

**THE INFLUENCE OF EXTERNAL ACTORS ON THE EAST AFRICA  
COMMUNITY (1990-2016)**

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**A Research Project Submitted to the Board of Post Graduate Studies in Partial  
Fulfilment of the Requirements for the Award of the Degree of Master of Arts in  
International Studies at University of Nairobi**

**UNIVERSITY OF NAIROBI**

**December 2017**

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**DECLARATION**

This project is my original work and has not been presented for the award of a degree in this university or any other institution of higher learning for examination.

Signature .....  ..... Date 7/12/17 .....

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This project has been submitted for examination with my approval as the University Supervisor.

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## **DEDICATION**

**This project is dedicated to my family for their support and encouragement throughout the entire project duration.**

## **ACKNOWLEDGEMENT**

I sincerely thank my supervisor Dr. Rosemary Anyona for her steadfast guidance during this research. Her patience, enthusiasm, motivation and immense knowledge were of great help. I also want to extend special gratitude to my employer for giving me an opportunity to further my education. Special appreciation goes to my family for their moral support and encouragement.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

<b>ASEAN</b>	<b>Association of South Asia Eastern Nations</b>
<b>CARFTA</b>	<b>Caribbean Free Trade Association</b>
<b>CCSAD</b>	<b>Coordinating Conference for South African Development</b>
<b>CET</b>	<b>Common External Tariffs</b>
<b>COMESA</b>	<b>Common Market for Eastern and Southern Africa</b>
<b>EAA</b>	<b>East Africa Airways</b>
<b>EAC</b>	<b>East Africa Community</b>
<b>EACJ</b>	<b>East Africa Court of Justice</b>
<b>EAHC</b>	<b>East Africa High Commission</b>
<b>EALA</b>	<b>East African Legislative Assembly</b>
<b>EAP</b>	<b>Economic Agreement and Partnership</b>
<b>ECCAS</b>	<b>Economic Community of Central Africa States</b>
<b>ECOWAS</b>	<b>Economic Community of West African States</b>
<b>ECSC</b>	<b>European Coal and Steel Community</b>
<b>EEC</b>	<b>European Economic Community</b>
<b>EU</b>	<b>European Union</b>
<b>FDI</b>	<b>Foreign Direct Investments</b>
<b>GDP</b>	<b>Growth and Development Product</b>
<b>IGAD</b>	<b>Intergovernmental Authority on Development</b>
<b>LAPSSET</b>	<b>Lamu Port-South Sudan-Ethiopia-Transport</b>
<b>LRA</b>	<b>Lord Resistance Army</b>
<b>NAFTA</b>	<b>North Atlantic Free Trade Area</b>
<b>NEP</b>	<b>North Eastern Province</b>
<b>OAU</b>	<b>Organization of Africa Unity</b>
<b>RVR</b>	<b>Rift Valley Railway</b>
<b>SADC</b>	<b>Southern African Development Community</b>
<b>SADCC</b>	<b>Southern African Development Co-ordination Conference</b>
<b>SGR</b>	<b>Standard Gauge Railway line</b>
<b>WTO</b>	<b>World Trade Organization</b>

## **ABSTRACT**

Regional integration has a long history in East Africa. The main concerns of this study is to examine the influence of external actors on the East Africa Community. Specifically, the study aimed at evaluating the relationship between regional integration and external actors, examining the participation of external actors in the East Africa integration process, and evaluating the key challenges posed by external actors on East African Community. The study was anchored on Functionalism Theory proposed by David Mitrany in 1930. Functionalism is a theory on regional integration. Functionalist looks at social institutions as a platform where individual and social needs are met. This study was based on descriptive design. This design was appropriate for the study since it captured a diverse range of information pertaining to the trends and characteristics seen in international actors, regional integration and how the two concepts influences one another. Primary data was obtained through oral sources including interviews and group discussions. Secondary data was collected from written sources and archival matter including government's records, books, journal articles, reports, internals, /dissertations and conference papers among others. The study uses content analysis. This study found that the process of regional integration has involved more actors other than the respective states of the member countries. The study established that Protocols and conventions adopted by the East Africa Community are hardly signed and/or ratified as a result of influence of external actors.

