1600	2941	4488	5667	5992	6493
C.A.R	50	95	104	198	511	618	619	623
Chad	121	250	576	3040	3595	4219	4758	5518
Republic of Congo	315	573	1893	3006	9262	13593	16507	22010
DRC	709	546	617	908	3994	3532	5631	7694
Equatorial Guinea	0	25	1060	4124	9413	13403	15317	17250
Gabon	512	1208	----	488	2871	4399	5367	6339
Rwanda	0	33	55	77	422	716	838	1105
Sao Tome and Principe	0	0	11	41	260	315	325	345

Source: Extracted from UNCTAD, 2015

Economic integration in the sub region will definitely increase the investment rate in member countries by enlarging the markets, and enhancing the credibility of economic and political reforms. The results will raise the returns to investments, make investments more feasible, and reduce economic and political uncertainty. Moreover, Tariff jumping, a situation where investors investing in a member country in order to trade freely with all members of the scheme one of the factors favouring investment in the sub region (ECA, 2004).

3.5.6. Poor bargaining power

By binding together through economic integration, the member countries of Central Africa can enhance their international economic bargaining power and raise the profile of member countries which is more beneficial to small economies in the sub region (ECA, 2004: 14). According to Ochieng and Sharman (2004: 29), the first phase of the EPA negotiations was very important to ACP countries because they wanted to avoid a situation whereby the EU would use divide-and-rule tactics by seeking agreements with the weakest groupings first and then using these as the template for similar agreements with more advanced regions but the European Commission hastily pushed for an inconclusive end to this phase of the negotiations. Little wonder Cameroon is pushing forward as an individual nation and is the only country in the sub region to have fully ratify an interim agreement with the EU with prospects of signing a full fledged agreement in the near future. According to a Doing Business in Cameroon report (2016), An informal ministerial meeting was held on 18 July 2013 at the Presidency of the Republic to be informed of the President's decision to sign in the near future an Economic Partnership Agreement (EPA), which means opening 80% of the country's market to the EU duty free for a period of 15 years. The Minister of

Agriculture, Essimi Menye questioned the choice, calling it a bad decision and that Cameroon sign the EPA without the other countries of sub region, it will be the end for the CEMAC, as the other five countries are not willing to sign any accord whatsoever with the EU. It is certain that with a well functioning integration scheme in the sub region, these negotiations will be done on a broader scale representing the interest of the whole sub region and with the sub region possessing more bargaining power.

Regional economic integration is very important for promoting intra-regional trade and accelerating development and growth. Trade has been a key driver of economic growth in Central Africa. Economic integration in this sub region has created a situation where national economic problems are increasingly becoming a matter of sub regional concern. Cooperation and regional economic integration institutions in Central Africa have mainly sought to create an integrated regional area. There have been discrepancies between the goals, organisation, functioning and resources of the different regional economic integration institutions and this has produced a number of technical problems and even resulted in inefficiency and stagnation in the integration process of the region. The bilateral or multilateral cooperation and integration agreements concluded between Central African states concurrently assign economic and political objectives to the signatory states. The economic objective seeks to further unite and develop the economies of the region by adapting and harmonising industrialisation policies, ensuring a fair distribution of community projects and coordinating development programmes in the various production sectors. Central African RECs are active in the agriculture and industry; transport and communications; natural resources and energy; trade and customs sectors; monetary and financial issues. It can be said that the process instituted through cooperation and

integration agreements in Central Africa has failed to produce the expected results some 50 years after independence. The problem of coordinating the activities of ECCAS, CEMAC and CEPGL is a more daunting task and ever a topical issue, with a view to revitalising, stimulating and reforming the integration process in Central Africa. However, RECs in the region, and their sub institutions, especially ECCAS and CEMAC have bolstered the financial sector, trade, free movement of goods and services, infrastructural developments, food and environmental security programmes, and a plurality of others, though much still need to be done as the region has failed many times to meet up with its integration calendar targets at estimated periods.

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CHAPTER FOUR

CHALLENGES AND PROSPECTS OF REGIONAL ECONOMIC INTEGRATION IN THE CENTRAL AFRICA SUB REGION

4.1. Introduction

Despite the benefits that come with regional economic integrations and the extent to which the various institutions pushes the economic integration of the sub region forward, it will only be successful when the challenges that come along with regional economic integration are tackled. The on-going eurozone crisis has raised a series of questions about the relevance of regional economic integration in Central Africa and other parts of the world. This chapter examines the performance of regional economic integration in the sub region and assesses its prospects and challenges.

4.2. Assessment of Economic Integration Performance in the Sub Region

4.2.1. Trade integration:

The low level of development of transport infrastructure, particularly roads are obstacles to the free movement of persons and goods, a weak private sector and persistent tariff barriers have not allowed for a real development of trade in Central Africa. Intra-community trade within Central Africa still remains one of the weakest in the continent. From 2007- 2012, intra-community trade within CEMAC stood at 5.2% for exports and 11.7% for imports as percentage of their total intra-community trade while that within Africa stood at 13.4% and 59.1% respectively (WTO, 2013:14). In ECASS, things have not been so different according to Arnaud D. Fotso (2014: 4). Intra-ECCAS exports moved to an average of 1.1% of total exports in 2001 to 0.9% in 2011 and imports turned down from 2.41% of the

total imports to 2.39%. The re-launch of the ECCAS was guided by the decision of implementing a FTA by July.

