SISTEMA ECONÓMICO LATINOAMERICANO Y DEL CARIBE

NACIONES UNIDAS

CEPAL

Africa Regional Integration Index

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ECA

Relaciones Intrarregionales

Seminario: Visión Prospectiva de la Integración Latinoamericana y Caribeña
Ciudad de México, México
6 y 7 de marzo de 2018
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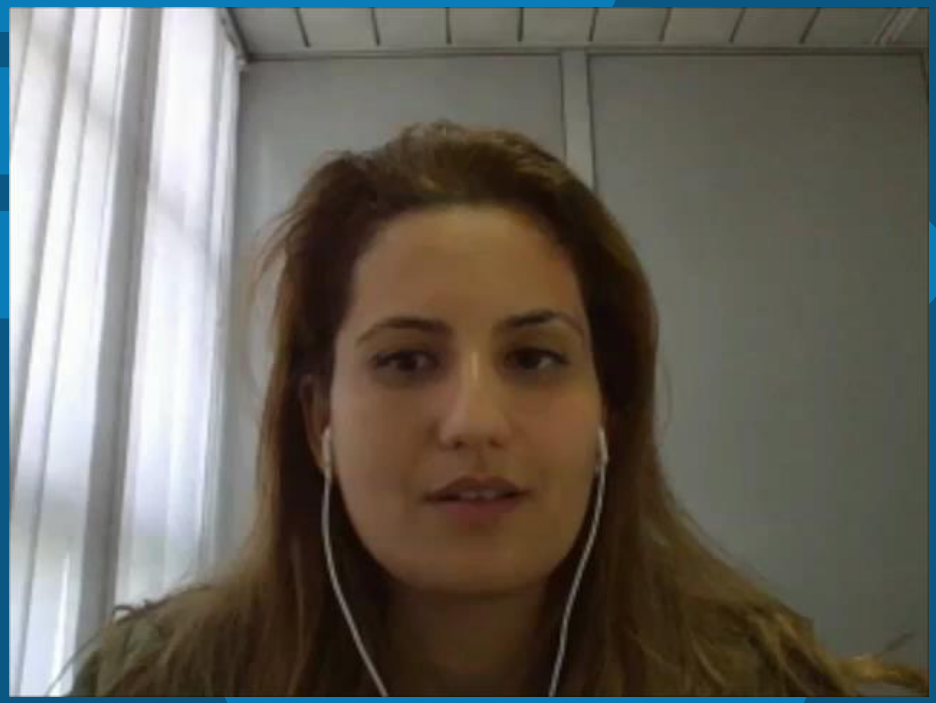
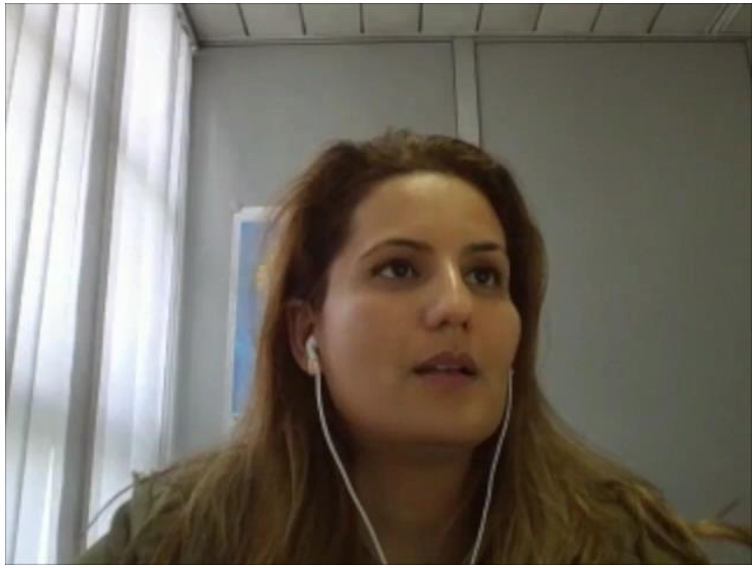


