

Effects of Economic Cooperation to Democracy and Governance in Africa

Kipkorir Bett, Cosmus Kemboi and Gideon Kemboi

Department of History, Political Science and Public Administration. Moi University, Eldoret – Kenya.

DOI: 10.29322/IJSRP.9.11.2019.p9559

<http://dx.doi.org/10.29322/IJSRP.9.11.2019.p9559>

Abstract

Economics and Politics are bedfellows. An increment in either leads to the increment of the other. The cooperation of more than one economy to achieve common development has a definite impact on politics. How this is impacted is based on the manner with which economic cooperation is undertaken, and secondly by the factor of power politics. Democracy and governance in Africa are embroiled in several circumstantial factors, integration of African economies being one of them (Mwencha, 2008:26). These factors do influence each other, either positively or negatively. As democracy grows in Africa, it is to be noted that economic integration is taking foot and being acclaimed as the key to Africa's development (Ninalowo, 2003). This paper seeks to explain the correlation between these two and the extent they have on contemporary Africa.

Key words: *Economics/Politics/Democracy/Governance/Cooperation*

1.0. Introduction

Due to the efforts and continent-wide economic reforms, Africa has experienced strong growth rates, declining inflation, increased exports, higher levels of foreign direct investment (FDI), and an improving balance of payments. However, Africa is still engulfed in a number of vulnerabilities that include overly dependence on a limited number of export commodities (with nearly half of the continent's 53 countries relying on a single good for more than 50 percent of their exports; rendering them highly susceptible to exogenous economic shocks and natural disasters), underdeveloped infrastructure and resultant high transportation costs, which undermine trade competitiveness and cause labour supply shortages, lack of investment and inefficiencies in infrastructure development. This is further exacerbated by competition for resources in the context of colonial extraction policies that continue to fuel many of the ongoing inter-state and intra-state conflicts in Africa (Juma and Oluoch, 2013). The inception of economic cooperation through regional frameworks has accorded Africa a new lease of life. Key among these frameworks is the African Continental Free Trade agreement (AfCFTA) that was adopted in March 2018. Others are regional

economic communities (RECs), the new partnership for African Development (NEPAD) and ultimately the African Union (AU).

1.1. Background and Rationale

Economic cooperation in contemporary international relations is understood in the context of more than one country engaging in joint economic ventures that in the end benefit them and helps them score better economic performances that are good for development agenda (Ninalowo, 2003; Avellaneda, 2006:2). In Africa, economic cooperation has been present since pre-colonial era, and has since grown to the current pan African context where African states cooperate through regional economic communities (RECs) and other global forums.

Economic cooperation has the potential to increase inter-state relationships among countries in broad contexts. These include: Cross-border trade and commerce. Africa has a total of 55 countries and slightly above 1 billion people. As more and more countries turn to local markets to sustain their development demands, the realization of the potential of cross-border trade to the pan African developmental agenda is growing. This is in terms of addressing continental problems such as security, disease and illiteracy.

Secondly, inter-state development of infrastructure such as road, rail, airports, ports and information, communication and technology (ICT) amongst others. Economic integration is difficult to sustain if infrastructure is not developed. In the long run, when infrastructure is done, development is reachable and Africa is made self-reliant.

Thirdly, the question of security is also critical. Because of economic cooperation, security issues have continually in the last decade been addressed. As more and more countries integrate their markets and provision of services, issues relating to securing have been re-evaluated for the better.

Fourthly, exchanges in information, communication, technology (ICT) and specialties. Economic cooperation has the potential to expand the capacity of ICT and other specialties if markets to these products and services can be found from amongst member states. For example, mobile money has been ranked as highest in terms of usability in Africa. Related to this is the access of internet over mobile handset that has up surged provision of basic services including government services and goods at the convenience of citizens.

1.2. Why does Economic Cooperation Exist?

Why do countries agree to form economic agreements and commitments? The answer to this question lies in the value systems that countries do have and share. Value systems that are shared leads to greater understanding that spreads to cooperation in economic, security, socio-political and environmental

development agenda. This notion of value system has two components; shared values and shared world views that are ingredients for regional cooperation.

