

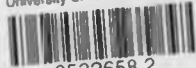
**UNIVERSITY OF NAIROBI**

**THE CHALLENGES OF REGIONAL INTEGRATION: A CASE  
STUDY OF THE EAST AFRICA COMMUNITY 2000-2010**

**BY**  
**PATRICIA MUKIRI MWITHIGA**  
**REG NO: R50/75622/09**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN  
INTERNATIONAL STUDIES, INSTITUTE OF DIPLOMACY AND  
INTERNATIONAL STUDIES (IDIS), UNIVERSITY OF NAIROBI.**

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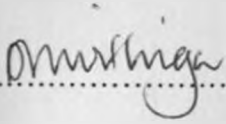


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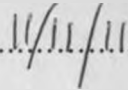
**SEPTEMBER 2011**

## DECLARATION

I hereby declare that **Challenges of regional integration: A case study of the East African Community (EAC)** is my own work and that all sources that I have used or quoted have been indicated and acknowledged by means of complete reference.



**Patricia Mukiri Mwithiga**



**Date**

This project has been submitted for examination with our approval as University Supervisors.

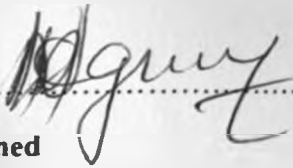


**Signed**

**Prof. J.D. Olewe Nyunya**

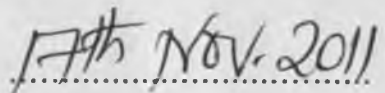


**Date**



**Signed**

**Mr. Martin Nguru**



**Date**

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## **DEDICATION**

I dedicate this work to my parents Mr and Mrs Cipriano Mwithiga, for always believing in my abilities and supporting me in achieving my goals. I would also like to dedicate to my late Grandmother Purity Kinaitore M'Kirima, who did not live long enough to see me achieve my dream.

## **Abstract**

This study seeks to find out the challenges that are faced by regional integration arrangements in their attempts to integrate. In particular the research focuses on the East African Community as a case study. The interest to carry out the study arose from the fact that despite many attempts at regional integration in different corners of the African continent, deep and lasting integration has not happened. The study in particular focuses on the challenges of forming a federation within the EAC and the socio-economic and political challenges that will need to be overcome to achieve political federation.

The study uses the theoretical frameworks of neo functionalism and the relatively newer one of inter-governmentalism which lay the fundamental foundations for regional integration in most regional economic communities. Both theoretical frameworks can be seen to be the basis on which the East African Community is founded. Besides the theoretical frameworks the research also looks into the different approaches to regionalism or regional integration that have been developed and that aim to explain how different regions join regional blocs. The approaches range from, first generation regional integration to third generation regional integration are not always mutually exclusive and may overlap. These approaches are helpful in better understanding the motives that states have in entering into regional arrangements. The research also focuses on the European Union, which is widely accepted as the most successful supranational organization, having grown from a custom union and on its way to harmonization of all policies and becoming a federation. Further explored in this paper is also an overview of the different regional arrangements that are in existence in Africa and the contributions that pan Africanism has made to the development and growth of regional integration on the continent.

Lastly the paper discusses the challenges of regional integration attempts in East Africa. The focus is on both the historical challenges that were faced during the first attempts at regionalism in the post independence era when the three original partner states wanted to federate and the current challenges faced from its second inception in 2000 up to date.

## **Abbreviations**

ACP- African, Caribbean and Pacific regions.

APEC- Asia-Pacific Economic cooperation

ASEAN- Association Southeast Nations

AU- African Union

CACM-Central American Common Market

CARI- Caribbean Common market

CITES-Convention on International Trade in International Species

COMESA- Common Market for Eastern and Southern Africa

CU- Custom Union

EAC- East African Community

EAHC-East Africa High Commission

EALA-East Africa Legislative Assembly

EAMU-The East African Monetary Union

EASCO-East Africa common Service Organization

EEC-European economic community

ECOWAS- Economic Community of West African States

EFTA- European Free Trade Area

EPA- Economic partnership agreements

EU- European Union

FDI- Foreign Direct Investment

GDP- Gross Domestic Product

IPPG -Inter Parliamentary Parties Group

KADU- Kenya African Democratic Union

KANU- Kenya African National Union

KIPRA-Kenya Institute for Public policy research

LAFTA- Latin American Free Trade Association

**NAFTA- North Atlantic Free trade area**

**NATO- North Atlantic Treaty Alliance**

**NBT- Non-Tariff Barriers**

**OAU- Organization of African unity**

**PAP- Pan African Parliament**

**PTA- Preferential Trade Area**

**SADC- Southern African Development Authority**

**WTO- World Trade Organization**

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# Chapter 1: The Proposal

## 1.1 Introduction

Regional integration refers to the process of states coming together to sign agreements where they agree to cooperate in certain areas common to them. This process is overseen by the governments of the specific states. Regional cooperation can take different forms, depending on the objectives of the states that are involved.<sup>1</sup> States may want to come together for economic reasons or even further to form a political alliance or union. In the recent past, many states across the globe have entered into regional agreements for economic purposes. In Africa in particular, there has been a clamour and trend towards integration with numerous regional blocs being formed in various regions of the continent. In the North of Africa for example, there are the Arab speaking African states that form a part of the Arab League such as Egypt, Libya, Algeria, Tunisia, Morocco and Sudan. The coming together of these states to form a league is based on their common culture, religion and oil economies.

In many parts of Africa and the world the coming together of different sovereign states will be based on shared cultural values as well similarities in political, economic and societal values. In Africa there exist several regional economic groupings whose memberships sometimes overlap. In the South there is the Southern African Development Authority (SADC) comprising of Southern African States, mostly the former frontline states. In West Africa there is the Economic Community of West African States comprising of both francophone and Anglophone countries in West Africa (ECOWAS).

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<sup>1</sup> Gathi J.T, African Regional Trade Agreements as Flexible Legal Regimes. ( Working Paper Series No. 20. 2009), p.5

In East Africa there is the East African Community which is one of the older regional blocs, although it has not been consistent, having been formed in the post independence era where personality clashed led to its collapse in 1977. It was reconstituted in 2000.

Most of the regional economic arrangements are centered around geographical boundaries. Another prominent regional economic grouping in the past has been the Common Market for Eastern and Southern Africa (COMESA) that is formed by countries in East, Central and Southern Africa. Most if not all times, nation states enter into regional arrangement mainly because of the economic gains they stand to gain. In Africa, in particular they are perceived as vehicles for overcoming the constraint of small economic sizes of nations. The small size of most African economies has been seen as one of the reasons that hamper their ability to industrialize effectively.<sup>2</sup> The idea behind regional integration has been that Intra African trade will facilitate structural transformation and accelerate economic and social development of African States. Sovereign States that form or join a regional bloc also view it as a way to increase their bargaining power in a globalized world dominated by a hegemony.

Regional integration can also be looked at from the angle of a progressive, dynamic process that entails a country's willingness to share or unify into a larger whole. The degree to which it shares and what it shares determines the level of integration. There are different degrees of integration depending on pre defined criteria. Regional integration demands that a State relinquish a part of its sovereignty willingly in order to be part of a larger group. Many countries are willing to create or join regional blocs but are unwilling to surrender their sovereignty even considering

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<sup>2</sup> Bohwasi. P, "*Africa Regional Blocs: Unifying or dividing.*" African Executive, Dec 12, 200, p. 13

the great benefits they stand to gain. The fear of loss of sovereignty is one of the greatest impediments to regional integration. This paper will seek to explore the regional integration efforts and challenges in the East African community from its past stages as a customs union to its present state as a common market and its aspiration to become a political federation. The research paper will therefore focus on both the East African Community which was first officially formed in 1967 only to disintegrate in 1977 and the now reconstituted EAC, formed on 7th July 2000 after ratification of the EAC Treaty.

## **1.2 Background to the Research Problem**

The East Africa has had ties traditionally as proved by the presence of some ethnic groups in more than one country such as the Masai of Tanzania and Kenya and the Luo found in Kenya, Tanzania and Uganda. Prior to colonization, the region was a borderless region. The people of the area had for centuries interacted and cooperated with one another, either through trade and other socio economic activities. Formal initiatives at cooperation, within the East Africa region begun during the colonial period. Earliest effort at cooperation can be traced to the 1924 the Ormsby-Gore Commission that was sent to East Africa to consider viability of establishing a unified policy in the area. It is important to note however that the British had already created an East Africa currency in 1905 and a postal union in 1911.<sup>3</sup> In 1928 the Hilton-Young Commission was formed to examine again the viability of a federation in the region. The findings of the Commission concluded that the time was not ripe for change toward establishment of a federation and instead recommended institutionalization of common services.

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<sup>3</sup> Adar G. Korwa & Ngunyi. M, "The politics of integration in East Africa since independence" in Walter O.Oyugi ed., *The politics and administration in East Africa* (EAEP, 1992), p.p. 395- 420

This led to the introduction of an income tax in all the three countries. In later years a joint East African board was established to handle tax collection.<sup>4</sup> Later on an organizational framework for the management of common services was formed with the establishment of the East Africa High Commission (EAHC) which comprised the governors of Kenya, Tanzania and Uganda. Through the EAHC laws were enacted that put into operation the East African Railways and Harbours, the East Africa Post and Telegraph, the mechanism for revenue collection and Makerere College. At independence the East Africa common Service Organization (EACSO) was established. The EACSO was the fore runner of the EAC federation as it operated the EAC states external trade, fiscal and monetary policy, transport and communications, infrastructure as well as university education. In the post independence period the three East African States tried to revive the federation debate. After independence, there was a lot of debate on the issue of an EAC federation. All EAC heads at the time seemed to be for the idea of a federation largely influenced by Pan Africanism ideals.

However the idea of a federation came to be divisive among the three EAC states and they opted instead for economic integration. These efforts toward economic integration lead to the signing of the treaty for EAC cooperation in 1967. The treaty's main aim was to strengthen and regulate the industrial and commercial and other relations of partner States. The treaty was also very important in that it conferred on the community a legal personality.

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<sup>4</sup> Ibid

This meant that the EAC could enter into agreements with other legal entities on behalf of the three states. The treaty also set to establish and achieve acceptable distribution of benefits of cooperation amongst the states. However after only ten years in operation the EAC collapsed in 1977 with the closing of the Kenya -Tanzania border by former president Julius Nyerere.

### 1.3 Statement of the Research Problem

Regional integration is a phenomenon that has rapidly spread all over the continent of Africa with many Nation states seeking to form regional economic groups. These countries seek to form these regional groups because of the many benefits that they stand to derive from regional integration schemes. Some of the benefits they stand to gain will include higher economic growth, macro-economic stability, institutional and human capital development, greater capital formation through regional capital markets, increased regional security and promotion of common development projects such as building of infrastructure and increased bargaining power at international fora.<sup>5</sup> Despite the great benefits that individual countries tend to gain, many countries still fall short of the objectives that they set out to carry as part of integration initiatives. In Africa, many governments vested with the responsibility of socio economic transformation of their economies and alleviation of poverty, take to doing so but there many times seems to be a contradiction between the emphasis on the need for economic integration and the scanty evidence of practical success.<sup>6</sup> African countries that are part of regional integration institutions have also been reluctant when it comes to ceding their sovereignty. Apart

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<sup>5</sup>Omoro F. M, "*Organizational effectiveness of regional integration institutions: A case study of the EAC*. M.A UNISA, 2008, p. 16

<sup>6</sup> Ibid,

from this there are also emerging challenges of different levels of democratization and the disparity in laws.

Again many African governments have avoided a supranational approach that implies shared sovereignty and instead chosen to cooperate tentatively in only specific areas. This situation has resulted most times in weak regional institutions with weak or little authority. Other challenges of regional integration have been the lack of resources of some of the institutions that are created to manage regional integration. Some of these organizations in addition to weak secretariats also have scarce resources a situation that makes them susceptible to control from the political elite.<sup>7</sup>

In 2001 the EAC made its second attempt at forming a regional economic grouping that is expected to lead to a political federation. The first EAC that collapsed after only ten years in existence as a result of ideological differences among the EAC states, with Kenya following a more capitalistic route under Jomo Kenyatta while Tanzania under Mwalimu Nyerere leaned to a socialist pattern of development. Another even more prominent reason cited for the disintegration of the EAC was the uneven levels of development. Kenya as part of the EAC seemed to benefit disproportionately in comparison to the other two countries. Kenya dominated trade and made bigger gains as compared to Kenya and Uganda. The political environment in Uganda was also another issue of discontent among the EAC states, in particular for Tanzania which would later go to war with Uganda in 1979. Lastly the fact that political leaders who were the driving force in the EAC failed to see eye to eye also ultimately led to the demise of the EAC.

Although alot has changed in the region since the first attempt, some of the reasons that led to the disintegration still exist with the Kenyan industries still dominating trade in the region.

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<sup>7</sup> Ibid



This paper seeks to address the challenges that are present in achieving regional integration in the region of East Africa.

#### **1.4 Objectives of the Study**

The overall objective of this study will be to examine the socio-economic challenges facing the EAC. The other objectives include;

1. to examine how the present democratic patterns in each partner state will affect the integration process in its final destination as a federation.
2. to investigate whether the challenges that led to the collapse of the EAC in 1977 still exist today.

#### **1.5 Literature Review**

Review of the literature on regional integration in general is wide and varied. Quite a lot of research has also been done on the East Africa Community since the signing of the EAC treaty in 1999. A lot of the literature done is positive about the renewed cooperation. Deceased Pan Africanist and former Secretary General of the Pan African, Dr. Tajudeen notes that, even with the collapse of the first EAC under the twin pressures of internal political disagreements between state elites and their external alliances, the peoples of the region continued cooperating irrespective of what happened in the State Lodges.<sup>8</sup> He says that, “The governments are now listening to the people and reconciling themselves to reality.”

Another writer, Shivji states that regional integration is deeply rooted in the vision and ideology of Pan-Africanism, and even though it was somewhat eclipsed by the progression of

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<sup>8</sup> Raheem, T .Abdul, *Africa without borders*. Pambazuko magazine, 2006-12-07, Issue 281, p. 12

territorial advancement, regionalism has remained on the agenda of most countries in Africa. He mentions in particular the famous debate between former president Nyerere and Ghanaian president Nkurumah. Mwalimu Nyerere sought integration of Africa on a region by region basis beginning with the unification of the EAC region as a federation, while Nkurumah sought the unification of Africa as a whole in the years immediately after independence in African countries.<sup>9</sup> Still on the background of the original EAC and its collapse, Adar and Ngunyi explain that formal regional integration in the East African region between Kenya, Tanzania and Uganda begun with the British and seemed to be at an all time fever pitch high after independence where all East African heads seemed to be for the idea of forming an East African federation.

However politics in the region emerged leading to the disintegration of all efforts that had been made.<sup>10</sup> They explain that the reasons that led to the disintegration of the first EAC included issues such as ideological rift within the EAC especially between Kenya and her neighbors, with Uganda and Tanzania leaning more toward a socialist economic system. Later the weak ideological axis formed between Uganda and Tanzania shattered and Tanzania under Nyerere invaded Uganda. Other challenges according to Adar and Ngunyi included the feeling that development within the EAC was uneven, the political trends in Uganda at the time under the leadership of Idi Amin and the lack of political commitment by the three heads of states.<sup>11</sup>

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<sup>9</sup> Issa.S, *Pan Africanism and the challenge of the East African community*. Presentation at EAC 10<sup>th</sup> year anniversary symposium, 13-14 November 2009, Arusha, Tanzania.

<sup>10</sup> Ibid

<sup>11</sup> Ibid

Most of the literature on the topic of regional integration is largely positive, however there is also literature that questions the EAC and the goals it hopes to achieve vis a vis the environment it is operating in currently. Onyango Obbo questions the feasibility of an East African federation when the faces of the different East African countries are so different when it comes to their attitudes towards media freedom, licensing, regulation, censorship and the protection of journalists.<sup>12</sup> He further argues that unless the federation is postponed over the next five to ten years, it will be difficult for nearly all the East African governments to effect it without a referendum at home. He further points to other issues such as the unlimited presidential term limits that are part of the Ugandan constitution as well as a proposed new law to deny bail for up to six months to suspects charged with taking part in riots or acts of economic sabotage.