Africa Regional Integration Index

Ms. Wafa AIDI

6. March. 2018
Mexico City, Mexico

Seminar: Prospective vision of Latin American and Caribbean integration



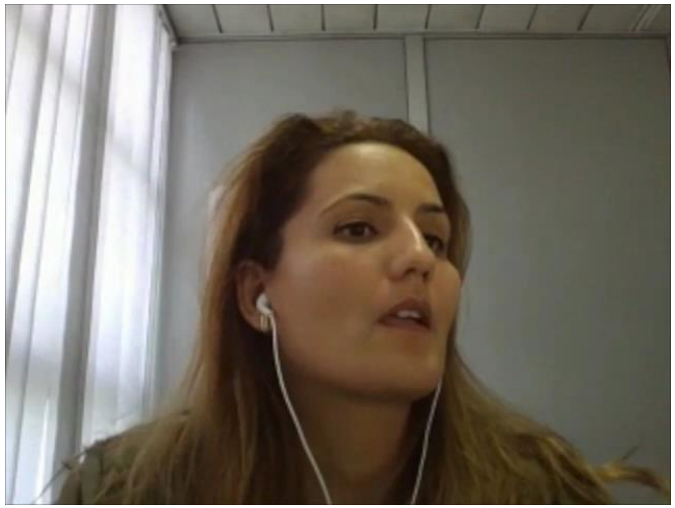
Plan of the presentation

- Motivation
- Context
- ARII Report (2016)
- ARII Report (2018) – Concept Note –

Plan of the presentation

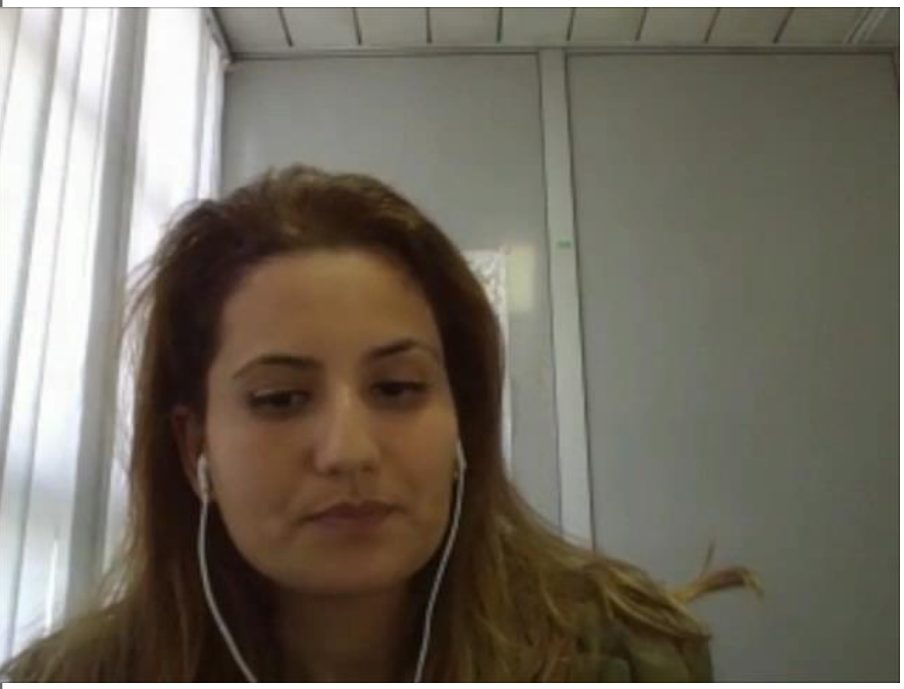
•Africa's regional integration commitments have suffered a lack of implementation

• Index gives incentives and recognition to encourage countries to implement provisions on various sectoral issues



- Constitution of harmonized databases enabling policy analysis as to which arrangements and policies have been most effective
- Identification of gaps by looking at regional integration through five dimensions

