



Brexit: Lessons for Regionalism in Africa

Alem Asmelash and Sina Henke

Executive Summary

The Brexit outcome has shocked many European Union (EU) member states and their citizens, forcing them to re-evaluate the costs and benefits of EU membership. This policy brief looks at the factors that led to the referendum decision and questions whether Africa, particularly the African Union (AU), can draw lessons from the EU experience. It ultimately makes three recommendations for how the AU can advance the regional integration process: i) benefits need to trickle down to the micro-level; ii) youth inclusivity needs to be guaranteed; and, iii) economic integration needs to be strengthened through investment in comparative advantages, innovation and implementation at the national level. The most important lesson from Brexit is that the primary benefactors of any integration process should always be the people. The failure of traditional political elites in Europe to communicate and translate regional policies to their constituencies at the local level was one of the key reasons behind the feelings of detachment among British citizens. These sentiments resulted in a strong nationalist movement, especially within the labour market, as Britons did not see or feel the benefits of the EU but rather felt threatened by it. Regional integration processes are as much about emotions as they are about politics and economics.

Key Points

- ❖ For its success, African integration process must yield tangible benefits, perceived or real, for ordinary citizens in ways that guarantee youth inclusivity, investment and innovation
- ❖ The African integration process should make the common citizen the primary benefactor
- ❖ African states need to increase their commitment to implementing regional integration plans that are citizens-focused
- ❖ Regional integration are not only about politics and economics, they must also be seen as emotional processes principally satisfying the yearnings and aspirations of the citizens.

Introduction

On 24 June 2016, the Brexit referendum results were announced: 52% of UK voters chose to leave the European Union (EU), against 48% who chose to remain. Winston Churchill¹, one of the first to call for the creation of a “United States of Europe”², would no doubt turn in his grave on this news. He was an avid believer, not only in the economic prospects of integration, but also that only a united continent could guarantee peace and eliminate the ills of nationalism.

The relationship between mainland Europe and the UK has often oscillated between caution and outright aloofness. The European Coal and Steel Community was set up in 1951³ with the ambitious idea of eventually uniting European countries, both economically and politically, in order to secure lasting peace as well as bring its people together, promote greater understanding, and create platforms for dialogue among Europeans. Initially, the UK opted not to join the organisation and again in 1957 declined to be one of the founding members that signed the Treaty of Rome establishing the European Economic Community (EEC).

Trapped in its own belief of exceptionalism, with a permanent seat on the United Nations Security Council (UNSC) and atop the Commonwealth as a modern day remnant of its former empire, the British were convinced they had little to gain from the EEC. It was for these reasons that London only decided to send a mid-ranking trade officer to merely observe the signing of the Treaty of Rome.⁴ It was only in 1973, sixteen years after the Treaty, that Britain reluctantly opted to join the Community following its initial success.⁵ In many ways, then, the UK’s membership in the EU has always been based on rational calculations of her enlightened national interest; or, at best, only transactional.⁶

The EU’s reputation for bureaucratic inertia, and for turning itself into an alternative centre of power, is often blamed for Brexit. The Union’s particular fixation with economics and excessive regulations created feelings of isolation and detachment among European citizens, and further widened the gap

between them and the bureaucrats in Brussels, the seat of the Union. In many ways, this disconnect demonstrates the failure of traditional political elites in communicating (and translating) regional policies to their constituencies at the local level.⁷ Alongside the growing fear of immigrants flooding the job market, disconnect with Brussels only reinforced the widespread euro-scepticism harboured by many Britons. It should not have been a surprise that despite sharing common values and enjoying the benefits of open borders, the UK nevertheless voted to leave the EU by a slim margin of 4%.

There are at least two reasons why Brexit matters for Africa, in general, and for the regional integration effort of the AU, particular. First, is that African integration schemes mirror the EU model- including on peace, security and development cooperation issues. Second, is that the EU is currently the leading financial benefactor to regional integration in Africa as epitomised by its support to the AU.