Obbo further argues that even a monetary union that is scheduled to be in effect as early as 2012 looks grim with a sharp reminder of issues that may make or break the community such as the alleged interference by the Ugandan authorities with the Kenya Airways flight Ugandan opposition leader Kizza Besigye was to take from Jomo Kenyatta Airport to Entebbe Airport.<sup>13</sup>

Dr. Kithure argues similarly, applauding the strides made by the EAC noting that the organization could be instrumental in the instilling of a culture of constitutionalism and good governance. Kindiki however also notes, "That while the process of regional integration is inextricably linked to the quest for economic development, it is emerging that economic

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<sup>12</sup> Obbo O. Charles "Museveni's crackdown on Besigye brings tough integration issues into the open," The East African Standard, May 16-20 2011, pg 6

<sup>13</sup> Ibid

prosperity cannot be achieved in a State of constitutional crises and without addressing the root causes of underdevelopment<sup>14</sup>.

Oloka-Onyango says that another challenge that the reformed EAC faces is the issue of ownership. He acknowledges the issue of the artificial borders that partition Africa and says that to the people in the border towns such as Namanga, Busia, Mutukula, Katuna there is barely distinction of territory. He questions whether the second attempt at EAC unity is an effort of the peoples of East Africa or just an effort by the governments of East Africa.<sup>15</sup>

Phillip Bohwasi on the other hand explains in Africa that regional integration has been brought about largely for economic reasons.<sup>16</sup> He says that regional blocks have been seen in Africa as vehicles of overcoming their small economies mainly because their small economies are seen as the reason that they have been unable to industrialize up to now. He therefore explains that most African governments are convinced that African intra trade is the means of facilitating structural transformation and accelerating, fostering and encouraging economic social development in African Nations.

He however continues to say that in spite of the spirited efforts by many African governments many integration schemes that have aimed at achieving a common market protocol but have made little progress and even in the case of the EAC where significant progress has been made to achieving protocols on a common market it has been a slow

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<sup>14</sup> Kithure.K. *The potential role of the EAC in promoting constitutionalism in the region*, Moi University Journal, vol. 1, Mar 2007, p. 17

<sup>15</sup> Onyango. J, *Who owns the EAC community?* (Presentation at a DENVIA Public Dialogue on the East African Community, held at Hotel Equatoria, November 23, 2005), p. 7

<sup>16</sup> Bohwasi p. 4

process that has many times not met intended deadlines. He also talks about the general characteristics of development of regional integration arrangements in Africa. Mariam Fatuma Omoro on the other hand attributes some of the challenges that regional Institutions face to institutional weaknesses. She explains that a lot of the regional institutions in Africa, including the EAC face institutional challenges and as a result have fallen short on delivering their mandates on account of organizational effectiveness.<sup>17</sup>

On the other hand a study done by the Kenya Institute for Public policy research (KIPRA) points toward the benefits that the region has gained from being a customs union and the benefits it stands to gain from being in a common market protocol. According to the study by KIPRA a number of factors are seen to contribute to the efforts of the re-constituted EAC, mainly greater political goodwill, globalization and an attendant need to strengthen small economies and to expand markets to avoid marginalization and the desire to achieve economic development.<sup>18</sup> The article however also analyses the associated costs of integration that include revenue loss from the elimination of trade taxes, trade diversion and concentration of industries in well-suited locations, which can lead to increased transport costs for markets in the periphery. It also talks of other costs of regional integration institutions that may include divergence of the income levels of the countries involved, potential political conflicts as a result of such divergences and loss of national sovereignty especially if integration is deep.

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<sup>17</sup> Omoro, Op. Cit, Note No. 5, p. 13

<sup>18</sup> Ngeno. N, Nyangito. H, Ikiara. M, Rone. E, "Regional Integration study of East Africa. The case study of Kenya," KIPRA working paper 9, January 2009, p.9

In the international arena other older scholars have written widely on regional integration. Ernest B Hass contends that integration can be considered achieved when the states in a region cease to prepare for war against one another.<sup>19</sup> He draws to this conclusion after analyzing the European Union which was created after the Second World War. The original aim of the European Union was to ensure that the economies of the countries of Europe were so closely tied that war against each other was not an option. Hass further says that successful integration tends to take place around a “core area” possessing superior administrative skills, military power, economic resources and techniques as well as capacity for receiving and assimilating the demands of the other regions, in order to satisfy them. Hass also says that sympathetic response on the part of the leadership in the core area begets responsive integration.<sup>20</sup>

A lot of emphasis is placed on capacity of the administrative system and the prevailing attitudes in the core area. The core area therefore, needs to be responsive and met the needs expressed by other States that are in the regional bloc. Hass further explains that successful integration is also met if the expectations of the key elites in the region converge towards the demands for peaceful change and other benefits thought to be obtainable through the union. He also says that other essential requirements for successful pluralistic security communities (regional communities) is a compatibility in major value systems, the attendant capacity to receive, understand and sympathetically deal with demands of allied governments and elites and the need for mutual prediction of behaviour patterns.<sup>21</sup>

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<sup>19</sup> Hass.B. Ernest International Organization, Vol. 12, No. 4, *The challenge of regionalism*. Cambridge university press, p.p. 440-458

<sup>20</sup> Ibid

<sup>21</sup> Hass op-cit note no. 16 p.102

Mattli also traces the history of regional integration. He says that although regional integration institutions have dramatically multiplied over recent years, this is not new phenomenon. He gives examples of leagues, commonwealths, unions, associations, pacts, confederacies that have been in existence in history.<sup>22</sup> He also notes that some of the regional groupings in the past may not have been formed on a voluntary basis. He however notes that modern day regional groups whether linked to economic or political domains between more than two independent states are all formed on a voluntary basis. Mattli more importantly gives a lot of attention to the theories of regional integration on both the economic and political side. He emphasizes on neo functionalism and supranationality as an important building block of comprehensive integration. He however also questions whether neo functionalism is enough to explain the link between welfare maximization and regional integration. He also talks about other approaches to regional integration such as inter-governmentalism and the economic approach of the customs union theory.<sup>23</sup>

The Nigerian Institute of Social and Economic Unity (NISER) also reviews the history regional integration institutions on the continent. The article discusses the values that have come to centre around the regional integration debate, in particular the notion of good governance that has assumed a central position in discussions on Africa's democratisation process.<sup>24</sup> The article further argues that policy stability and harmonization that can lead to rapid development are being taken into serious consideration. In short many African societies have now realized that

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<sup>22</sup> Mattli, W, *The logic of regional integration Europe and Beyond*, Cambridge University Press, 1999, p. 46

<sup>23</sup> Ibid

<sup>24</sup> Nigerian Institute of Social and economic research.(NISER, Ibadan) *Reflection on Africa's historic and current initiatives for political and economic unity*, accessed from <http://www.uneca.org/adfiii/docs/niser.pdf> on 06.05.11 at 7:00am.

apart from economic gains from democratization alongside liberalization and globalization, there are increasing political gains that can be achieved toward regional integration in terms of political stability of member states. Regional integration has also been seen by many Independent African States as an impetus to possible solutions to the continent's deep and prolonged economic and social crises. The article also stresses on pre-conditions necessary for successful integration.

Of these pre conditions, that a regional integration institution or union must be made up of countries of equal socio economic importance or status to avoid any member being so large as to permit any of them to independently contemplate an essentially national policy of industrialization as an alternative to regional integration. Soren Dosenrode also talks about the pre-conditions for regional integration and explains that there should be a few key concepts in seeking for integration in a region. Key of these concepts is the culture of the people in the region. According to him, the worldview the values, rules, moral norms and actual conduct of the people as well as the material and immaterial products and symbols of the region.<sup>25</sup> Also discussed in this article are the pre-conditions and approaches to regional integration such as federalism, neo functionalism and transactionalism. Some of these approaches will be studied in depth at a later stage in this paper.

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<sup>25</sup> Dosenrode. S, Is a common culture a prerequisite for regional integration? accessed from [http://vbn.aau.dk/files/6430662/A\\_Common\\_Culture.pdf](http://vbn.aau.dk/files/6430662/A_Common_Culture.pdf) on 06.05.11 at 2:00pm.



## **1.6 Justification of the Study**

The credibility of regional integration is tied to many factors, among them political and socio-economic. In developing countries there is a lot of expectation on the benefits regional integration can bring about. It is especially expected to play a vital role in socio economic transformation of African economies, alleviation of poverty through sustained growth and increase of bargaining power on a regional and even global base. The rush however to form or join regional blocs must be analyzed critically. This study therefore also seeks to be useful in future formulation of policies regarding the East African Community.

This study seeks to add to the existing literature on the East African community. In particular, the reconstituted EAC. This researcher hopes that the findings of this study will be useful to other scholars carrying out research on the same subject.

## **1.7 Theoretical Framework**

The research will use two main theoretical frameworks to analyse the process of regional integration.

### **1.7.1 Neo functionalism**

Neo functionalism is one of the foremost theoretical frameworks used to explain the approach that many States use to achieve regional integration. Neo functionalism is built on the work of Ernst B. Haas and explains the approach the European Union used in achieving regional integration. This theory analyses not only the approach that States use but reasons why they choose to form regional blocks. It stipulates that states that begin to have technical or functional cooperation will eventually have a “spill over” of cooperation into other areas.

This spill over will lead to the formation of a supranational organization as all functions will be shared over time.<sup>26</sup> The theory rests on two inter related claims. The first maintains that integration occurs when organized economic interests in Nation states pressurize the governments to manage economic interdependence through the centralizing of policies and creating common institutions. Neo functionalism therefore identifies economic welfare as the real source of encouraging and pushing interstate co-operation and common endeavors.<sup>27</sup> The second core argument stresses that any initial decision to integrate in areas common to specific countries unintentionally will lead to spill over's that will in turn push regional integration forward. Neo functionalism therefore shifts attention away from national executives and towards the significance of organized groups and their dynamics.<sup>28</sup> These groups act as the agents of change and are primarily identified as technocratic elites, politicians, supranational interest groups and other lobby groups.

Neo functionalism largely informs the earliest attempts to integrate in the East African region. The colonial administration begun by constituting boards that carried out specific functions between the three countries such as the East African Currency Board created in 1905 and later a postal union in 1911. There was also much later an East African High Commission (EAHC), of governors that enacted laws to put into operation the East African Railways and Harbours, the East African Post and telegraph, a mechanism for revenue collection, the East African income tax management and Makerere College.<sup>29</sup> Neo functionalism has been criticized for failing to address the political consequences of its own potential successes. Neo functionalists however are

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<sup>26</sup> Ernst B.Haas, *The Uniting of Europe :Political, Social and Economic forces 1950-1957*, Stanford University Press, p.p 57-61

<sup>27</sup> Lee McGowan, *Theorizing European Integration: revisiting neo-functionalism and testing its suitability for explaining the development of EC competition policy?*, accessed from <http://www.rochester.ican.net/~fjzwick/ai198-35.html> on 06.05.11 at 2pm.

<sup>28</sup> Ibid

<sup>29</sup> op. Cit, pg 4

also alert to the fact that domestic conflicts within states can stretch past the functional ties they have with each other, that is beyond their sectoral and business associations.<sup>30</sup> This can be attributed to one of the reasons the EAC I broke up even after all countries in the region had synchronized all their services, because the political will and commitment to become a federation was lacking. The neo functionalist approach assumes that cooperation will automatically fall in place because of the functional ties among the countries. The neo functionalist approach evolved to bring about a new theory still developed along the same lines, known as inter-governmentalism.

### **1.7.2 Inter-governmentalism**

Inter-governmentalism like all other theories on regional integration is based on the research that was done focusing on the European Union as a case study. The theory states that the approach and progress of regional integration is controlled by various national governments. The theory rejects the concept of the spill-over effect that neo-functionalism proposes. The theory advanced by Stanley Hoffmann also states that supranational organizations formed as a result of the integration process such as the European Union are not and will never be equal in terms of political influence as national governments. The main actors according to this theory are governments. Inter-governmentalists attribute little influence to supranational agents or institutions, and some detect little genuine supranationality even in the European Union which

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<sup>30</sup> Hooghe, L. & Marks, G, *The Neofunctionalists Were (almost) Right: Politicization and European Integration*, accessed from <http://asrudiancenter.wordpress.com/2008/12/11/the-neofunctionalists-were-almost-right-politicization-and-european-integration> on 05.05.11 at 10:00am

has been the model for the study for many of the studies on theories dealing with regional integration.

This theory sees the movement toward closer international cooperation as a result of converging interests of individual nation states, mostly economic interests. Inter-governmentalists see the terms of international co-operation, the accompanying rules that guide it and the institutions that frame it, as reflecting the relative bargaining power of different governments who, while never abnegating their sovereignty, may be willing to 'pool' or 'delegate' its efficiency and effectiveness<sup>31</sup> As states agree to enter into agreements they are then able to sign agreements and set up secretariats and other institutions that lock each other into committing to pledges made. This theory also believes the influence exerted by outside sectoral agents is minimal at best.<sup>32</sup>

Another theory that has been advanced to explain regional integration is the customs union theory. This takes on a more economic view of the process of integration. The customs union theory has its foundation in the assumptions that when two or more countries in a region, drop all barriers to trade and agree to eliminate tariffs and other restrictive regulations the result will be greater economic benefits in the region. The customs union theory builds on relatively strict assumptions such as perfect competition in commodity and market factors. It deals with the welfare effects of a customs union.<sup>31</sup> However even scholars and economics agree that net

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<sup>31</sup> Donald. Puchala J. "Institutionalism, intergovernmentalism and European integration: A review Article," *Journal of Common market studies* (June, 1999)

<sup>32</sup> Ibid

<sup>33</sup> Berndt. A, *Customs Unions*, accessed from [www.tcd.ie/Economics/SER/sql/download.php?key=135](http://www.tcd.ie/Economics/SER/sql/download.php?key=135) on 20.05.11 at 3:00pm

welfare gains are and will be based on the situation in which every member state practices protectionism.

For the purposes of this study the researcher will focus on neo functionalism. This is because this is the approach most in line with the EAC's efforts at integration. The theory on inter-governmentalism will also be used by the researcher, as it is very connected to the neo functionalist theory.

### **1.8. Hypothesis**

1. Regional integration cannot take place without strong public sector institutions and.
2. Leadership, political environment and democratic space contribute greatly to the progression of regional integration.
3. Regional integration cannot work if it is not equally beneficial to members of a regional bloc.

### **1.9. Methodology of the Study**

The data collection will be done through secondary data. This was done through document analysis, which involved the critical examination of public and private reported information related to the subject under study. The purpose was to obtain the information and data with ease for the researcher and without interruption of the working of the subject under study.

## **1.9.2 Data Collection**

The main data collection instrument is document analysis. The data was collected by the researcher herself without the involvement of field or research assistants. The study has relied on the use secondary data analysis which will include articles from books, journals, newspaper articles, periodicals, magazines, speeches and seminar papers, as well as, the East African Community treaty and protocols. The data was collected from public documents and was analyzed to derive findings

## **1.10 Scope and Limitations of the Study**

The study's scope is very wide since the EAC partner states located in five different locations. Ideally the researcher would have wanted to travel to all the EAC States to be able to get access to a bigger sample group. However due to time and resource constraints this will not be possible. The study location has for the reasons mentioned above been limited to Nairobi, Kenya where the researcher is based.

## **1.11 Chapter Outline**

### **Chapter 2- Regional integration globally**

Chapter two of the research contains information on the trends of regional integration globally. The study does a comparative analysis of other regional blocs particularly in Africa and analyzes the approaches that have been used and the gains that have been achieved. The chapter focuses on the Pan Africanist ideology and its contributions to regional integration in Africa.

### **Chapter 3- The History of the EAC 1967-1977**

Chapter 3 analyzes the background of the first EAC 1967-1977 and the steps that led to its eventual decline. It will also look into the new EAC and the efforts that have been put into place such as the fast tracking of the EAC from a Customs Union to becoming a Common Market area.

### **Chapter 4- The challenges of regional integration**

The chapter discusses the challenges that are emerging between the now five partner states, especially in the social and political fields.

### **Chapter 5- Conclusions and Recommendations**

The chapter presents the findings of the study and makes recommendation

## **Chapter 2: Regional integration globally**

### **2.0 Introduction**

Regional integration can be defined in the simplest of terms as the unification of Nation states into a larger whole. Regional integration is therefore inextricably linked to the nation state.

