

**AN ANALYSIS ON THE IMPACT OF REGIONAL INTEGRATION IN AFRICA
THE CASE STUDY OF THE EAST AFRICAN COMMUNITY (EAC)**

BY

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DECLARATION

This project is my work, and has never been presented for a degree award in any university.

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This project has been submitted for examination with the approval of my supervisor

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DEDICATION

I dedicate this research paper to my family (my dad, mum, sister and brothers) for their encouragement and unwavering support throughout my academic life.

ACKNOWLEDGMENT

I Thank the Almighty God for seeing me through this journey.

I thank my supervisor, Dr. Kiamba, for her dedication and supervision.

Finally, I acknowledge my family for being with me and for their support during this process. Thank you all.

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ABSTRACT

This research paper examines Africa's integration's past, the impact and challenges of of this process; and the different initiatives pursued by governments today in order to fully achieve the integration process. African governments have gone above and beyond to achieve deeper integration in terms of economic growth; however, there have been challenges and obstacles to success. From the time of independence there have been failed attempts to industrialize efficiently by nation-states. African states however, continue to struggle to achieve the highest level of integration which is the political union.

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Regional Integration is not entirely new to Africa. From the terminal years of colonialism when Africans began to occupy responsible political positions, and particularly since 1960, African states have been struggling to build small regional group arrangements. Their efforts have often involved what Green and Krishna call “creative destruction” of colonial arrangements or their modification to meet African needs and aspirations. Thus for example the West African Airways Corporation were dissolved and replaced with national institutions while the Federations of French West Africa and French Equatorial Africa were linked and transformed via various stages into what is now the Organization Commune Africaine et Mauricienne (OCAM).¹

The motive in the post-colonial struggle for cooperative arrangements has been primarily economic. As professor Jalloh rightly observes: A motivating factor was awareness of most small countries that they needed to survive economically, hence, the need to join regional groupings in order to promote their economic development. In this, they were particularly influenced by the creation and success of the EEC. The reasoning was that if even major countries like France and Germany felt the need for regional integration, such a need was even greater for far smaller and underdeveloped countries.²

¹ Green R.H and K.G.V, (1967) *Economic Cooperation in Africa: Retrospect and Prospect*, Oxford Univ. Press, London.

²Jaloh, Abdul, Aziz (1980) Recent Trends in Regional Integration in Africa, *Nigerian Journal of Internal Affairs* 6 (1&2)pg 72

Regional communities are developed to foster an appetite for trade and strengthen relations between member countries. Over the last 50 years, East Africa's Regional Grouping (East African Community) has greatly expanded due to globalization. The East African countries shifted their focus from trading with other regions individually by forming regional bodies that seek the regional economic communities to trade as one entity. The formation of this local body reduced trade barriers making it easier for the east African countries to trade with each other effectively.

Secondary politico-security motives reinforce the economic rationale behind post-colonial efforts at cooperation. Small, economically and militarily weak, and politically insecure, the new states needed to present a collective front against the developed nations in the world, in order to break down dependencies, political control and inferior status and to arrest the balkanization of Africa. There was also a defensive motive, arising from the fear of larger and more powerful neighbors. Thus the Union for Central Africa was formed in part out of fear of the economic threat from Nigeria and Zaire and OCAM was partly inspired by fear of Ghana and the Casablanca bloc.³ "The Communauté Economique de L'Afrique de l'Ouest (CEAO) was fashioned offset Nigeria's power and limit its efforts for forming a much bigger regional bloc".⁴

The incorporation and formation of these bodies have been as a result of economic and political factors. This is evident in the East African Community (EAC) where countries use this platform to import and export their products which they are best known to

³ Ibid

⁴Ojo.Olatunde J.B (1980) Nigeria and the formation of ECOWAS, *International Organization* 34.

produce. On the other hand, it is political where East Africa is viewed as a block which assists one another. Also, merging of East African nations' economies creates a wider market in which the countries can be able to compete fairly with the developed countries.

1.2 The Statement of the Problem

This research is intended to investigate the impact of regional integration in Africa. It intends to further analyze whether regional integration is the right path for nations to achieve their development goals.

In the build up towards regionalism, challenges keep on persisting as most of the recommendations given are never implemented. This research proposal seeks to investigate and provide answers to the question: What are the effects of Regional Integration in Africa? Does Regional Integration work for us as a society? Is it the way to go for African Nations?

For a long time, the East African Community has had a geographically discriminatory trade policy that puts numerous barriers. However, recently, it established to reduce the obstacles to ensure economic transactions such as administrative controls and tariffs thus encouraging and fostering peaceful relations between member countries. The East African heads of states have always made efforts broadening their integration and cooperation arrangements. The first trade agreements were made during the colonial era in 1957, and later on, they gained a regional acceptance in the 1960s. It is also apparent

the politics of the region is playing the significant role in hurting the strong relations that once existed between the East African countries.⁵

The primary role of this research will be to investigate the progress that has been made so far and the impact that has been experienced in the process. Further, the research proposal will seek to study the policy recommendations that have been conclusively established. The research will cover different issues such as the significance of regional trade for member countries, Regional Integration as a whole, the impact, and achievements of EAC and the future of regional Integration. The research also assesses the challenges that face the East African Community and will recommend solutions that will ensure realistic and achievable targets.

1.3 The Objectives of the Study

The overall goal of the research will be to investigate the impact of Regional Integration with focus on the East African Community with the aim of recommending the best way forward. Specific objectives include:

- 1) To establish the impact of Regional Integration in Africa.
- 2) To determine the impact of the East African Community.
- 3) To establish the future of Regional Integration in Africa.

⁵Geda, A & Kebret, H. (2008)Regional Economic Integration in Africa: *A review of problems and prospects with a case study ofCOMESA*. Journal of African Economies, 17(3). 357-394.

1.4 The Research Questions

This research will attempt to answer the questions below:

- 1) What is the impact of Regional Integration in Africa?
- 2) What is the impact of the East African Community?
- 3) What is the future of Regional Integration in Africa?

1.5 The Study Hypothesis

The study has been steered by the following premises:

- 1) Broad success in integration of the economic goals impacts positively on the political integration.
- 2) The lack of satisfactory political good will and scarce national consciousness of federation mainly explains why the process of integration is slow.

1.6 Study Justification and Significance

1.6.1 Academic Justification

The study seeks to contribute towards a rising information regarding the progress of the integration processes in Africa.

1.6.2 Policy Justification

The study will also be of value to the current and future policy makers in the EAC as it will provide insights on matters integration so as to enhance the realization of a fully integrated East African Community

1.7 Literature Review

1.7.1 Literature on Regional Integration

The term Regional Integration has been defined severally. There is, however, no common agreement of its definition because it is ambiguous. In this paper, we shall review a couple of definitions fronted by leading authors in the area of regional cooperation.

Regional Integration is described as “any inter-state activity with less than universal participation designed to meet some commonly experienced need”⁶ This is either military, political, or economic. In Africa, Regional Cooperation started way back started way back during the colonial era. African personalities came together and formed small organization to cater for their political, social and economic need.

De Lombaerde and Van Longenhove have openly described it as a “universal occurrence of regional structures that aim to increase the relations between states and create novel systems of institutions working in solidarity with the classical state-centric form of leadership”.⁷

Regional Integration efforts, according to Langenhove, ought to accomplish the below important purposes;

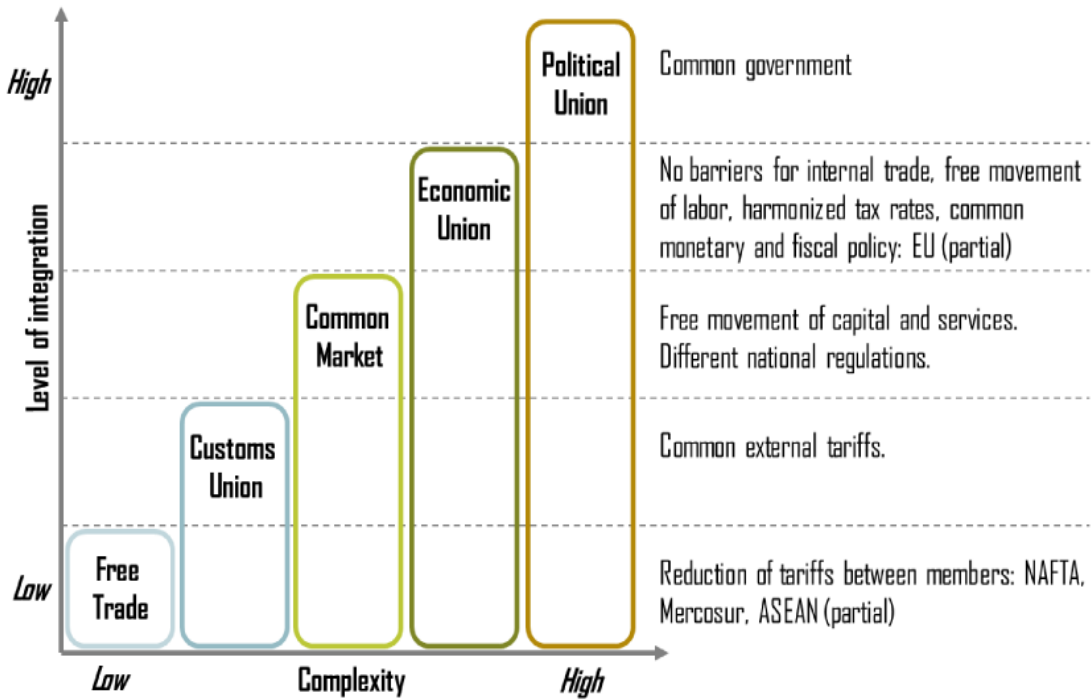
⁶Haas, Ernst B (1971) *the study of Regional Integration: reflections on the joy and anguish of pre-theoretizing*. In Leon Lindberg and Stuart A Scheingold(eds) *Regional Integration: Theory and Research*, Harvard Univ. Press, Cambridge, Mass

⁷De Lombaerde, P and Van Langenhove L: “*Regional Integration, Poverty and Social Policy*” *Global Social Policy* 7 (3), 377. 383, 2007

- These regional groupings should aim to encourage economic cooperation and integration.
- Ensure a proper enabling environment for the private sector to grow as well as develop their economic interests.
- The expansion of infrastructure programs to boost the economic growth and regional integration effort.
- Build and develop strong government institutions and good governance in order to serve the interest of the general public.
- Promotion of an inclusive society.
- Step up its role in upholding peace and security in the region
- Promoting and constructing of environmental platforms at the regional level
- Erection of environmental programs at the regional level
- The solidification of foreign relations with other nations around the world.⁸

⁸ De Lombaerde and Van Langenhove 2007, pp 377-383

Levels of Integration



Regional Integration Processes



The above can be summarized as follows:

Free trade area: In this kind of arrangement, member countries do away with tariffs and any other barrier to global trade between and amongst themselves and may go ahead to form their very own trade policies with non-member nations. This kind of arrangement has been successful in most regional groupings across the world.