Since officially launched, the ECCAS FTA is not yet in effect and no State has so far executed the decisions relating to the FTA. Moreover, it should be noted that the intra-regional trade is still very low. On the other hand, the CEMAC FTA was, in principle, established in 1994 with the entry into force of a zero rated preferential tariff on intra-Community trade planned for 1998 and according to the CEMAC Customs Code, goods in transit benefit from the suspension of duties, taxes, prohibitions and other economic, fiscal or customs measures that may apply. In practice, trade is still much impeded by the excessive taxation of imports and the consequent smuggling. Goods traded within CEMAC are taxed at every border crossing and customs post, whatever the administrative procedure (WTO, 2013: 18). Non-tariff barriers remain a major obstacle to regional trade. Such barriers include red tape (overtaxing of goods, random checkpoints along corridors); highway robbers; and the poor state of major highways. Landlocked and island countries and regions are most affected by these difficulties. This situation increases factor costs, hampers the emergence of a dynamic private sector and stifles the competitiveness of the region. The gradual dismantling of non-tariff barriers, especially through implementation of the Central African Consensual Transport Master Plan (PDCT-AC) should ultimately foster regional trade (AfDB, 2011: 7)

4.2.2. Status of macroeconomic policy convergence:

ECCAS does not have a formal mechanism for the harmonization and convergence of the macroeconomic policies of its Member States, except CEMAC countries which have a

multilateral surveillance and stabilization system which, since 2001, has developed from mere annual monitoring into a surveillance mechanism based on three-yearly convergence objectives. However, ECCAS countries have in actual fact individually embarked on a process to improve their macroeconomic frameworks through their relations with the IMF which could in the long run help lay down the bases for the establishment of a mechanism for harmonization and multilateral surveillance in ECCAS, drawing from the experience of CEMAC zone (African Development Bank, 2005: 9)

4.2.3. Private sector and business environment:

The private sector is not developed in ECCAS countries. The majority of jobs in the private sector are provided by the informal sector which is made up essentially of small trades and trading. The poor competitiveness of businesses in Central Africa is incidental to the problems inherent in their establishment. It takes on average 11 administrative procedures and up to 61 days to start a business in CAR and the time required to start a business is 149 days in the DRC and 38 in Gabon. These obstacles are related to lack of savings, the reluctance of banks to finance SMEs/SMIs, harassment by tax authorities and lack of transport, energy and telecommunications infrastructure. With regard to the Doing Business ranking, both in Africa and globally, Central African countries lag behind from the business environment standpoint (AfDB, 2011: 7). Private investment by major enterprises, essentially foreign, is concentrated mainly in the oil and mining sectors (Angola, Gabon, DRC, Chad, Equatorial Guinea and Congo) which remain poorly integrated into the rest of the economy. Privatization programmes are confronted with rigidities because the branches concerned are often deemed strategic. The rest of the enterprises are essentially SMEs/SMIs which process timber (sawing, peeling and joinery

in Gabon, DRC and Cameroon), local products (fruit juice and cigarettes in Cameroon) or imported products (cement from clinker in Gabon, DRC and Cameroon, plastics from PVC). In addition, all the countries have breweries (beer and fizzy drinks), with the exception of Equatorial Guinea and Sao Tome and Principe). The private sector is also present in the hotel industry, carriage of goods and provision of services to households and enterprises. In most countries in Central Africa, the main obstacles to the development of the private sector are: political uncertainties and conflicts (Angola, CAR, DRC, Rwanda and Burundi); institutional weaknesses, particularly unattractive incentive measures, contract regulation problems and difficulties in obtaining business licenses; high costs of factors of production, especially transport, electricity and telecommunications; small domestic markets and difficulties of access to the regional market; lack of skilled labour (to a lesser extent in Cameroon and DRC); difficulty of access to bank financing and the lack of guarantee funds; and problems of payment in the sub-region and the non-convertibility of currencies, especially between the CEMAC zone and the other ECCAS countries. (African Development Bank, 2005: 10). It should be noted that in the CEMAC zone, the regional investment charter was adopted in 1999 which provided a comprehensive framework for the promotion of private investments, particularly through guarantees, legal protection against the risk of attachment by a State and the freedom to repatriate profits in compliance with the regulations of the currency area. The harmonization of national laws governing business, within the framework of the Organization for the Harmonization of Business Law in Africa (OHADA) is a great development in the region (AfDB, 2011: 8)

4.2.4. Free movement of persons

It is effective only between four countries of CEMAC (Congo, CAR, Cameroon and Chad). For the other countries, it is necessary to obtain a visa to travel from one country to another. The traveller must have a valid passport which is a document difficult to obtain in many countries, which greatly limits the movement of persons (ECA, 2012: 17). Inter-State roads are scarce and sea transport and waterways are not used. In spite of its high cost, air is the main means of transport used in regional travel. But this mode of transport is in short supply in the region. The instrument instituting the free movement of some categories of persons adopted since January 1990 by the decision-making bodies of ECCAS is yet to be implemented. Efforts towards free movement within the CEMAC sub region has improved especially as 2013 saw Equatorial Guinea and Gabon reconsidering their decisions not to implement the planned free movement of people in the region as they had earlier cited concerns that the visa-free travel regime would threaten employment opportunities for their citizens (UN Security Council, 2014: 2).