The concept of the Nation state can be traced to the signing of the Westphalia treaty in 1648 that ended 30 years of war in Europe and also introduced and formalized the concept of the Nation State as well as the sovereignty of States. The treaty of Westphalia basically laid the foundations for universalism and a foundation for cooperation between states.<sup>34</sup> Since the historic signing of the treaty Westphalia developments in international relations and law led to many States particularly in the western hemisphere joining organizations that encouraged the states to cooperate and respect some fundamental values. The Second World War saw a tendency to move towards universalism as enshrined in the United Nations charter. The charter affirmed the fundamental principles of State sovereignty and equality of all States of the world. The United Nations and other post World war two international organizations formed under the UN enhanced international cooperation.<sup>35</sup>

### **2.1 History of regional integration**

The first formal attempts at regionalism or regional integration on the global stage are found in Europe under the European Union (EU). To date the EU stands as the world's model of supranational regionalism. The EU model has managed to incorporate political elements in a deep economic integration. Kenichi Ohmae in his book, "The end of the Nation State," argues regional economies are the new engines of prosperity while the traditional nation states have

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<sup>34</sup>Soomer, J, *Building Stronger economies depends on you and me*, accessed from [http://vbn.aau.dk/files/6430662/A\\_Common\\_Culture.pdf](http://vbn.aau.dk/files/6430662/A_Common_Culture.pdf) on 01.06.11 at 3:00pm

<sup>35</sup> Ibid



become unnatural and even impossible business units in the global economy.<sup>36</sup> The European Union is seen as the fore runner of regional development in Europe and globally. Langenhove, director of regional integration studies at the United Nations University, further states that the regional integration movement and developments in Europe are not a movement against States. He says that regional integration as with the case of Europe should be looked at as a better way for States to respond to the challenges of globalization. He explains that sovereign states should not look at regionalism as moving toward a post-Westphalian world but more toward a neo-Westphalian order.<sup>37</sup> Langehove also says that States will remain important centers of governance in the future, but will, in an attempt to face challenges of globalization and increase their bargaining power voluntarily turn to local regional groupings to complement and strengthen their power. A situation he says will lead to world of states moving gradually to become a world of regions.

Another challenge to the westphalian order is posed by the fact that states are not stable elements of order and can be created and annihilated. For this reason regional blocs seem more stable and durable. Langehove and Costea also argue that Europe is not the only geographical area where sub national authorities have increased in power. They argue the process of regionalism is based on a growth spill over.<sup>38</sup>

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<sup>36</sup> Omhae.K, *The end of the Nation State: The rise of regional economies*, 1996, Paperbacks, p.p. 1-18

<sup>37</sup> Langehove V. Luk, Power to the regions, but not farewell to the nation state, *Europe's World*, Spring 2008 p.p 1-5

<sup>38</sup> Langehove&Cristina Costea. *UNU-CRIS Occasional papers. Inter regionalism and the future of multilateralism*,2005, p.p 12-17

## **2.2. Approaches to regional Integration**

Regional integration has acquired several meanings as a process of interacting influences that have historic and geographic influences. In an attempt to explain and classify the approaches to regional integration Langehove looks at regionalism in generations. This helps to underline the possibility of co-existence of several kinds of regional agreements different in quality/content, while acknowledging that some forms of regional integration build upon previous ones.

### **2.3 First generation regional integration**

First generation regional integration is based on the idea of a linear process of economic integration, involving separate national economies into larger economic regions. This is the approach that has been used by the reconstituted EAC II from 2001 to date. It begins with a free trade area. A free trade area involves States removing all custom duties, quotas between them and then determining individually the level of custom duties to charge imports coming from outside the area.<sup>39</sup> This free trade area then moves progressively in successive stages of deeper integration. It moves from a free trade area to a customs union, common market, monetary union and may go on up till when it reaches a federation.

Other examples of classic linear evolution is the evolution of Western Europe after World war two from the creation of the European economic community (EEC) under the treaty of Rome in 1957 removing all tariffs and quotas on intra-EEC trade, the achievement of a customs union in 1968 with the establishment of a common external tariff (CET), the creation of a single market in the mid 1980's eliminating barriers still existing to trade and the establishment of the four

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<sup>39</sup> Ibid

freedoms of movement of- Persons, goods, services and capital. The EU also completed the process of creation of a single common currency. They are many other examples of first generation regional integration. The mentioned East African community is founded along this precise approach and has undertaken steps to fast track its integration by moving from a customs union to a common market protocol and currently a common market protocol and by 2015 a monetary union.

The European Union since its formation and growth has been the trigger and model for the creation of this mode of integration. This approach has proved to be the most popular with more than 170 regional trade arrangements (RTA's) notified at the World trade organization.<sup>40</sup> Although purely economic process originally intentions behind first regional arrangements can be political. For example in the case of the European Union where the driving force behind integration was to prevent another conflict in Europe by tying their economies together.

#### **2.4 Second generation regional integration**

In second generation regional integration the main characteristic is the development of a political dimension. It is often looked at as a multi-dimensional form of integration that includes economic, political, social and cultural aspects and therefore goes further beyond the goal of creating just a region based free trade regime or security alliance. The main reason behind establishing regional coherence and identity is so as to form a political union. The logic in this mode of integration states that one cannot isolate trade and economy from the rest of society.

The process of integration will therefore move to touch on other non-economic areas such as justice, security and culture. This is because as the economies of different States become

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<sup>40</sup> Ibid

integrated the more they will need common policies on fiscal and social matters as well as political integration. This approach towards regionalism also known as 'new regionalism' is attributed to various factors. According to Langehove the transformation of the world from a bipolar to multi-polar has influenced this form of integration. Secondly the relative decline of American hegemony in addition to a more permissive attitude on the part of the US towards regionalism.

Thirdly, the restructuring of the Nation-State and the growth of inter-dependence and globalization. There are also recurrent fears over the stability of the multilateral trading order, with the growing emphasis on Non-tariff barriers to trade. The collapse of the communist regimes not only ended the 'Cold War' and produced an enormous geographical zone of political uncertainty and instability, it also destroyed the international system that has stabilized international relations since World War II. While until the end of the Cold War regional co-operation was largely a hegemonically imposed phenomenon, it has become even more complex because of the impact of globalization on what was traditionally the Nation State.<sup>41</sup>

The characteristics of new regionalism or second generation regionalism that distinguish it from first generation regionalism is deep economic integration plus political elements, multi level governance and devolution within States, strong international legal frameworks and cooperation among many dimensions.<sup>42</sup> The values that drive this approach or level of integration include security, development and issues such as ecological sustainability. The European Union at its current stage can be said to be the most significant case of second generation integration as it has

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<sup>41</sup> Telö, M, *Introduction: Globalization, New Regionalism and the Role of the European Union*. In: M. Telö (ed. by) *European Union and New Regionalism*, 2001, Ashgate: Aldershot, p.p. 40-47

<sup>42</sup> Hettne, B., Inotai, A., and Sunkel, O., *Globalism and the New Regionalism*. (eds) (1999), London: Macmillan, p.p 8-13

managed to develop a model of integration that incorporates political elements in a deep economic integration. Second generation regional integration is still very limited and the EU serves as the main model for many of the regional blocs that have economically integrated already.

### **2.5 Third generation regional integration**

Third generation regional integration is characterized by world regions playing a role on the world stage. This means that regions will act within global international regimes, interact with other regional integration institutions and with Nation States that are out of their own geographical area. While in the first and second generation integration the point of focus is primarily the regions own area. In the third generation the focus is on operations that span out of the region, to the entire world. Third generation has three main characteristics that distinguish it from previous generations. First in third generation, the institutional environments for dealing with consequences that are out of the region are more present and dominant. An example is the EU that has a constitution which gives the EU a legal personality as a supranational organization and may in future allow the EU to act as a supranational organization within the framework of the United Nations. Secondly in the third generation integration the regions become more proactive in engaging in inter regional arrangements and agreements that affect relations at a global level.

For example, the European Economic partnership agreements with the African, Caribbean and Pacific regions. Commonly known as EPA's the EU and the ACP countries have for over 30 years engaged in trade between the regional groupings aimed to promote trade development and

poverty reduction.<sup>43</sup> Lastly another distinction of third generation regional integration is that the regions become more actively engaged at the level of the UN. A lot of the regional integration efforts in many parts of the world as mentioned earlier emanate from countries around the world following the EU model. It is therefore important to analyze the formation of the EU and the steps it has taken to reach where it has reached today.

## 2.6. Background of the European Union

The process of European Union integration begun shortly after the end of World war two. The devastating effects of the Second World War made many leaders on the continent, vow that Europe should never suffer the losses such as those suffered during the war. European leaders of the time, such as Robert Schuman and Jean Monnet from France saw the only way to ensure there was never another conflict between European countries was to ensure that the countries of Europe were so closely tied that they could and would not simply or easily go to war with each other.<sup>44</sup> Prominent in their calculations was assuring that Germany which had been at war with the rest of Europe, had its main war making industries of coal and steel, bound to those of France, Italy, Netherlands, Belgium and Luxembourg. In 1951 the European Coal and Steel community was born and marked the first step towards the formation of the European Union.

The process of European integration steadily gained momentum after this on its own. As the integration process moved forward it became propelled not by the fear of Germany but by a goal of strengthening the European economy by combining the countries resources. The process is

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<sup>43</sup> Economic partnerships, accessed from [http://ec.europa.eu/trade/wider\\_agenda/development/economic-partnerships](http://ec.europa.eu/trade/wider_agenda/development/economic-partnerships) on 10.06.11 at 2:04pm

<sup>44</sup> Curtis. B, *NATO and EU Enlargement: Challenges for the New Europe*, accessed from [http://isis.washington.edu/cwes//file/nato\\_and\\_eu\\_curriculum.pdf](http://isis.washington.edu/cwes//file/nato_and_eu_curriculum.pdf) on 10.06.11 at 2:30pm.

ongoing even today where the European countries face no significant military threats but still continue to strive to realize the benefits of a closer union. Many of the original members of the EU were countries that formed part of Western Europe. However with the fall of communism and the Soviet Union a lot of former Soviet satellite states formed democracies that have been lasting. This has enabled many of the former Soviet states to join the EU. As of 2004, most countries that were behind the so called 'Iron curtain' had joined the EU.<sup>45</sup> The European Union has set and pre determined criteria that it considers critical in considering prospective members. These consist of values such as democracy within a state and values to do with the rule of law, respect for human rights and the protection of minorities. Other values are the type of economy which should be a functioning market economy that is able to compete in the EU common market. The European Union begun with a group of six countries initially that has now grown to encompass a total of 27 member states. This has not been without its own challenges. Those that engineered the identity of a new Europe knew that they could not create a completely new identity but had to look for common European trends and designs, rituals and history that would create the new identity.<sup>46</sup> In the efforts to expand membership of the EU the principal challenge for new member states is to achieve transition to a market economy, especially for the former Soviet republic countries.

Older member states on the other hand have faced economic challenges following adjusting of the structure of their economies following integration of low wage economies into the single market.<sup>47</sup> However it can also be argued that because of globalization and growth in the fields of mass communication and electronic technology people have more in common as they have been

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<sup>45</sup> Ibid

<sup>46</sup> Vhutuza. E & Ngoshi. H, *Nationalism or Supra-nationalism in the 21st Century*, accessed from [http://www.africa-union.org/root/ua/Newsletter/EA/Vol%202%20No%201/Vhutuza\\_Ngoshi.pdf](http://www.africa-union.org/root/ua/Newsletter/EA/Vol%202%20No%201/Vhutuza_Ngoshi.pdf) on 15.06.11 at 3:34pm.

<sup>47</sup> Ibid

instilled with common values and sentiments, which has tended to favour integration. However other issues have surrounded the enlargement of the European Union, such as the acceptance of Turkey's membership. Turkey has since 1987 been trying to become a member of the EU but negotiations of the joining of Turkey have been slow at best.

A lot of the European countries opposed to Turkey's membership bid have cited its violation of human rights as one of the reasons there opposed to Turkey's membership. Another school of thought has argued that should Turkey's membership bid be accepted then it would affect future enlargement plans. The President of France Nicholas Sarkozy stated in January 2007, that; "Enlarging Europe with no limit, risks destroying European political union, and that I do not accept. I want to say Europe must give itself borders, that not all countries have a vocation to become members of Europe, beginning with Turkey, which has no place inside the European Union."<sup>48</sup> The EU members have seemed reluctant to accept Turkey's membership and from an observer's point of view, this refusal can be seen to be based on the dissimilarity of culture and religion with other of the European countries.

Turkey has also had a long standing territorial dispute with Greece over the Aegean Sea islands that have twice led to open military hostilities between Greece and Turkey in 1997 and 1987. Turkey's consideration for accession into the EU has been pegged on its amicable resolution of the Aegean conflict with Greece, something that is yet to happen.<sup>49</sup>

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<sup>48</sup> Ibid

<sup>49</sup> A report by the International crisis group, *Turkey and Greece: Time to settle the Aegean Dispute*, accessed from <http://www.humansecuritygateway.com/showRecord.php?RecordId=35622> on 11.06.11 at 5:07pm



## 2.7. Overview of regional integration institutions

Regional integration is based on the premise that free trade is primarily a good thing. In the 1990's, many former communist countries acknowledged the benefits of free trade by applying for membership in the World trade organization (WTO). In December 2001, communist China accessioned to the WTO and this marked a landmark of the acceptance of neo liberal international economic organization.<sup>50</sup> The acceptance of market ideology quickly spread beyond the advanced industrialized world to the continents of Latin America, Asia and Africa. The fall of the Berlin wall in 1989 and disintegration of the Soviet Union in 1991 saw the end of communism which was replaced by economic liberalism.<sup>51</sup> With acceptance of economic liberalism ideas, barriers to cross border trade were eroded. The removal of barriers to trade, policies begun to be developed on a regional level to encourage trade among certain regions.

Regional integration agreements are officially sanctioned by the WTO and are the only exceptions to the principle of non-discrimination. However under article 25 of the General Agreements Trade and Tariffs (predecessor of the WTO), there three principal restrictions imposed on regional agreements. First, that the agreements must on the whole raise protection against excluded States. Two, that the regional integration schemes must reduce internal tariffs to zero and remove all other restrictive regulations on commerce within the agreed area and lastly must cover substantially all trade.<sup>52</sup> These conditions imposed ensure that regional integration

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<sup>50</sup> Johnson. D& Turner.C, *International Business: Themes and issues in the modern global economy*,(2003) Routledge, p.p 56-70

<sup>51</sup> Ibid

<sup>52</sup> Accessed from <http://www.wto.org/> on 14.06.11 at 11.32pm

agreements do not undermine the access of other countries to the integrated area. Nearly all the 144 member States of the WTO participate in one or more regional trade agreements.<sup>53</sup>

However not all regional trade agreements that have been notified by the WTO are still in force today. Majority of the discontinued agreements have been superseded by redesigned accords. Out of a total of 214 agreements that have been notified to the GATT/ WTO, 134 are still in force.<sup>54</sup> In the 1950's there were few notifications to the GATT. In the 1960's notifications averaged two or three a year. In the 1970's the number of notifications increased reaching a peak of 10 in 1973.<sup>55</sup> During the 1980's and 1990's notifications dropped considerably until 1992 when 11 new regional trade agreements were notified. Since then, an average of 11 new regional agreements have been notified annually at the WTO.<sup>56</sup> In addition to the notified arrangements, there also estimated to be nearly 50 non notified agreements.<sup>57</sup> The WTO has sanctioned an increasing number of preferential trade areas (PTA's) over recent decades covering all continents on the globe. The current proliferation of regional agreements has been attributed to the perceived success in economic integration by the EU.

Some of the explanations as to why States have been moving and are motivated to forming regional arrangements have been listed to be three fold. First there is the security element. The participating States can use regional agreements as security against non-members as well as enhancing security vis-à-vis other members of the group. Integration of States in one geographic area will make conflict among them too costly. As explained earlier this was the motivation behind formation of the EU after the Second World War, to ensure that European countries were

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<sup>53</sup> Ibid

<sup>54</sup> Ibid

<sup>55</sup> Ibid

<sup>56</sup> Ibid

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so tied to each other economically such that the cost of war would be too high. States have also tended toward regional integration arrangements because of the bargaining power they stand to gain by combining their individual power. They stand to gain more if they speak with one voice especially on the global stage. However States that are integrated only stand to gain greater advantage should they take a common stand on key issues.

On a global level the most advanced regional integration arrangement has been the European Union. In Europe there has also been the European Free Trade Area (EFTA) but has not been as dominant as the EU. In 1992, however the smaller EFTA groupings joined with the EU to form the European economic area. This agreement later led to the EFTA States obtaining full membership of the EU. Deeper integration of the EU has led to its expansion which means the political and economic benefits stand to outweigh any political and economic losses. The EU has been largely discriminatory partner, but has also signed a number of preferential trading agreements with developing States.