Regional Integration in Africa:

It was the vision of African leaders that economic cooperation and political integration based on shared norms and values, similar to what the founding fathers of the EU had in mind, were important to the economic and political development⁸ of the continent. These realisations, combined with potential security concerns⁹, led to the creation of the Organisation of African Unity (OAU) in 1963 followed by other institutions such as the African Union, the African Development Bank (AfDB),¹⁰ the five regional economic communities, and the three regional mechanisms recognised as building blocks of the integration process in Africa.

Other frameworks established by the AU to advance regional integration in Africa include the New Partnership for Africa’s Development (NEPAD), adopted in 2002, and the Millennium Integration Plan, launched in 2009, to accelerate coordination, convergence and collaboration among the RECs towards achieving the ultimate objective of an African Economic Communities. Moreover, the AU adopted Agenda 2063, a document that maps out the road to the gradual creation of a continent that is

fully integrated - economically and politically. The Agenda taps into the gains from the last half century, and draws lessons from the development and security challenges the continent is projected to face during the next 50 years, until 2063.

The signing of the Tripartite Free Trade Area Agreement (TFTA),¹¹ the Continental Free Trade Area (CFTA) negotiations as well as the launch of the African Union (AU) Passport are also major steps towards regional integration. While much work remains to be accomplished, these steps represent positive progress to justify the view that Africa's regional integration efforts are on track.

Even at that, a lot of challenges continue to impede the integration process. For instance, while RECs have created the necessary legal and policy frameworks to drive integration, actual implementation has been slow at national levels. Security challenges in the form of rebellions, post-electoral violence, resource-induced conflicts and more, also continue to undermine integration efforts process on the continent¹². Further, the dearth of commitment on the part of African states to cede power to regional communities has continued to hamper the capacity and performance of the RECs in leading integration processes. With little or no authoritative mandate, RECs continue to rely on the whim and caprices of their member states in implementing regional policies¹³.

Lessons from Brexit for Regional Integration in Africa

In view of its vast supranational powers and institutional capacity, the EU has become an archetype for other regional organisations around the world by virtue of its extensive mandate over member states and its role in political and economic integration, the EU. While the AU is nowhere as far as attaining and exercising a similar level of influence, it can still learn a number of hard lessons from Brexit.

First and foremost, the Brexit experience revealed that translating the tangible benefits of integration to citizens across board is at the heart of any durable

integration process. In short, then, the lessons that Africa could draw from Brexit should give insights into how the continent is able to recognise and respond to future challenges and to put itself on stronger pedestal. The few points highlighted here are only therefore meant to signpost the need for Africa to pay critical attention to strengthening integration by tackling those myriad social, economic, political and security challenges it faces.

1. Strengthen Economic Integration

To maximise gains from integration, African economies - through RECs - need to give premium attention to effective coordination. Advancing economic integration in the continent has always been a difficult task, and for a number of related reasons linked to the non-complementarity nature of their economies, their meagre investment in innovation, and the widening infrastructural deficits many countries face. As a strategy to maximising the benefits of regionalism, therefore, several countries have resorted to multiple, and overlapping, memberships in different RECs.¹⁴ A major consequence is that doing so soon leads to divisions and conflicting commitments. It also hinders several efforts to rationalise integration processes within different regions.

Economic integration is the primary pillar of integration in the continent, as elsewhere. It is without dispute that African states are better off economically integrated than otherwise. By reducing trading costs and creating spill over effects, economic integration maximises state gains both in low and high politics. This will not only avert incidents such as Brexit but also empower regional and continental bodies to push for more integration and authority.

Based on their scorecards, African states have so far not been able to fully tap into the benefits of economic integration; the type that is necessary for building peaceful and prosperous regional arrangements. Between 2000 and 2014, the continent registered an annual economic growth rate of 4%¹⁵ while intra- and inter-regional cooperation have at

no time exceeded 10-15% of the continent's total trade. Even if economic growth is expected to produce a positive spill-over effect on integration, the limitations that African states face in transforming the structural configurations of their national economies continues to hinder their capacity to knit together their economies. The road towards building stronger interdependence between and among states in Africa therefore demands the fulfilment of basic, but still missing, requirements for integration.

Invest in comparative advantage: In order to create a robust and sustainable value chains, African states must recognise the urgency to transform themselves from purely mono-cultural and agro-based economies to those that prioritise investment on the manufacturing sector. Classical economics teach that considerable trade between states can only be achieved if those involved engage in specialisation, including in the production of manufacturing goods rather than focus on the same items. This prescription also applies to individual countries.