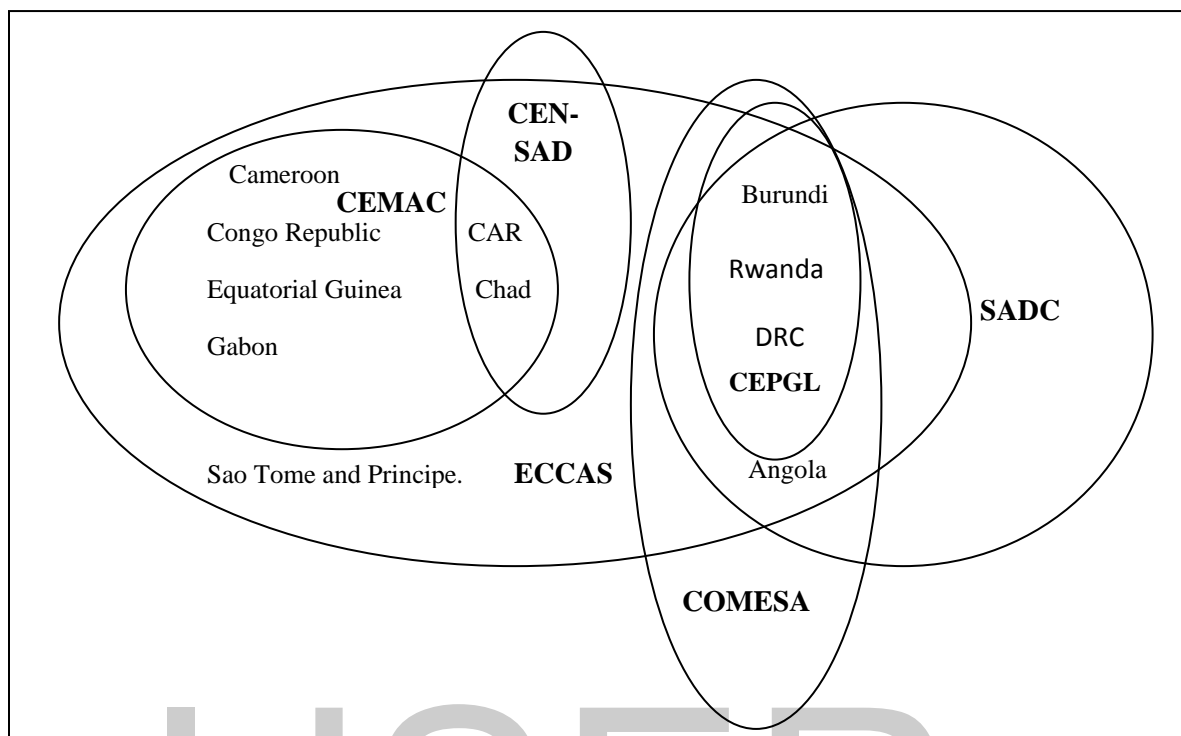
Furthermore, one can mention the introduction of CEMAC registration numbers, which are connected to a database which permits the security forces of Member States and Interpol to conduct searches, in many cases concerning vehicle theft. In addition, vehicles displaying these registration numbers can move freely between member countries without having to change their registration numbers. Lastly, CEMAC has introduced a common vehicle insurance scheme known as the “Pink card”. This card allows any driver travelling in one or more countries, to be properly insured in the case of accident in the destination country. CEMAC countries have also adopted a community Highway Code which governs the use of community roads open to traffic (Nono, 2014: 17).

4.3. Challenges to Economic Integration in the Central Africa Sub Region

4.3.1. Multiple integration schemes and overlapping membership

Multiple and overlapping memberships in RECs have created a complicated web of competing commitments which, combined with different rules, result in high costs of trade between African countries and in effect, undermining integration in the region. Multiple and overlapping memberships occasion resource and effort wastage due to duplication/multiplication of effort. It complicates harmonization and coordination among member states and according to the ECA, it tends to muddy the goals of integration leading to counterproductive competition among countries and institutions (Ndomo, 2009: 10). Three regional economic communities operates in the Central African sub region and except of São Tomé and Príncipe, who is a member of just ECCAS, all the countries of the sub region belong to at least two regional economic communities. Democratic Republic of Congo, Burundi, and Rwanda as examples, are members to four different schemes (ECA, 2006: 54).