Customs Union: includes a free trade area plus a common external tariff for goods originating from outside the Union.

Common Market: this encompasses a customs union plus free movement of labour and capital within the bloc.

Economic Union: Here, nations create a common market and harmonize all their policies including economic and monetary. European Union is a classic example.

Political Union: This last arrangement has not yet been reached by any of the regional groupings. Both political and economic integration are harmonized into one large country. Due to national interests, this is yet to be achieved.

A considerable amount of research exists on this topic of regional integration. Similarly, “wide research study has been carried out in the process and consequence of the political federation in the world”.⁹ It is from this rich reservoir of information that this study seeks to analyze. The analysis starts from a broad, in-depth look at literature that touches on regional integration and political federation. It then narrows down to literature that addresses the East African experience of integration.

⁹ Collier P. (2012) *Emerging East Africa: Achievements and Goals of the East African Community. The East African Community after ten years: Deepening Integration*. Retrieved from IMF Website; <https://www.imf.org/pdf>

Haas has defined political integration as a process in which several nations' political factors are persuaded to follow and be loyal to one political jurisdiction agreed by all member countries.¹⁰ This means that member countries in a community agree to be under one legislative, judiciary and executive. On the other hand, Deutsch was of a contrary opinion that countries are not under any new law. He continues by saying their main aim is to maintain peace within the region; accomplish specified tasks; attain multipurpose capabilities; and has a new role identity and self-image.¹¹ However, the two authors seem to agree that the economic integration process is based only on economic and political interests. They are both appear to subscribe to the procession school of thought. This has a both economic and political facet which in turn helps avoid the much confusion that characterizes the discussion on regional integration.

“The connection among political and financial parts of combination can't be refuted. At the point when countries work together on monetary issues, they make openings and weights that make it envious to have a political administration for coordination”.¹² Goldstein expounds on this stating that “this is the thing that separates collaboration from mix; presence of a body that is supranational whose primary point is to decide. In various cases, reconciliation of governmental issues will in general make a structure for an extensive variety of human movement that covers onto the monetary field. The content of the endstate remains largely unexplained if looked at from a process perspective.”¹³ indeed from a procedural point of view, the end result is not only opaque but also in need

¹⁰ Haas, E.B. (1970) The Study of Regional Integration: Reflections on the joy and anguish of pre-theorizing. *International Organizations*, 24(4), 606-646.

¹¹Deutsch, K.W (2006) *Political Community at the International Level*. ECKO House Publishing.

¹²Buigut, S. (2012) An assessment of the trade effects of the East African Community customs union on member countries. *International Journal of Economics and Finance*, 4 (10),41.

¹³Goldstein, A, & Ndung'u , N.S. (2001) *Regional Integration experience in the Eastern African Region*.

of further explanation if it is to be understood wholly. On the off chance it illustrates that end-all-be-all of these process is accommodation of different political considerations that will align themselves to the notion of state sovereignty. In other words, the states will still co-operate and appear to shade some form of power provided the actions do not dilute state sovereignty.

Berman avers that “Countries are respected to embrace the preeminent specialist inside their domain yet political territorial joining tries to make another expert”.¹⁴ This is anything but another wonder since all through history, the state has frequently restricted its power both intentionally and generally e.g. through marking of arrangements. This all things considered, misses the mark regarding influencing the fundamental standards of state power as states just traded off sway in single cases however to a great extent held the incomparable specialist inside their domain. In such a game plan, sovereignty is not any more resolute and integration appears to test this very idea of power.¹⁵

Whenever effective, this development towards organization would best be clarified through a concise discourse of the idea of political alliance and federalism. The EAC arrangement has been seen as one of a kind in Africa and maybe the world everywhere as its desires go past monetary to incorporate targets of a political sort. Enrollment is restrictive and predicated on standards of good administration, adherence to standards of majority rules system, the standard of law, social equity with participation molded on

¹⁴Berman, E.G (2002) African Regional Organizations Peace operations-developments and challenges: Africa watch. Africa Security Review, 11 (4), 33-44.

¹⁵Tiruneh, B.T (2019) Establishing an early warning system in the African peace and security architecture: Challenges and prospects

adherence to these standards and measures. At last the EAC expects to set up a provincial political alliance to be accomplished by using a stagiest model that includes the progressive combination of major financial frameworks that incorporates all the level so integration. This is viewed as a dual model of integration that is clearly manifest as described briefly up there.¹⁶ The ultimate aim of an integration process the Political Union demands a combination of all levels of integration that includes a monetary union but must not lose fact that the process is in it self political and must be flexible in nature to accommodate as much ‘political’ as ‘economic’ needs.

A treaty should by nature direct the integration process at all times. This should clearly point out in advance what needs to be done, when and by who so as to have a smooth progression from a Customs union through a monetary union ultimately ending up in a political federation. In any case, the region needed to address the progression issues in such a way that it allays the ghosts of the first EAC where power plays that culminated in the collapse of the first EAC with the attendant nationalization of the assets of the community. This is further compounded by the genuine fear of states losing their sovereignty as evidenced by nature of alliances worldwide. Parties still need to deal with the issue of power despite history showing that they (alliances) do not necessarily take away the sovereignty of state parties.¹⁷

¹⁶Hazlewood, A (1979) The end of the East African Community: What are the lessons for regional integration schemes?

JCMS: Journal of Common Market Studies, 18(1), 40-58.

¹⁷Jandt, F.E (2017) An introduction to intercultural communication: *Identities in a global community*. Sage Publications

Different concerns include native feelings of trepidation of incongruities in administration structures and the likelihood of an overflow of lousy administration structures starting with one state then onto the next. This can be enhanced through synchronization of member nations' defense, international arrangements also engaging the East African Court of Justice to be the protector of Justice, the law also to maintain great administration. The additional worry is the absence of amid the overall populace of member nations. Among the shortcomings of the dead EAC (in 1967) was its withdrawal together with the regions population. The fresh faced EAC has endeavored to stay clear from that trap by considering private (corporate) sector together with the common people in her general design. However, alot should be done, extra mindfulness and interest of the general population should be developed, for instance through choosing individuals toward the East African Legislative Assembly through widespread grown-up suffrage.¹⁸ Political Parties should likewise make the community pertinent through incorporating it in their campaigns. This could at last incite the sentiment of being "East African" that's indispensable for an impactful alliance.

Monetary related feelings of trepidation and difficulties incorporate insufficient usage of the Customs Union and moderate take off of the Common Market. This influences the acknowledgment of advantages of combination. Loss of business openings because of work versatility is extreme dread. Projects to abuse the upsides of work portability ought to be made a need, e.g., trade projects and harmonization of capability models all through the area. Panic over the loss of land could be lightened by the advancement of elective

¹⁸Neethling, T (2005) Realizing the African standby force as a pan-african ideal: Progress, Prospects and Challenges. *Journal of Military and Strategic Studies*, 8 (1).

wellsprings of occupation other than land and harmonization of member states attain residency frameworks.¹⁹ On the off chance that these worries about the political organizations are to be diffused, and political league permitted to continue the best administration of the area ought to send a reasonable flag of political will and pledge to the political alliance.

Adejumobi observes “Furthermore, natives at the grassroots ought to be prepared and urged to grasp the thought. The summit being the incomparable basic leadership organ of the network ought to give guidance in uniting the additions made under the economic integration process”.²⁰ This should be possible through putting forth huge expressions in both word and deed with respect to the need, reason and by suggestion the kind of alliance. This survey has presented the idea of regional integration and followed the ways to deal with a political league on the planet. Additionally examined is the historical backdrop of the East African Community pointing on the objectives, possible advantages, and difficulties to the accomplishment of a political alliance.²¹

This investigation is perpetually obliged to this huge assemblage of writing that has lit up the subject and gave the important foundation to understanding major ideas and thoughts regarding regional integration and political league. Yet, more should be done to supplement the accessible writing. This correlative research work ought to explore how the factors made reference to above, for all intents and purposes happen towards an

¹⁹Mulugeta, A (2008), *Promises and challenges of a sub-regional force for the horn of Africa*. *International Peacekeeping*, 15 (2), 171-184

²⁰Adejumobi, S., & Olukoshi, A.O. (Eds) (2008). *The African Union and new strategies for Development in Africa*. Cambria Press

²¹McIntyre, M. M. A (2005) *Trade integration in the East African Community: an assessment for Kenya*, International Monetary Fund

acknowledgment of the organization. It is this assignment that this investigation attempts to look into.

1.8 Theoretical Framework

Matthews states that, “There exist distinctive theories that endeavor to clarify the different parts of political and financial integration. The East African Community proposes to frame a Political Federation through a few phases of financial coordination. This implies no single larger hypothesis can sufficiently give an explanation for the East African Integration”.²²

A requirement is needed for a concept to clarify the increased overflow of the economic to the political and one that clarifies the possible giving over of sovereignty to another commonwealth. In this perspective, the examination suggests to receive a diverse hypothetical structure that utilizes Neo-functionalism to clarify the procedure of reconciliation and Federalism Theory to represent the result of a political organization. Thought processes begin from political counts and socially built move of loyalties. The job of the state in basic leadership is tested by the development of persuasive national and transnational interest groups and the foundation of decisive territorial organizations.²³

“This investigation will consequently adopt the neo-functionalist way to explain how the maxims of state actors, overflow, rationale and automacity of integration apply in the East African setting. In light of the early incorporation of civil society, EAC was one of the primary regional integration courses of action in Africa to insert the status of non-

²²Matthews, A. (2003)*Regional Integration and Food Security in Developing Countries* (Vol.45) Food and Agriculture Organization.