In Asia, regional integration did not appear to initially have great impact upon the trade among members, the regional groupings that emerged did so to promote intra group trade. The Asian States were seen to be distrustful of regional arrangements as many Asian countries had been successful without such arrangements and also smaller states also felt that they risked domination by bigger states. Integration on the Asian continent has taken place within two overlapping forums- The Association Southeast Nations (ASEAN) and the Asia-Pacific Economic cooperation (APEC). ASEAN was founded first in 1967 to foster the peaceful national development of member states through cooperation. The move toward the establishment of trade arrangements between members begun 10 years later. However intra regional trade remained

low.<sup>58</sup> APEC on the other hand was created under the framework of open regionalism. Formed in 1989, it is not a formal trade agreement but a community of diverse States. The agreement stresses its member's commitment to free and open trade. APEC members have even agreed to extend APEC preference to non-members since the agreement has no intention of evolving into a customs union. In Latin America there has also been a history of regional integration. In the early 1950's and 60's the Latin American Free Trade Association (LAFTA) and the Central American Common Market (CACM) were established, however their quick success was short-lived.<sup>59</sup> At the end of the 1960's the Andean community of Nations (CAN) and the Caribbean Common market (CARICOM) were also founded, however they were also unsuccessful. In the early 1990's there was the creation of a new regional bloc called Mercosur, and the attempted re-launch of the Andean community of Nations as well as the Central American Common Market. Mercosur consists of Argentina, Brazil, Paraguay and Uruguay. Mercosur was born as a consequence of democratization of many of the economies of Latin America.<sup>60</sup> By 1995, what was a free trade area transformed into a customs union, with a long term goal of becoming a common market. The Andean community on the other hand was formed in response to LAFTA's failure and its integration scheme aimed to be more far reaching than any other organization formed before. The strides in the regional integration processes in Latin America have also been due to a lot of political goodwill and cooperation among different heads of States (inter-governmentalism).

Another regional trade agreement on the American continent is in Northern America is the North Atlantic Free trade area (NAFTA), which is an agreement between America, Canada and

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<sup>58</sup> Ibid

<sup>59</sup> Regional Integration in Latin America: Comparative theories and institutions. Andres Malamud. Retrieved on 14/06/11 at 4:34pm from <http://www.scielo.oces.mctes.pt/pdf/spp/n44/n44a07.pdf>

<sup>60</sup> Ibid

Mexico, formed in January 1994. NAFTA opened up the economic borders of the three countries in an effort contend with the European Union. Its primary objectives were to promote increased trade, remove tariffs among members and elevate the weaker economy of Mexico to the level of its new partner. NAFTA notably, become the first regional group to be formed between developed countries and a developing one. U.S. critics, however, argued that the agreement would lead to a decline in U.S. economy and the eventual elimination of a large number of its skilled labor forces. Their basis for this argument was the belief that U.S. companies would be enticed to relocate outside the country, mainly Mexico, where regulatory laws are not as stringent and labor is less expensive.<sup>61</sup> NAFTA, however unlike other regional integration groupings that have flirted with the idea of political union, is solely economic in nature. The great disparity in the economies of the two North American countries and Mexico has also been seen to be one of the major short comings of NAFTA.<sup>62</sup>

Regional integration is therefore a phenomenon that has gripped virtually every continent on the global stage because of the benefits that States stand to gain in a globalised world. Africa has not been left behind with numerous regional integration groupings having been founded in the early post independence days of the 1960's. Many of the colonized countries also had regional groups formed by their colonial masters such as the EAC during the colonial period, many of which laid the foundation for their later attempts at regional integration. Since the focus of this paper is regional integration with a specific focus on the EAC, I feel it is important to trace the

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<sup>61</sup> Rourke T. John& Boyer, *World Politics: Is NAFTA a success or a failure*, accessed from [http://highered.mcgraw-hill.com/sites/007248179x/student\\_view0/chapter12/analyze\\_the\\_issue\\_1.htm](http://highered.mcgraw-hill.com/sites/007248179x/student_view0/chapter12/analyze_the_issue_1.htm) on 14.06.11 at 5:39pm

<sup>62</sup> Zepeda.E& Gallagher. K, *The Future Of North American Trade Policy: Lessons From NAFTA*, accessed from <http://www.carnegieendowment.org/2009/12/09/future-of-north-american-trade-policy-lessons-from-nafta/1dv> on 14.06.11 at 9.09pm

history of Pan Africanism which is closely tied to the efforts at regionalism in different parts of the African continent.

## **2.8. The Pan Africanism contribution to Regionalism in Africa.**

The Pan Africanist movement and ideology can be said to be one of the greatest contributions to the efforts of unification of Africa as a continent. Although, the ideology of Pan Africanism did not originate from the African continent. It came at a time when people of African descent and Africans had suffered the indignities of both slavery and colonization. The first Pan-African congress was convened by W.E.B Dubois in 1919. The conference was attended by mainly Africans in diaspora. The congress called for the equality of all races. The most historic congress was the fifth pan African congress of 1945, which was attended by many post independence African leaders notable amongst them were Jomo Kenyatta, Kwame Nkrumah and Hastings Banda.<sup>63</sup> This forum paved the way for the call for independence and unification of Africa. Armed with the ideology of Pan-Africanism, Nkrumah and Kenyatta and others returned to their respective areas to spearhead the struggle for independence. Thus was born African nationalism. It is Pan-Africanism that gave birth to nationalism and not the other way round.<sup>64</sup> One of the most fervent supporters of Pan Africanism was Kwame Nkrumah, who envisaged a United States of Africa.

Soon after the independence in Ghana he organized the All Africa People's conference that was attended by all political parties and independence movements' leaders. The main agenda of the conference was the attainment of independence of all colonies and the strengthening of new States to prevent neo colonialism.<sup>65</sup> The conference was also seen as a successor of the Pan African congresses. Nkrumah became the foremost advocate for the unification of Africa, under a political

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<sup>63</sup> Issa. S, op cit, Note No. 9, p. 9

<sup>64</sup> Ibid

<sup>65</sup> Nkrumah. K, Africa Must Unite, (1965), New York: International Publishers, p.p. 1-5

federation. An argument that has been revived under the forum of the African union and especially pushed by Libyan president and former AU chair Muammar Gaddafi. Nkurumah who can be said to be the originator of the idea of a United States of Africa, was firmly opposed to regional blocs as he feared that regional blocs would make prospects of African unity even more difficult.

President Nyerere of Tanzania is known to have famously been opposed to the idea of unification of Africa after independence and instead called for the formation of regional blocs for cooperation in different parts of Africa which he saw would eventually lead to unification of Africa as a whole. Nkurumah on the other hand argued that African union government should be formed immediately after independence before individual countries settled in their sovereignties. He argued that imperial powers would use individual countries to pursue their neo-colonial tactics of divide and rule.<sup>66</sup>

Both Nyerere and Nkurumah were however not in any way opposed to unification of Africa but had different ideas on the most appropriate approach. The divisions between Nkurumah and Nyerere reflected the division that existed between the newly independent African States. On one hand those that supported Nkurumah and Ghana were countries such as Guinea, Mali, Egypt, Algeria and Morocco. While on the other hand there were countries called the conservatives consisting Nigeria, Liberia, Senegal, Ivory Coast, Cameroon and Togo who favoured the more gradual approach to the question of African unity.<sup>67</sup>

However in 1963 the two opposing groups came together and formed the Organization of African Unity (OAU). The OAU's main aims were to promote unity and solidarity of Africa and speak with one collective voice for the continent. The OAU was also dedicated to eradicating all forms of colonialism from the continent beginning with apartheid in South Africa. The OAU during its tenure

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<sup>66</sup> Ibid

<sup>67</sup> Ketema. M, Creation of the OAU, accessed from [http://www.oau-creation.com/ketema\\_1.htm](http://www.oau-creation.com/ketema_1.htm) on 15.06.11 at 12:02pm

to a certain extent managed to speak with one voice on issues to do with the continued struggle in African countries. The OAU managed great successes in relation to decolonization efforts in the continent. Other achievements included making significant contributions to the development of international law, especially in the fields of refugee law and human rights law, where several important treaties were adopted under OAU auspices, although in practice progress was slow and uneven. A court of human rights was envisaged, but the OAU was dissolved before it was established.<sup>68</sup> However it was seen to be largely a failure and was dubbed the '*dictators club*' as it failed to address the many challenges that emerged on the continent such as wars and coup d'états. A fact that can be attributed to the principle of non-interference in the internal affairs of African states.

The robust debates and energy that surrounded unification of African states died down steadily in the 1970's and 1980's and instead many African countries resigned themselves to forming regional blocs that addressed the challenges faced within their specific geographical boundaries.<sup>69</sup> The president of Eritrea Issaias Afeworki, upon joining the OAU remarked, "We are joining the OAU not because of your achievement, but because you are our African brothers." This statement reflected the failure of the OAU. The organization was seen not as a vehicle of change but more as an organization that suppressed the problems experienced in Africa, in order to maintain the status quo.<sup>70</sup> The OAU was succeeded by the African Union in 2002 with a different mandate from the OAU which had failed to evolve to deal with the challenges that were facing the continent such as wars, poverty and food shortage. The Africa Union has been lauded as many as more elaborate and dynamic and able to deal with the present

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<sup>68</sup> Tesfamikeal. M, Africa Union: New wine in old bottles, accessed from [http://www.dehai.org/demarcation-watch/articles/Mengisteab\\_Tesfamikeal\\_AU\\_new\\_wine\\_in\\_old%20bottles.html](http://www.dehai.org/demarcation-watch/articles/Mengisteab_Tesfamikeal_AU_new_wine_in_old%20bottles.html) on 15.06.11, 3pm.

<sup>69</sup> Ibid

<sup>70</sup> Ibid



day challenges of the continent. Under the AU constitutive Act the unconstitutional change of government has been outlawed, making it impossible for a country that has a coup d'état to continue being a member of the body.

This is a big departure from the OAU which had a strict policy of non interference in the internal affairs of African States. Under the AU, the unification debate resurfaced. Libyan leader Muammar Gaddafi who was the chairman in 2009 advanced the idea of a United States of Africa at two regional summits, in June 2007 in Guinea and again in 2009 in Ethiopia.<sup>71</sup> Gaddafi proposed a Pan African federation that will bring peace and stability in Africa. Gaddafi also attempted to position himself as the new champion of Pan Africanism on the continent. However even after his concerted efforts statements he made later showed him to be not sincere when he called for the division of Nigeria along religious lines since the North is predominantly Muslim and the south Christian.

He further compared Nigeria to British India that was later divided to Hindu India and Muslim Pakistan. His remarks were surprising to say the least of a leader who had tried to position himself as a possible leader of a United States of Africa. Current events cast even heavier irony on his statement, as Libya itself remains embroiled in what has become a civil war, with Gaddafi vowing he will die before he steps down or leaves Libya.<sup>72</sup> The disbanding of the OAU and launch of the AU shows that interest in the idea of unification of Africa remains strong. During the launch of the AU former president of South Africa Thabo Mbeki stated, "By forming the Union, the peoples of our continent have made the unequivocal statement that Africa must unite!" The desire for African unity and the ideals of Pan Africanism remain alive. However the

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<sup>71</sup> Ibid

<sup>72</sup> *Gaddafi says Nigeria should split into several States*, accessed from <http://news.bbc.co.uk/2/hi/africa/8593355.stm> on 15.06.11 at 4:11pm

same arguments persist with Gadaffi's proposal for a uniting of Africa to a federation being met with disinterest by some African countries namely Kenya, South Africa and Nigeria.

The development of the Pan African parliament however remains a positive development for African unity. It is hoped that the Pan African Parliament (PAP) will act as a forum that will elucidate the concepts of democracy, good governance and the rule of law in Africa.<sup>73</sup> Although the PAP does not have full legislative powers it is hoped that developments will be made in that direction. Other than these few developments however the AU has also been recently heavily criticized for its ineffective approach in dealing with the crises in the Ivory Coast and the current ongoing crisis in Libya.

In the Ivory Coast attempts were made to send a mediator to the country to resolve what seemed as cross between a stalemate and a rigged election by the then incumbent president Laurent Gbagbo and current president Alassane Outtara. In defence of the AU it did try to find a compromise between the two by sending Kenyan Premier Raila Odinga to mediate between the two. And later also banned the Ivory Coast as a member of the AU, when Gbagbo refused to step down. However the country still went to the brink of civil war and it is French led military intervention that managed to end the conflict decisively by ousting Gbagbo. The role of the AU has been questioned by many regarding this and the question over why it took the intervention of foreign forces to resolve the crisis. Civilians allied to ousted leader Gbagbo demonstrated in the streets of Ghana at the interference of France in their internal affairs. The question remains the AU was incapable of rising to the occasion to solve the problem whether because they lacked the

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<sup>73</sup> Ahmadou. N, *Pan African Parliament and the potential for development of a strong continental Legislative*, accessed from [http://www.iss.co.za/iss\\_today.php?ID=1104](http://www.iss.co.za/iss_today.php?ID=1104), on 15.06.11 at 5:07pm

enforcement mechanism or were not decisive is still being debated.<sup>74</sup> More recently the AU has come under even closer scrutiny over the events in Libya. The AU which must be noted has been heavily funded by Libya has been slow and non committal on the issue of Muammar Gaddafi launching attacks on civilians. Yet the Africa Union Constitutive Act through the peace and Security Council allows for interference in a country in the case of war, crimes, genocide and crimes against humanity. The AU has played a secondary role within the international community in comparison to the Arab League.<sup>75</sup> In contrast to many Arab states that have come out and condemned Gaddafi. The AU under the African Union Peace and Security Council insisted on respect for the unity and territorial integrity and rejected military intervention. The AU has also criticized strikes carried out on Gaddafi strongholds under the North Atlantic Treaty Alliance (NATO) which are meant to push Gaddafi out of Libya for a transitional government to take over.

## 2.9 Conclusion

These incidents have highlighted the similarities of the AU and the OAU and not in a positive light. Other incidents that have showed its ineffectiveness include the Somalia crises which continues to generate debate with no tangible over the increase in lawlessness and piracy that has become an international problem. The Zimbabwean situation of the mid 2000's also showed the unwillingness again of the AU to deal any concrete solution in the face of world condemnation over Robert Mugabe's human rights violations in the country.

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<sup>74</sup> *Ivory Coast: Odinga makes fresh AU mediation attempt.* Accessed from <http://www.bbc.co.uk/news/world-africa-12204139> on 15.06.11 at 4:58pm

<sup>75</sup> *Croome. P, Museveni, AU Toothless in Libyan Crisis, Say Critics.* Accessed from <http://allafrica.com/stories/201103280547.html> on 15.06.11 at 5:45pm.

The Africa Union today however represents the best hope for any attempts at regional unification of the continent whether economically or politically or both. It is clear however today that a lot remains to be done to ensure that countries on the continent are ready and able to agree to come to unify. The more viable route seems to be as Nyerere envisaged it, with the regional blocs being the building blocs to regional unification of the continent. Integration at the level of regional blocs however still has its own challenges that will have to be overcome for the maximum benefits to be realized. In the case of the EAC region more efforts will need to be applied as it is seeking to become a federation which will involve deliberate efforts by the political class and even much more than that, strong institutions.

## **Chapter 3: Background of the East African Community**

### **3.0 Introduction**

Relations between the peoples of Eastern Africa can be traced to before colonial times before the artificial colonial boundaries were created during the scramble and partition for Africa. Before 1885 the area of Eastern and Central Africa was a borderless region with a lot of social activities being conducted between the different ethnic groups existing in the area.

### **3.1 Origin of the East African Community**

Many ethnic groups that are in the present day situation confined to specific countries within East Africa were once one people. The peoples of the region have interacted since time immemorial through various social activities such as inter marriage, trade and engaging in conflicts. In western Kenya, northern Uganda and northern Tanzania for example, there is the presence of the Luo tribe also known as 'Lwo' who originally migrated together from Sudan. Still affiliated to the Luo are other groups such as the the Acholi and Alure of Uganda who share common ancestry and similar language and cultural practices.