Figure 1 Overlapping membership in the Central Africa sub region



Source: Extracted from Economic Commission for Africa (2006: 51)

Overlapping membership is continuously hindering the economic integration of the sub region and as it has led to duplication of programmes. This duplication is apparent mainly in trade and market integration, trade facilitation, free movement of people, peace and security, and water resources programmes. Despite the different schemes acknowledging duplicated programmes in trade and market integration, intra-community trade remains unacceptably low with the sub region. Multiple and overlapping membership has also led poor coordination, and inefficiency among members as they don't respects all the various norms of the different schemes. In financial contributions to the various schemes, no regional economic community receives full contributions from all its members apart from CEMAC (ECA, 2006:59). This is because the other countries may have spread too thinly

among the many regional economic communities, Countries may not be certain of the gains from regional economic communities that are underfinanced, or they may not have realized any benefits while the regional economic communities have existed and they may have joined the regional economic communities without sufficient strategic consideration leaving budgetary support nonexistent (ibid).

Accounting for the multiplicity of integration schemes and overlapping membership in the sub region, ECA (2006: 52) attributes it to variable geometry. In this situation, countries are allowed to integrate on various fronts, with some fronts moving faster than others. Take ECCAS, for example. Variable geometry accelerates the integration programmes of CEPGL while preserving the achievements and benefits of ECCAS. The reasoning behind variable geometry is to allow smaller subsets within larger blocs to integrate faster. A second school of thought on variable geometry argues that countries belong to more than one regional economic community to optimize the benefits from integration while insuring against adverse consequences of belonging to only one bloc. This is especially true in Central Africa, where since 1993 ECCAS and CEPGL seem to have ceased activities as a result of the crisis in the Great Lakes. If CEMAC did not exist, countries in the sub region that made progress in integration may not have had the opportunity to do so (ibid).

Another argument for the proliferation of regional integration blocs is attributed to stems from a quest to seek and create optimal economic spaces to coordinate and harmonize national policies and strategies in sub regions and eventually the entire region. Participating countries could individually and collectively reap higher rates of economic growth. This argument seems to be the incentive for small and weak countries to join several regional

economic communities at the same time so as to maximize gains from each scheme (ECA, 2006: 53).

Despite the reasons advanced for the multiple of schemes in the sub region, it has remained a problem as it has created more harm than good. Duplication of programmes and functions has continuously hindered the economic integration of the sub region. It has reached a point where the multiplicity of schemes are seen to be elite-based, where political leaders form schemes at will either to counteract the powers of some powerful schemes or because they are confused. This is because the gains members seek when joining multiple schemes or creating some can be achievable in a one and well-crafted integration scheme. This has remained a problem in the Central Africa sub region.

4.3.2. Rationalisation of regional economic communities in Central Africa

As earlier noted, the sub region has three integration arrangements and a host of other integration institutions, resulting in varying degrees of duplication and overlap in their membership and mandates. CEMAC has taken significant steps toward rationalization and harmonisation of their projects and policies. However, for the most part, the issue is yet to be addressed seriously. In general, the Central Africa sub region has failed to fully internalize the benefits of rationalization and as such, more efforts on rationalization are not being implemented. The question of rationalisation was placed on the agenda of the 2006 AU Summit in Banjul. The Summit's deliberations and decision did not go as far as providing a clear-cut guideline on how to move toward a rationalised integration framework within the regions. However, the Banjul Assembly did endorse the recommended moratorium on the recognition of new RECs, and called on existing communities to coordinate and harmonise their policies ((Dinka and Kennes, 2007: 16).

Rationalising the schemes in the sub region has often been confronted with problems such as: Poor political will where Central Africa leaders have not shown any political will or commitment to push forward the integration of the sub region; the fear of losing sovereignty. This has overridden the common good of rationalization; and the lack of a compensation mechanism for losers since integration creates winners and losers in the short term. All these have hindered rationalization in the sub region.

4.3.3. Poor Transport infrastructure

According to the African Development Bank Group (in Nono, 2014: 16), the weak basic infrastructure and inadequate interconnection of national transport networks between countries remains one of the main obstacles to achieving the economic and physical integration of Central African countries. Tarred roads represent less than 20% of the whole regional road network which covers about 150,000 km. Moreover, Railway systems are not connected, and railway lines are obsolete and underused. In terms of maritime transport, the major ports in Central Africa are ill-equipped to handle the burgeoning maritime transport in that region. The low level of development of transport infrastructure especially roads, is a real impediment to the development of trade. In countries as vast as Angola, Chad and DRC, the bad state of roads, when they exist, and poor air transport services make it impossible to link agricultural production points to urban consumer markets or export markets. This situation seriously limits the development of intra-regional trade. Apart from the Kigali-Bujumbura road link, the Yaounde-Libreville, Yaounde-Bangui and Yaounde-N'djamena no two capitals are linked by a completely tarred road. As of 2005, there was a main road network of 147 314 km of which only 15% was tarred, representing a road density of 2.2 km/100 k² for the entire network and 0.3 km/100 km² for the tarred roads

(AfDB, 2005: 12). In 2000, ECCAS had the least integrated road system, with 4,953 kilometers of missing links in 10,650 kilometers, or 47%. During this period, ECCAS and CEMAC remained as one of the least connected sub regions. The Republic of Congo had only five direct flights to other member countries, and in São Tomé and Príncipe the weekly frequency of flights was so low that passengers had to wait for days to make their way from some capital cities in the sub region. A lack of financial and technical resources and commercial cooperation combined with protectionist policies has severely hampered connectivity in the sub region (ECA, 2004: 135, 138).

