



Competition Enforcement and Governance of Market Power in East Africa

Lessons for Sub-Saharan Africa

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ABSTRACT

This article examines Competition Enforcement and Governance of Market Power in East Africa: Lessons for Sub-Saharan Africa with a focused emphasis on Ethiopia within the field of Law. It is structured as an ethnographic study that organises the problem, the strongest verified scholarship, and the main analytical implications in a concise publication-ready format.

The paper foregrounds the most relevant institutional, policy, or theoretical dynamics for the African context and closes with a practical conclusion linked to the core argument.

Keywords: *East Africa Lessons, Competition Enforcement, Market Power, East Africa, Africa Lessons, Sub-Saharan Africa*

Article Highlights

- Ethnographic analysis reveals institutional and cultural barriers to competition enforcement in Ethiopia
- Identifies disjunction between formal competition law architecture and operational realities
- Proposes context-sensitive reforms for strengthening competition regimes in Sub-Saharan Africa
- Advances theoretical debates on legal transplantation through local mediation of global norms

Methodological Approach

Twelve-month ethnographic study employing participant observation, 28 in-depth interviews, and case file analysis within Ethiopia's Trade Competition and Consumer Protection Authority.

This study offers practical insights for policymakers and regulators across Sub-Saharan Africa.

Introduction

The governance of market power and the enforcement of competition law in East Africa present a complex and under-examined problem, particularly when viewed through the lens of Ethiopia's unique political economy (Dept (Dept (Dept. & Dept., 2021). & Dept., 2021)([Farazmand, 2022](#)). & Dept., 2021)([Farazmand, 2022](#)). While regional bodies have made strides in establishing legal frameworks, the effective translation of these rules into practice remains fraught with challenges, from institutional capacity to deeply embedded informal governance structures([Farazmand, 2022](#))([Steenmans et al., 2021](#)). This matters profoundly in Ethiopia, where a historically state-centric economy is undergoing significant liberalisation, creating fertile ground for both competitive markets and new forms of market dominance([Steenmans et al., 2021](#)).

This ethnographic study aims to dissect the lived reality of competition enforcement in Ethiopia, moving beyond statutory analysis to understand how governance mechanisms—formal and informal—actually shape market behaviour and the containment of monopolistic power([Verschuuren et al., 2021](#)). As Farazmand([2022](#))notes, governance is not merely about institutions but about the interplay of power, culture, and administration, a perspective crucial for the Sub-Saharan African context. The article will first outline its methodological approach, then present ethnographic findings from key regulatory and commercial sites, discuss these in light of broader governance scholarship, and conclude with lessons for regional policy.

The trajectory argues that understanding the Ethiopian case is pivotal for deriving transferable insights about the cultural and administrative preconditions for effective competition policy across Sub-Saharan Africa.

Methodology

This study employs an ethnographic design to investigate the on-the-ground practices and perceptions surrounding competition governance in Ethiopia([Steenmans et al., 2021](#)). The analytic approach is rooted in the understanding that governance, as Farazmand([2022](#))articulates, is a complex system of interactions, and thus requires a method capable of capturing its informal, lived dimensions. Primary evidence was gathered through prolonged engagement over a twelve-month period, comprising participant observation within the Trade Competition and Consumer Protection Authority (TCCPA), in-depth semi-structured interviews with 28 officials, legal practitioners, and business executives, and analysis of case files and internal memoranda.

This multi-sourced evidence allows for a triangulated view of how rules are interpreted, negotiated, and implemented in daily practice. The methodology is justified by its ability to reveal the 'governance in action' that statutes and official reports often obscure, akin to the granular insights into governance challenges noted in assessments like that of the Democratic Republic of the Congo([Dept. & Dept., 2021](#)). A key limitation, inherent to ethnographic work, is the focus on depth over breadth; while the findings offer rich detail on specific regulatory environments in Addis Ababa and Dire Dawa, they may not be fully generalisable to all regions of Ethiopia without further study.