²³Maathai, W. (2009) *The Challenge for Africa*. Arrow Books. London

state actors in the integration procedure. Given this status, these non-state actors directly participate in the EAC decision making. The process clarified by neo-functionalism is likewise pertinent in the East African experience. The motivating intentions in state and non-state actors in the EAC incorporate limitations like water supply, solid money related, fiscal and social conditions on outside accomplices, national issues like how to achieve monetary development and markets, the desire of political actors antagonized by conflict and the enthusiasm for national security”.²⁴

Countries within this region are not faced with a situation of inter regional war but with an unbalanced and war like situation in the Horn of Africa and the Great Lakes Region. This forces nations to build their interactions; this is the reason why Rwanda and Burundi moved to join the union as a way to address their post-civil war reconstruction. EAC’s growth both politically and economically led to these two countries joining since it provided a more attractive market combined with strong foreign policy and security politics.

1.9 RESEARCH METHODOLOGY

This section refers to the methodology that the researcher used in conducting the research. It included the research design, the research site, the target population, the sample size and sampling techniques among others

²⁴Levitt, J (2001) *Conflict Prevention, Management and Resolution: Africa-Regional Strategies for the Prevention of Displacement and Protection of Displaced Persons: The Case of the OAU, ECOWAS, SADC and IGAD.* Duke J, Comp & Int’l., 11,39.

1.9.1 Case Study

The research employed a case study approach. A case study was preferred since it gives a lot of information about a particular case that could be generalized and applied to a much wider populace provided they share some common characteristics. It allows the researcher to be precise, concise and clear but at the same time allowing for extrapolation of the information so obtained to a wider context. For this case, the focus was on the East African Community. As noted, there are certain positives that have been achieved from this integration although not without challenges.

1.9.2 Data Collection

To enable the researcher achieve their objective, this study uses a mixed method approach that entailed both primary and secondary data. This method is preferred since it gives much more information than it would have been the case if a singular method of data collection was used. For secondary data, the researcher used a number of sources that included printed works/books, papers, periodicals, the internet and other unpublished works. Primary data was collected through interviews of key informants who have undertaken.

1.9.3 Data Analysis

The study uses mainly qualitative data analysis methods. Content analysis was employed to help assess the progress of the East African Community and to draw conclusions on the viability of the proposed Political Federation. Content analysis shall be conducted due to the fact that the study shall involve generating respondents' views on the problem. The

method does not limit the respondents from divulging information hence it is suitable for the study.

1.9.4 Data Presentation

The research was basically qualitative and the results of the study were presented in narrative form where the research identifies various emerging issues.

1.10 Chapter Outline

Chapter One: Introduction and Background to the Study

This chapter entails the broad context of the study and introduces the topic. It contains background to and statement of the problem, objectives, justification, literature review, theoretical framework, hypothesis and methodology of the study.

Chapter Two: History, Theory and Practice of Regional Integration

This chapter includes the history, theory and practice of Integration in other parts of the Continent. This further includes a general discussion on the impact of Regional Integration in Africa.

Chapter Three: Prospects and Challenges of Regional Integration (EAC)

It traces the history and progress of the East African Community mainly analyzing the history and discussed the progress made in the various stages of integration as outlined in the treaty.

Chapter Four: The Future of Regional Integration in Africa.

Chapter Four provides the examination and the prospects and impediments to the attainment of a political federation in Africa.

Chapter Five: Conclusions and Recommendations

This chapter provides conclusions based on the research and gives recommendations.

This chapter further suggests areas for further studies.

CHAPTER TWO

REGIONAL INTEGRATION IN AFRICA

2.1 Introduction

“Territorial Integration is the method in which two or more countries concur to come together and work closely to attain peace, steadiness and riches. More often than not integration includes one or more composed assertions which depict the regions of participation in detail as well as a few planning bodies speaking to the nations involved. This co-operation more often than not starts with financial integration and because it proceeds, comes to incorporate political integration”.²⁵

According to Soderbaum, “The push for integration in different areas around the world has internal drivers like territorial steadiness and financial advancement conjointly outside drivers like geopolitical weight and trading coalitions. The different instruments to bolster the integration prepare reflect the extreme objectives and the degree of integration. Intra-regional participation, which highlights shared duties and assets for shared advantage, can play a part in this process and has the potential to not as it were, construct positive ties between the different science partners inside the regions but moreover may offer assistance, create broader standards of partnership between nations within the socio-political-economic setting”.²⁶

This incidental arrangement will start to investigate how logical participation between nations inside specific regions, which either have experienced broad integration way, plays

²⁵Makinda, S. M, Okumu, F.W., F. W., & Mickler, D (2015), *The African Union: Addressing the challenge of peace, security and governance*.

²⁶Söderbaum, F. (2017). *The new regionalism in Africa*. Routledge

a part within the broader financial and political integration handle and how that integration influences extra-regional participation in science. Natural resources administration, especially within the extractive industry, can make an important commitment to a country's financial development when it leads to linkages to the broader economy. To maximize the financial benefits of extractives, the segment has to broaden its use of non-mining products and services and policymakers got to guarantee that the sector's infrastructure needs are closely adjusted with those of the country's advancement plans.

In Africa, particularly, mining and other companies that handle common assets customarily give their claim control, railroads, roads and services to run their operations. This "enclave" approach to infrastructure improvement isn't continuously adjusted with national framework improvement plans.²⁷

In a nation confronting enormous framework needs, African nations can hence miss out on openings to advance the shared utilize of framework and to fortify the linkages between extractive assets and the broader economy. Non-mining businesses like farms or food dealers in meagerly populated or inaccessible regions, for illustration, would advantage from shared foundation, since railroads, streets and power are all required to bring goods to markets.

Regional integration is frequently seen as less significant for resource-rich nations, since request for commodities ordinarily comes from the worldwide market instead of from territorial demand. Regional integration in Africa, in any case, can play a crucial part in

²⁷ Ibid

expanding economies absent from reliance on the export few minerals; in conveying food and energy security; in creating employments for the expanding number of youthful individuals; and in lightening destitution and conveying shared success.²⁸

The relationship between resources, territorial integration and enhancement is twofold. First: Since asset stores don't continuously fit perfectly inside the borders of nations and tend to span different borders as well as landlocked nations, trans-boundary mining transport ought to be built to extricate and transport the assets. That frequently has consequence for territorial integration. International involvement appears that the advancement of such framework requires strong participation and coordination among all parties included, beside a legitimate and administrative environment that permits for the shared use along that infrastructure. Planning and building such foundation and a regulatory environment in a multi-country setting is, be that as it may, exceptionally complex: It includes a wide extend of political-economy issues that have to be tended to.²⁹

Secondly: Extractives can help differentiate economies through linkages to the broader economy. Territorial esteem chains in minerals and metals, for illustration, will make request for services and products that feed to that esteem chain. Territorial integration is fundamental here as well, since goods, services and individuals sought to be able to flow consistently over borders to diminish costs and to assist firms to be competitive to connect to these value chains. The more profound integration of territorial markets through the disposal of non-tariff obstructions can diminish exchange and

²⁸Ibid (Makinda et al, 2015)

²⁹Englebert, P. (2018). *Burkina Faso: Unsteady Statehood in West Africa*. Routledge.

working costs. It can moreover ease the limitations confronted by numerous firms in gaining access not only to demand for their products but also too to the basic services and aptitudes that they require as to boost efficiency and broaden into higher-value-added zones.³⁰

Developing regional integration among African economies, therefore, provides both opportunities and challenges further translates to wealth in economies and growth. In this paper therefore, the focus shall be on determining the impact that regional integration has in Africa. The focus will be on trade, politics, social order and the economy. This will be in line with the three major regional blocks in Africa.

2.2 The Economic Community for West African States (ECOWAS)

“The Economic Community for West African States was created by the Treaty of Lagos signed by 15 West African Heads of State and Government in May 28, 1975. The Lagos Treaty was before limited to only economic cooperation but developing political events led to the amendment and enlargement of the scope of collaboration collaboration in 1993. Cape Verde joined in 1976 and Mauritania decided to withdraw in 2000 to join the Arab Maghreb Union. The vision of ECOWAS is to promote cooperation and integration, leading to the establishment of an Economic Union in West Africa in order to raise the standards of living of its peoples, to maintain and enhance economic stability, foster

³⁰Ibid (Makinda et al 2015)

relations among member states as well as to contribute to the progress and development of the African Continent”.³¹

Since the establishment of ECOWAS, the region has benefited from the following:-

- i. The synchronization and coordination of national policies and the advancement of integration programs, projects and activities, majorly in food, agriculture and natural resources, industry, transport and communications, energy, trade, money and finance, taxation, economic reform policies, human resources, education, information, culture, science, technology services, health, tourism, and legal matters;
- ii. The building of a financial union through appropriation of common approaches within the financial, money related, social and social divisions, and arrangement of a money related union.
- iii. The advancement of joint ventures by the private sector ventures and other financial administrators, in specific through the appropriation of a territorial understanding on cross border investments;
- iv. Selection of measures for the integration of the private sectors, especially the creation of an empowering setting to advance little and average enterprises;
- v. The formation of an empowering lawful environment;
- vi. Advancement of equal development in the region, paying consideration to the extraordinary issues of every state especially non-coastal and small nations;
- vii. Support and reinforcing of ties and the advancement of the flow of information especially among rural populations, women and youth organizations and socio-

³¹Diop, S., Tillmann, P., & Winker, P. (2017) A Monetary Stress Indicator for the Economic Community of West African States. *Journal of African Development*, 19(2), 1-18.

professional organizations such as affiliations of the media, commerce men and ladies, laborers and trade unions;

- viii. Flexibility for any nation to carry out any other activity that it may choose to embrace together with an aim of accomplishing societal purposes.
- ix. Creation of a common market.
- x. Management of environmental protection policies.

