



# Drivers and constraints to regional integration in Africa

*The political economy of regional organisations*

***Few will contest the importance of regional integration in Africa, but the reality on the ground does not match the ambition and political declarations. ECDPM took a closer look at the drivers and constraints of the integration processes in Africa and the role played by regional organisations and other stakeholders, including external actors.***

Regional cooperation and integration are deemed vital to tackle development challenges that cannot be solved at the national level. In Africa, many such challenges affect poor people's lives in areas ranging from human security and mobility to rural livelihoods, trade, infrastructure, food security, environment and climate change.

Despite wide agreement, and the various regional organisations and policies in place, the slow pace of implementation frustrates many. The Chairperson of the African Union Commission (AUC), Nkosazana Dlamini-Zuma, herself has said: "I don't think Africa is short of policies. We have to implement, that is where the problem is".<sup>1</sup>

While traditional explanations for this implementation gap generally focus on capacity constraints and the 'lack of political will', there is a need to better understand the underlying dynamics that help or hinder formal regional integration processes in Africa. This study is an attempt to do so in a comprehensive and systematic way.

By examining the political economy of six regional organisations - the African Union (AU) and five of the eight Regional Economic Communities (RECs): COMESA<sup>2</sup>, EAC<sup>3</sup>, ECOWAS<sup>4</sup>, IGAD<sup>5</sup> and SADC<sup>6</sup> - this study analyses some of the key actors and factors that help shape the agendas of regional organisations in Africa, as well as the context-specific drivers and

obstacles to the implementation of these agendas. The focus is on foundational and institutional factors, key actors, including those external to the regions, and the incentives and interests at play. The approach aims to uncover why the dynamics around each of the regional organisations unfold as they do, rather than judging how they ought to be according to 'best practice' or model trajectories. By systematically examining the different actors and factors that affect the way these six regional organisations work, the studies aim to increase understanding of what shapes the incentive environment and what contributes to the technical and political feasibility of reforms in a particular regional context.

# Five lenses of the political economy framework and key questions

## POLITICAL ECONOMY LENSES

## RELATED KEY QUESTIONS



### STRUCTURAL OR FOUNDATIONAL FACTORS

- ▶ What are the hard-to-change, long-run, geographical, economic and historical factors affecting current regional dynamics?



### FORMAL AND INFORMAL INSTITUTIONS OR RULES OF THE GAME

- ▶ What are the formal institutions or rules of the game (policies, mandates, laws, regulations, treaties, accountability mechanisms, etc.)?
- ▶ What are the informal norms, the ways of doing things, beliefs, customs?
- ▶ How do formal and informal institutions interact and shape the incentive environment? What is amenable to medium-term reform or change?



### ACTORS, AGENCY AND INCENTIVES

- ▶ Which are the main groups and coalitions of actors that affect - and are affected by - the policies being analysed or discussed?
- ▶ How do institutions and incentives influence the main interest groups or stakeholders?