Innovation: Any conscious effort to implement structural transformation must take heed to invest in innovations. Of course, the last decade or more has clearly shown that demand-oriented exports can create continued economic growth, only that it is also subject to the vagaries of volatile global price shocks. This situation, in turn, limits how much countries can to rely merely on the export of primary commodities such as agricultural and mineral resources without ensuring value addition, complementarity and integration.

Bridging the Gaps in Implementation: Africa is not short of legal frameworks and policies on regionalism. What is obviously lacking, across board, is implementation; first, at the national level, in situations where countries have demonstrated persistent reluctant to domesticate regional polices in their national developmental priorities just as they are unwilling to cede requisite authority to regional mechanisms. It is anachronistic that African states are reluctant to empower inter-government institutions such as the AU and RECs because they still see them as threat to their sovereignty. They

would, indeed, prefer to see regional initiatives flounder than allow any external authority above them.

Still, the experiences of the EU have shown that calculation of costs and benefits by constituent states could very easily throw spanner into the best of regionalism processes anywhere in the world. Africa cannot be an exception given the manner that states want to reap the benefits of integration but are not willing to give what it takes in terms of implementing decisions and meeting commitments.

2. Benefits at the Micro-Level

Integration should not solely focus on economic growth and regulation at the macro-level, but should also effectively translate into tangible benefits at the micro-level if it must catch the sentiments of citizens. There is no gainsaying that integration technocrats, particular those working for intergovernmental institutions such as the AU and RECs, have to constantly gauge and take cognisance of how citizens of member states embrace, for good or bad, the regional policies adopted. While full integration in Africa is still mostly aspirational, securing adequate buy-in from ordinary African citizens from Juba to Johannesburg is the most basic step in the long march to consummate regionalism.

It was envisaged, for instance, that the Continental Free Trade Area (CFTA) of the AU that was planned for full launch in 2017¹⁶ will help bring closer the existing customs unions and common markets on the continent by turning the 54 single African economies into a more coherent, bigger and stronger market. To achieve this important aspiration would however depend, for the most part, on the extent that ordinary citizens are able to migrate from one part to another; be it for tourism, trade or to settle and work anywhere. Currently, the empire of barriers to any of those is considerable that citizens have little or no affinity with decisions taken by intergovernmental institutions supposedly to improve their lives.

In the Brexit scenario, it was clear that a large proportion of the British population did not see the positive effects their country was getting from

membership of the EU. In fact, according to some analysts, it was the population living in the regions that were the least integrated in the UK that voted to leave¹⁷. Citizens from other EU member states, in particular Eastern Europe, also largely migrated to UK in search of better employment¹⁸. As a result, migrants were regarded as crowding the job market and putting undue pressure on public services, two factors that influenced the “leave” outcomes of the referendum.¹⁹ If African governments ignore the handwriting on the wall that their citizens are not benefitting in any tangible ways from current regionalism initiatives, it is a matter of time before they begin to undermine the same.

3. Guarantee Youth Inclusivity

It is instructive in a curious sense that majority (75%) of those that voted to remain in the EU in the UK’s Brexit referendum were young people.²⁰ To their dismay, unfortunately, the final result was that Britain should leave the EU. The initial fears at the time were limited employment options and travel barriers that the youth would have to face. For Africa, then, the key lesson from the massive youth participation in the Brexit referendum should not be lost on African governments who mostly pay lip service to the empowerment and mainstreaming of young people in development and national affairs.

The reality is that there would be a bigger backlash for governments that disenfranchise young people, be it from political or economic opportunities associated with integration. The demographic bulge that is obvious on the continent show that 40% of the continent’s population fall between the ages of 15 and 24, and this number is expected to double by 2045.²¹ That such a vastly untapped human resource is still outside of any official calculations in terms of access to education, employment and access to subsidised socio-economic opportunities is a dangerous gamble.

For as long as the political environment in most African countries has yet to fully cultivate young

people, and allow them to participate in an all-inclusive democratic system, the time is ticking. Clearly, there are still many proverbial rivers to cross to close up the widening and alienating gaps that African states face to meet the growing needs of the youth.