2.3 Impact of ECOWAS

2.3.1 Trade and Market Integration

ECOWAS managed to achieve trade and market integration by removing barriers from the market and making trade easier among the member states. Trade and market integration make the core business of ECOWAS. ECOWAS further specifies “the removal of trade barriers and harmonization of policies in trade for the foundation of a Free Exchange, a Customs Union, a Common Market and a possible perfection into a money related and Financial Union in West Africa customs in its agreement”.³²

ECOWAS Exchange Liberalization Conspire (ETLS) that was embraced in 1979 with an agreement on agrarian, artisanal handicrafts work and natural items, and expanded to mechanical items in 1990; is the main framework for exchange and market integration in ECOWAS because it addresses conventions on the free movement of products, people and transportation. ETLS primary interest of solidifying the free exchange zone is guided by the National Endorsement Committees that advises the member nations.

³²Kufuor, K.O. (2017). *The Institutional Transformation of the Economic Community of West African States*.

ECOWAS has built up an ETLS site to ease harmonization and utilization of it. In this respect, ECOWAS has actualized a customs and Networkprogram to streamline the movement of merchandisewithin the different nations. The ECOWAS Common ExternalTariff has in this way been operational since 2015. Besides, member nations are progressivelyexecuting the ECOWAS Single Customs Declaration Form for their customsadministrations. All things considered, challenges in respects to poor domestication of the ETLS are an issue that must be tended to in order to deepen trade and market integration within and outside ECOWAS.³³

Additionally, ECOWAS is advancing its investment policies across the region, in specific, creating an investment Market for advancement of financial cooperation.

2.3.2 Macroeconomic Policy Convergence

ECOWAS has accomplished a macroeconomic approach among the West African nations. “Through the West African Economic and Financial Union, ECOWAS has accomplished macroeconomic arrangementpolicy convergence. The West African Economic and Monetary Union (WAEMU) are an existing customs and Money Union between eight ECOWAS States, to be specific: Benin, Burkina Faso, Guinea-Bissau, Côte d’Ivoire, Mali, Niger, Senegal and Togo. WAEMU was formed in 1994 to developfinancial integration and exists as a sub-regional groupinginside the ECOWAS. The remaining ECOWAS member nations, with the exemption of Cape Verde, are setting up a Money related union under the constituency known as the West African Financial

³³ Ibid (Kufuor 2017)

Zone. The second monetary related area was planned to be propelled in 2015 for inevitable merger of the two by 2020 with a common currency. The dispatch has in any case been postponed to guarantee successful coordination between monetary and financial policies in the Ecowas Region”.³⁴

“In 2001, ECOWAS set up the West African Monetary Institute (WAMI) in Accra Ghana in an attempt to carry out specialized arrangements and checking of quantitative joining measures for the foundation of a common West African Central Bank. The ECOWAS Commission in alliance with WAMI and WAMA, had set out ten macroeconomic merging criteria for member nations to conform with the single currency to be executed. They are acknowledged as the four Essential Meeting Criteria and the six Auxiliary Meeting criteria of quantitative and subjective levels. Taming and compliance of criteria has in any case not been synchronous or on an economical premise in member countries. The introductory time for the dispatch of the single currency was January, 2003. Be that as it may, the propelling has been delayed a few periods due to countries’ failure to realize the set macroeconomic joining criteria. The other target of the creation of a single currency is 2020”.³⁵

2.3.3 Free Movement of Persons

ECOWAS has overseen the unrestricted movement of people within its region. ECOWAS has empowered individuals to move openly over Africa leading to a boost in financial development and abilities improvement. Once individuals can move easily for

³⁴Englebert, P. (2018). *Burkina Faso: Unsteady Statehood in West Africa*. Routledge.

³⁵ Ibid (Englebert 2018)

trade, tourism or instruction, everybody profits, all nations get to benefit and their annual remittance increases.

The movement of persons and goods leads to the development of skills and exchanging of ideas between and among citizens. This is a plus for development of nations, regions and continents. ECOWAS has also minimized visa and work permit limitations by cutting them. This has led to gain in time and hence numerous assets have opened up as a result subsequently supporting more competitive businesses and economies.

“ECOWAS has guaranteed timely advancement to a progressively border-less Africa has been achieved but there are gaps still. The thought is at the establishment of the continent’s integration journey. Political discourse continues in order to create the actuality whereby Africans can travel across the continent without having to use a visa. These are some of the aspirations of our leaders in achieving integration”.³⁶

2.3.4 Improved Production

ECOWAS has gone ahead to make production improve among all its member nations. The progressed production has made the consumer’s power to purchase rise. It has moreover made intermediate products that are utilized by a trade within the production of wrapped up merchandise or services critical for the continent’s market. This associations to industrial development, which could be a crucial objective within the African Union minimum Integration Program.

³⁶Diop, S., Tillmann, P., & Winker, P. (2017) A Monetary Stress Indicator for the Economic Community of West African States *Journal of African Development* 19(2), 1-18.

ECOWAS has improved the continent's production over various divisions, through playing a role of regional and global economic success model. Regardless in horticulture or mechanical generation, regions ought to open their gainful potential, infuse speculation, defeated bottlenecks and make areas more focused. Gainful reconciliation matters for making a financial base that is stronger to stuns and more diverse, yet additionally to fabricate a more gifted local work drive that increases the value of merchandise and enterprises while raising individuals' wages on the ground. That incorporates openings with mining and assembling that are currently moving further bolstering Africa's advantage.³⁷

2.3.5 Improvement of the Regional Infrastructure

ECOWAS has led to the improvement of infrastructure within its member states. It's the most noticeable appearance across the continent. It incorporates highway built over borders, flights taking travelers from one city to the other plus a lot of individuals on mobiles in city lanes and also at countrystations.

“Endless associations made through road, air or progressively by wireless transmissions have an imperative effect on Africa's integration endeavors, extending skylines and concrete substances on the ground. When territorial infrastructure works, commerce costs drop as transport passages take product over boundaries' and more customers get access to service as mobile phone roaming increases”.³⁸

³⁷Kufuor, K.O (2017) *The Institutional Transformation of the Economic Community of West African States*

³⁸Söderbaum, F. (2017). *The new regionalism in Africa*. Routledge.

A lead venture in Agenda 2063 is to associate Africa's capitals and business focuses through fast rail. In the interim, programs, for example, PIDA (Program for Infrastructure Development in Africa), are helping districts to get infrastructure jet off. Data innovation charges are additionally falling and there plans for web to be radiated to the landmass by means of satellite.

“Territorialcenter points, as well as small/landlocked nations, have a part to pick up from advancingframework to boost financialdevelopment. Both conventional and unusedsubsidizingaccomplices are proceeding to contribute in the continent's foundation at regional level. To control the continent's energy requirements and construct unrivaled systems, regions andnationsgot toenergizemore groundedproprietorship and include the private sector every step of the way”.³⁹

2.4 South African Development Community (SADC)

Butler speaks of this block reiterating that “The South African Development Community (SADC) has been present since 1980, when it was shaped as a free collusion of nine dominant part governed states in southern Africa known as the Southern African Development Coordination Conference (SADCC), with the fundamental goal of planning improvement extends with the end goal to diminish monetary reliance on the then politically-sanctioned racial segregation South Africa. The establishing countries are: Angola, Botswana, Lesotho, Malawi, Swaziland, Tanzania, Zambia and Zimbabwe”.⁴⁰

³⁹ Ibid (Diop et al 2017)

⁴⁰Butler, A. (2017). *Contemporary South Africa*. Macmillan International Higher Education.

SADCC was shaped in Lusaka, Zambia April 1, 1980, taking after the appropriation of the Lusaka Affirmation – Southern Africa: Towards Financial Freedom. The alteration of the organization from a Planning Forum into a Development Community (SADC) took put on August 17, 1992 in Windhoek, Namibia when the treaty was signed at the High-level meeting of States and Government in this manner giving the organization a legitimate character. The Member nations are Angola, Botswana, The Republic of Congo, Lesotho Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, waziland, Tanzania, Zambia and Zimbabwe. It is headquartered in Gaborone, Botswana.

2.5 Impact of SADC

2.5.1 Improvement in Production

SADC has enhanced the generation of items all its member nations. While the Southern African Development Community (SADC) is resolved to Trade Liberalization all through its monetary region, it additionally perceives that free trade in itself alone can't address the majority of the money related difficulties that confront the region. Notwithstanding exchange hindrances, historically, the region has truly experienced low financial development, high joblessness, and an absence of ability to contend adequately in a worldwide commercial center. With an end goal to advance more grounded monetary coordination and thus enhance the jobs of individuals all through the area, SADC endeavors to expand the profitability of the ventures of Southern Africa, enabling them to contend globally. These endeavors have a long history; in 1999, SADC propelled the Declaration on Productivity, which set out orders and methodologies for boosting the

territorial modern output, while likewise considering supportable improvement and the incorporation of Member State subjects. The endeavors of SADC to help profitability and intensity are on-going.⁴¹

2.5.2 Improved Industrialization

Soderbaum talks about Industrialization within this block stating “Industrialization has progressed within the South African countries as a result of the establishment of SADC. Industry is a driver of several economies, particularly those within the developing world. Generation of products and services has proven the accomplishing of the objectives of the Southern African Advancement Community (SADC) precisely prolonged financial efficiency, more grounded Territorial Integration, coupled up with decreased destitution for persons living within the region. The economies of SADC member nations are at diverse stages of advancement and, as a result, the state of industry changes broadly throughout the locale. In numerous states, farming plays a major portion within the economy, utilizing nearly half of the population. Much of this farming is subsistence cultivating instead of large-scale generation of (high-value) crops for trade. In the meantime, mining utilizes fair 5% of the populace but contributes 60% to the remotest profit and 10% of domestic product for the region. Tourism is also on the rise”.⁴²

With the end goal to develop openings in these key territories, SADC has passed the Protocol on Mining and the Protocol on Tourism, that are all envisioned to direct interest

⁴¹ Ibid (Butler 2017)

⁴² Söderbaum, F. (2017). *The new Regionalism in Africa*. Routledge.

in these ventures that will have huge consequence on the monetary improvement of the region. SADC is likewise erecting the SADC Industrial Development Policy Framework with the intention to advance the improvement of an incorporated mechanical base inside SADC through the exploitation of local cooperative energies in value added production and improvement of export competitiveness. SADC has recognized a few elements influencing industry and has planned for their enhancement.