### (SUB)SECTOR SPECIFIC TECHNICAL AND POLITICAL CHARACTERISTICS

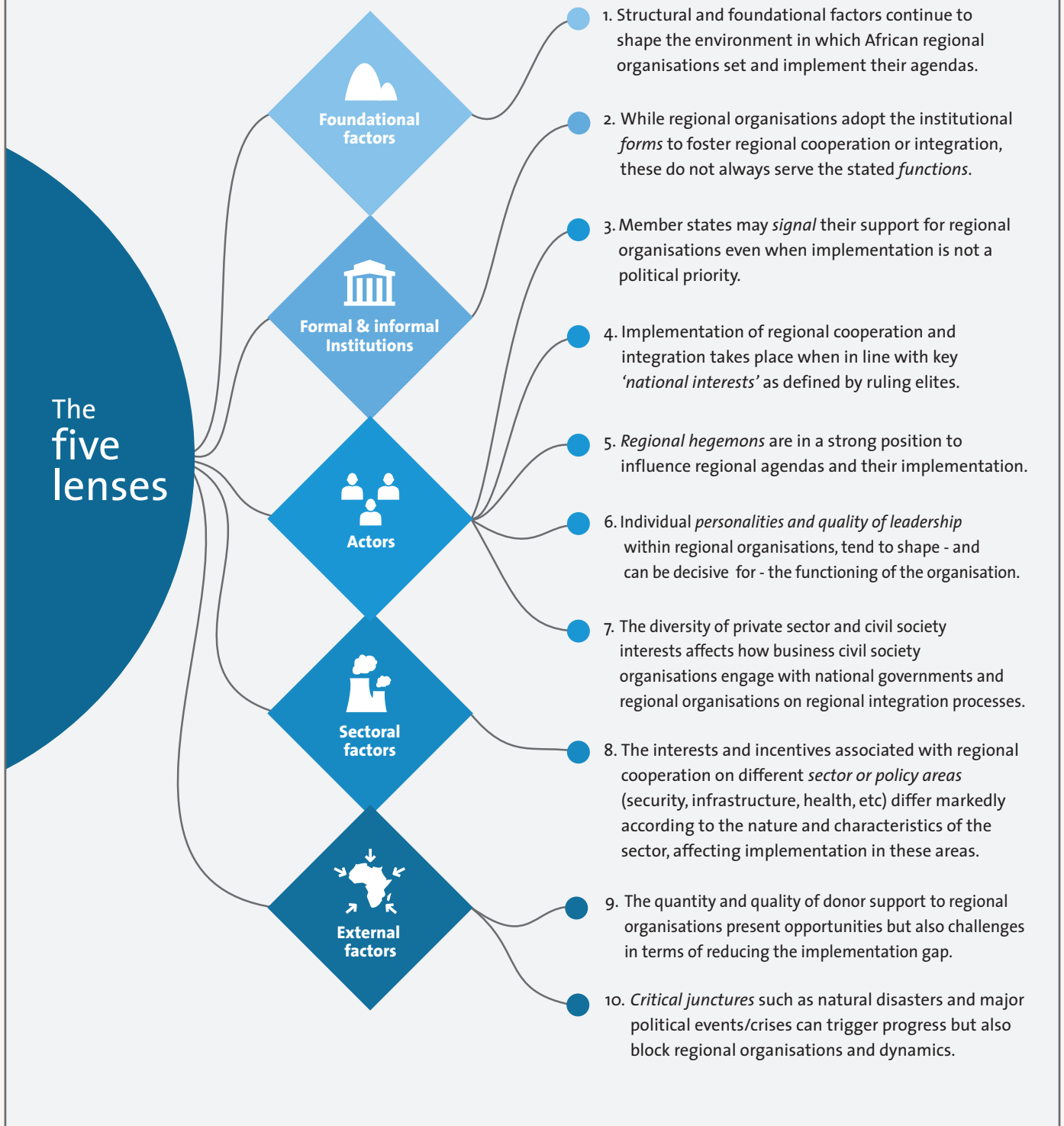
- ▶ What is the nature of the policy area and how does implementation take place – is it politically salient, visible, or less tangible?
- ▶ How does the nature of the policy area affect the motives, choices, and roles of ruling elites and coalitions and their engagement with state bureaucrats?
- ▶ What are the governance and power dynamics that are particular to the sector or policy area?



### EXTERNAL OR EXOGENOUS FACTORS

- ▶ What are the main relevant “global” and other external drivers that affect regional integration processes or regional organisations?
- ▶ How do these external factors influence the domestic incentive environment ?
- ▶ How do donors, for example, alter the incentive environment for regional organisations, for member states or other stakeholders? To what effect?

# Regional integration in Africa in 10 key findings



## The key findings

The major findings of this study are summarised in ten key features of the current political economy of regional integration in Africa, summarised in the figure above. These underpin the following salient points.



### Formal institutions matter, but more is at stake

Regional cooperation and integration in Africa is characterised by the development of a rather well formalised

and comprehensive institutional framework, the African Union and the RECs, as well as equivalent and complementary institutions. These organisations and associated **institutions do matter. However, they do not**

**necessarily fully serve the purpose or function they claim to serve.** This is commonly attributed to the weakness of some institutions, which, it is consequently assumed, can be directly remedied with capacity building. This explanation, however, tends towards oversimplification and ignores underlying dynamics that are often far more complex.