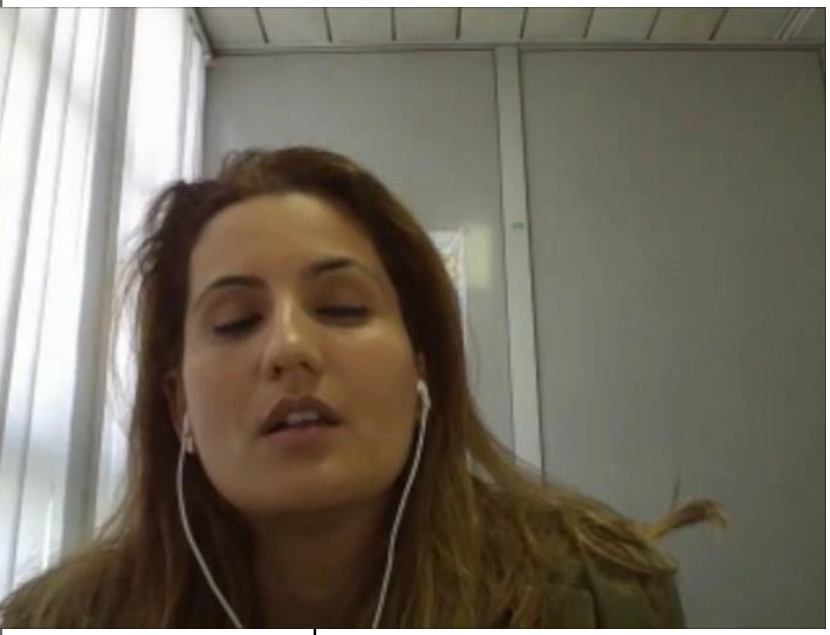
Consultations on what should be included in the Index with:



- RECs
- Member states
- African and other academic experts
- Other international organizations

Focus on MIP, PIDA, SDGs, Agenda 2063

Index structure



- African Airlines Association,
- African Development Bank,
- ECA,
- International Air Transport Association,
- International Trade Centre,
- UN COMTRADE,
- UNCTAD, United States' Energy Information Administration,
- World Economic Outlook database of the IMF.