2.5.3 High Quality Infrastructure

The Southern African Improvement Community (SADC) recognizes that keeping up guidelines of quality standards are critical to the businesses and customers within and beyond the region. As a result, it has built up a formal system of Standardization, Quality Confirmation, Accreditation, and Metrology Program to supervise standardization of arrangements and procedures for guaranteeing quality and security of exchange within the locale.⁴³ Particularly, the Standardization, Quality Assurance, Accreditation, and Metrology Program are responsible for the following:

- i. Facilitating exchange through the harmonization of norms dependent on global standards
- ii. Alignment of the region's way to deal with guarantee sustenance, animal, and well-being security over the district and specialized hindrance to exchange issues with the World Trade Organization, while not making non-tax obstructions;

⁴³Kingma, K. (2016). *Demobilization in Sub-Saharan Africa: The Development and Security Impacts*.

- iii. Facilitating modern competitiveness by guaranteeing the utilization of pertinent standards and the generation of value products in the area; and
- iv. Ensuring assurance of buyers using regulations dependent on worldwide prescribed procedures for quality, well-being and similarity evaluation.

2.6 Arab Maghreb Union (AMU)

“The Arab Maghreb Union was established in February 1989 in Marrakesh with the endorsement of the the Arrangement Founding the Arab Maghreb Union. At the Settlement confirmation, the member nations concurred to facilitate, harmonize and rationalize their arrangements and methodologies to attain economic advancement in all divisions of human activities”.⁴⁴ Objectives as to why it was formed are:

- i. Strengthen the ties of brotherhood which is an important link between their peoples;
- ii. Achieving advancement and flourishing of their social orders and shielding their rights;
- iii. Contributing to the conservation of harmony dependent on equity and value;
- iv. Pursuing a typical strategy in various spaces; and
- v. Working slowly towards accomplishing unrestricted movement of people and exchange of services, merchandise and capital among them.

⁴⁴Bakr, N. (2017). African Foreign Policies of the Arab Maghreb Union. *Review of Economics and Political Science*, 415(5301), 1-19.

2.6 Impact of Arab Maghreb Union

2.6.1 AMU has promoted Peace, Security, Stability and Governance

The Arab Maghreb Union clearly states the AMU objective towards the conservation of peace based on equity, value within the region. In addition, the common defense and the non-interference in national issues of member States are, moreover, central to the arrangement. In this respect, AMU shaped regulation structures to advance peace and security by making the Chamber of Common Defense in 1991. The Committee, and the more prominent objective of AMU, was for the REC to be a stage for arranging peace, progressing security and settling existing clashes among these states and the world. AMU has not been able to fulfill its targets as intervention or interfering in clashes inside the region has been poor. This is seen during the Arab Spring whereby they stood aside during the revolutions in Egypt and Libya. Especially, in respects to the later social and political emergency within the region that has blocked the method of peace, security and solidness in Tunisia and Libya and to a lesser degree in Morocco. In the midst of imperatives to meet the AMU targets, member states met in March 2012 to deliberate on how to fight terrorism, organized crimes and to build on cooperation within the region. The end of Arab spring meant that these leaders had to come together to foster peace and stability in the region.⁴⁵

2.6.2 AMU has Achieved Trade and Market Liberalization

Trade liberalization was the principle goal of the AMU setting up plan in February 1989. The accompanying strides to accomplish the Maghreb financial association have been

⁴⁵ Ibid (Bakr 2017)

settled upon; the foundation of an organized commerce territory with the disassembling of all tax and non-levy boundaries to exchange; the establishment of a customs association with a typical outer duty; and the arrangement of a typical market with unrestricted movement of people, services, merchandise and capital between and among these member nations.

In any case, viable execution of the integration motivation has been moderate as the free exchange isn't however operational among AMU member States. Recently, these States have been in the process of concluding the arrangements on the free exchange but they have not however finalized the arrangements on rules of origin. AMU has moreover made working groups to ponder on how to encourage harmonize national customs strategies, exchange controls as well as standards and benchmarks for products and services. The intra- regional exchange in AMU was as low as 4.8 per cent of the entire territorial trade in 2012, which is comparatively lower than that of other REC, making it endlessly underneath its potential.⁴⁶

2.6.3 AMU has Allowed Free Movement of Persons

Among the chief goals of this block is understanding the unrestricted movement of good and persons. Among all the AMU countries, only three have implemented the free movement protocol that is; Libya, Tunisia together with Morocco. Among the three, Tunisia is the only one that has allowed citizens across the region access to its borders freely. The rest need a travel visa for residents of member countries. Furthermore,

⁴⁶Worrall, J. (2017). *International Institutions of the Middle East: The GCC, Arab League, and Arab Maghreb Union*.

permission to reside in the territory of a member state must be obtained by applying for a permanent or temporary residence permit from the authorities of the concerned state. This shows that there is still a challenge in movement of persons.

The challenges experienced during implementation include but not limited to infrastructural limitations, more specifically road transport due to the high number of road blocks put by the security forces together with other illegal blockades coupled up with other insecurities in the region which has challenged and slowed down the process. This is the reason why security issues are the reasons behind delaying of free movement of persons in the AMU jurisdiction.⁴⁷

⁴⁷Kornegay, F. A. (2017). Arab Maghreb Union SADR Equation: A Moroccan Opening?

CHAPTER THREE

THE EAST AFRICAN COMMUNITY

3.1 Introduction

This chapter deals with the impact the East African Community has had since its inception. It traces the origins of the EAC before briefly looking at the structure and organs of the community. Finally, it looks at the impact the EAC has had as well as having a sneak preview of what the future portends for the EAC.

3.2 The East African Community

The East African Community (EAC) traces its origins to 1967⁴⁸ with the independence of the three founder members Kenya Uganda and Tanzania. However, it collapsed a decade later because of political and ideological differences between the member states.⁴⁹ Although 1967 was credited as the year EAC was formed, it had existed in one form or another dating back to the construction of Kenya-Uganda Railway.⁵⁰ After the break-up efforts were made to re-establish the community culminated into the signing of the EAC Treaty in 1999 by the original 3 members. Burundi and Rwanda joined in 2007 with South Sudan joining soon after gaining independence in 2016.⁵¹ As noted by various scholars, the original 3 members have had strong historical ties cutting across all spheres from politics to socio-economics. These ties can be traced to the construction of Kenya

⁴⁸Nnyanzi J.B, Babyenda P. and Bbale J. M., Regional Economic Integration and Tax Revenue: East African Community Author(s): Journal of Economic Integration, Vol. 31, No. 4 (December 2016), Centre for Economic Integration, Sejong University

⁴⁹ ibid

⁵⁰ Okello D. and Kirundi G, Enhancing Equity in the East Africa Regional Integration: an Overview, *in the East African Integration, Dynamics of Equity, Education, Media and Labour*, Society for International Development, 2011

⁵¹ Deya 2007 as quoted in Okello D. and Kirungi G, Enhancing Equity in the East Africa Regional Integration: an Overview, *in the East African Integration, Dynamics of Equity, Education, Media and Labour*, Society for International Development, 2011

Uganda Railway in the 1900s. Further areas of co-operation saw establishment of various bodies that oversaw affairs of the three countries ranging from monetary issues to harbors and railway network. This has seen the community's union expand in many ways.⁵²

3.3 Objectives of East Africa Community (EAC)

Like all regional integration efforts, the EAC had a goal of maximizing the benefits that come with pulling together. Economic benefits including bigger markets were top of the founders' minds. The EAC progressively moved from a free trade area⁵³, to a customs union⁵⁴ where it is currently, with potential to progress to the highest level of political federation. This is a dream of the forefathers of independence in the region. The Treaty Establishing the EAC has a number of guiding philosophies that are geared towards boosting the integration of the region. They include one, that all member states to attain growth and development which is balanced and harmonized between and among. Two, the firming up of cooperation in various fields that will eventually lead to unbiased economic development to advance the standards of its citizenry. Three, the advancement of prudent exploitation of the natural environment of the partner states to encourage sustainability. Four, the solidification of socio-political and economic ties amongst the citizenry of EAC to encourage a people-centered symbiotic relations. Lastly, enhancing and encourage involvement and development of everyone including women.⁵⁵

⁵²Söderbaum, F. (2017). *The new regionalism in Africa*. Routledge.

⁵³ A free trade area allows reduction of trade barriers by reducing import tariffs and quotas to encourage trade between the members. Each country is free to have an external tariff for all imports from outside the free trade area.

⁵⁴ A customs union encompasses a free trade area plus a common external tariff with goods from outside the union having a uniform import tariff levied on them.

⁵⁵Cohen, B. J. (2018). Beyond EMU: the problem of sustainability. In *The political economy of European monetary unification* (pp. 179-204).

3.4 Composition of the East African Community

The EAC has a structure that consists of 6 key organs. At the Apex is the appropriately named Summit that is made up of all the Heads of States of the EAC member countries. It is responsible for making key decisions that will guide the operations of the Community. The Summit has a rotating presidency. Just below the Summit is the Council of Ministers consisting of Ministers from each member state usually from the Ministry concerned with EAC affairs. The Council is the main decision making body of the community and their pronouncements must be acted upon. Meeting twice a year, the council tries to link the day to day operations of the EAC with the strategic direction as dictated by the Summit.

Below the Council is the coordinating committee that is mainly tasked with coordinating the affairs and activates of the EAC. This organ is composed of Permanent Secretaries of ministries responsibly for regional coordination. It will recommend to the council formation of sectoral committees that are necessary for the smooth running of the EAC. The Coordinating committee meets bi-annually, usually before the summit of the Council but can meet more than that if directed by the Council. Sectoral Committees are answerable to the Coordinating Committee and they are tasked with the implementation of programmes specific to them. They will ordinarily will conceptualize programmes and oversee their implementation. They will meet as often as it is practically necessary to complete their tasks.