Conclusion

That the Brexit result shocked other EU member states is no longer news. What is inevitable is how this development is forcing their citizens to ask serious questions forcing them to re-evaluate the costs and benefits of the Union. Suddenly, it seems that shared values that Europe once prided itself for is now been replaced by despair and feeling that its constituents are actually strange bedfellows. Now one would have imagined that countries such as France, the Netherlands and Italy are now rethinking their membership in the EU, and this would have serious implications even beyond Europe as the first attempt by the UK has shown.²² With the aspiration for full economic and political integration yet to be met in any considerable way, the ghost of Brexit is going to haunt Africa for some time to come.

It might be that the situation could be reversed in ways that put integration in Africa on a sound and secured footing. This must start; first and foremost, when African leaders, policy makers and technocrats begin to rethink the prevailing *modus operandi* for integration. As noted previously, there is no better time than now to make integration more attractive and favourable to African citizen. To push the cause of integration, African governments must not only give their intergovernmental institutions what it takes but also look closer home to satisfy the yearning and aspirations of their citizens. After all, give or take, ordinary citizens should be the beneficiaries of whatever investments their countries make.

End Notes

¹ Former army officer, war reporter and British Prime Minister (1940-45 and 1951-55)

² In his famous “Speech to the academic youth” in Zurich, Switzerland, on 19 September 1946, Churchill said “...we must re-create the European family in a regional structure called, it may be, the United States of Europe, and the first practical step will be to form a Council of Europe. If at first all the States of Europe are not willing or able to join the union we must nevertheless proceed to assemble and combine those who will and those who can.”

³ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:xy0022>

⁴ <http://www.hitc.com/en-gb/2016/02/07/british-euroscpticism-a-brief-history/>

⁵ http://news.bbc.co.uk/onthisday/hi/dates/stories/january/1/newsid_2459000/2459167.stm;

<http://www.parliament.uk/about/living-heritage/transformingsociety/tradeindustry/importexport/overview/europe/>

⁶ <https://www.economist.com/sites/default/files/EconomistBrexitBriefs16.pdf>

⁷ *ibid*

⁸ Regional integration was sought by African leaders to overcome three fundamental development limitations: Small sized economies, the lack of structural complementarities and dependence on import of intermediate and final goods.

⁹ Greater interdependence minimises the potential of inter-state conflicts.

¹⁰ In subsequent periods, RECs were established on the basis of trading arrangement in form of free trade areas, customs union and common markets were established.

¹¹ The TFTA, concluded between the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Development Community (SADC), was signed in June 2015. Negotiations for a CFTA were formally launched in June 2015 and are expected to continue until the end of 2017.

¹² www.uneca.org/sites/default/files/.../aria5_print_uneca_fin_20_july_1.pdf

¹³ *ibid*

¹⁴ 17 different regional organisations all have overlapping memberships and mandates

¹⁵ Key messages from the report: Assessing Regional Integration in Africa VII: Innovation, Competitiveness and regional integration, 2015, UNECA

¹⁶ Update on the Continental Free Trade Area (CFTA), African Union,

[http://www.au.int/en/sites/default/files/newsevents/workingdocuments/12582-wd-](http://www.au.int/en/sites/default/files/newsevents/workingdocuments/12582-wd-update_on_the_report_on_the_continental_free_trade_en.pdf)

[update_on_the_report_on_the_continental_free_trade_en.pdf](http://www.au.int/en/sites/default/files/newsevents/workingdocuments/12582-wd-update_on_the_report_on_the_continental_free_trade_en.pdf)

¹⁷ <https://www.economist.com/sites/default/files/EconomistBrexitBriefs16.pdf>

¹⁸ *ibid*

¹⁹ <https://www.youtube.com/watch?v=dcwuBo4PvE0>

²⁰ *Ibid*

²¹ <http://www.un.org/africarenewal/magazine/may-2013/africa%E2%80%99s-youth-%E2%80%9Cticking-time-bomb%E2%80%9D-or-opportunity>

²² <http://www.telegraph.co.uk/news/2016/06/23/the-brexit-contagion-how-france-italy-and-the-netherlands-now-wa/>