### Form does not equal function

Since institutional **forms differ from function** (key finding #2), reforms aimed at improving the effectiveness of regional organisations should focus on the core functions such organisations are attempting to perform, with a greater chance of demand for improved functions through problem solving and the likely coalition building this requires or involves.

**Regional organisations provide a degree of political legitimacy to regional ambitions,** particularly as a forum for exchanges and decision-making among leaders in a region. Formal decisions, based on intergovernmentalism, thus help legitimise the regional process. While this has been referred to as summity by observers eager to see a greater focus on implementation efforts, it does represent an important, albeit not sufficient, condition to encourage collective action at regional level and stimulate national ownership. This is not to say that all regional endeavours must be carried out through regional organisations. Parallel initiatives might better align with existing incentives and the interests of key actors, usefully contributing to stimulate regional cooperation and integration outside regional organisations. But bypassing formal regional frameworks also entails risks, by undermining the political legitimacy they represent.



### Big players call the tune

In this regard, it is worth noting that regional organisations generally work through **consensus building** -

regional decisions are normally taken by consensus by member states. However, **a critical role is played by big and powerful countries** (referred to as hegemons in key finding #5), which are in a strong position to influence regional agendas and their implementation, contributing to driving or blocking regional processes, depending on their national interests and positions towards their regional partners. The **influence of charismatic regional leaders**, at the head of their country or of the regional organisations, is also important in understanding the dynamics of regional integration, where personalities and interpersonal relations continue to play a critical role (key finding #6).

### Implementation is often not a priority

However, in spite of political legitimacy and consensus building, even with the formal support and stated commitment of strong regional actors, collective decisions taken at the regional level do not necessarily lead all partners to implement such decisions. Indeed, member states often face **incentives to signal their support for regional integration even when implementation is not a domestic priority** (key finding #3). This may be due to a number of factors, including the rhetoric and logic of regional solidarity and pan-Africanism, the time-horizon (i.e. signalling a vision and longer-term aspiration rather than short-term commitment to implement), and a lack of enforcement mechanisms or demand for implementation. Insufficient attention to assessing and providing adequate means for the costs of domestic implementation, as well as the perspective of attracting additional support from external partners further incentivise signalling.

While regional organisations can help or facilitate implementation processes, they are generally not mandated, capacitated and ultimately responsible for implementation. So while they can provide a regional platform to address

and discuss common challenges, implementation remains mainly a domestic issue for member states.

So, ultimately, **implementation at domestic level largely depends on national interests and priorities**, as defined by domestic ruling elites. These may diverge from positions taken at regional summits and resulting regional decisions (key finding #4). Although the **regional agenda is largely aspirational** (key finding #3), it can also be driven by more **immediate and pragmatic concerns and interests by member states' interests** (key finding #4).



### Sector specificity shapes stakeholders' interests

These differences also explain the **implementation dynamics experienced in different sectors and policy areas** (key finding #8). So, for instance, while all regions pursue a comprehensive economic integration agenda, along with monetary union or industrialisation these **aspirational policy areas gain less political traction than those such as peace and security where there is both a need to avoid major and immediate social and economic costs, and vested interests in stability from political elites.** This may also explain the limited implementation efforts by member states on more aspirational endeavours such as gender equality, in spite of the huge potential impact that such efforts potentially offer. While sector and policy area characteristics do influence implementation, these are also region and country specific, depending on the interests and incentives at play, so that regional food security and agricultural policy have greater traction in ECOWAS than IGAD, for instance.

### Non-state actors prioritise national level actions

In this context, non-state actors, such as private sector and civil society organisations, do play a role in regional dynamics, but their impact on regional

organisations remains limited. There is **little explicit demand and pressure from private sector coalitions on the overall aspirational agenda** of regional organisations, not least due to their very heterogeneous nature and interests. Instead, their interests and engagements tend to **coalesce around relatively narrow and specific agendas** (key finding #7). Private sector interests in regional issues, though also increasingly articulated under regional umbrella organisations, tend to be still **mainly expressed through domestic channels**.

### **Structural factors continue to influence regional institutions**

Underlying all of these dynamics, **long-run structural factors** (e.g. geography, history, economic structures) continue to impact on how countries and regional organisations interact within a region (key finding #1), while in the **short-term, critical junctures can very quickly alter incentives** and offer opportunities (or challenges) for taking regional cooperation forward (key finding #10).