The East African Court of Justice is the main judicial organ of the community and oversees the observance of the law in the understanding and submission of it in accordance with what the Treaty envisaged. It has ten judges who oversee its activities and they can be drawn from any of the Partner States or from elsewhere provided they meet the definite minimum standards of competency. Then again, the EAC legislative assembly like all the legislature, has a triple role of oversight, legislation and representation. Established under article 9, it has 54 members from all the Partner States the equally represented regardless of the size of Partner State. As such, Tanzania with a landmass almost ten times that of Burundi with an economic muscle that is almost as big has nine members same as Burundi. This is an effort to address the issues of equity that was a thorn in the flesh of the first EAC. On face value this is a bold move to bring regional parity but one is wont to question the rational of equal votes for countries whose interests are not necessarily at par. It has six standing committees that assists it in the execution of its mandate.

Lastly we have the secretariat that runs the day to day activities. The Secretariat is considered the nerve centre and guardian of the Treaty. The secretariat has a Secretary General assisted by four deputies, the counsel (legal adviser) as well as hundreds of employees who oversee the day to day activities of the EAC.

3.5 Impact of East African Community

Since its inception, the EAC has had impact in the region in areas that include economic as well as free movement of goods. The impact is illustrated below in greater details.

3.5.1 Promotion of Trade and Market Integration in the Region

EAC continues to stimulate intraregional trade. This is one of the fundamental belief of the Community and why they came together. With the abolition of internal tariffs for all the goods originating from the EAC, it becomes much cheaper for members to trade amongst themselves. This is further buttressed by a bigger market as a result of the integration. Together the EAC has a population that is in excess of 170 million people. The EAC is currently working towards firming up its commitment towards a Common Market for its goods/services⁵⁶

Member nations chose to, harmonize their tariffs for goods originating from outside the community. With a common external tariff, the goods originating outside the community become slightly expensive compared to goods manufactured in the community that are not subjected to any import duties provided they meet the rules of origin criterion.⁵⁷ As a result, imports from outside become slightly costly compared to ones coming from outside the region all other factors constant.

Besides, EAC has adopted certain measures that make it easier to move products across the borders in a bid to encourage easier movement of goods. This includes the construction of one stop border posts that have a common verification area for goods so that verification is done jointly therefore reducing the time that would otherwise have been spent verifying the cargo. This is augmented by other systems such as the Single

⁵⁶Cooksey, B. (2016). *Tanzania and the East African Community: A comparative political economy* (No. 186). Discussion Paper.

⁵⁷ Rules of origins determine if a particular product was produced in the community. For products that have some components imported from outside the community, the rule may be based on percentage of value addition, modification that makes the product change its classification as well as the number of people employed in the manufacture and production of that particular product.

Customs Territory (SCT) that allow easier movement of goods by declaring the goods simultaneously in the receiving and the sending countries. It should be noted that what would traditionally have been regarded as exports and imports for goods originating from within the community are referred as transfers with the advent of SCT.⁵⁸

3.5.2 Macroeconomic Policy Convergence in the Region

Beginning in the early 90s, the EAC region as a whole has undergone a complete metamorphosis in the economic front. Prior to that, regardless of whichever form of governance the Partner States had adopted, the economic scene was characterized by massive government involvement either as a provider of goods and services or as a regulator who actively fixed prices of commodities and services even if they were in private hands. The financial sector was heavily controlled by government hence access to foreign currency was not easy.

However, introduction of Bretton Woods Structural Adjustment plans saw a different paradigm shift in the macroeconomic sector. Liberalization of the economy as well as privatization of previously government services such as transport and communication, banking sector, education sector and even health services saw a big change. The revival of EAC happened amidst the structural adjustment programmes and thus needed to be in line with the new economic reality. Thus, the Partner Member States had to realign their macro-economic policies to not only reflect the new reality but also to mirror each other in order to create synergy.

⁵⁸ Miranyi W, Interview with Nguku R., SCT liason person Kenya Revenue Authority, Nairobi, September 2018

The new macroeconomic reality is reflected in Articles 83 and 84 of the EAC Treaty. The two articles put an emphasis on need to have a coordinated monetary approach in the EAC. Indeed, as envisaged by the founders, monetary union and common market are on the cards in the integration plan.

The Convention on the Foundation of the EAC Common Market necessitates each Partner State to seek an arrangement that would completely benefit from a Common market. The development of capital has in this manner been progressed within the Convention, which proposes that it anticipates that the macroeconomic coordination should be in a participatory manner but at the same time enhance the advancement of private sector by actively involving them (private sector.) Regarding the speculation climate, the EAC Secretariat as of late wrapped up executing the components of the Monetary Segment Improvement and the Regionalization scheme for the continent with a bias towards the EAC and the World Bank on Investment Climate Program.⁵⁹

The region is in the initial phase of setting up an EAC Financial Union. As early as 2013, the EAC Summit had a Convention on the Foundation of the East African Community Money related Unification. The basic zones of synchronization are mainly money related and trade rate arrangement synchronization; measurement synchronization. Others include financial arrangement coordination and harmonization among others.

⁵⁹Jandt, F. E. (2017). *An introduction to intercultural communication: Identities in a global community*. Sage Publications.

3.5.3 Free Mobility of Persons in the Region

The EAC encourages mobility of people across the borders of EAC. Provided they are citizens of EAC, they are as per protocol allow to travel visa free to and from member states. As early as during the first EAC, the mobility of persons is something that was high on top of the agenda. With the new EAC in place, a number of clauses including Article 104 have put measures in place to not only encourage but also to facilitate unrestricted mobility of people. This includes the abolition of visas, use of national IDs of Member states as well as plans to eventually have a common EAC passport. In fact, quite a number of people have been issued with a common EAC passport.

Closely related with unrestricted mobility of people is the subject of unrestricted movement of labour as envisaged by Article 12.⁶⁰ Ideally, all East African Citizens are free to move and work in any of the EAC countries. However, this provision is something that has not been universally embraced by all the EAC Partner States. Whereas countries such as Rwanda and South Sudan have wholly embraced the concept, some members such as Tanzania are reluctant to fully open up their Labour market to EAC citizens with quite a number of EAC citizens denied work permit on not so clear grounds.⁶¹

3.5.4 Peace, Stability, Security and Governance Promotion in the Region

For the community to achieve its objective of improving the overall living standards of its citizens through trade, Peace and Security is something that is of vital importance. This is

⁶⁰ Article 12 of the Treaty Establishing EAC

⁶¹ <https://www.theeastafrican.co.ke/business/Tanzania-refuses-work-permit-for-Kenyan-executive/2560-4782544-n4a95qz/index.html>

aptly capture by Article 124 of the treaty which agrees that peace and security are very important elements hence a strategy needs to be put in place to ensure that the same is achieved or rather is not greatly disturbed in a manner that ends up negating not only the intended objectives but also wiping off the little that has been gained. In 2006, a comprehensive Peace and Security Strategy was launched. This was augmented by the Convention on Peace and Security was EAC Conflict Prevention, Administration and Resolution Mechanism was launched in six years later. . The EAC Peace and Security Convention identified a number of issues that could hinder the realization of peace and security in the region. The issues included genocide, robbery especially of livestock that could spark retaliation from the affected communities and/or nations, handling of natural resources especially in times of distress such s drought and related natural disasters that drain the capacity to handle excessive strain among others. The conditions can be further made worse by the high prevalence of proliferation of small arms in the region, presence of neighbors with either failed or failing states as well as other transnational crimes including terrorism, drug smuggling as well as other cross border crimes. .

Unfortunately, the strategy to secure the region is good only on paper. We have had a number of issues that are threatened the very fabric in almost all the EAC Partner States but the EAC has done little with its strategy. South Sudan is in a middle of a civil war while Burundi has a crisis that is yet to be resolved. At least for the Burundi conflict, EAC has held a number of meetings to try and resolve the issue but its effort can at best be said to be too feeble for a region that considers peace and security to be important. When compared to ECOWAS region, the peace and security strategy pales in significance. ECOWAS through ECOMOG-its military wing has managed to resolve a

number of issues that threatened the peace architecture of the region. Countries like Sierra Leone, Liberia have had civil wars and ECOMOG played a big role in peace keeping initiatives.

It is in recognition of its incapacity to deal with such emerging issues, the EAC in cohort with other regional and sub-regional organization has put up measures to deal with the issues.⁶²

3.5.5 Harmonization of Sectoral Policies

On paper, EAC does not actively call for the synchronization of its policies. However, in order to gain from the integration and create synergy, a number of things have been harmonized. In fact, other than for the customs and monetary union, no other sector is overtly stated as needing harmonization. In Practice however, a number of things are jointly agreed and implemented jointly in order to create not only synergy but also enhance their effectiveness. For instance, one border posts that allow seamless movement of goods are some of the initiatives that have been agreed and implemented jointly although initially not part of the treaty. The other aspects include vital infrastructure such as roads and pipelines which if not jointly coordinated and harmonized will not be as beneficial. As such, the countries all agreed to build a standard gauge railway and common pipeline for instance. Others include harmonization of the road network to create a connected region to enhance movement of goods and services in the region.

⁶²Drummond, P., & Williams, O. (2015). East African Community: The Unfinished Agenda. *Brookings Institute blog*. Retrieved September, 12, 2015.

Having learnt from the failures of the first integration scheme, EAC has left each Partner State to individually meet the cost of the portions in their respective countries. As such, the nationalization of property that happened in the aftermath of the collapse of the first EAC is already taken care of.⁶³

EAC Countries have agreed to come up with uniform rules in a number of sectors including aviation. This includes collaborations in matters that range from air security issues (including air worthiness and related flight operations) certification of aircrafts among other things. To coordinate this, the EAC Civil Aviation Safety and Security Oversight Office was formed with the express mandate of harmonizing all flight related issues. The body being aware of the need to have uniform practices and standards in matters aviation, has sought streamline the sector drawing a lot from the International Civil Aviation Authority (ICAO) guidelines especially the ones reviewed in 2008 under the WidespreadSecurity Oversight ReviewProgram.

The areas of coordination and harmonization has also extended to power and energy related issues. It is under this auspices that the East African Power Master Plan was formulated and brought into existence in May 2011. This plan that is supposed to run through 2038 is supposed to cut down the cost of generation and transmission of power in the region through harmonization of transmission and generation lines.⁶⁴

⁶³ Ibid (Söderbaum, 2017)

⁶⁴Ibid (Cooksey, 2016).