Shared values: This ingredient bases on the commonality of values by countries from the same region. Some of these values include; trade, order, stability and unity, peace, liberal democracy, and ethnic identity. Countries in Africa do share a lot of these factors. For example, the Sahel Saharan countries do share common values that include the same ethnic identity, religion, security and geographic locality that makes their need for cooperation high. The same could be said for the East African Community (EAC) and South African Development Community (SADC) states among others.

Shared world views: Orientations within the international system and the resulting world view always do determine the shape of regional integration among countries from a particular region. It does influence the identity and potential for regional cooperation. These world views include colonial subjugation and orientations towards the hegemonic spheres of the world. At the international system, countries like China and India view themselves as rising powers, civilizations as well as states and hence see the world or see themselves as an emerging multi-polarity in the international system (Tellis and Mirski, 2013). For example, several countries in Africa are today turning to the East for economic ties, turning their back on the west (Pilling, 2018). This shows a common shared world view on the politics of aid associated with the West.

Democracy is defined as the rule by majority (Inter-Parliamentary Union, 1998: V). It is viewed and contextualized as the most appropriate form of leadership and governance (Ekenedirichukwu, 2016:1). However, several scholars of comparative politics have pointed to gaps to this notion and have sought to establish the varied view in many countries or regions (Ekenedirichukwu, 2016:3). While democracy has been relatively successful in the west, the East including Russia and China have faced difficulty in localizing it. The same is said of Africa with only few countries like Botswana and Mauritius claiming the trophy (Armah, 2015; Samarasinghe, 1994:15). This paper argues that democracy suits a society in certain ideals that are known to them and not a blanket orientation that is new to culture. Besides this, the growth of democracy does depend on several factors, economic cooperation being one of them.

Governance is the set code of management that is used to administer over a legal entity, in this case, a country. While leadership scholars have differing notions of how governance is understood and practised, it nonetheless determines the performance of the country in several factors including the economy (Kaufmann and Kraay, 2003; Knack, 2003). If the governance structure is sound, then the country is set to attain most of its goals and in due regard, it earns positive features such as power over its subjects and peers in the international system.

1.3. Theoretical considerations

This study uses the “Lipset Thesis” of 1959 that contends a causal relationship between economic development and democracy. This was proposed by Seymour Martin Lipset in 1959 (Lipset, 1959). The main argument of this school is that democracy and economic development are bedfellows with one being as a result of the other. This hypothesis is premised on four main variables; political culture, class structure, state-society relations and civil society (Thiebault, 2013). Arguably, economic development leads to a democratic political culture, revised class structure where the poor or working class get empowered and an improved relationship between the state and civil society within a free and democratic environment.

The Lipset thesis is equally boosted by the *compatibility school* that argues that democracy promoted economic development owing to the entrenchment of fundamental civil liberties. In effect, this school espouses that political rights generate the social conditions necessary for economic development (Baum & Lake, 2003)

The challenges of the Lipset thesis are based on exceptional countries that have achieved economic growth without developing democracy including Singapore and China (Thiebault, 2013). Many comparative politics scholars regard the development of such Asian countries without the necessary democratic principles as being necessitated by bureaucratic authoritarianism or that democratic levels in the 1950s were not as developed as the new millennium (Thiebault, 2013).

2.0. Materials and Methods

This study sought to illustrate the effect of economic cooperation to democracy and governance in Africa. It reviews the various aspects of reforms that have been experienced in Africa in the contexts of democratization and improved levels of governance. An attempt is made to link these positive changes to economic cooperation and an integral change catalyst and framework. The authors relied on qualitative analytical design to review literature so as to arrive at conclusions for discussion.

3.0. Discussion of Findings

Economic cooperation as a process and framework has an impact on democracy and governance.

3.1. Impact of Economic Cooperation on Democracy

A critical aspect is the fact that a state cedes some of its influence or control over its economy owing to commitments to regional economic agreements. Economies thereby left to the forces of demand and supply. This leads to emergence of new agents of power from the economic sphere of influence and may include business elites and market segments’ representatives. An example is the emergent middle class in Africa that has continued to impact on governance issues (Akinkugbe & Wohlmuth, 2016). These emergent groups

pile pressure on the state and equally have influence on other public spheres hence increasing the democratic space of the country.