There is also the existence of other Bantu tribes in the East African area that have strong cultural similarity, an indication that they most probably were once the same people and migrated from the same place to settle in Eastern Africa. Among the Bantu groups, the Luhya can be cited as an example. The Luhya speaking groups have occupied the East African region for up to 500 years.<sup>76</sup> In 1885 the British whose aim was to pacify the Luhya in Western Kenya so as to facilitate the completion of the Uganda railway made several unsuccessful attempts to unite

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<sup>76</sup> *Luhya-History and cultural relations*. Accessed from <http://www.everyculture.com/Africa-Middle-East/Luhya-History-and-Cultural-Relations.html#ixzz1Pv6u8KSH> on 29.06.11 at 3:00pm

politically the Luhya speaking sub nations. However in 1902 the British managed to split the Luhya region which was vast between western Kenya and Uganda and established a boundary where the Uganda-Kenya railway would pass through. As a result, the sub nations in Kenya and Uganda have different colonial histories and different political economies.<sup>77</sup> Still in the region of East Africa there has been a history of Africans in the region who collectively suffered Slave trade. Many Africans from East Africa were part of and sold during the Indian Ocean slave trade. The trade that was carried out by Arabs at the coast of both Kenya and Tanzania affected many Africans from the hinterland. The region of East Africa therefore has had historical ties and share similarities in culture.

The first ever formal attempts to govern what was the Imperial British East African Protectorate (IBEAP), begun with the construction of the Uganda/ Kenya railway in 1887.<sup>78</sup> The construction of the railway began at the Kilindini Harbour in Mombasa. The railway line was to pass across Kisumu, Eldoret and into Kampala. The railway line was very significant as it bypassed the use of ships on Lake Victoria from Kisumu. It more importantly made movement between the two colonies easier. The motive behind investing in the building of the railway was to ensure movement of the manufactured goods that were from Kenya.<sup>79</sup> To date the railway's importance cannot be underestimated in East Africa, as it is the same railway that ensures that Uganda and Rwanda that are landlocked are able to import goods into their country.

An example of the importance of the railway was demonstrated during the 2008 Kenyan post election violence, where youths living along the railway in Kibera vandalized the railway lines,

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<sup>77</sup> Ibid

<sup>78</sup> Onyango. J. Oloka, *Who owns the East African Community?* Presentation at the DENVIA Public dialogue on the East African Community, p. 5

<sup>79</sup> *Kenya-Uganda Railway: A short History*, Nairobi Chronicle, accessed from <http://nairobiChronicle.wordpress.com/2008/08/09/kenya-uganda-railway-a-short-history/> on 11.07.11 at 4:07pm

leading to incapacitation of railway operations. The situation led to Uganda being unable to import its goods through Kenya.

### 3.2 Colonial efforts towards integration

Colonization of Kenya, Tanzania and Uganda had a great impact on shaping and determining the political, economic and social lives of the people of this region as well as the nations themselves. The collective colonization of the East African region lasted 60 years.<sup>80</sup> In the two decades since the beginning of formal colonial rule in 1890 to the start of World war one in 1914, Britain and Germany established control over their East African territories through military conquest and establishment of colonial states to govern them. In East Africa just like in other British colonies the policy of divide and rule was extensively employed. This involved the using of distinct ethnic identities or tribes. It would be untrue to credit the British with creation of ethnic identities. However the British among other colonial powers actively used ethnic identities to divide the colonized peoples

Prior to interference by European colonizers ethnic identity as mentioned earlier was more fluid. Establishment of colonial rule forced Africans to adopt ethnic identities. Ethnicity and tribe became part and parcel of essential attributes of the colonial experience.<sup>81</sup> Ethnicity over the years of colonialism also became embedded in the administration framework. Colonial rule also contributed to the subversion of social and economic values. Those that aided colonial administration received rewards. For example the Bunyoro lost part of their land to the Buganda and in Kenya the Masai had their cattle herds replenished from those of the Kamba. Other than the establishment of colonial control the colonial states in East Africa were also concerned with

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<sup>80</sup> Adar G. Korwa & Ngunyi, "The politics of integration in East Africa since independence" in Walter O. Oyugi ed., *The politics and administration in East Africa* (EAEP, 1992), p.p 395- 420

<sup>81</sup> Ibid

the promotion of commercial capitalism. The colonial states' economy was based on the facilitation of production for export, which was a hallmark for most East African economies.

The outcome of this kind of economic exploitation immensely impacted and shaped the economics and politics of the peoples of East Africa. Some Africans adapted very quickly to the economic pressures exerted by colonial forces, especially households that happened to be close to railway lines, trade routes or close to new urban centers.<sup>82</sup> From 1900's to about 1914 the British managed to establish administrative and economic structures in both Kenya and Uganda. After World war one the protectorate of Tanganyika also fell under British rule. After World war one administration in the East African region remain unchanged with the British colonial administration practicing indirect rule and focusing more on expansion on the scope and impact of its role of economic manager and arbiter.

Real changes however begun to take place when after the second world war it emerged that colonization by the British would not be feasible for much longer due to the emerging independent states in India and others in British West Africa. The formation of the United Nations and its charter also talked of the rights of all peoples everywhere to self-determination. The British in East Africa therefore knew that independence for their colonies was only a matter of time. The British however laid down the foundations for the administrative framework for integration in the region. The first commission that was sent to the East African region to do a survey of the viability of establishing unified policy in the area was the Ormsby-Gore Commission. The Commission recommended among other things, the establishment of a mechanism for research and coordination, establishment of a customs union of the East African

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<sup>82</sup> Ibid



countries and harmonization of commercial laws.<sup>83</sup> The governors who ruled individual colonies were charged with the responsibility of designing the modalities of the union. The idea of a federation was initially contentious. In Uganda for example, the Kabaka of the Buganda feared ties with Kenya and Tanganyika would threaten his special position under the agreement he had with the British where there was minimal British influence. In Kenya however the British settlers also known as the 'highland settlers' welcomed the idea of an East African federation between three states. The settlers assumed that such a situation would grant them greater autonomy and authority on other territories outside of Kenya.

A second commission known as the Hilton-Young Commission of 1927 also undertook to investigate the possibility of establishment of a federation. The Commission however recommended the laying of a foundation for the institutionalization of services.<sup>84</sup> An organizational framework for managing common services was agreed upon with the establishment of the East African High Commission (EAHC) of governors in January 1948. Following its establishment it enacted laws that put into operation the East African Railways and Harbours, the East African Post and Telegraph, the mechanism for revenue collection, the East African Tax Management and Makerere College.

The East African High Commission comprised the High Commission and the Central Legislative Assembly. The High Commission was composed of the governors of Kenya, Uganda and Tanganyika. The High Commission was the executive body and made decisions with the advice of the legislative assembly. The High Commission remained the supreme organ of the colonial organization. In 1960 another commission the Rasiman Commission was appointed to study the

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<sup>83</sup> Ibid

<sup>84</sup> Ibid

activities of the EAHC. The report made recommendations that there should be equitable distribution of profits within East Africa with a formulae designed to favour Uganda and Tanganyika who were thought to be disadvantaged in relation to Kenya. With the independence of Tanganyika in 1961 however the EAHC was disbanded and replaced with a new organization called the East African Common Services Organization (EACSO). This was a fore runner to the East African Federation.<sup>85</sup> By the time all three countries had acquired independence, functions such as fiscal policy, transport, communication and infrastructure, university education were all run within the framework of the EACSO. The EACSO comprised of the East African Authority, the Central Legislative Assembly, the triumvirates and the Court of Appeal of Eastern Africa. The East African authority comprised of the President of Tanganyika and the two governors of Uganda and Kenya. Decision making done at the level of the authority was on a unanimous basis. Later after the independence of Kenya and Uganda the authority comprised of three East African leaders. The Central Legislative Assembly on the other hand was a central organ which carried out mainly legislative functions and a triumvirate comprising of five ministerial committees that assisted the authority in various fields.

### **3.3 The East African Federation 1967-1977**

The post-independence era of the early 1960's saw a lot of effort and optimism for a federation within the East African region. A lot of the optimism if not all surrounding the idea of an East African federation was based on the Pan Africanist spirit among the leaders at the time. The President of Tanzania, Mwalimu Nyerere, one of the more ardent Pan Africanist leaders not only in the East African region but in Africa, was believed to have been ready to delay the independence of his country if it would enable Kenya and Uganda to unite with his country in a

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<sup>85</sup> Adar.K&Ngunyi.M, op cit ,Note No. 80, p. 43

political federation. In June 1963, the leaders of East Africa- Jomo Kenyatta of Kenya, Milton Obote of Uganda and Nyerere of Tanzania came together and proclaimed, "We the leaders of the people's and governments of East Africa assembled in Nairobi on 5 June 1963, pledge ourselves to the political federation of East Africa." This famous declaration marked the beginning of efforts by the three governments to cooperate in formation of a political federation.<sup>86</sup>

Internally the three states debated on the feasibility of a federation and its benefit to them. In Kenya for example the debate was taken up by the government party Kenya African National Union (KANU) and the main opposition party Kenya African Democratic Union (KADU). KANU supported a unified Kenya that would be part of an East African Federation, while KADU on the other hand called for internal federation that came to be known as '*majimbo*'. This kind of regionalism advocated by KADU called for different regions within Kenya to have autonomy. KANU was opposed to this idea by KADU as it said that territorial ambition and ethnic divisions would hamper the federation process.<sup>87</sup>

In Uganda just as with Kenya, there were two views regarding the issue of federation. The government of Uganda had initially supported the federation however the Kingdom of Buganda opposed the idea of Uganda as an independent state, and even more the federation idea. The autonomous position of the Buganda Kingdom was provided for in the Uganda Constitution. The Ugandan government for this reason later clarified its position where it argued that it was against the idea of an immediate federation. Uganda went further to state that Kenya and Tanganyika form a federation, which it would possibly join later. Tanganyika unlike both Kenya and Uganda was largely supportive of the federation issue. The leadership in Tanganyika was concerned with

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<sup>86</sup> Ibid

<sup>87</sup> Adar G Korwa. *The Interface between National Interests and Regional Stability: The Nile and Riparian States*. African Sociological Review 1.11.07 p.p. 4-7.

fixing economic disparities in the region, this it felt would be best done through the framework of a federation.<sup>88</sup> These negotiations therefore, saw the idea of a federation pushed to the back burner and the adoption of an economic form of integration. Of the three states, Uganda expressed reluctance to federate expressing that it would need to resolve important and pressing issues and would not want to be rushed into federating. This therefore led to the signing of the treaty for East African Cooperation in 1967.<sup>89</sup> The community was to deal with economic activities in the region.

The main objective of the EAC was to strengthen and regulate industrial, commercial and other relations of the partner states. It aimed to achieve acceptable distribution of the benefits of cooperation between the states. The Community aimed to place in one framework the common services and the common market. The treaty also went a step further to confer a legal personality on the EAC. This allowed the EAC to enter into agreements or contracts with other international entities on behalf of the three states.

The EAC treaty however failed to provide a clause or mechanism for conflict resolution in the event of disagreement among the member states.<sup>90</sup> The treaty however achieved a lot in terms of provisions for a tax transfer system that was meant to protect the industries in less developed Uganda and Tanzania, against more developed industries in Kenya. The East African Development Bank (EADB) was also provided for in the treaty. The Bank was designed to enhance the distribution of investments initiated in the EAC. It was also meant to catalyze industrial investment. The treaty also allocated relocation of headquarters of various common

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<sup>88</sup> Ibid

<sup>89</sup> Ibid

<sup>90</sup> Ibid

services. During the colonial days most common services had been located in Kenya.<sup>91</sup> The distribution of these services was hoped would lead to the equitable distribution of gains. Kenya became the headquarters of the East African Railways and East African Airways. Tanzania was allocated the Harbours Corporation and the EAC secretariat headquarters in Arusha. The East Africa Development Bank and the East African Post and Telecommunications were located in Kampala.

The EAC treaty also provided for the establishment of an Authority that comprised of the three Heads of member states. The Authority was mandated with ensuring that the control of the community was done efficiently and effectively. This meant that the smooth running of the EAC was highly dependent on the harmonious relationship of the three Heads of States. This limited the running of the community because of the centralization of power. The collapse of the EAC came out when the Heads of state failed to agree and would not sit at the same table.

### **3.4 The Collapse of the East African Community**

After just a decade of attempts at cooperation the East African Community collapsed. The era of Pan Africanism with its hope and excitement passed and the leaders who had previously sworn to unite began to see the realities of what cooperation really meant. The collapse of the EAC seemed to prove arguments advanced earlier by Kwame Nkrumah, that regional economic blocs would be manipulated and used for neo colonialism, as well as be a deterrent to the continental unity. Many activities led to a build up that led to the breaking up of the EAC in 1977. Since its inception and the signing of the EAC treaty, Kenya had always benefited more than Uganda and Tanzania economically. Kenya managed to benefit more due to the fact that it had more

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<sup>91</sup> Adar. K& Ngunyi, Op cit, Note No. 87, p. 47

developed manufacturing industries due to its large population of European settlers and the Asian community in Kenya that dominated trade in the region. As far back as during the colonial period, the governors of Uganda and Tanzania had resented the loss of tariff revenue which benefited high cost Kenyan manufacturers. However it had been easier to settle these disagreements as the three governors had ultimately been responsible to the British colonial secretary.<sup>92</sup> After independence it became increasingly difficult to suppress the problem of unequal distribution of advantages.

Kenya in response to this criticism by her partners in the community did not dispute that she had a competitive advantage. Instead Kenyan economists such as Phillip Ndegwa argued that Kenya enjoyed a competitive advantage because of other non-market factors.<sup>93</sup> These included factors such as the open capitalist ideology employed by Kenya, which attracted foreign Western investment, tax holidays for investors, political stability and predictability and a higher settler population that attracted their counterpart business partners abroad. In addition to this Kenya also argued that the port of Mombasa gave her an even more competitive edge. In comparison to Tanzania's port of Daressalam, the Mombasa port was a good water site, with deep water and better cargo handling facilities. Uganda on the other hand was landlocked.

The elite in Kenya also argued that the adoption of socialism in 1967 by Tanzania and nationalization of all industries and Banks had left some Western investors frightened.<sup>94</sup> Uganda also followed suit and adopted socialist policies in 1969. These arguments advanced by the Kenyan leadership at the time, did little to ease tensions among the other member states. The

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<sup>92</sup> Nsimbambi, A, *The collapse of the East African community*, Regional cooperation for African development: Proceedings of the East African PWPA in Nsimbambi. A&Wangusa. T ed, (PWPA, 1987), p.p 25-37

<sup>93</sup> Ibid

<sup>94</sup> Ibid

issue of disproportionate sharing of benefits was internal and not external.<sup>95</sup> The Kampala agreement of 1964 had attempted to solve the problem by allocating industries to each of the partner states. Kenya was to manufacture electric bulbs, Uganda nitrogenous fertilizers and bicycle parts production and Tanzania aluminum parts. A committee of industrial experts was to be set up to monitor the systems of equitable distribution of industrial development among the three states. However this was not to happen as the Kenyan parliament refused to ratify the agreement to set up the committee.<sup>96</sup> This issue therefore became the most pressing under the EAC as Uganda and Tanzania saw no point in being a part of an organization where they did not make net gains.

Moreover in the early days of the Community, Uganda and Tanzania also felt that they were at a disadvantage in comparison to Kenya, as the majority of institutions were located in Kenya. This assessment was accurate because Kenya enjoyed the lion's share of benefits from these institutions in terms of employment. The EAC treaty however did try to address this issue by redistribution of the institutions of the Community amongst member states as discussed earlier in this chapter. It is important to note that this redistribution did not address the issue of the locational advantage that Kenya had however.

The Community in its early years therefore existed in a state of almost continuous tension, with the differences in ideology and uneven economic benefits. One may argue the EAC might even have been able to survive past these challenges. However the biggest challenge that the community came to face was the end of security community as put by Karl Deutsch. The

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<sup>95</sup> Ibid

<sup>96</sup> Ibid

issue of disproportionate sharing of benefits was internal and not external.<sup>95</sup> The Kampala agreement of 1964 had attempted to solve the problem by allocating industries to each of the partner states. Kenya was to manufacture electric bulbs, Uganda nitrogenous fertilizers and bicycle parts production and Tanzania aluminum parts. A committee of industrial experts was to be set up to monitor the systems of equitable distribution of industrial development among the three states. However this was not to happen as the Kenyan parliament refused to ratify the agreement to set up the committee.<sup>96</sup> This issue therefore became the most pressing under the EAC as Uganda and Tanzania saw no point in being a part of an organization where they did not make net gains.

Moreover in the early days of the Community, Uganda and Tanzania also felt that they were at a disadvantage in comparison to Kenya, as the majority of institutions were located in Kenya. This assessment was accurate because Kenya enjoyed the lion's share of benefits from these institutions in terms of employment. The EAC treaty however did try to address this issue by redistribution of the institutions of the Community amongst member states as discussed earlier in this chapter. It is important to note that this redistribution did not address the issue of the locational advantage that Kenya had however.