4.3.4. National and regional interests

Although member countries entered the different schemes in Central Africa willingly, in practice, most are not ready to cede power and authority to their regional bodies (Dinka and Kennes, 2007: 18). They are reluctant to voluntarily relinquish a portion of national sovereignty in favour of regional entities. While the ability to act jointly has a number of advantages, including enhanced bargaining power internationally, this has to be reconciled with the reality of national inclinations to retain autonomy in decision making. Over time and with the further broadening and deepening of integration in Central Africa, it is expected that the issue of pooling sovereignty in some areas or supranationality would gain more acceptance. The issue of whether and how much a country benefits from integration is a closely related matter pitting national against regional loyalties. In particular, as the economically weaker countries are, at least in the short term, likely to be on the losing side of the “winners and losers” of regional integration, they have reason to be less enthusiastic about implementing the agreed agenda of their regional bodies.

4.3.5. Weak community vision and political will

Central Africa is also characterized with weak community vision and political will. This is seen as the instruments instituting the free movement of some categories of persons adopted since January 1990 by the decision-making bodies of ECCAS is yet to be implemented. This situation is also disturbing within the CEMAC zone where the integration process is at a more advanced stage in the Central African sub region. The free movement of persons is not yet effective between all States, despite the relevant agreements signed by the States (WTO, 2013:21). The weakness of the community vision is also shown by slippages in the payment and the non-payment of contributions by the Member States which in turn has led to weak community institutions incapable of recruiting neither the best experts nor acquiring modern equipment in order to better design, implement and coordinate regional integration policies (AfDB, 2005, 2011). Political unrest and armed conflicts have deepened poverty and worsened the population's living conditions, particularly in the rural areas where food insecurity is on the increase. In particular, the populations displaced to remote areas live under precarious conditions.

4.3.6. The absence of an integrated financial market

According to the African Development Bank, (2005), only the CEMAC zone has a relatively integrated financial market at the sub-regional level. For ECCAS and CEPGL countries, the financial sector is national, without any regional dimension and without formal institutional relations with CEMAC. The compensation mechanism that existed between BEAC and the Central Bank of Congo (DRC) was abolished during the crisis period, because of the difficulties that ex-Zaire experienced. In Angola, after the nationalization period between 1975 and 1991, there has been an upturn in growth of the

financial sector, driven by the establishment of domestic and foreign financial institutions. In DRC, the financial sector suffered from a defective and chaotic business climate characterized by hyperinflation, currency distortions and frequent change of exchange rate policy. Many banks therefore accumulated bad debts, causing them to grant only high-interest and short-term loans for external trade.

4.3.7. Lack of a regional hegemon

Central Africa suffers from an absence of a driving and rallying force capable of asserting itself as the undisputed leader, by virtue of its influence both within and outside the region, and which is able to oppose any greedy actions within the region. Central Africa is the only African region with such a vacuum (Ayangafac, 2008: 138-141). Cameroon and Gabon have distinguished themselves as the twin driving forces in CEMAC and Cameroon can naturally and legitimately aspire to singly assume the leadership role. However, it does not have the resources to stand alone before the other African regional powers (South Africa, Nigeria, Egypt and Kenya). Cameroon is handicapped by a number of shortcomings: timid diplomacy, an average-sized army, a relatively low population, an embryonic economic fabric, as well as under-used scientific and technical research capabilities. It therefore needs a reliable associate with whom to form a harmonious and influential partnership in a Central Africa Region which can handle the challenge of integration on the African continent. At the level of ECCAS, The possibility of the DRC as the diplomatic leader of the region depends on the success with which it is able to accomplish its political, economic and social reconstruction. The other country that could exercise regional leadership is Cameroon. Angola is often mentioned as a substitute leader and on the strength of its oil and diamond resources as well as its military might, Luanda intends to play a diplomatic

role commensurate with its potential. However, if Angolan authorities fail to take the necessary measures on the domestic front, the strength of their country may fail to be realised. The government needs to build a state, a nation and the economy as well as the Angolan society. This entails; reintegrating displaced persons and ex-combatants confined in camps, restoring peace in Cabinda, fighting corruption within the political and military hierarchy, diversifying the economy, reducing the management staff shortages, improving relations with development partners, repairing infrastructure and combating the rise of racism in the country, which is a legacy of the ethnic and racial opposition which underpinned the Angolan civil war (Ayangafac, 2008: 140). The social restoration of Angola also presupposes combating the diseases which are eroding the country's fabric. These include sleeping sickness, malaria, tuberculosis, chicken pox and AIDS. Although its enormous potential means that it would be suited to such a responsibility, Cameroon is an insular country which is unlikely to assume such a role in the present circumstances (ibid).