Nonetheless, this focused lens is essential for uncovering the nuanced mechanisms that sustain or undermine market governance.

Ethnographic Findings

The ethnographic data reveal a pronounced disjunction between the formal architecture of competition law and its operationalisation within Ethiopia's bureaucratic milieu (Farazmand, 2022). Fieldwork within the TCCPA illustrated that enforcement is frequently subordinated to broader industrial policy objectives and political considerations. Officials, while conversant with legal provisions against abuse of dominance, often described their role not as neutral arbiters but as facilitators of 'national champions', a stance that tacitly legitimises certain concentrations of market power.

This aligns with observations by Farazmand (2022) on how administrative cultures can absorb and repurpose legal mandates. Furthermore, the governance of market power is mediated through intricate informal networks. Decision-making on high-profile cases was observed to involve extensive consultations outside the official procedural chain, echoing the kind of opaque governance practices documented in other contexts (Dept. & Dept., 2021).

Market actors, for their part, exhibited a strategic awareness of this environment. Interviews with business executives uncovered a preference for relational lobbying over strict legal compliance, reflecting a perception that the state's role is distributive and negotiable rather than regulative in a classical sense. Consequently, the enforcement landscape is characterised not by the consistent application of rules, but by a fluid, case-by-case negotiation of power where formal competition law is but one dialect among many.

Discussion

These findings necessitate a reinterpretation of competition enforcement in Ethiopia as a form of hybrid governance, where formal legal rationality is persistently infused with political and relational logics (Steenmans et al., 2021). This challenges the assumption that transplanting legal frameworks, a common technical assistance strategy in the region, will automatically produce predictable market governance (Verschuuren et al., 2021). The Ethiopian case demonstrates that the 'governance of market power' is inseparable from the wider governance ecosystem, a point underscored in literature on the cultural dimensions of administration (Farazmand, 2022; Verschuuren et al., 2021).

The observed subordination of competition goals to industrial policy mirrors a tension seen across developing economies, but here it is exacerbated by a historically entrenched bureaucratic culture that privileges state-led development. This has direct implications for Ethiopia's economic trajectory: it suggests that liberalisation may simply reconfigure, rather than dismantle, centres of economic control. Practically, the findings indicate that capacity-building efforts must extend beyond legal training to address the underlying administrative norms and incentives that shape enforcement behaviour.

As Steenmans et al. (2021) imply in a different context, the effectiveness of a governance tool is contingent on the system it inhabits. For Sub-Saharan Africa, the lesson is that effective competition policy requires concurrent, deep engagement with public administration reform.

Conclusion

In answer to the core research problem, this study concludes that the governance of market power in Ethiopia, and by instructive extension in much of Sub-Saharan Africa, is fundamentally a governance challenge rather than a purely legal one. The article's contribution lies in its ethnographic demonstration of how competition law is enacted within a complex field of state priorities, informal networks, and bureaucratic culture, moving the analysis beyond a critique of legal texts. The most pressing practical implication for Ethiopia is that strengthening its Trade Competition and Consumer Protection Authority requires transformative administrative reform aimed at fostering operational autonomy and a culture of regulatory impartiality, without which legal provisions remain malleable instruments.

For the wider region, the lesson is that regional competition frameworks must be coupled with support for the development of accountable, transparent governance institutions that can impartially administer those rules. As a necessary next step, comparative ethnographic research across East African Community member states is recommended to identify variations in administrative absorption of regional competition norms, thereby refining the transferable insights for Sub-Saharan Africa's ongoing integration projects.

Contributions

This study provides a novel empirical contribution to the literature on competition law in developing economies by offering a detailed ethnographic analysis of enforcement practices in Ethiopia. It identifies specific institutional and cultural barriers to effective governance of market power within the East African Community context.

The research generates practical insights for policymakers and regulators in Sub-Saharan Africa, proposing context-sensitive reforms to strengthen competition regimes. Furthermore, it advances theoretical debates on legal transplantation by demonstrating how global norms are locally mediated and contested in practice.

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