The Community in its early years therefore existed in a state of almost continuous tension, with the differences in ideology and uneven economic benefits. One may argue the EAC might even have been able to survive past these challenges. However the biggest challenge that the community came to face was the end of security community as put by Karl Deutsch. The

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<sup>95</sup> Ibid

<sup>96</sup> Ibid



security of community is the assurance that the members of the community will not fight each other physically, but will settle their disputes amicably.<sup>97</sup>

Prior to 1971 a security community prevailed in East Africa. In 1972 however there was conflict between Uganda and Tanzania. The Ugandan state under the rule of Idi Amin Dada deteriorated and the internal chaos spilled over to both Kenya and Tanzania.

Prior to the breakdown of relations among the three Heads of State, was the 1971 coup that was staged by Amin in Uganda. President Nyerere refused to recognize the legitimacy of the Amin regime and in addition to this Nyerere gave Obote asylum in Tanzania. This situation led to the complete breakdown of relations between Uganda and Tanzania where Nyerere refused under the umbrella of the Authority to sit at the same table with Amin. Idi Amin on the other hand became notorious for his attempts to bully both Tanzania and Kenya with threats of invasion and annexing of territory. This erratic behavior in foreign policy underlined by Amin's military leadership led to great uncertainty and dilution of the economic aims of integration. The ultimate demise of the EAC followed shortly with Nyerere closing off the Kenya/Tanzania border.

### **3.5 The reconstitution of the EAC**

After the collapse of the East African Community in 1977 leaders in the East African region made moves to revive the community. In the 1980's and 1990's change of leadership in the region brought about new style of governance and with this change a change of perceptions of regional integration with positive repercussions. In 1984 a mediation agreement was signed by the Partner states to apportion the assets of the EAC. This paved the way for a rapprochement between the countries especially the leaders. The stage was however set for revival during a meet

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<sup>97</sup>Deustch Karl cited in Hallenbarg. J, *The Extension of the European Security Community to the Periphery*, A NATO Fellowship final report, National Defence College, June 2000, p.1

for the Heads of the Commonwealth in Harare. The leaders were at this point able to discuss the future of the Community. Following this closely was the establishment of a Permanent Tripartite Commission for East African Cooperation in 1993. This initiative was led by Presidents Daniel Moi of Kenya, Yoweri Museveni of Uganda and Benjamin Mkapa of Tanzania. These efforts by the three Presidents laid the foundation for cooperation in the region and paved the way for the establishment of the structures and functions of the EAC.<sup>98</sup> In 1996 the East African Cooperation secretariat was established paving the way for the signing of the treaty establishing the EAC.

The vision and mission of the revitalized EAC captured the new spirit of cooperation between the partner states. Its vision states that the EAC aims to establish a prosperous, competitive, secure and politically united East Africa and its mission to 'widen and deepen economic, political, social and cultural integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production trade and investment' Major achievements of the EAC development strategy following its ratification in 2000 have included the establishment of a customs union in 2005 that graduated to a common market protocol in July 2010 The EAC has also managed to harmonize and develop East African Standards, remove non-tariff barriers, establish the Lake Victoria Basin Commission, the establishment of the East Africa Legislative Assembly and the East African Court of Justice.<sup>99</sup>

One of the most significant developments has been the expansion of the EAC membership, with the inclusion of Burundi and Rwanda in 2006. The two countries were welcomed by the three original partner states after they acceded to the EAC treaty. The inclusion of Rwanda and Burundi has seen the EAC become one of the most attractive regional blocs in Africa. As it

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<sup>98</sup> Adar G Korwa, *Federalism and East African Community Integration Process: The Role of the East African Legislative Assembly*. A paper presented at CIGI/GARNET conference, Sept 2008, .p. 2

<sup>99</sup> Ibid

stands today following the inclusion of Rwanda and Burundi the EAC has a population of 126 million people covering a span of 1.8 million square kilometers. The combined Gross domestic product (GDP) of the area of the members is close to \$41 billion that makes it a very attractive market area.<sup>100</sup> The reconstituted EAC rests on four pillars- The Customs Union, Common Market Protocol, Monetary Union and Political Federation.

### 3.5.1 The Customs Union

The Custom Union was the first and arguably most important pillar of the whole integration experience. This is because the success of the Customs Union (CU) allowed for the movement to the other pillars envisioned under the EAC treaty. In short it is the entry point to economic integration. The customs union was slated for implementation in 2005 up to 2010. The CU began being implemented as envisioned in 2005, by the three original partner states. The main aim of the CU like others around the world was to liberalize and promote cross-border trade among the member states. The CU protocol provided for the elimination of all internal tariffs amongst partner states and the progressive approach to the implementation of the CU through its five year transitional period.<sup>101</sup>

The CU protocol ensured that it addressed the historical issue of economic imbalances among the partner states. The CU recognized that EAC partner states are at different levels of economic development. In doing so, it ensured that all goods from Uganda and Tanzania were to be duty free to each other whereas goods from Kenya to both Tanzania and Uganda would be categorized where some class A goods would be eligible to be duty free while others would be

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<sup>100</sup> Accessed from <http://www.eac.int/> on 06.08.11 at 7:01 pm

<sup>101</sup> Onyango E. Mugisa & Mugoya P. An Evaluation of the Implementation and Impact of the EAC Custom Union EAC Report. March 2009, p.p. 14-18

charged a tariff which was due for gradual reduction over the five year transitional period.<sup>102</sup> The CU also committed to the elimination of non-tariff barriers (NBT's) which were seen to be the main impediment to intra EAC trade. NBT's identified included government bureaucracies, poor infrastructure and standards and technical requirements. Although some NBT's have been removed, some argue that other NBT's still exist that make the cost of doing business in the region expensive. Rwandan President Paul Kagame, this year at a special sitting of the EALA, spoke about the existence of NBT's and the need to remove them.<sup>103</sup>

The CU most importantly laid the foundation for the establishment of the Common Market protocol that came into place in July 2010. The establishment of the Common Market is one of the most important pillars of integration because of the four freedoms, freedom of movement of goods, people, services and capital. The common market also enhances the harmonization of trade policies and promotes efficiency in production and competitiveness of exports.

### **3.5.2 The Common Market Protocol**

The Common Market Protocol was signed in November 2009 and came into force on the 1<sup>st</sup> of July 2010. The coming into effect of the Common Market Protocol has been as an indication that the region is courting Foreign Direct investment (FDI). Besides encouraging a common market, the protocol hopes to encourage further intra EAC trade. The Common Market fully operational now envisions a single market with zero tariffs and a common external tariff. The Common

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<sup>102</sup> Ibid

<sup>103</sup> Ongiri, I., Scrap EAC Non-Tariff Barriers, Says Kagame. All Africa.com, accessed from <http://allafrica.com/stories/201104040181.html> on 11.07.11 at 3:00pm

Market Protocol's overall objective is the acceleration of economic growth and development of the partner states, by reaping the benefits of the four freedoms.

The implementation of the EAC Common Market Protocol, although still ongoing has been met with challenges, especially in the area of the harmonization of laws. The legal and regulatory frameworks necessary for the declarations on the various movements of the factors of production under the Customs Union and Common Market operations have not been realized. An example is the issue of movement of cargo and the axle load requirement. Article 90 of the EAC treaty provides for the adoption of common axle-load to facilitate transit transport in the region, which is a key pillar of integration.<sup>104</sup> The five partner states have failed to agree on a harmonized gross vehicle weight limit by the set deadline of August. Burundi and Rwanda both have an axle load limit of 53 tonnes while Uganda and Tanzania have a limit of 56 tonnes.<sup>105</sup> In October 2008, President Mwai Kibaki issued a directive reducing the axle load limit allowed on Kenyan roads to a maximum of 52 tonnes. Kenya has argued that it cannot increase this to the 56 tonnes as this will have an adverse impact on its roads. This lack of harmonization of such policies is leading to failure to implement the Common Market protocol, which is set to be overtaken by the introduction of the Monetary Union in 2012.

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<sup>104</sup> East African Treaty, Article 90.

<sup>105</sup> Ligami. C *Plans for joint EAC axle load limits in trouble*. The East African Standard, p.p. 11

### 3.5.3 The Monetary Union

The Monetary Union was slated to come into effect in 2012. However questions have been raised over the possibility of that deadline being met. The Governor of the Central Bank of Burundi has said that a 2012 deadline which is less than one year away may not be practical because of technical and administrative reasons such as the failure to collect data, harmonization of the budgets of the five member states and national macro-economic statistics.<sup>106</sup> The Permanent Secretary in the Kenyan Ministry of EAC affairs, David Nalo has also agreed with this assessment, stating that the Common Market would need to be fully functioning before the Community tries a Monetary Union.<sup>107</sup> Despite its commencement on July 1 2010, the effects of the common market including free movement of people, goods and capital are yet to be felt by the majority of the East African nationals.<sup>108</sup> Some of the prerequisites for establishment of an East African Monetary Union include the convergence across a single currency area, gross domestic product growth rates, inflation rates, exposure to external shocks, public finance, balance of payments, interest and exchange rates. The five countries still remain at different levels.

The imminent establishment of the Monetary Union is expected to make the region even more attractive to investors. The monetary union is also expected to boost significantly the cost of business transactions as there will be no need to convert from one national currency to another. The signing of the common market protocol in 2010 saw the pulling in to the region, many major investments from countries such as China and India.<sup>109</sup> The East African Monetary Union

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<sup>106</sup> ScolaKamau., *EAC Monetary Union dogged by technicalities*, The East African Standard., accessed on 12/7/11 5:50pm.<http://www.theeastafrican.co.ke/news/-/2558/1179060/-/o1vvdaz/-/index.html>

<sup>107</sup> Ibid

<sup>108</sup> Ibid

<sup>109</sup> Ibid

(EAMU) is expected to result in many other foreign multinationals being set up in East Africa. A single currency is also expected to increase competition and therefore increase economic efficiency.

### **3.5.4 The Political Federation**

The EAC treaty in article 5 provides for the establishment of a political federation. A political federation or political federalism entails a system of government in which sovereignty is constitutionally divided between a central governing authority and its constituent political units that create the federation.<sup>110</sup> Belonging to a federation on the part of states involves the surrender of some powers to the center. A federation has a constitution, which provides for representation of the states in the federation. In a traditional sense a federal government will take over responsibility to do with defence, foreign policy, fiscal and monetary policy as well as some legislative and final appellate jurisdiction.<sup>111</sup> Countries that join a federation however are also able to choose the model of federation they feel would be most suitable to them.

### **3.6. Conclusion**

Given the challenges presently faced with the harmonization of laws under the common market protocol and the different levels of constitutional growth and governance, it is unlikely that a federation will materialize by 2015. The committee for fast tracking of the East African Federation that was headed by Kenyan Attorney General Amos Wako in 2005 had suggested that 2010 to 2012 be the consolidation phase of the Federation of East Africa. Obviously this will not be the case as the common market was effected just recently. The same committee also

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<sup>110</sup> Kamanyi. J, *The East African Political Federation: Progress, Challenges and Prospects for Constitutional Development*, A paper presented at the 10<sup>th</sup> Annual Udoma Symposium, Makerere University, Kampala, April 2006, p.p. 6-15

<sup>111</sup> Ibid

suggested that the basis of leadership in the federation will be rotational between the sitting Presidents of the partner states.

It also suggested that an enlarged Federal parliament be elected along the lines used in electing the current East Africa Legislative Assembly or as recommended by a constitutional commission that will be set up.<sup>112</sup> Further suggested is that there should be an electoral commission and other institutions be provided for under the Federal constitution to be put in place. According to the recommendations of the same commission, federal constituencies' should also be created. The challenge of achieving a federation however is a big one. The harmonizing of laws and standards will have to be effected for the federation to function accordingly. There are also challenges in the pace of constitutional development in each of the countries. The federation cannot and will not work in a situation where some states respect the rule of law and others don't. In Kenya for example with the passing of the new constitution and the appointment of a new Chief Justice, there is renewed faith in the judiciary.

There have even been suggestions of having public courts working on Saturdays to deal with people who normally are arrested on Fridays and have to spend the entire weekend before they are presented before a court and charged with whatever offence they may have committed. This is a stark contrast to the situation in Uganda where the Presidency is pushing for some offences to be denied bail and allow the state to imprison people indefinitely. Such disparities in laws present a challenge because ideally a federation would have to follow standard laws at least in respect to some core issues.

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<sup>112</sup> Ibid



## **CHAPTER 4: Challenges of Regional Integration**

### **4.0 Introduction**

Regional Integration in all contexts is never without teething problems, whether states are seeking regional integration for economic purposes or ultimately to synchronize all their socio economic and political activities. The East African Community is even more unique as it is a regional integration experiment that failed during its first attempt by the original three partner states. Reasons for the failure and ultimate collapse of the first EAC have been discussed earlier in the previous chapter. After the collapse of the first EAC each of the former member states embarked on individual projects especially in the area of the provision of common services which had been provided previously at community level. For example since Kenya had provided the East Africa Airline services, after the breakup of the Community Tanzania and Uganda had to embark on a project to establish its own airline.

### **4.1 Lessons from EAC I**

The main problems that led to the collapse of the EAC as discussed earlier were the inequitable distribution of costs and benefits among the partner states with Kenya, because of her locational advantage, benefiting more than the two other partner states. Another major issue was the different ideological convictions held by the different member states, with Tanzania, especially following a socialistic route that was in complete contrast to Kenya's capitalist one. The third major problem and the tipping point of the collapse of the Community, was personality clashes between Nyerere and Amin of Uganda who never saw eye to eye. This situation led to the decision making body of the EAC, The Authority being unable to sit at the same table, leading to the eventual breakdown of communication and collapse of the Community.

The fact that the three countries made efforts amongst themselves to reconstitute the EAC is proof that the existence of the EAC was beneficial to all members, even if more beneficial to one than the others. However it is also important to note that efforts to reconstitute the EAC took place under different leadership in all the three original partner states. Kenya under former President Daniel Moi, Tanzania under Benjamin Mkapa and Uganda under Yoweri Museveni. The problems of personality clashes between the leaders had therefore been eliminated, by the start of the process to reconstitute the EAC.

For the purposes of this paper this researcher is mainly interested in current challenges that the EAC faces in its attempts to federate. This does not mean however that previous challenges faced will not be examined to determine whether they are currently present in the reconstituted EAC. The socio-political as well as economic challenges that may hamper the process of integration will be explored in detail in this chapter.

## **4.2 Historical Challenges of the EAC**

The East African Community in its first attempt to integrate in the post-colonial period was faced with many challenges it was unable to surmount which led to its eventual collapse in 1977. As mentioned earlier the issues were of an economic nature as well as political. The economic challenge was the result of what was felt to be unequal distribution of economic benefits among the member states. In the road to reconstitution of the EAC, the three partner states were very aware of this challenge and made deliberate efforts to address this issue. In the first EAC, Kenya was defiant to the point of refusing to accept that it was benefiting more than its two partners. In the previous chapter it was argued that the Kenyan leadership in the 1960' and 70's refused to take action to ease the tensions among other member states.

The Kampala agreement of 1964 attempted to solve the issue of the disproportionate sharing of benefits by allocation of industries to each of the partner states, a situation that was not acceptable to Kenya and was rejected by the Kenyan parliament at the time.<sup>113</sup> This situation is a classic example of the prisoner's dilemma or game theory. The situation where each player in this case the partner states choose to protect themselves even at the detriment of their own well-being, if it means that their competitor will be at a more competitive advantage. The collapse of the EAC can closely be linked to this paradox. Tanzania and Uganda were not benefiting as much from their cooperation with Kenya, so they chose to defect instead of allowing Kenya to continue enjoying maximum benefit.<sup>114</sup>

The EAC in re-forming the Customs Union, tried to address this issue. For example the Custom Union Protocol provided transitional elimination on internal tariffs. This meant that some categories of Kenyan goods would not be exempted from duty, while Kenya on the other hand would exempt all goods coming in from Uganda and Tanzania. This was however supposed to be transitional up to the point where the duty on the goods would be eliminated. The products were classified as category A and category B. Products of category B were viewed by Uganda as the most sensitive in terms of not being able to withstand competitive pressure from Kenyan products. This measure and classification of category B goods recognizes the differences in competitiveness between countries and the potential damage that could be done to the integration process in the longer term if this challenge was not explicitly acknowledged.<sup>115</sup>

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<sup>113</sup> Nsimbambi, A., "Regional cooperation for African development: Proceedings of the East African PWPA" in Nsimbambi, A & Wangusa, T ed, *The collapse of the East African community*. (PWPA, 1987), p.p 25-37

<sup>114</sup> *The prisoners dilemma*. <http://www.economics.li/downloads/egef dile.pdf>

<sup>115</sup> Customs Union Protocol

Other prominent challenges that existed in the original EAC were ideological differences. The issue of ideological differences however hardly exists anymore. With the collapse of communism in the early 1990's, countries all over the world that had adopted communism as an economic system were forced to change their economic systems.