4.4. Prospects for Deeper Integration in the Central Africa Sub Region

4.4.1. Pivotal position

Central African territories occupy a strategic and pivotal position. It is the only one sharing boundaries with all regions of the continent; in the West with ECOWAS and CENSAD, in the North with AMU and CEN-SAD, in the East with EAC, COMESA, IGAD and CEN-SAD and in the South with SADC. The region thus ensures the physical continuity of African spatial integration. Central Africa harbours great economic development potential, owing especially to oil from the Gulf of Guinea, vast metal and mineral deposits, enormous water resources in the Congo-Oubangui-Sangha basin and the Great Lakes and the second

largest tropical forest area considered the second lung of the planet. As such, financial valuation for the absorption of 500 million tonnes of carbon dioxide, for the good of all mankind, and in compensation for emissions of this gas from other parts of the world would be quite legitimate (AfDb, 2011).

4.4.2. Hydroelectric potential

According to the African Development Bank (2005), The hydroelectric potential of the river Congo, the world's second largest river by virtue of its flow (40 000m³/ second on average emptied into the Atlantic Ocean), is remarkable with 100 000 MW of which 44 000 MW for the Inga site alone. Simulations show that implementation of the "Grand Inga" project would allow for the supply of power not only to the whole of Africa but also to the Middle East. In addition, Central Africa has the biggest oil-producing countries of sub Saharan Africa (after Nigeria); Angola, Congo, Gabon, Equatorial Guinea, Chad and possibly Sao Tome and Principe. These countries also have gas reserves. DRC and Rwanda have natural gas reserves in Lake Kivu, while Angola, CAR and DRC have various rich mineral deposits (gold, diamond, copper and coltan). The judicious tapping of these resources could significantly contribute to the improvement of the population's living conditions, through regional integration as shown by the tapping of Chad's oil which is a good example of cooperation between this country and Cameroon. Moreover, the tapping of the mineral deposits of DRC would require the consolidation, and even construction, of community infrastructure such as the railway which would contribute towards the development of other activities.

4.4.3. Water ways

Central Africa also has significant potential in terms of inland waterways, both national and international (when they delimit borders), which could contribute towards the facilitation of regional trade. They include the Congo River and its main tributaries (Kasaï, Oubangui, Sangha and Alima), the Ogoué River and Lake Kivu and Lake Tanganyika. The inland waterways system which comprises the right bank of the Congo River and its tributaries (Oubangui and Sangha), commonly called the trans-equatorial, has always been a route for physical integration and trade for CAR, Congo, Cameroon, DRC and Chad (landlocked country). Lake Tanganyika between DRC, Burundi and Rwanda also serves this purpose. The length of the waterways contributing towards integration in the sub-region (international waterways), with differing navigability conditions, is at present estimated at over 3100 km (ibid).

4.4.4. Oil

One of the important characteristics of the sub region is the presence of oil and its growing importance in recent years. According to Ali Zafar and Keiko Kubota (2003: 11), the oil sector accounts for more than 50% of the GDP of Equatorial Guinea and the Republic of Congo and close to 40% of Gabon's GDP. For CEMAC in particular, oil accounts for close to 25% of its total GDP and 70% of its exports. Chad, one of the poorest economies in the world, is rapidly joining the other oil-based economies in the region with the construction of the billion dollar Chad-Cameroon pipeline, which is bringing it much needed public revenues in foreign exchange. Meanwhile, Equatorial Guinea, situated between Cameroon and Gabon, has become one of the world's fastest growing economies since the discovery of large oil and gas deposits of the island of Bioko in the mid-1990's. The country is

experiencing an economic boom. It overtook Gabon and Angola as the highest oil producer in the region by 2003 when it started producing between 200,000 to 250,000 barrels of oil a day. Recently proven, oil reserves in Central Africa region are estimated at 31.3 billion barrels, representing 28% of the continent's total reserves (AfDB, 2011).

4.4.5. Forestry

Covering about 190 million, the dense forests in Central Africa represent the second largest eco-forest zone on the planet after the Amazon. The forests represent the second source of fiscal receipts after oil, the first source of animal proteins, and the largest source of employment apart from public administration. In fact, for several countries (Congo, CAR, Cameroon, Gabon, DRC), forest contributions (the value of industrial wood production and the value of fuel wood and charcoal) to their GDPs exceed 5%. The forestry sector is also important because it is a renewable resource, in contrast to the mining and petroleum sectors (Zafar and Kubota, 2003: 13).

Small fragmented and isolated economies in Central Africa, with resources distributed very unequally among them makes a compelling case for these economies to integrate regionally in order to reap the efficiency gains, exploit scale economies, and reduce the thickness of borders. Progress has been rather slow and reality has fallen far short of aspirations. This is expected to continue if the challenges hindering the economic integration in the region are not tackled. However, many innovations are being made such as the introduction of the CEMAC digital passport in 2000 to ease free movements of persons, harmonisation of sectoral policies such as, among others, agriculture and energy in the region, introduction of a free trade areas, and a host of other innovations. These has however help the economic

integration of the sub region though much is still needed- more of practical than theory, such that economic integration be prioritized as an important development tool for the sub region.

