



photo by S. Pecio

THE END OF THE PAN-AFRICAN ILLUSIONS

“ (...) BUT WITHOUT MORE FINANCIAL RESOURCES FOR TRADE FACILITATION COMING FROM OUTSIDE, NATURAL BARRIERS TO FREER TRADE WITHIN AFRICA WOULD BE STILL PARAMOUNT. AFRICA REGIONAL INTEGRATION MUST BE BASED ON SUB-REGIONAL INITIATIVES (WEST, CENTRAL EAST AFRICA). A PAN-AFRICAN AGREEMENT IS ILLUSORY” – CLAIMS PROFESSOR ROLF LANGHAMMER, A SPECIALIST ON REGIONAL INTEGRATION IN AFRICA FROM THE KIEL INSTITUTE OF WORLD ECONOMY, INTERVIEWED BY MAGDALENA SZKUDLAREK FROM THE R/EVOLUTIONS EDITORIAL TEAM.

INTERVIEW WITH **ROLF LANGHAMMER**
BY MAGDALENA SZKUDLAREK

What are, in your opinion, the greatest challenges for regional integration on the African continent? What are the continent's strong sides?

The strongest challenge for regional integration are the European Partnership Agreements (EPAs) of the EU, which submit integration schemes in Africa under pressure to accelerate their often dormant free trade strategies. Many of them are paper tigers, as the political economy of vested interest groups speaks against the willingness of national leaders to expose their industries to competition from neighboring countries.

The continent's strong sides are the emergence of a middle class and a slow but continuous move away from the “strong man” attitude of many political leaders in Africa. There is empowerment of many groups in Africa, also due to technological advancement of social networks and the Internet, which bring more transparency and participatory movements to Africa.

Do you think that African regional organizations need stronger institutions or stronger leadership?

The organizations need stronger commitment to what has been written down in the agreements. As institutions are still relatively weak, especially in the regional context, one needs a mélange of support from outside and domestic political individuals who try to overcome attitudes of “divide and rule.” Hegemons defined as countries strong enough to shoulder the costs of leadership and to compensate losers for losses would be very helpful. South Africa is such a sub-regional hegemon for Lesotho, Botswana, Namibia, etc.

How did the failing of the Bretton Woods System change Africa to Western model in the 1970s, continue to be an obstacle to regional integration, or should we look at other economic factors on this issue?

Rising world market prices for commodities plus better governance than in the 1970s have been as instrumental to better performance as better economic policies in the countries and the opening of the IMF and the World Bank to distributional targets (Poverty Reduction and Growth Facility) and institution building. Better policies in the countries can be witnessed by less discrimination of the rural sector against the urban sectors today compared to the past.

To what extent do the UN and the EU coordinate their policies to promote development and regional integration in Africa?

Coordination still has room for improvement. Especially, EU agricultural policies still stand against progress in the agricultural sector of many African countries. The Bretton Woods institutions have no direct saying in African regional integration but the WTO induced the EU to substitute inefficient preferential trade agreements (Lomé and Cotonou agreements) for more balanced and equitable free trade agreements such as the EPAs.

“ WESTERN COUNTRIES MISSED TO HELP AFRICAN COUNTRIES IN DEVELOPING THEIR PHYSICAL INFRASTRUCTURE. THAT IS WHAT CHINA DOES NOW

How do you assess China's rising influence on the continent?

Principally, I have no negative assessment on that influence seen from an African perspective. Western countries missed to help African countries in developing their physical infrastructure. That is what China does now. That is positive for Africa. Setting up infrastructure now against delivering commodities later based on long-term supply contract is a forward business on which African countries can win should commodity prices decline in future relative to today. This cannot be excluded. Furthermore, dependency always runs two-ways. China will become dependent on Africa too.

Most people can agree that in the long run integration has to come from within, possible by the AU. In the mean time, is pressure by external actors to integrate the region a good thing? And if so, is it sufficient?

Without pressure from outside (plus support), removing trade and factor flow barriers in Africa would be very difficult due to lobby groups and their rent-seeking. But without more financial resources for trade facilitation coming from outside, natural barriers to freer trade within Africa would be still paramount. Africa's regional integration must be based on sub-regional initiatives (West, Central East Africa). A pan-African agreement is illusory. But the syndromes

of complexity and red tape such as overlapping membership should be avoided. In general, Africa's integration is very much threatened by negative discrimination effects (trade diversion), which harms the welfare of African countries. Therefore links to the EU and the rest of the world offer much more economic gains than integration among the countries.

Which part of the region is bound to make the fastest progress regarding integration in the near future?

Clearly Southern Africa under the leadership of South Africa.

Is this development not doomed to deadlock Africa in its current position of dependency?

No, as in the Chinese case (see above), dependency runs two-ways. To link up to a "natural" trading partner (such as Europe is for Africa), can be only positive for Africa. Free trade agreements are second-best approaches compared to multilateral agreements but as the Doha Round is not concluded, these agreements help Africa to receive financial resources apart from market access.

— **Rolf J. Langhammer** was Vice-President of the Kiel Institute for the World Economy from October 1997 until August 2012 and Professor at the Kiel Institute. He retired from the Vice-Presidency on August 31, 2012 but continues to work at the Institute. Mr. Langhammer has served as consultant to a number of international institutions (EU, World Bank, OECD, UNIDO, ADB), as well as to the German ministries of economic affairs and economic co-operation. He is a member of the Scientific Advisory Council of the Federal Ministry of Economic Co-operation and Development. He has also published in professional journals and contributed to many volumes of conference proceedings. His research fields are inter alia regional integration in Africa, European Union and Caribbean countries, macroeconomic globalization, international trade patterns, trade policies, and international capital flows.

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