This was particularly the case in developing countries. In the post cold war state where America emerged as a hegemon, these countries were forced to liberalize their economies which had for decades during the cold war years been centrally planned economies. Therefore in East Africa, Tanzania which had largely adopted a policy of African Socialism ( known as 'Ujamaa') was forced to open up its economy by western countries in order to benefit from loans and grants that were instrumental in the development of the country. However despite the change in economic style in Tanzania, from *ujamaa* to a more liberal economic approach, it still is in the process of opening up its economy even to member states of the EAC many years later.

After the collapse of the EAC in 1977, Tanzania closely aligned itself to the former Front line States. These states comprised southern African states who committed themselves to pushing for the elimination of the apartheid policy in South Africa. The Front line States evolved into what is today known as the Southern African Development Authority (SADC). This involvement of Tanzania in SADC and now in the EAC is one of the challenges facing the EAC. This overlapping membership brings questions of not only loyalties and priorities but also the fact that SADC and the EAC have different policies that they may wish to follow and implement.

Overlapping membership has traditionally been known to be one of the impediments of successful regional integration, this especially has been a problem with the regional economic integration schemes in Africa. This will be discussed later in this chapter at length.

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Overlapping membership has traditionally been known to be one of the impediments of successful regional integration, this especially has been a problem with the regional economic integration schemes in Africa. This will be discussed later in this chapter at length.

The other historical challenge faced by the former EAC was the issue of personality clashes between the leaders. This was the case especially between Uganda's Amin and Tanzania's Mwalimu Nyerere. There were also confrontations between the elite in Kenya and Nyerere. Former Attorney General, Charles Njonjo and Nyerere famously disagreed. The founder president of Tanzania, it was said, found Kenya's Attorney General particularly distasteful and arrogant and even worse, reckless in his attitudes towards Kenya's neighbors. Further, it was said that Njonjo seemed to exercise disproportionate influence on President Jomo Kenyatta.<sup>116</sup> The squabbles between Njonjo and Nyerere led to Nyerere being very critical of the economic system that was followed by Kenya which was closely modeled along the capitalistic system, Nyerere is said to have referred to Kenya as, "A man eat man society." The phrase indicating that he thought the economic system followed in Kenya was exploitative to the ordinary citizens. He felt that the economic system used in Kenya was unfair and would render more Kenyans poor while producing a few rich capitalists at the top.<sup>117</sup> Njonjo on the other hand is said to have responded that if Kenya was a 'man eat man society,' then Tanzania was a 'man eat nothing society.'<sup>118</sup>

This acrimony that characterized relations between the top leadership of the early EAC, left an indelible mark on the relationship between the EAC states, particularly Kenya and Tanzania. Okungu explains that ordinary Tanzanians who considered Kenyans their brothers during the struggle for independence and post-independence era, after the breakup of the EAC came to fear and resent Kenyans. Okungu further explains that Tanzanians of all walks of life be it those in academia, corporate boardroom or on the streets are fearful and resentful of Kenyans coming

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<sup>116</sup> Mazrui, A. *Nyerere and I*, accessed from [http://www.africaresource.com/index.php?option=com\\_content&view=article&id=56/nyerere-and-i&catid=85/oral-history&Itemid=341](http://www.africaresource.com/index.php?option=com_content&view=article&id=56/nyerere-and-i&catid=85/oral-history&Itemid=341) on 30.07.11 at 10:53pm

<sup>117</sup> Okungu, J. *Give The EAC an Efficient Transport System and Free Trade to Eradicate Poverty*. Africa News Online. accessed from <http://africanewsonline.blogspot.com/2008/08/give-eac-efficient-transport-system-and.html> on 30.07.11 at 11:01pm

<sup>118</sup> *Ibid*



over to take over their jobs and businesses and even land. He notes further that Tanzanians do not share this same negative attitude towards Ugandans.<sup>119</sup>

These historical challenges have over time come to be somewhat surmounted with each country looking more towards the positive benefits of regional integration, especially when it comes to trade. The attitudes that were formed at the early stages still persist. The process of forming the Customs Union Protocol and Common Market has been achieved although with a little resistance and at many other times suspicion. The Committee on the fast tracking of the East African Federation, headed by former Kenya Attorney General, Amos Wako was set up in 2004 to fast track the setting up of the federation. The revelations of the Committee found that support for integration was high in the three initial partner states. However in Tanzania when it came to support of fast tracking of the federation, support was the lowest at 25.4%. Support was highest in Kenya at 64.9%, followed by in Uganda at 56.3%.<sup>120</sup> The report showed the slightly continued biases and attitudes of the original members towards one another and the concept of a federation.

Other than what can be called 'original' challenges, other challenges have also begun to slowly emerge since the reconstitution of the EAC. These challenges can be looked at in different categories. For the purpose of this research we will focus on the socio-political challenges. The economic challenges will however also be examined briefly.

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<sup>119</sup> Ibid  
<sup>120</sup> *Report On The Committee On Fast Tracking Of The EAC Federation*, accessed from [www.eac.int](http://www.eac.int) on 30.07.11 at 8:16pm.

### 4.3. Economic Challenges in the EAC.

The main economic challenge as mentioned earlier when it comes to regional integration, is the need for all partners to benefit equally from the integration process. Failure of some member states in a union to benefit equally with others is seen to be one of the foremost causes of disintegration of regional integration, as the case with the first EAC. Economic benefits are in trade, employment and location of key industries. In trade and industry small economies will also always tend to have and employ protectionist measures where they want to protect their home industries from what they may feel is unfair competition from bigger and more advanced players in different fields. However Gathii contends that African countries have decidedly pursued regional integration to overcome the fundamental constraints that are characteristic of African economies such as their small economic size and focusing primarily on export products and extractive products such as minerals.<sup>121</sup>

Despite the gains they stand to gain however countries are reluctant to, even with the liberalization of trade and elimination of tariffs, to drop all the non-tariff barriers that hamper trade. In Kenya in 2008 the Minister for Finance Amos Kimunya in his budget declared that all wheat, flour and rice imports would be zero rated within the EAC.<sup>122</sup> This decision was later met with a lot of criticism by Kenyan farmers especially wheat farmers who said that the decision would be detrimental to them, as they would not be able to sell their produce to a market flooded with cheaper imports. Similarly, recently, Tanzanian traders have petitioned the government to stop paying dues to the EAC over what they claim is Kenya's refusal to allow wheat imports

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<sup>121</sup> Gathii J.T, African Regional Trade Arrangements as Flexible Legal Regimes (Working Paper series No. 20 ) 2009 p. 8

<sup>122</sup> Odhiambo. A. EAC external tariffs spurs imports surge. Business Daily. 01.08.11. p.p 7

from their country into Kenya.<sup>123</sup> They further claim that they are also victims of unfair competition since Kenyan goods have flooded their markets.

The millers in Tanzania claim that they were charged large sums of duty at the Kenyan border that raised the price of their produce and made it less competitive in the Kenyan market.<sup>124</sup> The largest milling company and a major producer of maize and wheat flour in East Africa, Said Salim Bakhresa and Company Ltd (SSB) has also encountered similar problems and has opted to stop exports to Kenya. This issue has led Tanzanian millers to seek intervention at the EAC secretariat.<sup>125</sup> This issue has also come at a time when Kenya and the entire horn of Africa region is facing a particularly brutal famine that is affecting millions in Kenya, Somalia and Ethiopia who are desperately in need of food aid. This is not the first time that this region is reeling from the effects of harsh climatic conditions. The horn of Africa region and other parts of Africa intermittently experience droughts that most times have devastating effects on the populations in those areas.

Ironically Calestous Juma argues that one of the ways to overcome the issue of food security in Africa is through regional integration. He argues that whereas there can be drought and lack of adequate food in one state in Africa there is likely to be just across a neighboring country a surplus of food. He argues for regional integration and challenges states to ignore the colonial boundaries and open up to one another. He believes that this would be one of the key steps to ensuring food security on the continent.<sup>126</sup> The East African Community provides a perfect example of a situation where if all barriers to trade of goods were dropped all states would be

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<sup>123</sup> Mwachungu, J. *Fresh Trade War Looms in EA over wheat exports*. The EastAfrican. 26.06.11. p.p 12

<sup>124</sup> Ibid

<sup>125</sup> Ibid

<sup>126</sup> Juma, C. *The New Harvest: Agricultural Innovation in Africa*, Oxford University Press, p.p. 56

able to benefit from one another especially in times of shortage of food. The government of Kenya this year expressed interest in buying food from Tanzania in particular maize, which Tanzania has a surplus of 1.1 million bags of maize.<sup>127</sup> However despite this surplus in maize the government of Tanzania has issued a ban on its export. At a ministerial meeting convened at the EAC to discuss the food crisis in the region, the Tanzanian Minister for Agriculture, Food Security and Cooperatives said that Tanzania was not going to yield to pressure from neighbors to allow food exports as Tanzania was with its surplus, had to ensure its own food security.<sup>128</sup>

The move by Tanzania to institute a quota limiting the exportation of maize can be seen to be against the provisions of the four freedoms of the common market protocol, one of which allows for the free movement of goods. This means that there should be unhindered movement of all goods including food. These restrictions at such a time exemplify the difficulty of regional integration, as some countries are not able to comply with the protocols of the treaty. And non-compliance with the provisions has no serious or real consequence on the culprits. In this instance, for example, there can be no enforcement measure the EAC can use to force Tanzania to comply and sell more food to its fellow partner states.

Another economic constraint of regional integration is also the issue of overlapping memberships. This is both a socio economic issue because it has an impact in different ways. Gathii notes that many countries join more than one regional bloc so that they can be able to choose the various options offered by competing regional trade agreements. Different regional blocs will offer different benefits to members. Countries also agree to be part of multiple regional blocs for other reasons such as certain sociological, cultural and psychological affinities.

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<sup>127</sup> Ubwani. Z, *Dar bans maize exports despite regional appeal*, Daily Nation, 16.08.11, p.p. 42.

<sup>128</sup> Ibid

This means that countries that share similarities in culture and a shared heritage or past may tend to feel more united and comfortable with one another.<sup>129</sup>

An example of this is the membership of Tanzania in the Southern African Development Community (SADC). SADC comprises mainly countries previously part of the Front Line States. Tanzania, because of its shared past with these countries joined SADC even though geographically Tanzania is quite far from the rest of these countries. As mentioned in earlier chapters, after the collapse of the first EAC Tanzania opted to join SADC which it felt was more relevant to the aims it wished to pursue.

Economic challenges also arise when it comes to issues of policy formulation. This is closely related to the issue of overlapping memberships. Different regional groups will have different policies that they wish to follow and implement. When a country is a member of multiple regional groups it presents a challenge when it comes to the question of policies that contradict each other. For example, the issue of the lifting of the global ban on ivory that was supported by SADC which took a common position at a meeting of the Convention on International Trade in International Species (CITES). The southern African states that form part of SADC lobbied against the abolition of the global ban on the sale and trade in Ivory. SADC took a common position that saw the transfer of trade in ivory from Appendix I of CITES which imposed a total ban on the commercial trade in elephant products, to Appendix II which allowed for a one off sale of ivory to Japan. The southern African Countries have argued that African elephant populations are depleted because there is a lot of illegal and unregulated trade in Ivory.<sup>130</sup>

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<sup>129</sup> Gathii J.T, Op cit, Note 121

<sup>130</sup> Bacorz.B, *Africa In Fresh Bust-Up Over Ivory Sales*, The Telegraph, 15.08.11, Accessed from

<http://www.telegraph.co.uk/expat/expatnews/6866586/Africa-in-fresh-bust-up-over-ivory-sales.html> on 15.08.11 at 6:04pm.

In 2009 at a CITES convention, Zambia and Tanzania requested to be allowed to sell ivory stock piles that they had as was done before in 2007 at the Hague where Zimbabwe, South Africa, Namibia and Botswana were allowed to make a one off sale to buyers in Japan and China. This position taken by Tanzania was strongly opposed by Kenya among other countries who felt the lifting of the moratorium on the commercial trade of ivory would be detrimental to the population of elephants in their countries. Kenya argued at the Conference that the legal sale of ivory would increase demand for ivory.

The Kenyan Minister for Wildlife, Noah Wekesa, presented Kenya's position which was that the international community should sustain the ban of selling ivory and rhino horns because poaching would eliminate these animals.<sup>131</sup> The Tanzanian representatives argued at the same forum that they had an increase in their elephant populations in the last decade since 1989 that had led to them becoming a nuisance to the poor farmers in their country. They further argued that the sale of ivory seized or collected from animals that have died a natural death was the best way of making the population aware of the animal.<sup>132</sup>

This proposal caused several African countries Kenya included to ask for a counter amendment seeking to have the moratorium on the ban of the sale of ivory to be extended. The ivory issue is just one example of the differing policy views between regional blocs. In the case of the EAC it is indicative of how challenging it will be for Tanzania to integrate fully into the EAC while it is still a member of another similar and competing regional bloc. It therefore will definitely lead to a situation where a state such as Tanzania that is a member of two such blocs to chose its loyalties, which would negatively impact membership in the other bloc.

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<sup>131</sup> Ibid

<sup>132</sup> Ibid

Other economic challenges that face the EAC include the actualizing of the Monetary Union, taking into consideration the different strengths of the various currencies not to mention that there are also issues of overlapping with many of the African regional economic blocs setting similar goals of macroeconomic convergence. For example COMESA has a target to set up a Monetary Union by 2018.

#### 4.4 Social Challenges

Other than the economic challenges in the integration process there also exist other challenges that are of a social nature. One such emerging challenge is the boundary or territorial disputes among the EAC states, in particular Kenya and Uganda. The dispute sparked between the two countries over the Migingo Island a stretch of land on Lake Victoria. Ugandan fishermen laid claim on the island with Uganda also deploying military and police forces on the island in 2008. A situation that left Kenyans on the island to cry foul, claiming that the Uganda forces situated there were harassing them by preventing them from fishing as well as enforcing the purchase of special permits on them. News of the dispute quickly evolved into a wider national issue, particularly in Kenya which viewed this move by Uganda as aggression.

As the dispute continued, a Kenyan delegation that met with a Ugandan one also ended in complete chaos with insults and accusations being traded between them.<sup>133</sup> In the same year still another incident in Nairobi in 2008 saw Kenyan youth destroy the Railway that passes through Kibera. The railway serves as the main source of transport for goods into landlocked Uganda from Kenya. Youths living along the railway destroyed it, as an attempt to paralyze the movement of goods to Uganda. This situation was further exacerbated by comments made by the

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<sup>133</sup> Sing'Oei. K, The Migingo Island Dispute and International Law, 2009-06-04, Issue 436, Accessed from <http://panbazuka.org/en/category/features/56719> on 8.17.11 at 6:24pm

President of Uganda in regards to the Luo ethnic group of Kenya who he seemed to attribute the destruction of the railway to and who are the majority of the habitants in Migingo. These remarks by Museveni were not taken likely by Kenyans in general and were discussed by the Kenyan parliament. The remarks were regarded generally as being in bad taste and also seen as an attempt to victimize one ethnic group in the country.<sup>134</sup> The Migingo issue therefore revealed not only the challenge of regional integration but also revealed the fact that the rivalries that exist within the East African states are a challenge in themselves to regional integration.

Still related to this one of the challenges of integration in the EAC is the reluctance to cede their sovereignty. Again the Migingo dispute shows the importance and emphasis that is placed on colonial boundaries observed by East African states. In addition to the Migingo dispute yet another dispute has emerged still between Uganda and Kenya, in the same area. The more recent dispute over an island on Lake Victoria known as Ugingo. Whatever the real reason for the shenanigans over Migingo and Ugingo, it sends a distressing message about the future of regional integration.