Index structure

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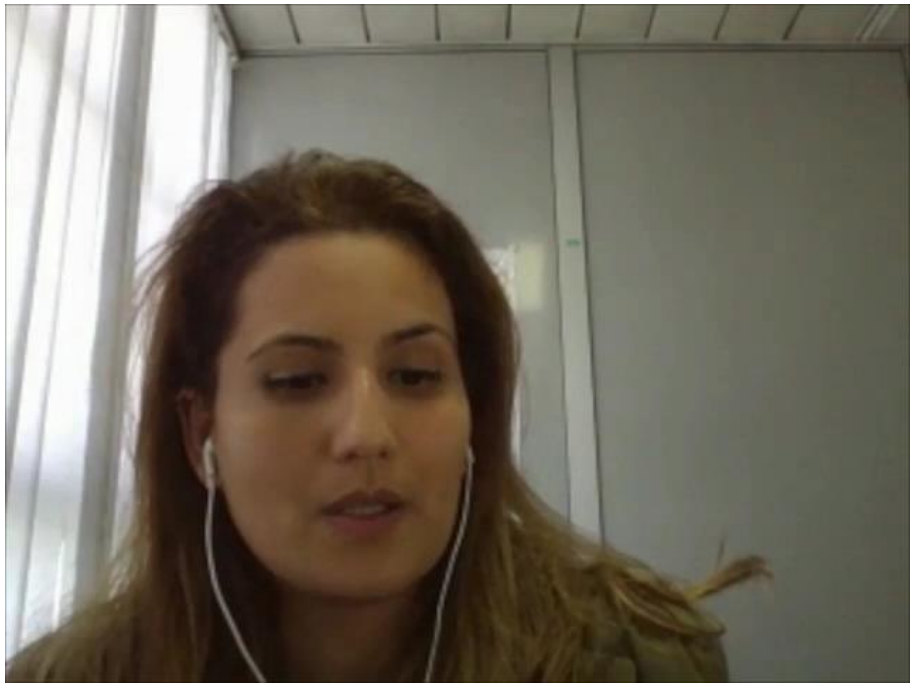
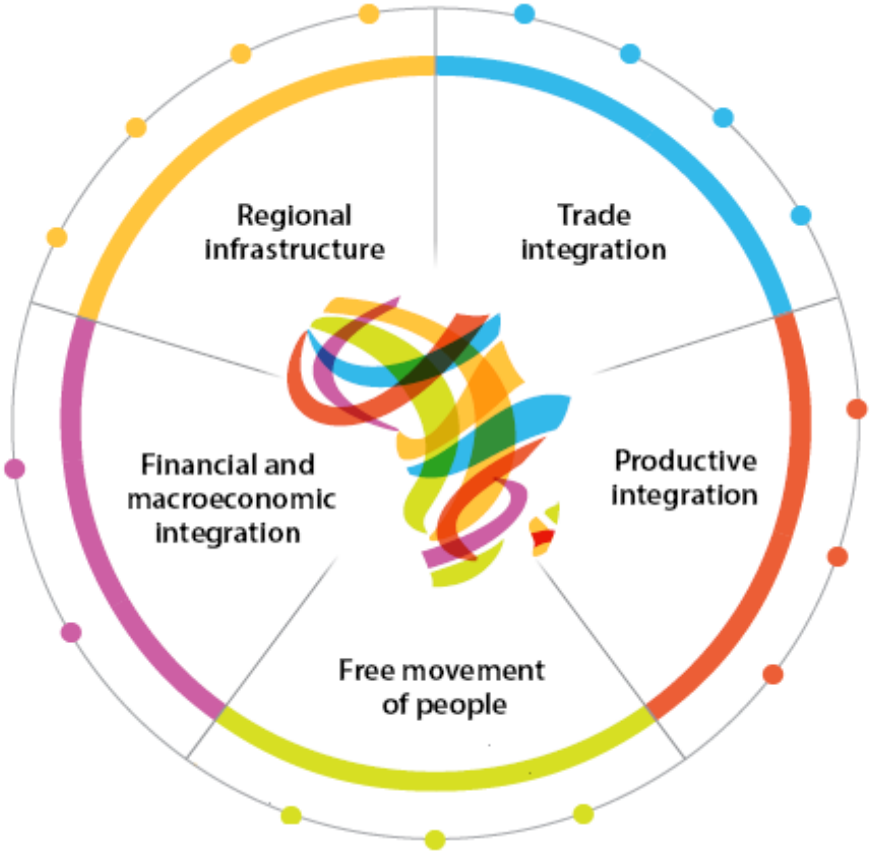
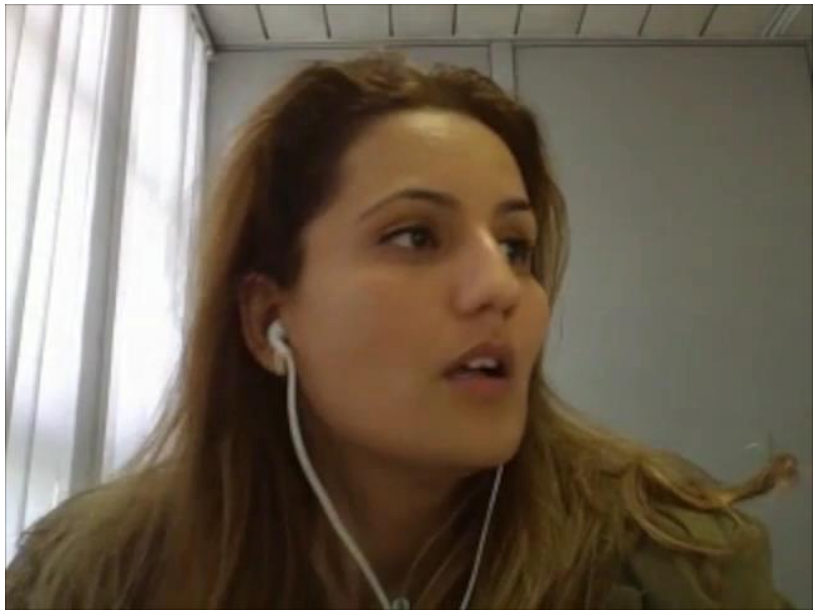