Agriculture being the backbone of the economies of EAC employing on average 80% of the workforce in EAC either directly or indirectly⁶⁵ and accounting to at least 25% of the regions GDP⁶⁶, has been given the due attention it deserves. It is this sector that is supposed to provide a cover on the food security front given the perennial food insecurity in the region with the perennial and often cyclic droughts that have been witnessed in the region.⁶⁷ The situation is made worse by prevalence of conflicts in the affected areas mostly related to the scarce resources in the affected areas.⁶⁸

It is against this backdrop that the Summit formulated the Food Security Action Plan, which was formally inaugurated on 19 April 2011. This plan intends to resolve the food security issues by encompassing an all-inclusive policy framework that incorporates matters from organizational and lawmaking, to marketing and production, as well as dietary and connected issues. The Action Plan, borrows heavily from African Unions Comprehensive Africa Agribusiness Advancement Program standards. Unfortunately, like most African Plans and policy, the implementation is the issue with Kenya's 2011 maize shortage, and the apparent refusal of Tanzania to sell maize to Kenya⁶⁹ provided indications that there is still a long way to go in actualizing this plan.

The EAC region has also embarked on an ambitious joint plan to tackle both communicable and non-communicable diseases. This is partly as a realization that with increased mobility of peoples in the region the spread of the diseases will have to be

⁶⁵ <http://www.fao.org/kenya/fao-in-kenya>

⁶⁶ *ibid*

⁶⁷ <https://www.worldvision.org/hunger-news-stories/east-africa-hunger-famine-facts>

⁶⁸ *ibid*

⁶⁹ <https://www.standardmedia.co.ke/business/article/2000041378/tanzania-ban-on-maize-exports-to-stay-minister-says>

tackled jointly, as well as the fact that diseases do not necessarily respect man-made boundaries integration or no integration.⁷⁰ As such, a joint framework dubbed The East African Community Health-Policy was formulated with the sole objective of linking health researchers to policymakers with the intention of coming up with actionable researches that will not only help combat the spread of diseases but also prevent the outbreak from the onset. The researches have to be cross cutting so as to cover animal, human and phytosanitary diseases.

As such, bodies including The East African Public Health Laboratory Networking Project the East African Integrated Disease Surveillance Network have been formed to spearhead the joint fight against these diseases in the EAC. Further to this, paying greater attention to the effects HIV/AIDS has on the population with sub-Saharan Africa being the area most affected, the EAC region came up with a joint and multi-Sectoral HIV/AIDS Strategic Plan that was to run for five years with the first phase running from 2008 to 2013. The program domiciled in the respective health ministries was to be jointly executed by the Aids Control Council of the respective Partner States.⁷¹

3.6 Future of the East African Community

“The future of the EAC lies in hands of the Summit”⁷² that is supposed to provide strategic direction. East Africa countries have an outstanding opportunity to developing into world leaders. The education systems are improving, new technology and natural

⁷⁰ Wesolowoski A et al Quantifying the effect of human mobility on Malaria, *Science* 12 Oct 2012 vol 338

⁷¹ Jandt, F. E. (2017). *An introduction to intercultural communication: Identities in a global community*. Sage publications.

⁷² Summit is made up of Head of States and Government

resources are very good. With so many quality opportunities for young people and quality leadership East Africa countries will be great.

There's a developing interest from within and without the continent to expand the investment opportunities in Africa. This is mainly due to the realization that the most feasible path to Africa's prosperity is through trade and not aid that usually come with visible and not-so-visible strings attached. Improvement in Africa's macroeconomic approaches, coupled with governance that has improved tremendously and a regulatory environment have had a great role to play positive part attracting investments to the EAC. The main drawbacks such as high prevalence of corruption that has seen investors take a cautious approach in setting tent in the region. This has incapacitated the region that has one of the region that has one of the biggest and most educated populace in Africa. Fewer investors want to risk their investment in areas that are characterized by state patronage capitalism with the most connected firms ripping the most at the expense of the others. Cohen further observes in his writings, "With such a cautious approach from foreign investors, one would expect that the vacuum will be filled by intra-African investors but the case of Nigeria's Aliko Dangote finding it difficult to set foot in East Africa points to an investment climate that is one-step forward, two steps backward."⁷³ including Foreign Direct Investment (FDI) and intra-African investment, in support of territorial integration and basic change is prove by recent changes taking put at the mainland, territorial and national level to move forward universal trade and investment prospects".⁷⁴

⁷³ <https://www.businessdailyafrica.com/corporate/Dangote-Cement-now-delays-Kenya-entry-to-2021/539550-3847650-v10yqfz/index.html>

⁷⁴ Cohen, B. J. (2018). Beyond EMU: the problem of sustainability. In *The political economy of European monetary unification* (pp. 179-204).

From a continental perspective, efforts have been made to ensure that an Africa-wide market is set up that would address the disparities that exist in intra-African trade. It is a pity that Africa is involved in less than 3 percent of world trade. Of the percentage, even a smaller bit is in intra-African trade. To address such issues, initiative such as the Continental Free Exchange Zone (CFTA), which is key in connecting the markets especially from merchandise and services in the light of free mobility of people and factors of productions. It is from this framework that EAC is trying to develop its own subset, which will eventually build a bigger block to connect the continent.

Soderbaum narrates that “Another initiative that has been fronted from a continental level in order to coordinate investments is the Pan-African Investment Code (PAIC). PAIC was embraced by the Specialized Technical Committee (STC) on Finance, Financial Undertakings, Economic Planning and Integration of the African Union in October 2017. It is however, a non-binding vehicle on investments and members are free to adopt it or not. The Committee moreover asked the AUC to consider inclusion of minerals that would be fixed into the CFTA. The ECA, in organization with other institutions, has been supporting policymakers and other partners by organizing board dialogues during major occasions, such as the 2016 Africa Exchange Week, the AU-ECA Conference of Ministers in March 2017 and the Yearly High-Level International Investment Agreements Conference in October 2017 in order to ensure the alignment of

the PAIC with the investment chapter of the CFTA and the potential role of the PAIC as a powerful guiding instrument in CFTA negotiations”.⁷⁵

From an economic level, there are activities that are to enhance regulations that will back the member States in drawing in more investment to their sub-territorial markets by advertising even or harmonized investment security and control. In future, the continental level will additionally require coordination and consistency between such instruments and those being created at the lower levels including national and sub-regional.

At the national level, Bilateral Investment Treaties and Double Taxation Treaties have been an indispensable portion of African legislators’ methodology to counter the recognition of risk and advance more internal FDI. The ECA has done research with the main objectives of using the outcome to advise the nations and the continent in general on investment and tax administrations and to supply evidence-based data to policymakers on issues important in moving forward the venture prospects of African Member States. Moreover, in partnership with national and universal institutions, the ECA continues to support states by creating and propelling online investment guides called *iGuides* as imperative devices to provide in a centralized way valuable data, on a particular country’s investment controls, necessities and other data significant to financial specialists.

⁷⁵ Ibid (Söderbaum, 2017)

3.7 Summary and Conclusion

In summary, the future of the East African Community is bright. This is made easy and possible through the association they have had with the economic commission for Africa and other foreign aid bodies like World Bank. This is giving East Africa a mileage in terms of development and growth of the region hence likely to be a hub in the future for many aspects from education, industry, infrastructure and many more.⁷⁶ However, there are challenges that need to be addressed. For instance the mini-grouping in the Community loosely described as the ‘coalition of the willing’ that makes part of the community to undertake activities excluding others is something that needs to be addressed. Another issue that needs urgent attention is peace and security challenges that the Community is currently facing. South Sudan and Burundi are the physical embodiment of this menace currently. For there to be development, as the Community rightly notes, there has to be peace and security in the region. EAC therefore needs to actively seek for solutions to not only end this conflicts but most importantly look for ways to ensure that the conflicts do not lead to violent confrontations in the first place.

⁷⁶Drummond, P., & Williams, O. (2015). East African Community: The Unfinished Agenda. *Brookings Institute blog*. Retrieved September, 12, 2015.

CHAPTER FOUR

THE FUTURE OF REGIONAL INTEGRATION IN AFRICA

4.1 Introduction

The matter of territorial integration in the continent has been a focus of discussion for a while now. Politicians and scholars had over time given different recommendations of how Africa ought to be bound together. Unlike Europe, Africa has had other challenges to fight against including historical one such as slavery and more importantly colonialism and neo-colonialism, which have in one way or the other affected the integration process. For instance, the continent has always been divided along linguistic lines brought mainly because of colonialism. The Continent's fixation with territorial amalgamation can be followed back to the colonial era, and as distant back to the beginning of the 20th Century.

In Africa, one of the essential points of territorial integration was to advance improvement among African nations as well as offer assistance and reliance on Western nations. Kwame Nkrumah of Ghana and Julius Nyerere of Tanzania contended that the political and financial solidarity of African nations was the exceptionally quintessence of autonomy. The pioneers who steered their individual nations to freedom initiated the conversation to form a multinational pan-African government as an expression of the continent's solidarity and policy coherence. These pioneers distinguished colonialists' procedure of isolate and conquer as a challenge to the solidarity and integration of the larger Africa. Unfortunately, the split into Monrovia and Casablanca Groups from the

onset was a sad reminder of the divisiveness, which had been perpetuated by the divide and conquer that had profoundly partitioned the continent.⁷⁷

4.2 Why Regional Integration?

Muammar Gaddafi, a proponent of a United States of Africa, claimed, “Africans endeavor for solidarity. They need the elimination of borders and the deletion of customs and any confinements. They need one character and they need to move unreservedly over the African continent. They need to be solid within the confront of Europe, Asia and America”.⁷⁸

Traditionally, integration has always taken a pattern that involves more or less rigid strata but has assumed many forms. These can be summarized as follows:

Free trade area: In this kind of arrangement, member countries do away with tariffs and any other barrier to global trade between and amongst themselves and may go ahead to form their very own trade policies with non-member nations. This kind of arrangement has been successful in most regional groupings across the world.

Customs Union: Here, countries assume a free trade area policy and therefore can embrace common trade policies towards non-member countries.

Common Market: In this arrangement, states create a customs union policy and do away with obstacles that limit movement of factors of production among themselves.

⁷⁷ Anthony Oneya, Nov 2007 “The prospects and Future of Regional Integration in Africa” Thesis for: Msc International Trade. Robert Gordon University.