The factor of cooperation between two or more sovereigns takes a regional scope. It assumes an institutional framework within which the influence of the state and its structures such as the party system and bureaucracy change. Countries find themselves taking a back step so as to observe what is trending in the region, then slowly internalize that structure. Since democracy is a trend in contemporary international relations, it automatically becomes the mode of operation, regardless of the existence (if there is) of an authoritarian state. In as much as Yilmaz (2010) points to the factor of a hegemon in cooperative agenda of countries, the fact that a new system is being created, and the authoritarian tendencies of the hegemon tend to waiver when subjected to the forces of economics and markets.

For democracy to get a foothold, it must have support from the society in form of ideological, political-cultural and economic base. The circumstances under which these features grow is dependent on the regional structure that a state is in together with shared values discussed above. The introduction of economic cooperation fuses both the socio-economic and political features that member countries have, borrowing from each other to create a set ideology and political culture. In line therefore with the ideals of liberalism, democracy grows and gains trust through ideological interpretations that best suit this economic endeavour.

3.1.1. Exchange of and influence of democratic ideals by cooperating economies

The question of economic development and sustainability in reference to democratic development are in tandem with economic cooperation. Economic integration leads not only to sustainability in a country, but to the region as well. Sustainability is regarded as a prerequisite of democratic ideals' development (Samarasinghe, 1994:14-15). This is because when integration does happen, much of the control on the state is ceded to other sectors, as explained above, leading to the formation of a system that checks itself. This self-checking system kicks off a process that creates an enabling environment for democracy to develop.

In the same context, if a country or group of countries with an integrated set up does embrace sustainable economic policies, integration included; then it receives the power that goes with wealth accrued with economic gains. It therefore leads the rest in embracing democratic ideals.

3.1.2 Political and institutional paradigms

Economic integration at the political level is based on the underlying rationale of "liberal peace hypothesis". This theory of peace and absence of military confrontation breeds a good environment for democracy to grow. Economic integration at the institutional level for the "ideal" state in which member countries should be in a matter concerning governance and democracy.

The notion in Africa that the cause of economic and social crisis has always been external has been a great source of scapegoat by various governments. While this is debatable, the international community has played a role in creating this crisis in Africa through historical, colonial and post-colonial economic subjugation (Adejumobi, 2000). Kwemo (2017) points out that the inception of economic cooperation attempts to correct this. While critics to this argument point to internal factors such as mismanagement and lack of democratic space, some scholars point to the advantages of economic integration as being important to the development of structures based on African political-cultural curriculum and understanding (Samarasinghe, 1994:22,23).

Economic cooperation gives one the platform to make decisions and errors in a cyclical manner until such a point that one gets it right. This is in the sense that if two or more countries with the same problems do cooperate, they in the end get accrued benefits that will be channelled back to each of the member states, and of course the ideals that are in tandem. This would be difficult if African countries for example have economic ties with the West as this engagement pits Africa as the weaker side that should learn from the West. While benefits will be realized, they will not include ideals as western ideals will carry the day, and African ideals that are still growing will be dropped.

3.1.3. The politics of aid for democracy

The contemporary international political economic realm and theory dictates that developing countries depend on the developed world, through set economic structures and financial institutions such as the World Bank and international monetary fund (Samarasinghe, 1994:17,18). In the same breadth, powerful countries do have their own parallel aid and donor programmes; nonetheless, they do conform to set transnational monetary policies. Third world countries have in several instances decried of these institutions and their sponsor countries. Countries such as China, Russia, South Africa, India and Brazil have even gone a step further to establish the BRICs institution to counter the influence of the western world (Laïdi, 2014). The ideology behind the notion of aid for democracy can be analysed in two ways; the first being its impetus for regionalism and the second being the impetus for democracy.

Regionalism does develop in two aspects. The first being the effort put in place a counter-effective strategy on impact of aid-providing countries and their institutions and the second being the resultant effect of the aid that is invested. In view of the latter, Africa has benefited in many developmental projects that are majorly funded by international partners including and especially the European Union (EU) (Ottosen,2010:7;10). However, the development of regional economic cooperative engagements in Africa today are mostly in rebellion to the hegemonic control of international economic system (Gray and Gills, 2016). The hope is that if the African continent is united economically, then it will have the much-needed

financing to develop based on its own political ideals including interpretations of systems such as democracy and governance models that suit the African political culture.