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background

Throughout history, existing or developing regional blocs seeking integration have always attracted interest from external actors. Though a number of actors influence world affairs, Nation States remain the principal actors. Overtly or covertly, external influence dominates regional integration with an intention to expand the social, political, ideological and most importantly the economic tentacles of nation states. Fundamentally, external influence is a major driving power in regional integration and catches the aspect of the emerging global reality on regional integration.<sup>1</sup>

According to Waltz, international systems are products of interaction of various entities that are distinctive in nature, are spontaneously developed and unintentional.<sup>2</sup> Since 1648, the basic characteristic of international systems has not changed much. Firstly as stated earlier, States remain the primary actors despite the prominence of external actors like intergovernmental organizations, multilateral organizations and individuals. Secondly, the international system is highly decentralized, with no central authority to reign over others, hence individual States can get away with whatever they do. Thirdly, lack of over-arching authority makes the environment of the international system anarchic in nature. In such an environment, systemic units are guided by self-interest and survival in their interaction.<sup>3</sup> Based on Waltz assessment, an international system is made up of structures and interacting units and therefore, regional integration is an example of a structure that has been produced out of interaction by more than two states (units) either economically, politically or socially.

Singer argues that the systemic level of analysis is the best approach to explain how independent units interact within the international system and the kind of structures they produce. This level of analysis is crucial in making predictions of various actions that occur as a result of interaction. In addition, it helps in establishment of opportunities

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<sup>1</sup> Bachmann, V., and J.D. Sideway. 2010. *African Regional Integration and European Involvement: External Agents in the East African Community*. South African Geographical Journal. 92 (1): 1-6.

<sup>2</sup> Waltz K, N. *Theory of International Politics*, (New York: Waveland press, 1979) Pp. 33-34

<sup>3</sup> Hawkins, D.G., et al. *Delegation and Agency in International Organizations*, (Cambridge: Cambridge University Press, 2013) Pp. 31-45

to study the process of international relations and find out how regional integration among nations occurs.<sup>4</sup>

Haas describes the process of regional integration as a phenomenon where various states in a region come together and develop a common front of development, operations, and interaction. The process may involve the shifting of loyalties and political actions to a common ground where jurisdiction is made as pertains to the interests of those States.<sup>5</sup> Further, McCormick refers to regional integration as a multi-state process that involves the strengthening of the links between States and increase of regional arrangements and activities in a particular region. The process may be brought about by the need for States to have adequate security, enough market for the exchange of goods and the desire to maintain peace among the states in a particular region.<sup>6</sup> This research will adopt McCormick's definition because it encompasses a broad view of external influence of forces on regional integration.

Regional integration has been a global desire by various States in their bid to come up with institutions that represent and further their interests. This desire is manifested by creation of markets which are free of trade tariffs and regions with adequate security and are devoid of conflict.<sup>7</sup> This process is first traced among European countries before spreading to other regions. In Africa, the process was born out of the Abuja Treaty of 1994.<sup>8</sup> The Organization of Africa Union (OAU) had been recognized as an important tool for continental development. Kwame Nkrumah of Ghana was among the first African leaders who suggested that the boundaries that exist between African countries need to be removed to ensure that the African continent realizes viable economic benefits. Nkrumah intimated that a single African unit will enable the continent develop in terms of industry, trade and in political terms.<sup>9</sup> He further advocated that

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<sup>4</sup> Singer, J. D. "The level-of-analysis problem in international relations." *World Politics Journal*, Vol 14, Pp 77-92.

<sup>5</sup> Haas, E. B. *The Uniting of Europe*, (Stanford: Stanford University Press, 1958) P.16

<sup>6</sup> McCormick, J. *Understanding the European Union*, (London: Palgrave Macmillan, 2014) P.12

<sup>7</sup> Eeckhout, P. *External Relations of the European Union – Legal and Constitutional Foundations*, (Oxford: Oxford University 2014) P.14

<sup>8</sup> Hawkins, D.G., et al. *Delegation and Agency in International Organizations*, (Cambridge: Cambridge University Press, 2013) Pp 31-45

<sup>9</sup> Anyang 'Nyong'o, P. *Regional Integration in Africa: unfinished agenda*, (Nairobi: Academy Science Publishers, 2011) P. 13

African countries need to have a planned economic growth which will ensure that all States in Africa benefit from the process of industrialization.<sup>10</sup> From his arguments it implies that the process of regional integration does not necessarily mean collection of the States but a process that facilitates cooperation among rational actors in political, economic and social spheres.