⁷⁸ Muammar Gaddafi, Former President of Libya.

Economic Union: Here, nations create a common market policy and totally integrate their economies through harmonizing their economic policies. This kind of arrangements has been achieved by the European Union.

Political Union: This last arrangement has not yet been reached by any of the regional groupings. Both political and economic integration are harmonized into one large country. Due to national interests, this is yet to be achieved.

Currently, there's no nation in Africa that isn't a part of at least one territorial group. As reflected within the number of territorial assertions both within the continent and worldwide, hence, the issue proceeds to possess a center stage within the economic motivation of nations.

There's numerous verified explanations and proposals as to the causes for the need of advance in territorial integration endeavors in Africa. Of these explanations, is the self-evident never shifting unwillingness of governments to yield sovereignty of macroeconomic arrangement making to a regional authority; to confront potential utilization costs, which will emerge through import from high, cost member nation; to acknowledge inadequate distribution of gains and losses that may follow an integration understanding, and conceivably suspend prevailing financial bonds with non-members. Johnson and Lyakurwa state that the "lack of a solid supported political commitment and macroeconomic instability",⁷⁹ among others, has delayed the growth of economic integration in Africa.

⁷¹ Johnson 1995 p.213; Lyakurwa et al 1997 p. 176

4.3 Prospects of Regional Integration in Africa

African regions and the rest of the world need to coordinate in order to realize more prominent achievement. The new African regionalism may have more noteworthy victory in the continent. An illustration of the modern approach in activity is the Regional Integration Facilitation Forum (RIFF) that began as the cross border Activity (CBI) in 1992 as a system of harmonized arrangements to encourage a showcase driven concept of Integration in the continent. These activities are sustained by the European Union (EU), World Bank (WB), International Monetary Fund (IMF) and African Development Bank (AfDB). The underlying premise is that territorial integration development by cultivating proficient cross border speculation and exchange streams. The CBI/RIFF is characterized by:

- External introduction and openness to the rest of the world to guarantee that regionalism is accompanied by more prominent integration of the sub-region into the world economy,
- Direct inclusion of the private sector within the detailing and execution of a conducive policy environment.⁸⁰

Territorial integration and globalization are two phenomena that have challenged the pre-existing worldwide order based upon imperial states since the start of 21st Century. The two forms profoundly influence the solidness of Westphalia state framework, in this way contributing to both clutter and a modern world order.

⁸⁰Fajgenbaum et al 1999

“Globalization is the process of international integration arising from the interchange of world views, products, ideas and other aspects of culture.”⁸¹ “Advances in transportation and telecommunications infrastructure, including the rise of the telegraph and its posterity the internet, are major factors in globalization, generating further interdependence of economic and cultural activities”.⁸² “The term globalization has been increasingly used since the mid-1980s and especially since the mid-1990s. In 2000, the IMF identified four basic aspects of globalization: trade and transactions, capital investment movements, migration and movement of people, and the dissemination of knowledge. Further, environmental challenges such as climate change, cross boundary water and air pollution, and over-fishing of the ocean are linked with globalization”.⁸³

Globalization procedures influence and are influenced by trade and work organization economies, socio-cultural assets and characteristic setting.

“Economic globalization is the increasing economic interdependence of national economies across the world through a rapid increase in cross border movement of goods, service, technology and capital”.⁸⁴ “Whereas the globalization of business is centered on the diminution of international trade regulations as well as tariffs, taxes and other impediments that suppresses global trade, economic globalization is the process of increasing economic integration between countries, leading to emergence of a global

⁸¹Al-Rodhan, R. F Nayef and Gerard Stoudmann (2006). *Definitions of Globalization: A Comprehensive Overview and a Proposed Definition*.

⁸²Steve, H. Gunder (1998). *Reorient: Global Economy in the Asian Age*. Berkeley: University of California Press.

⁸³Bridges, G (2002). “Grounding Globalization: The prospects and Perils of Linking Economic Processes of Globalization to Environmental Outcomes.” *Economic Geography* 78 (3): 361-386

⁸⁴Joshi, Rakesh Mohan, (2009) *International Business*, Oxford University Press, New Delhi and New York

market place or a single world market”.⁸⁵ “Depending on the paradigm, economic globalization can be viewed as either a positive or a negative phenomenon. Economic globalization comprises the globalization of production, markets, competition, technology, and corporations and industries”.⁸⁶

4.4 The Future of Regional Integration in Africa

The future of Integration in Africa is simply bumpy and murky.

“Territorial integration is broadly respected as a arrangement competent of reducing the continent’s economic and political marginality. The creation of a continent African common market by 2025 is the foundation of the Abuja Treaty embraced by the Organization of African Union (OAU) in 1991 and in this way by the African Union (AU). The New Partnership for Africa’s Development (NEPAD) moreover prioritizes the creation of territorial common markets as a instrument to coordinated Africa more viably within the worldwide economy. With few outstanding exemptions”,⁸⁷ there is an extraordinary level of consensus that regionalism is not only desirable but also necessary. The conclusion to the 194 African Development Bank Study on economic integration concludes that “regional integration is not an optional extra; it is a matter of survival”.⁸⁸ “However, the continent already has a large number of regional blocks (fourteen in 2004) with increasingly ambitious policy goals, centered primarily on the creation of regional common markets. The region is host to the oldest customs union in the world, the Southern African Customs Union (SACU), which predates the European Economic

⁸⁵ Riley T: “Year 12 Economics”, page 9. Tim Riley Publications, 2005

⁸⁶ Ibid (Joshi, Rakesh Mohan, 2009)

⁸⁷ Jeffrey Herbst, “Developing nations, regional integration and globalism”, paper presented to a conference “South Africa and Southern Africa, 16-17 July 1997, South African Institute of International Affairs, Johannesburg.

⁸⁸ African Development Bank (1993) Economic Integration in Southern Africa, Volumes I, II, III, Biddles, England, p.1

Community (EEC) by almost forty years. In short, regional integration is a fashionable but far from novel phenomenon in Africa”.⁸⁹

Adversaries of territorial integration contend that because of the destitute record of territorialeconomic integration, African nationsought to “forget the hypotheticalplans of the Pan African sort (A United States of Africa) or the neo colonial sort (a customs union), supplanting them with less difficult, inexpensive, more profitable, and more cost effective models of integration through investment- choosing needsegments for improvement (horticulture, industry, power, transportation and training) and recognizingparticular, concrete ventures in every division to be executed on a community premise, with conceivablemonetarysupport from outside.⁹⁰ On the other hand, there are the skeptics among the givers who have been changed over to supporting integration of some sort, one which is outward looking, that’s centered on trade assistance, that has solid private and sectorinclusion and which has light organization structures. At last, there's the conventionalstructure of top-down African regionalism, upheld by the OAU and supported by African Heads of State, which incorporates asolidexplanatorypremise and to a great extent political importance.

European Union’s need to empowerterritorialeconomic groupings as potential trade partners in negotiatingEPA’s under the Cotonou Agreementssuggests that trade integration as well as functional participation will fundamentally be a vitalapproach tool in African

⁸⁹ Andrea Goldstein, *The New Regionalism in sub-saharan Africa, Policy Brief No.20 (Paris OECD, 2002)*

⁹⁰Diouf, quoted in McCarthy, 1995, p. 37

Regionalism in the coming decade.⁹¹ The new regional groupings must address the following issues that have been partly responsible for the poor record of the past:

- Overlapping membership of competing groups ought to be settled to permit a precise political commitment to specific groupings. For occurrence, Tanzania may be apart of both the East African Community (EAC) and South African Development Cooperation (SADC)
- For a common market to operate, its individuals ought to be at peace. The wars and clashes in many regions has crushed transportation systems, communications and other fundamental foundation have to be calmly settled.
- Ways must be found to incorporate private division within the process of integration. It ought to not be anticipated that all private sector group will favor territorial integration. In a few nations, agriculturists may fear low cost competition from somewhere else within the locale and may take a very protectionist position. The contribution of interest groups and other NGOs ought to be energized as these groups can moreover pick up from misusing the openings for more prominent intra-interest trade.
- Given the aberrations in economic weight that exist between individuals of a few groupings, new policy arrangements to deal with the fears of financial polarization must be found, for case, faster courses of action (permitting weaker individuals longer periods to liberalize), remuneration plans, local investment banks

⁹¹www.fao.org chapter 6: Regional Integration in Africa- FAO

- Dispute settlement componentsought to be reinforced and means to safeguard policy validity must be put in place. Investors have to havecertainty that integral measures will not be turned aroundand that boundaries to regional markets will not be re-instituted overnight. Authoritative liberalization assurances within the WTOought to be energized where conceivable, whereas the opportunity of the REPA transactions with the EU ought to be utilized to tie and implementapproach promises.⁹²

⁹² Ibid (www.fao.org)

CHAPTER FIVE

SUMMARY AND CONCLUSION

Territorial Integration arrangements are a part of the worldwide economic order and this drift is a recognized future of the worldwide scene. It has accomplished a new meaning and a new noteworthiness. Territorial integration arrangements are basically as a result of a need felt by countries to coordinate their economies to realize fast financial advancement, diminish strife, and construct common believe between the coordinates units.

The major purpose of these regional groups is to diminish trade obstructions among the countries concerned. The expulsion of the trade obstructions or liberalization of numerous economies has had different impacts, in a few cases expanding GDP, moreover resulting in greater worldwide disparity, concentration of riches and an expanding recurrence and escalation of the economic crises.

The current restructuring of trade relations between states in Africa and the EU will offer assistance create energy behind territorial integration in Africa in this decade. Trade relations, which are presently based on non-reciprocal trade inclinations allowed by the EU, will in future be based on financial integration.

In conclusion, the journey towards integration in the region has not been easy, with countries always putting their interests first. However, member states of SADC, AMU, ECOWAS have fronted ambitious initiatives that aim at integration in recent decades. This include: trade arrangements, governance, peace initiatives and reduction in tariffs.

Although African integration hasn't accomplished much, of concern to address remains; with the help from universal organizations indeed the EU, will the region be able to reach just like the European Union, the dream of Pan-Africanism?

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Muammar Gaddafi, Former President of Libya.

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