3.1.4. Political Democracy

In regard to political democracy, scholars of democracy point out that there are two key elements of political democracy; system of government and the political and civil liberties. As economic cooperation takes foot, so are the rules of its engagement. Some regional economic communities (RECs) do put in place laws that stipulate the establishment of basic principles in their member countries; democratic ideals included leading to establishment of political democracies. Such formal institutions of government that lead to good governance include the judiciary, legislature, devolution and constitutionalism. A regional organization like the East African Community (EAC) for example has passed rules that require a member state to have a certain threshold in regards to the above political ideals, democracy being one of them. In fact, the inclusion of new members into the group is based on their qualifications of such set ideals, which in the case of the EAC, denied the entry of Sudan, after two members, Uganda and Tanzania vetoed against its request to join by explaining that Sudan does not meet the threshold set by the EAC on basic political rights (Sudan Tribune, 2011).

Scholars have fronted the hypotheses that socio-economic development (modernization) brings about democracy (Samarasinghe, 1994). That democracy is a “higher order” need that follows “basic needs” of humanity. These are in line with the “Lipset thesis” that economic development not only leads to democracy but is essential for democracy to come into being (Thiebault, 2013). While African scholars have refuted the modernization theory as being Eurocentric, the underlying concept of economic development resulting to democracy remains real. Nonetheless, there are other factors that lead to democratization. Such include historical factors in the economic, political and social environments. These factors include religion (such as the role of the Catholic Church in the Philippines), ethnicity, monarchies, and military etc. While these are internal factors, they at times take regional shapes. Economic integration becomes the butter and catalyst. External factors to such include the introduction of a hegemon, post-colonial relationships and other international institutions such as multi-national corporations

The demand for democracy and good governance is spiralled up to the government under a broader economic cooperation structure (Inter-Parliamentary Union, 1998: VII). This is because; a) efficient system to allocate resources for production, b) an independent civil society that a market economy produces that is indispensable for democracy do set the stage for an open system that leads to democratic ideals. The process within which a state does struggle to fulfil both its requirements in an economic cooperation structure and its local goals on the other side involve the setting up of systems for distribution of resources and maintenance of independent market structures and economy. This procedure plants the seed of democracy

due to the importance and regard given to every political unit, either an individual or institution, in making independent decisions that are in line with resources and demand and supply in the market economy.

3.2. Impact of Economic Cooperation on Governance

A major impact of economic cooperation is that increased returns from economic ties leads to availability of funds to improve governance (Kaufmann and Kray, 2003; Ekenedirichukwu, 2016:4). The provision of public services in a state demands huge input of resources. It is difficult to most governments in Africa. Such important processes as democratization and public participation require resources. Democracy is thus dependent on resource availability. This perhaps explains why western countries have been supporting democratization activities such as elections (Weber, 2018). This also extends to the quality of service delivery. As pointed out earlier, the needs of the people if met, provides them with an opportunity to engage in constructive state development, and if not met will encourage them to resort to social cleavages that they deem as providing what the state has failed to. Ethnic support thrives in Africa because of this (Okuku, 2002). Good governance in this scenario becomes difficult to achieve, and so is democracy. Their approach leans towards particular cleavages that further disrupt the nation-state.

Resolutions passed by economic entities help in promoting governance and effective public management. Regional economic communities and other pan African organizations exist within an established legal framework that bind member states. These legal frameworks are resultantly enacted in municipal law. Since these are independent sovereigns, the legal framework arrived at is of international standing and promotes good governing policies that aim at ensuring success of their economic goals. In effect, no member country can sign up to a legal framework that they cannot tolerate in the first place municipally.

Equally, apart from the visible legal frameworks, there exist the accompanying “good practices” effect that member countries acquire. Exchange of and influence of good governance ideals by the cooperating economies is attained in this way. When regional states come together, they resolve to do everything together in a “good” manner. This explains why the principle of “Good Neighbourliness exists in regional organizations. Such acts are carried back to member’s governance principles. These are expressed in the desire to implement agreements and commit to all agreed agenda.