From the aforesaid, East African countries have prioritized regional integration and cooperation. However, the pace of integration within the EAC has not been smooth as may have been expected due to a number of factors. Majority of these factors are considered internal and range from currency protection, labour market, protection of young industries to political supremacy and ideological differences among others. In the recent past the role of external actors has come under scrutiny. EAC as a structure is formed by the coactions of their units, not only from member States but also from other external actors whose motivation in most cases is driven by self-aggrandizement. It is for this reason that this research focused on investigating the influence of external actors on the East Africa Community.

## **1.2. Statement of the Research Problem**

Optimal integration within the EAC has not been realized because member States are not fully committed. There is always the influence of enticing alternative options that are influenced by extra- regional considerations. These considerations are driven by external actors. While there have been scanty studies on how external actors influence EAC, there has been no attempt to show how asymmetric relations by EAC member States with external actors constitute to failure or slow progress in the achievement of full integration.

## **1.3 Objectives of the Study**

The broad objective of the study was to establish the influence of external actors on the East Africa Community.

The study was guided by the following specific objectives:

- i. To establish the relationship between regional integration and external actors.

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<sup>10</sup> Ibd, P. 14

- ii. To examine the participation of external actors in the East Africa integration process.
- iii. To evaluate the key challenges posed by external actors on East African Community.

#### 1.4 Literature review

This part has three sections. Section One explores the influence of external actors in the international system, Section Two analyses the process of regional integration, while section three examines the inter play between external actors and the process of regional integration.

##### 1.4.1 External Actors

As earlier mentioned, Singer argues that the systemic level of analysis is the best approach in explaining how independent units interact within the international system and the kind of structures they produce.<sup>11</sup> This level of analysis is crucial in making predictions of various actions that occur as a result of interaction. In addition, it helps in establishment of opportunities to study the process of international relations and find out how the actors influence one another.

External actors are States, individuals or organizations that participate in international relations. These States, individuals or organizations are said to have powers that influence operations of international systems.<sup>12</sup> Roy opines that external actors are agents who help in achieving national and international goals that may either focus on economic, political or social aspects. He contends that actions by external actors influence implementation of policies by States.<sup>13</sup> Roy does not mention how actions of external actors on international systems help shape the process of regional integration. Roy's argument formed a strong base argument for this study in that it helped to identify how external influences shapes policies either international, regionally or locally.

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<sup>11</sup> Singer, J. D. "The level-of-analysis problem in international relations." *World Politics Journal*, Vol 14, Pp 101

<sup>12</sup> Dinka, T. et al. *Africa's Regional Integration Arrangements: History and Challenges*, (Lagos: Kent press, 1997) P.34

<sup>13</sup> Ginsberg, R, *Conceptualizing the European Union as an International Actor*, (London, John Willy & Sons Inc, 2014) P.56

A study by Lindberg posits that external actors have a role to play in streamlining the interaction between various States around the world. In her argument, Lindberg mentions that the main goal of the global anti-landmines campaign to ban landmines aims to free the world from landmines and that people live in peace. Individual contribution to this campaign has been tremendous. Princess Diana of Wales made a passionate appeal for global cooperation in the anti-landmine campaign. This led to ratification of Ottawa Treaty in 1997.<sup>14</sup> Lindberg's work shows individual influence on international issues but does not show how States and multinational companies influence regional integration. Therefore, Lindberg's observations came in handy in this study.

In yet another study, Mattli argues that after the Cold War, international politics became more shaped by external actors. According to Mattli, Westphalia States experienced erosion of power and sovereignty. This was mainly attributed to the external actors interfering with the operations of these States. In addition, Mattli opines that external actors are not always considerate on a country's interests but are always interested to serve the needs of the countries in which they are part of. He further argues that external actors mostly control States in which they have interests. Occasionally, the same actors are involved in internal and trans-border conflicts.<sup>15</sup> Mattli's arguments on external actors form important concepts for the study as they explain how external actors influence regional integration. However, his work does not explain the dynamics of different regions particularly within EAC.