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CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This chapter has three main focal points: a summary of the entire work; the general conclusion; and recommendations based on the findings. The summary summarises all what the research is all about for easy consumption by the reader and just by reading the summary, the reader will be able, in concrete terms, tells what the research is all about. The Conclusion draws the final line on the research bringing out what was discovered in the course of the research. The recommendations suggest what should be done in this area of study in order to perfect the on-going hurdles and this is drawn from the conclusion and the work in general.

5.2. Summary

It should be noted that regional economic integration is one aspect of a wider strategy to promote growth and economic development in Central Africa. Its complete success will improve competition, reduces transaction costs, allow economies of scale, attract foreign direct investment and make macroeconomic coordination easier. This research started off by reviewing literature in chapter two, looking at the structure and different stages of regional economic integration as postulated by different authors. There seems to be consensus in literature that discriminatory trading agreements are fully justified if they are regionally based, and if members acting together can influence the terms of trade with the rest of the world. However, the benefits of regional economic integration are only somewhat enjoyed in the long-term, whereas its costs have to be met in the short-term by

members. These benefits are important and more than necessary for Central Africa, as they are fundamental to the continent's economic development and growth. Chapter three looked at the institutions and benefits of regional economic integration. Some of these benefits include: having a strong bargaining power in international forums; having a viable market size that attracts foreign direct investment; as well as an improved scope for diversification in production. Though it is usually averred that the multiplicity of schemes has become a problem, this has been sorted out by cooperation agreements between the different integration institutions in the region and the harmonization of some regional policies like agriculture and finance. Regional economic institutions in Central Africa have benefited the region quite a lot though much still needs to be done. Policies like agriculture and finance are being harmonized and this is supported by a lesser degree of political willingness and commitment by countries to implement agreed programmes. This chapter further assessed the degree of economic development in the sub region and advanced reasons why economic integration is still relevant for its development.

Chapter four investigated the challenges and prospects of regional economic integration and some of these challenges faced include: poor transportation in the sub region; distrust among members; and a weak community vision and political will though with much prospects for integration in the sub region like the region's pivotal position, its water ways and oil deposits. Chapter five concludes on the subject matter with the view that regional economic integration is relevant in the sub region, despite how slow it has progressed over the past years, followed by recommendations with possible ways to improve the present situation.

5.3. Conclusion

Central African economies have recognised the relevance of regional economic integration and are gradually making it the best option in solving economic challenges in the sub region. The sub region, with its oil and mineral deposits, forest, and rivers will certainly overcome problems like poor industrialisation, food insecurity, poor transportation, and others, should they integrate effectively with one another. The sub region has no doubt instituted a series of regional economic integration institutions that are bolstering its economic integration, but a plurality of such institutions has instead hindered its economic integration as a result of duplication of functions and sometimes, competition between the different schemes or institutions. Though cooperation has been initiated between integration institutions in the sub region as a tool to better advanced integration performance, the progress and benefits of integration still remain low and slow in the sub region, but it remains factual that the relevance of economic integration in the sub region goes beyond limits and more will be achieved in the sub region through economic integration if these loopholes are closed.

5.4. Recommendations

In general terms, Central Africa has witnessed some progress as far as its agenda for regional economic integration is concerned. However, this progress is slow, and not matching its aspirations. Central African countries still face numerous obstacles in their regional integration agenda, and among these are factors such as: overlapping membership; weak production structures; tariff and non-tariff barriers to trade; disunity among Central African economies; and lack of popular commitment to the ideals of regional integration. This

section concentrates on the recommendations that might help enhance the economic integration of the sub region.

5.4.1. Fostering economic efficiency

As indicated in this research, economic efficiency can be fostered by a policy of effective free trade which will stimulate competition. The adjustment to effective free trade, at least within the integrated group should therefore be taken into consideration. A relatively limited domestic market and demand in small countries often prevents the employment of the most efficient technologies even if trade barriers are prohibitive. The efficient operation of many modern technologies requires secure access to the widest market, which will not exist in Central Africa economies if they don't unite effectively. Elimination of tariffs, non-tariff barriers, as well as regional coordination of economic policies can be solutions to the problems faced by small size economies in the sub region. In a world of continuous technological advancement and market changes, integration may expand and secure markets for variety of goods and services from the sub region. As indicated earlier, Central Africa's economic integration is further retarded by the fact that most economies trade mainly in raw materials with a weak industrial bases and inadequate infrastructure.

5.4.2. Implementation of an overall sub regional strategy

It is recommended that an overall sub regional strategy should be formulated which will provide guidance to RECs in Central Africa and sub regional industrial strategies. If this is well-planned, it could also at some point lead to the introduction of new and modern technology in manufacturing sectors, and an improvement in intra-community trade in industrial products.

5.4.3. Markets integration

Development, harmonisation and integration of national and regional financial markets, including elimination of barriers and reducing risks affecting the free movement of labour and capital could be another step. Such markets would help finance the integration process.