Economic cooperation increases the pool of resources that becomes the back-stop or cushion for governments. As more and more countries engage in economic ties, their cumulative wealth does grow. This wealth not only give them the needed power politically, but equally provides the avenue within which governments fund their developmental agenda. Good governance is easily attained if the government has more resources. The differences that do exist within a country such as ethnic and religious identities are better addressed if these cleavages have access to resources, or opportunities to have them, such as a strong

economy. Tentatively, managing them becomes easy, in effect therefore establishing a good governance structure.

Economic cooperation also provides an avenue for communal support to governments to each other. Cooperating countries in their effort to establish positive governance structures, do share a lot of experiences and in so doing help in sharing the burden of governance. This is done through exchanges of not only governance ideals but in provision of services in the security, health, education and other governmental services. For example, the conflict in South Sudan has prompted the assistance offered to this country by her neighbours, not only due to the pan African union policy of collective development but also due to the economic ties that countries in the Horn of Africa do share (Mugo, 2016: 28).

4.0. Conclusions

Democracy envisages the inclusiveness of decision making in not only political but on social and economic matters of the country by the citizenry (Baum & Lake, 2003). It is thus developed if economic integration structures are put in place as the normal people in simple endeavours such as businesses are given the chance to make decisions. Economic cooperation increases the importance and focus placed on economic sectors of a country, and in retrospect therefore, giving more room for the development of democracy.

Economic cooperation gives countries the opportunity to explore in new ventures that would ordinarily be difficult. Such ventures as pipeline and railway infrastructures only give returns if a given region come together and implement them together. The shared commitment in such economic endeavours spills over to other significant political relationships including democracy. Equally, shared projects and infrastructure dictate the delicate act of management, which hitherto, results in a good culture of good governance in contributing member states.

5.0. Recommendations

The situational analysis of democracy and governance in Africa has made tremendous changes in the half decade most member states have been independent. It is from this backdrop that this study recommends the re-evaluation of the state of democracy in Africa in view of economic development. Pertinent questions should be raised as to why a number of African countries seem to be doing well economically yet their level of democratization has remained low.

Good governance as is practised in regional bodies and trade blocs does not seem to trickle down to member states. This is accessioned by failure to implement resolutions and the little impact these institutions are making in the general developmental agenda of Africa. More needs to be done, this study recommends, to urge good governance in countries and especially in public institutions.

As new segments including the middle class and new breed of leaders in Africa continue to emerge, radical changes in governance styles and democratization are being felt. However, the economic effect of these changes is not commensurate to these changes. This study recommends a further review of these emergent aspects in the African developmental quest.

References

Adejumobi, Said (2000) *Africa and the Challenges of Democracy and Good Governance in the 21st Century*, Addis Ababa: UNECA.

Akinkugbe, O & Wohlmuth, K. (2016). *Middle Class Growth and Entrepreneurship Development in Africa – Measurement, Causality, Interactions and Policy Implications*. Institute for World Economics and International Management, Universität Bremen. ISSN 0948-3837. Retrieved from http://www.karlwohlmuth.de/files/dateien/122_final_number_43_white_series_wohlmuth_akinkugbe_fin_al_10_11_2016.pdf

Armah, R. (2015). Botswana and Mauritius: A Comparative Analysis of an Economic and Political Success Story in the Most Unlikely Region. Cornerstone: A Collection of Scholarly and Creative Works for Minnesota State University, Mankato. Retrieved from <https://cornerstone.lib.mnsu.edu/cgi/viewcontent.cgi?article=1415&context=etds>

Avellaneda, S.D., (2006). Good Governance, Institutions and Economic Development: Beyond the Conventional Wisdom. Paper to be presented at the Forum de Recerca, Departament de Ciències Polítiques I Socials, Universitat Pompeu Fabra, Barcelona.

Baum, M., & Lake, D. (2003). The Political Economy of Growth: Democracy and Human Capital. *American Journal of Political Science*, 47(2), 333-347. doi:10.2307/3186142

Ekenedirichukwu, E.G., (2016). Democratic Governance and Poverty Eradication in a Post-Military Nigeria: Any Significant Differences? Department of Political Science, University of Nigeria, Nsukka.

Gray, K and Gills, B.K., (2016). South–South cooperation and the rise of the Global South. Taylor & Francis, Third Quarterly. Volume 37, 2016 – Issue 4: Rising powers and South – South Cooperation. <https://doi.org/10.1080/01436597.2015.1128817>

Inter-Parliamentary Union. (1998). *Democracy: Its Principles and Achievement*. The Inter-Parliamentary Union, Geneva – Switzerland.