### **Quantity and quality of aid impact regional institutionalisation**

Support from **donors can help stimulate cooperation and integration processes** (key finding #9), though it can also detract from member state ownership, thereby risking effective implementation in the long run. Beyond the significant quantity of aid provided to regional organisations as part of their overall budgets, it is **the quality of aid** (as embodied in the globally agreed principles of aid effectiveness) that affects their potential to strengthen institutional functions for the delivery of regional plans and commitments. The combination of poorly managed aid and donor dependency increases the risks of distortions in regional agenda-setting and implementation. The internal political economy of donors also affects the type and modalities of their engagement to support regional integration processes and regional

organisations, and ultimately the impact of their support. The key point is that **external actors don't operate outside the political economy dynamics of regional integration**, but are an integral and often important part of it.

## So what?

The study shows that the vision of regional integration as a linear path is indeed just a vision. This highlights the need for policy-makers to **'think and work politically'**<sup>7</sup> or **'do development differently'** to build flexibility and adaptability into reforms and interventions or, in other words, to "plan for sailboats, not trains".<sup>8</sup>

### **The ABC for forming or supporting regional policy or reforms:**

**AMBITIONS** must be revisited in terms of what is feasible given the influence of structural factors and path dependency, and the value added of a regional approach. Interventions and policy-reforms should aim for 'good fit' rather than 'best practice', which may simply encourage formalism. Understanding where political traction actually lies should also guide ambitions. It is helpful to distinguish between regional aspirations and genuine problem-solving where political traction is stronger.

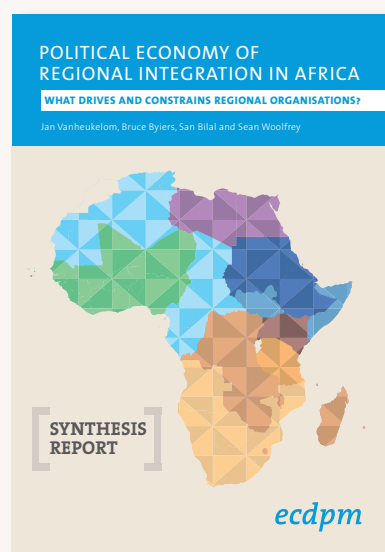
**BROKERAGE** is, by consequence, a key approach to harness the interests of different stakeholders in achieving regional ambitions. This requires brokering engagement among different types of regional and national actors to overcome information asymmetries; to facilitate collective action; and to create demand side pressures for regional coordination and cooperation through public-private-CSO engagement.

**CHAMPIONS** are likely to be highly influential in reform success, suggesting the need to understand the potential capacity of technical and political actors in forming coalitions and driving regional agendas. This includes regional

or national organisations, whether in the public sector, private sector or other civil society organisations.

## Synthesis Report

The synthesis report draws insights from across the six regional studies. It examines what drives regional organisations in taking regional cooperation and integration forward, and what the reasons are behind the observed implementation gaps. This understanding may help identify the types of partnerships, coalitions and policies that are conducive to regional cooperation and regional integration.



[www.edcpm.org/peria/synthesis](http://www.edcpm.org/peria/synthesis)

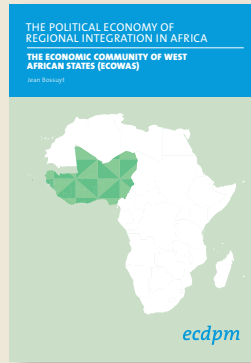
- 1 Nkosazana Dlamini-Zuma speaking at the OECD Forum on Africa in Paris, 6 October 2014.
- 2 Common Market for Eastern and Southern Africa
- 3 The East African Community
- 4 The Economic Community of West African States
- 5 Intergovernmental Authority on Development
- 6 The Southern African Development Community
- 7 "The case for thinking and working politically": <http://publications.dlprog.org/TWP.pdf>
- 8 Kleinfeld, R., 2015, [http://carnegieendowment.org/files/devt\\_design\\_implementation.pdf](http://carnegieendowment.org/files/devt_design_implementation.pdf)



### AU

The African Union (AU) is the continental champion for political cooperation and economic integration in Africa. The AU addresses a range of intricate and persistent challenges. The study deals with some of the on-going reforms to the AU institutions, and the complications resulting from its heavy reliance on donor-funding.

