



## POLITICAL ECONOMY DYNAMICS OF REGIONAL ORGANISATIONS IN AFRICA

PEDRO

### ***ECCAS and CEMAC: Struggling to integrate in an intertwined region<sup>1</sup>***

This paper sets out to better inform stakeholders about why the Economic Community of Central African States (ECCAS) and the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC) operate as they do in their engagement with each other and their member states. It concludes with implications for support.<sup>2</sup>

#### **Political traction, member states interests and potential**

Both the Economic Community of Central African States (ECCAS) and the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC) have similar origins, overlapping memberships and comparable mandates. However, while CEMAC builds directly on the Central African Customs Union UDEAC, itself a post-colonial configuration of the Fédération de l'Afrique Equatoriale Française with common use of the CFA<sup>3</sup> Franc, ECCAS owes its existence to a later combination of CEMAC states with five others to become one of the eight Regional Economic Communities (REC) recognised by the African Union (AU). Due to its historical legacy, CEMAC appears more established in nature and in focus and to have more political legitimacy among member states than ECCAS.

Both ECCAS and CEMAC have wide agendas, covering economic integration, infrastructure, energy, agriculture and peace and security. Some point to an emerging division of labour between ECCAS and CEMAC, with CEMAC leading on economic and monetary issues, and ECCAS leading in the security sector. This division of labour can partly be explained by the donor funding and priorities. While formal processes exist between the two regional organisations to harmonise integration policies, programmes and instruments, these seem unlikely to materialise in the near future given the vested interests involved. In the meantime, both organisations face financial and human resource challenges, with leadership of both institutions shaped by personal relations between Heads of State.

Even with the informal division of labour and the historical legacy of CEMAC, regional economic integration objectives have not been met. What integration there is, is largely a residual from their predecessor, the Central African Customs Union, rather than an effort by states to implement regional commitments and share sovereignty through CEMAC or ECCAS.

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<sup>1</sup> Based on a March 2017 Background Paper by ECDPM, available at [www.ecdpm.org/pedro/backgroundpapers](http://www.ecdpm.org/pedro/backgroundpapers). The Policy Brief and Background Paper were prepared under the BMZ-financed project on the *Political Economy Dynamics of Regional Organisations (PEDRO)*. This paper builds on an earlier paper conducted under the *PERIA* project. Author and project team leader: Bruce Byiers ([bby@ecdpm.org](mailto:bby@ecdpm.org)).

<sup>2</sup> Other PEDRO reports on Central Africa cover the Central African Forestry Commission, COMIFAC; the Congo-Obangui-Sanha Rivers Commission, CICOS, and the International Conference of the Great Lakes Region, ICGLR.

<sup>3</sup> Between 1945 and 1958 CFA referred to the *Colonies françaises d'Afrique*, and thereafter to *Communauté financière africaine*.

Structural factors do not incentivise or create traction that either CEMAC or ECCAS can build on. Conflict and instability severely undermine attempts to promote economic integration. A high dependency on oil and natural resources exports also lowers the potential for economic complementarities, limiting the potential for intra-regional trade. Easy revenues from these exports reduce incentives for structural economic transformation. The small size of regional markets and a lack of cross-border infrastructure further undermine greater integration.

External actors also influence regional integration processes in Central Africa. The historical, political and business links between France and Central Africa continue to draw the attention of political elites towards France rather than the region. In addition, the role of some Central African governments as strategic security partners in a conflict-ridden region render external attitudes towards these regimes less critical and more pragmatic in nature. This in turn reduces the political pressure for countries to open up politically. In the economic sphere, Cameroon's decision to sign an Economic Partnership Agreement (EPA) with the European Union is another case of external factors undermining the CEMAC Customs Union and its Common External Tariff, (to the degree that those agreements are functioning).

With CEMAC and ECCAS members all part of other regional organisations, both in the economic and security sector, member states attach their ambitions and loyalty to each organisation in different ways. Without a clear regional champion, the Central African region is shaped by a dispersion of interests and internal rivalries. Hence, for many member states, political and security interests seem key factors in support of CEMAC and ECCAS membership. Meanwhile, a close network of personalised relations between Heads of State appears central to the working of both. In that respect, both CEMAC and ECCAS act as dialogue platforms, but also as mechanisms for mutual support between ruling elites in a region not characterised by democratic processes.