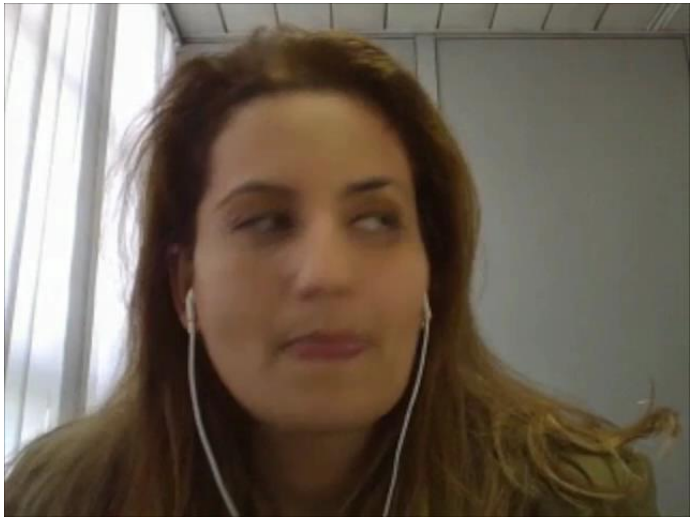


Trade integration



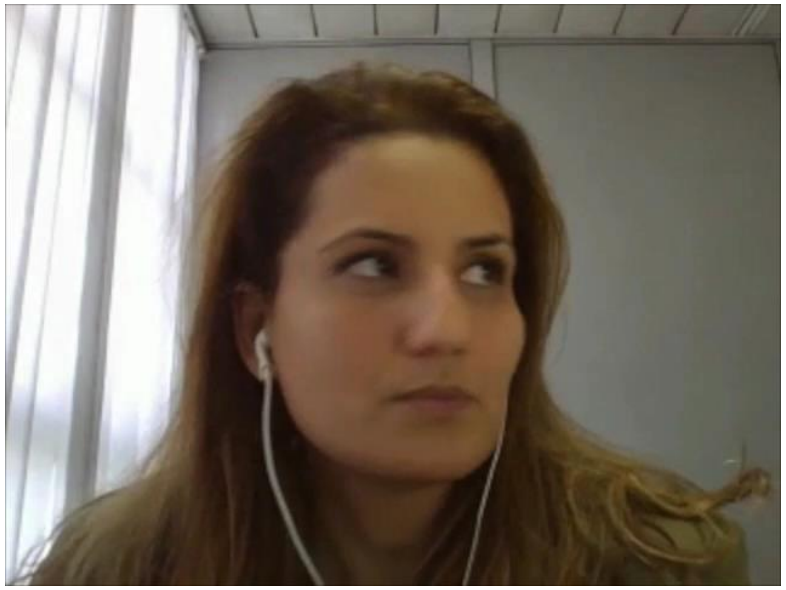
- Customs duties on intra-regional imports
- Intra-regional imports in GDP
- Intra-regional exports in GDP
- Share of country in total intra-regional trade

Regional infrastructure:



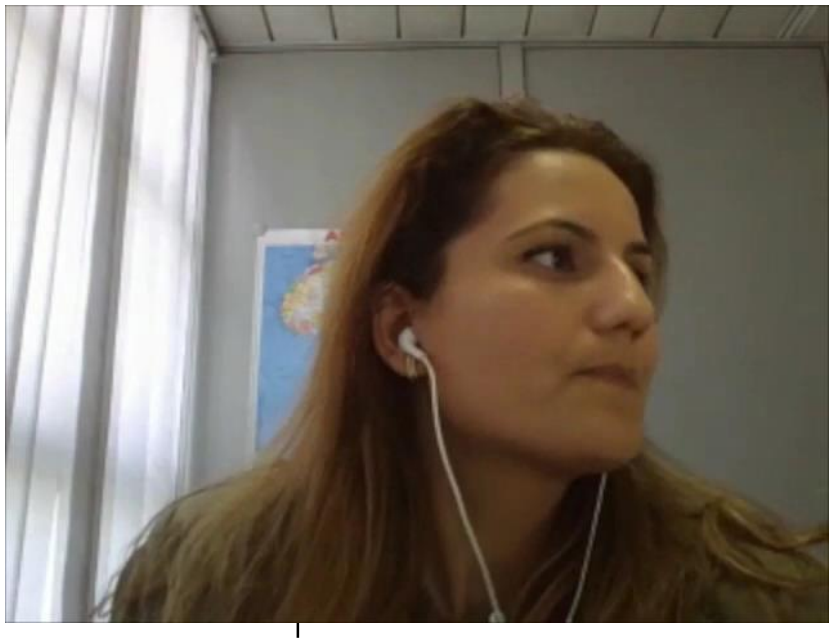
- AfDB infrastructure development index
- Proportion of flights that are intra-regional
- Absolute value of net intra-regional electricity trade
- Average cost of intra-African roaming

Productive integration:



- Share of intermediates in intra-regional imports
- Share of intermediates in intra-regional exports
- UNCTAD merchandise trade complementarity index (intra-regional)

Free movement of persons:



- Ratification of REC free movement of persons protocol
- Proportion of REC member states whose nationals enter visa-free
- Proportion of REC member states whose nationals receive visa on arrival

Financial integration and macroeconomic policy convergence:

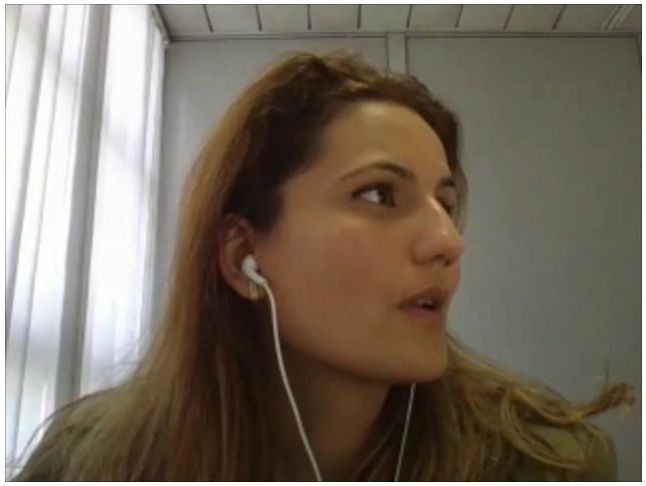
- Regional convertibility of national currencies
- Convergence of inflation rate with regional average (harmonized HCPI)

Index Main findings

•Highest scores are on trade

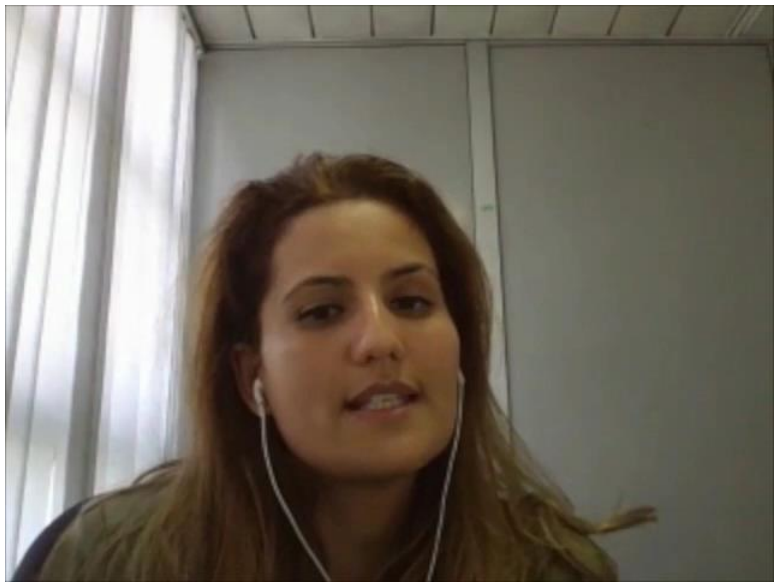
•Average REC scores are furthest apart on Free movement of people.