With the East African member states all looking towards federation, the remarks made by Museveni, were not only shocking but remarks that would not be expected at this point in time where East Africans are looking to unite as a single group. Other than these remarks made by the President of Uganda, within the East African states themselves, legitimate concern may be raised as expressed by the domestic politics of ethnicity that affect socio-economic life in these countries. In Kenya for example after the 2007 general election, violence broke out following the election which was disputed. The violence which has been said to have been as a result of a 'stolen election' and vote rigging was however largely ethnic based with certain ethnic groups

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<sup>134</sup> Ibid



fighting against one another based on the voting patterns of specific ethnic groups. In Kenya, ethnicity remains paramount in deciding the voting pattern of specific areas and therefore ethnic balancing is a major consideration for whichever presidential nominee wants to form the government. The result of the post election violence was the formation of a coalition government which was seen to be essential to ensure that peace prevailed in the country, as the opposing sides would not accept the legitimacy of a government formed by their opponent. As put by a member of parliament in Kenya, Martha Karua, 'While we are talking of a political federation in the EAC we are busy fighting each other on ethnic grounds in our countries. There are fears that this will spill over in the region thereby slowing the integration process.' With ethnicity being such a fundamental consideration internally to states such as Kenya, it begs the question of how Kenya would be able to elect an East African President to head the EAC federation.<sup>135</sup>

Lake Victoria is one of the resources that the three of the East Africa Community countries, Kenya, Tanzania, Uganda, share. And the rows over it predate the ones over Migingo and Ugingo. In recent years, both Uganda and Tanzania, but especially Tanzania, have arrested Kenyan fisherman for allegedly straying over the borders and fishing "illegally" in their portion of the lake.<sup>136</sup> This state of affairs is disheartening considering that as mentioned Lake Victoria is a shared resource. The fishermen who are often victimized are also not doing large scale fishing most times but catching only a few fish. With EAC leaders pushing for a Monetary Union as early as next year, it is unimaginable that the EAC member states are fighting over fishing. Onyango-Obbo argues that there is little chance that if the East African governments are

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<sup>135</sup> Cited at the Symposium on Political Federation: Expectations and Challenges, Arusha, 01.07.11

<sup>136</sup> Onyango-Obbo, C, *The first East African war could be fought over fish*, The East African Standard, Sunday, May 22 2011 at 10:45

fighting over small issues they will be able to agree on bigger issues. He further argues that the first war in the East African region could be fought over fish. He explains that in a situation where a trigger happy Tanzanian or Ugandan soldier kills a large number of fishermen, this could easily trigger a situation that would lead to conflict between member states.

Another social challenge of regional integration is the rate and pattern of democratic developments. In the five partner states, the levels of development have been different. Their Constitutions are also different and provisions under them different. The EAC aims to eventually have an overall constitution that will be the supreme law and act as a guide to all the partner states. It however can be questioned how practical this can be considering that the 5 partner states have different social and political histories that have led them to adopting the constitutions they have.

In Kenya for example, the search for a new constitution took close to 20 years and it was just recently realized. Steps in the search for a new constitution have been long and hard and has involved the political class and the civil society. The Kenyan constitution reform process can be said to have begun with the adoption of multiparty politics in the early 1990's that continued steadfastly even in the most trying of times. The major landmarks in the constitutional reform process saw reforms made under a parliamentary umbrella body known as the Inter Parliamentary Parties Group (IPPG) that passed proposals into law that allowed the opening up of the democratic space. The IPPG proposals saw in Kenya the introduction and acceptance of coalition governments, the immediate registration of political parties whose applications had been denied or pending, the incorporation of ten opposition appointed commissioners to the Electoral Commission as well as the repeal of unpopular sedition laws and the amendment of the

Public Order Act. These laws had been used by the government to impede free opposition movement in the country.

The IPPG recommendations also stated at the time that the national Kenya Broadcasting Corporation change its pro-KANU image and provide fair and balanced coverage to all political parties. In addition to this, the Kenyan constitution also sets out a limit on the number of terms a president can be in office, specifying a total of two terms of 5 years each. This has been widely accepted since its introduction in 1991 where the then incumbent president was allowed to start afresh and contested two elections and stepped down in 2002.<sup>137</sup> These developments in Kenya have taken more than two decades and because of the time and process it has taken to achieve them Kenyans have come to appreciate them as fundamental values that form a part of their young democracy. The gains made in Kenya are not replicated in other East African countries which have had their own developments based on their experiences.

In Uganda for example laws on sedition are still largely applied and are used by the Executive in cases where the government deems it fit. The Ugandan government has employed the use of this law especially when dealing with journalists and has had many of them arrested. This is in great contrast to Kenya which had its last sedition cases during the Moi era. This is not to imply that governments in Kenya have been completely open and allowed freedom of the press, however laws on sedition have been repealed in Kenya and have not been used in over ten years.

In Burundi on the other hand, journalists who were overheard criticizing their president's education policy in a private conversation were charged with insulting the president. They were arrested in September 2008 and were both remanded in custody until their acquittal in December

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<sup>137</sup> *Term Limits For Heads of state*. Accessed from [www.iss.co.za/pubs/Other/ahsi/HammerstadMono/Chap7.pdf](http://www.iss.co.za/pubs/Other/ahsi/HammerstadMono/Chap7.pdf) on 21.08.11 at 6:23pm

of the same year.<sup>138</sup> In another incident a radio journalist and political activist Alexis Sinduhije, was charged with “insulting the president,” based on a document found in his possession following an illegal police search because a search warrant for different premises was delivered two hours late, referring to a judicial file that did not yet exist.<sup>139</sup> The recovered document purportedly stated that “the responsibility for the corruption scandals and the assassinations ordered by the main party lie with the man who passes his time in prayer meetings.” According to the prosecution the journalist/political activist had insulted President Nkurunziza, a born-again Christian.<sup>140</sup>

In neighboring Rwanda, the recent elections put the country and its leadership on the spot over the alleged harassment of one of the main opposition leaders. Rwanda which is ranked on many lists as one of the more progressive African states economically and socially was also silently criticized over its recently held elections in August 2010. The elections held were seen not to be democratic as observed by some human rights observers, as there was no real opposition to Kagame’s Rwanda Patriotic Front (RPF).<sup>141</sup> There was further criticism when the same contender, Victoire Ingabire was prevented from contesting the election when she announced her candidacy. She was accused of having flouted the countries strict genocide laws. She was arrested and denied participation in the election. She has since the election been in and out of jail, recently appearing for the hearing of charges against her.

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<sup>138</sup> Gathara.P, The insulted of the earth: Sedition laws across Africa, The East African Standard, p.p. 12

<sup>139</sup> Ibid

<sup>140</sup> Ibid

<sup>141</sup> Rwanda Opposition Leader Victoire Ingabire Demands Protection Ahead of Presidential Elections, accessed from <http://rwandinfo.com/eng/rwanda-opposition-leader-victoire-ingabire-demands-protection-ahead-of-presidential-elections> on 01.09.11, at 12:44pm

different democratic developments in each of these countries will have to be taken into account before a federation could come into place. There is no way countries that have made progress in certain areas will accept to be taken backwards. For example how would Kenya concede itself to establish a common constitution with a country that is on the verge of producing a bill that allows for certain offences to be marked as un-bailable including electoral offences.

social media which has quickly become a prominent channel of accessing information globally, especially among the youth as was witnessed during the recent 'Arab uprisings in the middle east and Northern Africa, issues that are broadcast in the media are discussed with live coverage of all events. The recent incident, where Ugandan opposition leader, Kizza Besigye was attacked by the police while on a "walk to work" protest, decrying high cost of living was an incident that garnered a lot of attention among bloggers and social media enthusiasts. Many East Africans commented that if the EAC federation comes to be, it must play a role in ensuring that such occurrences are not allowed to happen. As put by Onyango-Obbo, "amid the agitated tweeters there were a large numbers arguing that Uganda's President Yoweri Museveni who has been the leading champion of the EAC federation, was dangerous and should never be allowed to be the federation's president if it came about in the next few years."<sup>142</sup> The shocking attack of not only Besigye but also other demonstrators to many Kenyans looked like a replay of dark days during the struggle for multipartyism that took place more than 20 years ago. The fact that in Uganda there is no limit on presidential terms, is also an issue of concern in the EAC, as it is the only country without term limits.

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<sup>142</sup> Onyango-Obbo.C, Museveni crackdown brings tough integration issues into the open, The East African Standard, 16.05.11, p.5

These disparities in constitutional development, compounded by difference in leadership styles of the various East African leaders is a challenge to integration. Should a federation come to be in the next few years? Questions must be raised on the role the EAC federation would play in controlling the excesses of leaders in the EAC. This would require an in-depth discussion of the structure and democratic controls of a future united East Africa.

Another social challenge that is emerging is the lack of a harmonized foreign policy among the East African member states. In the long run it is visualized that the East African Federation will have a standardized foreign policy among member states. However it is obvious that this will not be something that will be easily achievable. The recent events in Libya with the collapse of the Libyan government, has seen the African Union refuse to recognize the National Transitional Council which has taken over most of Libya. Similarly Tanzania has backed the position by the Africa Union. Tanzania's stand was announced in Dar es salam by its Minister for Foreign Affairs and International Cooperation, Mr Bernard Membe.<sup>143</sup> Tanzania has articulated clearly that it would only recognize the group if it takes over the government and establishes all governing organs which respect the divisions of power between the Executive, Legislature and Judiciary.

Tanzania has also advocated for an election where the people of Libya would have an opportunity to elect leaders that they want. Kenya on the other hand has had a less coherent statement on the issue. Initially reports indicated that Kenya had recognized and supported the National Transitional Council which is acting in the capacity of an interim government. The Kenya government however came out later and released a statement explaining that it held the

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<sup>143</sup> Lugongo. B, *Tanzania Backs AU Stance On Refusing to Back Rebels*, Accessed from <http://allafrica.com/stories/201108280023.html> on 02:09:11 at 4:33pm

the position as the African Union and denounced the use of violence on civilians.<sup>144</sup> However despite this press statement released by the Ministry of Foreign Affairs the Prime Minister of Kenya, Raila Odinga has called for the stepping down of Gaddafi. Odinga in his statement is quoted as having said that, "a good general should know when his game is up." The Prime Minister further called for Gaddafi to formally give up office or go into exile.<sup>145</sup> This statement by the Kenyan Prime Minister who is the highest ranking official after the President shows incoherence on Kenya's stand and foreign policy position on the Libyan case.

In both Rwanda and Burundi, the position has been clear that based on their past histories of genocide they are against any leader that turns on his own people. Their position has been the opposite of the AU position and they have not been afraid to articulate it from the beginning of the Libyan crisis. Uganda on the other hand has aligned itself closely with the AU position. For obvious reasons many African countries are unwilling to openly accept the interim government, mainly because of the financial backing they have received from Gaddafi in the past, and his overall contribution to the AU's funding and budget.

Regardless of the AU position, the expectation is that the East African region should take a common position on issues as this is what it will entail when they are in a federation. However it seems clear that the synchronization of foreign policies will not easily be achieved as every country has its own individual interests as well as specific histories that will always serve as a guide in making foreign policy choices.

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<sup>144</sup> Saitoti. G, Ag. Minister for Foreign Affairs, *Press Statement on Libya*, Accessed from [http://www.mfa.go.ke/index.php?option=com\\_content&view=article&id=372:press-statement-on-libya&catid=35:news](http://www.mfa.go.ke/index.php?option=com_content&view=article&id=372:press-statement-on-libya&catid=35:news) on 06:09:11 at 5:20pm.

<sup>145</sup> Mutiga. M., *Raila urges Gaddafi to surrender*, Daily Nation, accessed from <http://www.nation.co.ke/News/africa/Raila+urges+Gaddafi+to+surrender/./1066/1225382/./14mi2kz/./index.html> on 06:09:11 at 6:20pm.

## **Conclusion**

Other challenges the EAC will face will be in the representation at the East Africa Legislative Assembly currently based on nine legislators, from each member state. Members can be re-elected for a second term. Although this structure displays a sense of fairness where all members will feel included in spite of their size it is not realistic as some of the countries in the EAC have bigger populations than others. It also remains to be seen how structures that are present currently will be strengthened to ensure that the EAC is able to make decisions that will positively impact on the lives of the people of the EAC.



## CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

### 1. Conclusions

This study sought to explore the challenges of regional integration with specific reference to the EAC. The EAC is undeniably one of the more progressive regional blocs in Africa. They however remain challenges that must be overcome to ensure deeper integration within the EAC, especially as it aims to become a political federation. The EAC is a positive development without any doubt. The collapse of the EAC meant that countries that were previously sharing services in the post independence era had to begin their own national companies.

In chapter one, the background of the EAC is explored briefly, and in chapter three where the details of the relationship between the EAC member states is discussed in detail. Pre colonial times and the formal initiatives that the colonial administration undertook laid the foundation for the community in post independence. The operations of the EAC in 1967 to 1977 are also looked at in this chapter, and reasons that lead to the collapse of the community and the efforts that followed the collapse immediately after.

Chapter two meanwhile, looked into the different types of regional arrangements in existence in the world. There was also a focus on the contributions of pan Africanism to the process of different regional blocs and in particular the EAC. Chapter four explores the challenges that are faced by the EAC currently and those issues that must be looked into before deeper integration can be considered.

**Conclusion** before the issue of deepening the integration can be discussed it must be clear that **protocols in place** are working and are of benefit to all in the region. The expectations of the **peoples** of the East African region are high. Expectations with regard to the political aspects **is to pride** in belonging to a vast and powerful federation that would command respect and a **strong voice** in the world community; that would be secure, peaceful and prosperous. In terms of **political** expectations it is expected that the federation will help bring an end to conflicts and **instability in the EAC countries**. For the ordinary citizens who have continued to cooperate even **in the period** where the EAC was defunct are great, as they look forward to a situation in which **the countries** will never go separate ways again. In particular, to the people of East Africa the **federation** translates to immediate benefits. Benefits such as the free movement of persons, right **to employment**, residence and ownership of property

**It is also expected** that the EAC will be of financial benefit to the business men and women in **the region** and that it will enhance and uplift the standards of living of the ordinary citizens also. **This can be translated** through a bigger market for trade and investment, increased competition **and competitiveness**, reduction in business costs, increased business opportunities, free **movement** of goods and services, elimination of NTBs, price stability and ease of access to **services at Mombasa and Dar es Salaam** for landlocked Uganda.

**These expectations** are not uncalled for, as the reasons why states enter into regional **arrangements** are so as to reap maximum benefits. The positive developments made by the EAC **can also not be overlooked** as it has taken a lot of effort to move from a Customs Union to a **Common Market** in less than five years. The question that however remains is whether these **developments** are purely cosmetic?

These are challenges that must be addressed within the EAC for it to be considered a federation. The emerging disputes among the EAC member states are of concern and need not be swept under the carpet but addressed. The fear is that as a federation, the partner states would cease to have any meaningful powers and they would be relegated to mere provinces within the federation.

This fear is manifested in a number of ways, including, among others: loss of power at political level, loss of decision making; and loss of flexibility in exercising powers at national level. There needs to be serious consideration given to the approach that will be used to reach a political federation, as the disparities in constitutional and democratic development are glaring. Internal politics of individual member states will also play a role in ensuring the failure or success of the EAC and in particular at the level of the federation. Politics of ethnicity will impact heavily on the EAC and cost the EAC dearly. The member states of the EAC will have to think more outside of their nations, because of the opportunities they stand to gain. There also needs to be enforcement measures for countries that refuse to comply with the EAC treaty because this will foster a culture of compliance.

If a federation be formed it will require finances to run the Federal government. Since the Federal government is comprised of the three states, it is obvious that the revenue must come from them. Yet the state governments are constrained already because they have a heavy dependence on external aid to the extent that they cannot raise the additional funds needed by the federal government.

## 2 Recommendations

For deeper regional integration to occur some issues that have been discussed need to be looked at more deeply. The member states that are part of the EAC still continue to be sovereign states however they must relinquish some sovereignty to become fully part of the EAC. Similarly on the economic front, the partner states need to open up their markets to one another so that they can be able to enjoy the benefits of economic integration. The EAC secretariat has made attempts to conduct sensitization on the benefits the EAC citizens stand to gain from a federation, however a lot must still be done to ensure people are properly educated. Sensitization therefore needs to be carried out at all levels and especially at the grass roots levels. This will greatly change any negative perceptions that may be there in some countries especially among the original partner states.

Secondly there needs to be harmonization of policies among the five partner states. Harmonization needs to be done in the economic fields, political fields and foreign policy formulation. As has been discussed in this paper harmonization must be carried out in various member states for macro-economic convergence to occur. The same goes for the federation to come. The constitutional developments in individual countries must be on a similar track to make it easier to fulfill the requirements of a federation. The EAC secretariat must also look to pursuing strong enforcement mechanisms when partner states that have acceded to the treaty fail to comply with provisions of the treaty. This will help foster a culture of compliance within the EAC.

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