Despite limited political interest in regional economic integration, the threat of regional overflows of violent conflict appears to align national and elite interests. This suggests a potential role for CEMAC and ECCAS in peace and security. The connections between violence and illicit financing from natural resource extraction also highlight the potential role of regional bodies in addressing money-laundering through the CEMAC related Action Group Against Money Laundering, and better coordinating natural resource management. Furthermore, the rising development of hard infrastructure as well as attempts by CEMAC to strengthen digital connections among member states may provide an entry point for building momentum towards more regional integration and cooperation.

Though these areas may undermine key interests in the region, they may also offer reasonably technical approaches to issues where at least sub-regional coalitions of interests can be found.

## Implications for support

### **1. Support to ECCAS and CEMAC must recognise the currently limited political traction for economic regional integration in Central Africa.**

- Structural conditions and the political dynamics within and between countries do little to suggest there are strong underlying push factors towards greater economic integration.
- The aspirational agenda associated with future gains from improved market integration seems to face entrenched interests with political prioritisation focused elsewhere, while reliance on oil revenues has so far minimised the 'push factors' towards more economic integration.

### **2. Support to ECCAS and CEMAC should be realistic about institutional convergence.**

- Despite formal processes to harmonise integration policies, programmes and instruments, these seem unlikely to materialise in the near future due to embedded national and institutional interests.
- With ECCAS deriving its legitimacy from the AU, and CEMAC operating a functioning monetary union, the right division of labour between the two organisations remains a conundrum that is likely to continue.

**3. The threat of overflows of violent conflict appears to align elite interests, suggesting a potential role for CEMAC and ECCAS coordination around peace and security.**

- While CEMAC originally responded to the crisis in the Central African Republic, ultimately it has led to considerable traction for ECCAS peace and security initiatives.
- The connections between violence and illicit financing from natural resource extraction also highlight the potential role of regional bodies - or sub-regional coalitions of interests - around money-laundering and better coordination of natural resource management.

**4. A deeper, more nuanced understanding of political elite interests is needed in order to avoid supporting perverse incentive structures.**

- ECCAS and CEMAC have the potential to act as dialogue platforms but also serve as mechanisms for mutual support between ruling elites in a region characterised by undemocratic processes.
- The role and interests of elites cannot be avoided, but must be taken as a starting point for support that either adapts to or effectively alters current incentive structures - currently low oil prices and pressure on the CFA Franc may provide a window for regional reform.

Behind the formal structures of regional organisations is a messy world of regional power and politics. This messiness is often difficult to capture in the language of development cooperation and institutional development. Working with regional organisations and their programmes therefore implies engaging with complex, multi-level power and interest dynamics.

**PEDRO**, the **P**olitical **E**conomy **D**ynamics of **R**egional **O**rganisations, is an ECDPM project that looks at the politics behind regional organisations, and the structural factors, institutions and incentives that ultimately define the way in which countries and different stakeholders engage at a regional level. PEDRO covers 17 African regional organisations and 11 policy areas. For each of these, ECDPM has applied a political economy approach to help understand the dynamics and their effects in different regions and policy areas.

The studies are framed around three key questions: the first relates to the political traction of the regional organisation as this helps assess whether the regional organisation has enabled regional decision making and if it has contributed to implementation. The second focuses on the member state interests in engaging with the regional organisation, especially the more resourceful and powerful ones (the so-called 'swing states'). The third looks at the areas with most traction where regional and national level interests seem to be most aligned for regional outcomes.

The reports aim to present information and insights that can help regional stakeholders navigate the obstacles and better respond to reform opportunities. Rather than providing specific operational recommendations, the political economy approach encourages more reality-based discussions among practitioners and reformers about feasible ways to address regional challenges. It is hoped that this may help tailor the ambitions and approaches of donors and reformers and help identify ways to support national or regional champions or coalitions to take regional cooperation and integration forward.