Juma T.O. and Oluoch K.K., (2013). **System Failure Causes of Conflict in Africa as a Social Transformation**. International Affairs and Global Strategy. Vol.17, 2013

Kaufmann, D. (2003) “Rethinking Governance, Empirical Lessons Challenge Orthodoxy,” *Discussion Paper*, Washington DC: World Bank Institute, (accessed on December 31, 2011), [available at <http://www.worldbank.org/wbi/governance>]. p. 27

Kaufmann, D. And Kraay, A. (2003) “Growth without Governance,” *Economia: The Journal of the Latin American and Caribbean Economic Association*, 3/1: 169-215

Knack, S. (Ed.) (2003) *Democracy, Governance and Growth*, Ann Arbor: The University of Michigan Press.

Kwemo, A. (2017). Making Africa Great Again: Reducing aid dependency. *Africa In Focus*. Retrieved from <https://www.brookings.edu/blog/africa-in-focus/2017/04/20/making-africa-great-again-reducing-aid-dependency/>

Laïdi, Z. (2014). The BRICS Against the West? HAL Id: hal-01069517 <https://hal-sciencespo.archives-ouvertes.fr/hal-01069517>

Lipset, S.M. (1959). Some social requisites of democracy: economic development and political legitimacy" *American Political Science Review*, vol 53, march 1959, 69-105

Mugo, J. W. (2016). An analysis of Mediation as a Tool in Conflict Resolution in Africa. A Case Study of Mediation Process in South Sudan Between December 2103 – March 215. A Research Project Submitted in Partial Fulfilment of the Requirements of the Degree of Masters of Arts in International Conflict Management, Institute of Diplomacy and International Studies (IDIS), University of Nairobi

Mwencha, E. (2008). Regional Conflicts: An Analysis of Past and Present Trends and the Role of Regional Organizations *in African Regional and Sub-Regional Organizations: Assessing Their Contributions to Economic Integration and Conflict Management*. The Woodrow Wilson International Center for Scholars. Washington, D.C.

Ninalowo, Adebayo. (2003). Democratic Governance, Regional Integration and Development in Africa. Development policy management Forum. Addis Ababa.

Okuku, J. (2002) Ethnicity, State Power and the Democratisation Process in Uganda, Nordic African Institute, Uppsala.

Ottosen, H.L. (2010). NEPAD's Contribution to Democracy and Good Governance in Africa. International Institute for Democracy and Electoral Assistance. Stockholm, Sweden

Pilling, D. (2018). The scramble for business in Africa. *Financial Times*. Retrieved from <https://www.ft.com/content/62b1e38c-bd83-11e8-94b2-17176fbf93f5>

Samarasinghe, S.W.R. de A, (1994). Democracy and Democratization in Developing Countries. Series on Democracy and Health. Development Studies Program. The American University & Institute for International Research Washington, DC.

Sudan Tribune. (2011). Sudan's bid to join EAC quashed by Uganda & Tanzania. Retrieved from <http://www.sudantribune.com/Sudan-s-bid-to-join-EAC-quashed-by,40840>

Tellis, A.J. and Mirski, S., (2013). *Crux of Asia: China, India, and the Emerging Global Order*. Carnegie Endowment for International Peace. Washington D.C.

Thiebault, J.L., (2013). The economic development as factor of democracy. Retrieved from <https://ebape.fgv.br/sites/ebape.fgv.br/files/the-economic-development-as-factor-of-democracy.pdf>

Weber, M.A., (2018). *Global Trends in Democracy: Background, U.S. Policy, and Issues for Congress*. Congressional Research Service. Washington D.C.

Yilmaz, S. (2010). State, Power, and Hegemony. *International Journal of Business and Social Science* Vol. 1 No. 3; December 2010.

Authors

Kipkorir Bett - Master of Arts Student in International Relations, Department of History, Political Science and Public Administration. kipkorbett@gmail.com

Cosmas Kemboi - PhD fellow, Department of History, Political Science and Public Administration. cosmuskemboi@gmail.com

Gideon Kemboi - PhD fellow, Department of History, Political Science and Public Administration. gichumba@yahoo.com