5.4.4. Wealthier countries given lead roles

Big and somewhat wealthy countries such as Cameroon, Equatorial Guinea, could be given opportunities to play a leading role in regional integration in the sub region. Smaller, poor and landlocked economies would be able to learn from these bigger economies and also benefits from the market sizes, natural resources and industrial bases

5.4.5. Pooling resources

By pooling resources and exploiting comparative advantages, integrated economies can devise common solutions to problems. In addition, regional economic integration can assist in providing a framework for coordinating policies and regulations. Central African countries will also have to commit themselves to defining a set of strategic objectives. These objectives will, of course be determined by each country, taking into account its resource potential. Diversification of an economy is necessary in order to minimise the impact of trade shocks on an economy and increase the benefits from trade reforms. Diversifying Central African economies away from current levels of dependency on primary commodities is a point to consider. In a nutshell, effective pooling of resources and expertise to tackle cross-cutting regional challenges, such as infrastructure, governance, gender, HIV/AIDS, peace, security and conflict prevention, will help reduce the costs of integration.

5.4.6. Industrial policies

Industrial policies should also be taken seriously by RECs in Central Africa. They should urgently put in place industrial policies that would expand the industrial bases in different countries and improve production capacities in order to enhance competitiveness. Investment in industry, agriculture and infrastructure should be encouraged through investment-friendly policies that can be gotten through harmonization of business laws in order to open up markets for cross- border investments.

5.4.7. Macroeconomic policy convergence

Monetary cooperation and capital market development are essential for effective regional economic integration. It is recommended that all schemes in Central Africa establish criteria for macroeconomic policy convergence. A lack of financial integration in Central African economies creates serious difficulties in economic integration, mainly because underdeveloped financial systems limit growth prospects. It is recommended that Central Africa should focus on the development, harmonisation and integration of national and regional financial markets, establish regional markets, remove barriers to cross-border investments and form sub-regional financial institutions, which will assist in overcoming constraints experienced at the sub regional level.

5.4.8. Supranational bodies

Regional economic integration is a desirable strategy for faster and collective growth and development. The prospect for regional economic integration depends on improving the enabling economic environment and overcoming some political hurdles. In this regard, it is recommended that political willingness and some element of sovereignty be sacrifice to

supranational bodies. This justifies some governments' reluctance to implement RECs treaties, protocols and developmental plans, as manifested by their unwillingness to sacrifice immediate national political and economic interests to long-term regional objectives. It is further recommended that follow-up mechanisms be created to ensure respect for agreed Community timetables on issues such as reductions on tariff and nontariff barriers, macroeconomic policy stabilisation. RECs should be able to sanction indifferent performance or failures in order to fulfill commitments to protocols and treaties.

5.4.9. Pattern of integration

The biggest achievements in regional economic integration have been in the European Union (EU). The Union has achieved a complete economic and monetary union and many economies in other regions have tried to copy some of the EU's integration procedures. Central Africa needs to learn, adapt and incorporate the lessons of trade reforms in industrial countries as well as other developing countries. Though the EU has been described as the best example of a successful regional economic integration model, it is recommended that Central Africa should not purely try to duplicate it as Central Africa is made up of economies with weak industrial bases whereas the EU countries are more developed. With regards to the Economic Partnership Agreement (EPA) signed between Central Africa and the European Union, though several controversies abound, the principle of reciprocity which is mention in the agreement will be progressively introduced over an indicative period of twelve years and the EPA is to support and foster the regional integration process in the sub region. This includes; the harmonisation and implementation of sound macroeconomic and sectoral policies as well as establishment of a monitoring system for the regional FTA. Specific attention is to be given to the effective

implementation of the CEMAC customs union, which remains problematic. In line with the goals and principles stated in the Cotonou Agreement, the Central Africa-EU negotiations towards the EPA must accord priority to the promotion of sustainable development and poverty reduction in the region. Ironically, tariffs form an important source of revenue for the region's governments, making up from 28% to 65% of national budgets. Moreover, liberalising trade with the European Union will have important consequences in terms of greater competition within Central Africa's domestic markets. Overall benefits are expected related to consumer welfare and market efficiency but many local producers and firms might be unable to compete with EU products and be forced out of their businesses. It is recommended that Central Africa economies should avoid ratifying such treaties as it might increase the welfare effects of the Central African inhabitants but end up pushing local producers out of the market as local producers; either agricultural or industrial can never compete with the well-established EU producers.

5.4.10. Multiple Memberships

Concerning the presence of many regional economic integration schemes in Central Africa and the furtherance of regional economic integration, eradicating wasteful or costly duplication of multiple memberships and rationalising some overlapping sub-regional blocs needs to be considered. This should be based on priority needs and efficiency from comparative advantage. To deal with this challenge, the reasons for belonging to various groupings or forming sub-groups within the same groups or sub region should be carefully studied. There is need to rationalise the number of blocs and membership to them, based on thorough analysis of comparative advantages and cost and benefit.

5.4.11. Integration institutions

There is need to strengthen and empower the institutions that implement and monitor regional integration programmes both at the regional and country levels. Any central authority overseeing convergence and integration should be independent of all national authorities' influences. It should have a mandate that is well anchored on the agreed key objectives, such as ensuring price stability, with sufficient authority to enforce (and possibly supervise) compliance by all members for the attainment of the shared objectives. The roles for national central banks and the common central bank should also be clearly defined beforehand.

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