Abstracts: Regionalism & Globalization

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The African Union & Regional Institutions

The artificial borders of post-Colonial African states are widely recognised obstacles to good governance and development; the obvious solution has always been deeper cooperation between African states. History has proven this solution easier said than done, and the authors take this chapter to investigate why. While regional coordination can certainly lower the barriers to progress and prosperity, there is only so much that free-trade can accomplish.

First, they argue that sovereign states face every incentive to assert their borders, especially in light of historical examples of irredentist violence. Secondly, they point out structural obstacles to economic development, particularly the light population density in the Sub-Sahara. Geographically, many of these countries are completely landlocked and therefore completely dependent on economic coordination with their neighbours for international trade. Lastly, the number of states sapped the economic potential of each country, which had to finance its own bureaucracies, port authorities, militaries, and so on. The opportunity cost of business with the former colonisers is substantially lower, especially when African economies only have primary goods to trade with one another.

"Practical Regionalism" has proven more successful than political Pan-Africanism at transcending these barriers to development. Free-trade institutions and monetary unions make it easier for African businesses to preferentially trade within the continent. Security institutions such as ECOWAS missions have proven useful for containing violence and peackeeping. The ambitious rhetoric of these international organisations often exceeds their capabilities; they succeed when their membership is limited, their purpose is narrow, and when regional heavyweights take on leadership roles. Indeed, this track record is consistent with the United Nations' and its subsidiary organisations' success: we shouldn't be that surprised.

Most noteworthy among these IGOs is clearly the African Union, which has a long way to go before it can match the success of the European Union. I would argue that this was because, unlike the European Economic Community during the Cold War, the African Union does not face an existential external enemy like the Soviet Union which incentivised its creation (the most comparable example in Africa is the SADC, which was created to reduce the dependence of black-majority states on Apartheid SA). Unique among the currency unions is the franc zone since 1999, which is now pegged to the euro but mediated via France.

World Trade & Late Industrialisation

This chapter tackles the poor terms of trade which African economies find themselves dealt in the aftermath of colonialism. Before the modern era, Africa was a wealthy continent, where caravan traders brought in taxable wealth from abroad in exchange for precious metals and human slaves. The arrival of Iberian expeditions and traders did not disrupt this situation so much as heighten the contradictions with immense purchasing power; slavery was now vastly profitable in the Americas and the means to acquire more slaves (European firearms) were cheap. Outside of the slave coasts, the imperial outposts were primarily way-stations for voyages headed to East Asia and they only later began trading with Africans. The "pacification" of the interior happened last in the late 19th-century; the period of total external control on the continent was brief but intense. The inheritance left behind by the colonisers has already been discussed at length in Thomson's book.

In the present day, a handful of states produce the overwhelming majority of African exports; the dominant export commodity of African economies remains petroleum, followed by minerals and then specialty foods. African is still a net-importer of food, a fact which is partially explained by monocrop dependency. The authors write that anti-competitive legal regimes explain the situation more than the superior terms-of-trade in the Global North. Corruption, overregulation, and small domestic markets make it difficult for entrepreneurship to thrive, in contrast with East Asia, which allowed technocratic autonomy for export-oriented development. Single-industry dependency in Africa also make the continent vulnerable to price-fluctuation and acts-of-god like floods or droughts. Even when African economies catch a windfall from a rally on their specialised good, there is no way to plan long-term without diversifying the economy and the short-term windfall may only benefit a small segment of society rather than a whole economy.

The World Trade Organisation offers a venue for African economies to benefit from the engine of multilateral free trade, but the authors write that the WTO can still potentially leave the continent behind. Importantly, the WTO's agenda remains dominated by the largest economies, and even a united Africa wouldn't be on equal terms. Permanent legal missions to the Geneva headquarters of the WTO is also expensive, money which could be better used elsewhere.

On specific WTO agenda items, the failure of the Doha rounds was a blow to African development. The WTO had always punted on agricultural protectionism, which is one area that is most economically "distorted" but most vital to Africa's prospects. Besides that, the Doha round also failed to ratify Non-Agricultural Market Access for light-industrial exports like textiles, which have always been the most reliable vehicle for industrialisation. The 1995 addition of Services to the GATT lessens the blow of Doha's failure, creating jobs for "low-skilled" workers. Intellectual property protections has made it very costly for African states to pay for drugs necessary to combat public health emergencies like HIV, malaria, and CoViD-19.