•EAC is the highest performing (HP) REC on Trade integration. IGAD is the HP on Regional infrastructure

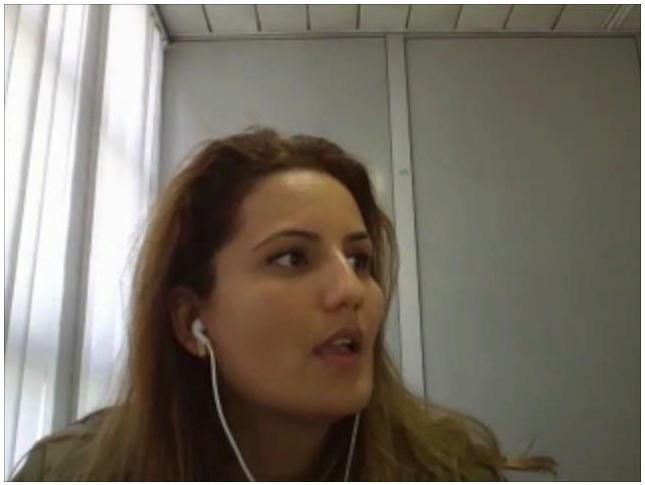


- EAC is the HP on Productive integration. ECOWAS is the HP on Free movement of people.
- All ECOWAS countries score 0.8, implemented the Free movement of persons protocol, which enables ECOWAS citizens to travel to all member countries without a visa.

Limits of the ARII – Version 1



- The index relies on a large number of indicators.
- The ARII is a mean average of the indicators.
- This structure ventilates the bias because it supposes that each of the indicators influences the index in the same manner.
- We plan to include specific investment variables such the number of BITs as well as social indicators such us Mean years of schooling and Africa Gender Equality Index in line with Agenda 2063.



- To overcome main critics on the rational on the chosen indicator, we use the Principal Component Analysis (PCA).
  - The method enables testing if the retained indicators exert or not a similar effect on the ARII.

  (Angulo and all, 2016; Köhler, 2016; Yifan and Mikic, 2016, Lee and Zhong, 2015; Ferrant, 2014; …)

- We will include social and investment data.

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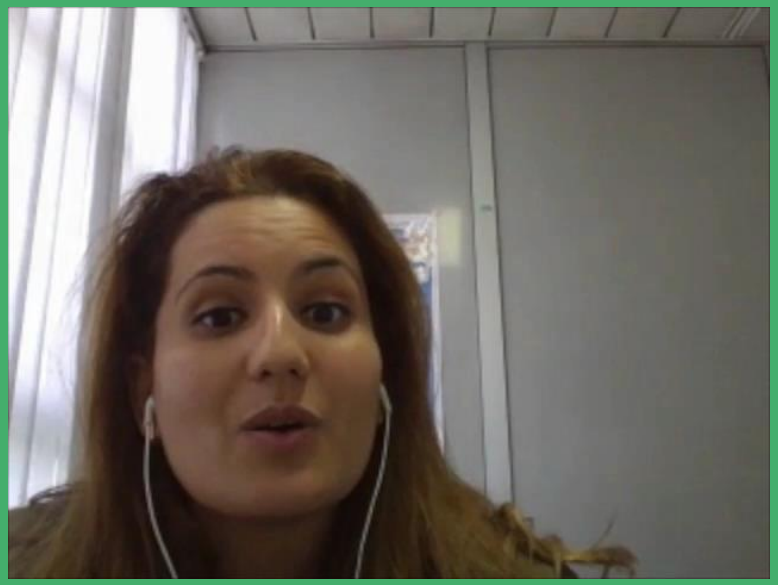

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