Most of the AU's financial and human resources are oriented to resolving conflicts in Africa. This reflects broadly aligned interests in minimising conflict spillovers. Regional infrastructure development, food security and climate change have also received high-level attention within the AU. Gender is another policy commitment that is high on the AU's agenda. In these policy areas, the AU's added value has been uneven, reflecting different levels of interest among member states in implementation.



### ECOWAS

The Economic Community of West African States (ECOWAS) is Africa's oldest and financially strongest Regional Economic Community. ECOWAS operates in a region that is heavily affected by insecurity and conflict. Nigeria is a particularly powerful member state, with a heavy influence on agenda-setting and implementation, especially in the area of peace and security.

Although ECOWAS focuses primarily on economic integration, it has played an important role in certain political crises, although efficiency is still hampered by governance, managerial and leadership deficiencies. The study also delves into the regional efforts to transform the agricultural sector and enhance food security, where the balance of interests in national versus regional food sovereignty varies by sub-sector. This highlights the need to carefully distinguish sectoral characteristics for regional cooperation.



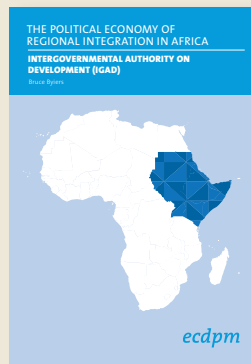
### COMESA

The Common Market for Eastern and Southern Africa (COMESA) has 19 member states. The heterogeneity of the membership is a major complexity in the implementation of its ambitious agenda.

This study analyses COMESA institutions such as the Eastern African Power Pool, and the Regional Integration Support Mechanism. It identifies what contributes to or prevents these institutions from

fulfilling their stated functions, such as strengthening compliance with regional commitments, engaging and strengthening a rules-based regional energy market and creating incentives for cooperation and accountability through monitoring and transparency.

As with the other regional organisations, COMESA's strong dependency on donor finance puts pressures on the governance and accountability systems in COMESA, raising questions about the nature of the ownership over the regional agenda.



### IGAD

The study of the Intergovernmental Authority on Development (IGAD) focuses on peace and security, transport and infrastructure and trade.

IGAD adopts many of the institutional forms of other RECs. In practice, however, this regional organisation functions mainly through ad hoc processes, with frequent personalised involvement of Heads of State and few systematic institutionalised

approaches to addressing regional common concerns.

Despite Ethiopia's dominant role in IGAD's activities, IGAD is nonetheless seen by many as a neutral platform to address regional tensions. IGAD has built on common interests to address regional security concerns, but the institutionalisation of the peace and security architecture is still limited. Integration in cross border infrastructure for transport, electricity, oil and water may offer a basis for future market integration.



### EAC

The East African Community (EAC) features a much smaller number of member states than most other regional organisations. Since the revival of the EAC, integration has progressed rapidly and faster than in other RECs. This is in part due to a coalescing of interests, particularly among Kenya, Uganda and Rwanda. This regional study primarily focuses on economic integration through investments in transport infrastructure,

trade policy, as well as the role of monitoring in implementation. A subgroup of EAC member states has tried to accelerate integration efforts. This may be an opportunity to drive the process further. But it also carries the risk of divisions within the EAC, raising questions about the appropriate mix between top-down and bottom-up regional initiatives.



### SADC

The Southern African Development Community (SADC) consists of 15 member states. Yet one country – South Africa – features exceptionally strong economic, institutional and political characteristics. The study analyses the dynamics and actors at work in regional industrialisation and in the creation of a regional energy market in Southern Africa.

SADC has an ambitious agenda, with a Secretariat that is heavily dependent on donor contributions for its implementation. Yet, as with other regional organisations, there is a gap between policy and implementation. A partial exception is the management of transfrontier conservation areas. Governments and non-state actors play crucial roles in solving cross-border problems, with support being provided in setting up legal frameworks by the SADC Secretariat.