Scharpf presents the argument that external actors are viewed as communication agents in the international system. They accomplish the mandates of those States that have common aims to help them develop social order. Scharpf further contends that external actors gain relevance by making countries restructure their processes of making decisions in contingent instances and communally employing resources which are under their control to achieve their common interests.<sup>16</sup> The various decisions of the States which the external actors implement on behalf must be chosen appropriately among the

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<sup>14</sup> Lindberg, L. N. "Political integration as a multidimensional phenomenon requiring multivariate measurement." *International Organization Journal*, Vol 24, No. 04, 1970, Pp. 648-731.

<sup>15</sup> Mattli, W. *The logic of regional integration: Europe and beyond*, (Cambridge, University Press, 2014) P.5

<sup>16</sup> Scharpf, Fritz W. "Games Real Actors Could Play: The Challenge of Complexity." *Journal of Theoretical Politics* Vol 3(3), 2011, Pp. 277-304.

options that are available. The ability of external actors to implement various decisions on behalf of States depends on the internal action of member States. However, Scharpf's observations do not show how external actors influence regional integration. This study fills this gap.

Further, Nzewi and Zakwe<sup>17</sup> argue that the mandate of external actors is making of decisions that serve the interests of the represented States. External actors help in achievement of decisions of the various States they represent. These States have the intentions of active participation in the international system. Nzewi and Zakwe argue that external actors act as the mechanisms for presenting decisions and interest of the various States. For instance, the World Bank is one of the actors in the international system. It makes decisions pertaining development projects but of course representing the interests of particular States in the world. In addition, the World Trade Organization acts as an actor which makes trade decisions that govern the interests of developed States. All these actors constitute decision making machines that act on behalf of States in the making of collective decisions. From these we have clear examples of external actors and how well they influence the association between the various States.<sup>18</sup> However, Nzewi and Zakwe arguments did not touch on regional integration which was central to this study.

In summing up the influence of external actors, Wendt states that analysing the ability of external actors participating in international dealings largely exposes the notion that their actions depend mostly on the international action of interested States. This is because external actors mostly obtain authority and rights of controlling resources from the States they represent. In addition, Wendt argues that external actors obtain a lot of authority from the countries or nations they represent in order to control issues which would otherwise be subject to international negotiations. External actors further acquire the autonomy status and thus dominate external actions in the international system. Irrespective of the member States controlling a significant share of international issues, external actors will still have ability to dominate external action. This is because interests of States are still controlled by the influence the external actors have in the international

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<sup>17</sup> Nzewi, O., & Zakwe, L. (2013). Democratizing Regional Integration in Southern Africa: SADC national committees as platforms for participatory policy-making. Centre for Policy Studies, Research Report, 122.

<sup>18</sup> *Ibdi*, Pp.12-23



system.<sup>19</sup> Wendt's arguments however, do not show how external actors influence regional integration.

### 1.4.2 Regional Integration

According to Nzewi and Zakwe, regional integration is a set of policies aimed at promoting a unified regional unit for the purpose of economic development. Regional units promote regional relations between regional states and the rest of the world. Additionally, regional units are believed to form the basis on which regional policies are implemented. Nzewi and Zakwe posit that regional integration can be differentiated based on the levels of regionalism which range from community awareness to the international or regional treaties although both would share the same objectives.

On his part, Nye argues that regional integration is a phenomenon that can be triggered by several factors based on the unique circumstances or needs in the State. These factors can be historical, cultural, or social. In today's international system, the main triggers of regional integration have been found to be either political, security or economic factors. Neighboring States have more often entered into cooperation agreements with a view of achieving common interests. The objectives of consensus can either be political, economic, environmental or security.<sup>20</sup> The studies by Nzewi and Zakwe and Nye have focused on regional integration and how States come into cooperation. These studies have however not discussed how different players affect the process of regional integration. Nevertheless, the arguments by the two studies informed this study on how regional integration is facilitated by various actors.

According to McCarthy, regional integration processes in Africa differ from other integration processes in the developing world. This because the Pan African ideology shapes the African continent's identity and coherence. The African pattern of integration comprises of capital markets, integration of goods, market integration and monetary integration. African integration advocates for free trade, a common market where all traders have free access, a customs union and an economic union where there is use of a

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<sup>19</sup> Alexander, W. *Social Theory of International Politics*, (Cambridge: Cambridge University Press, 2015), P. 85-114.

<sup>20</sup> Joseph Nye. *Africa's Regional Integration Arrangements: History and Challenges*. European center for development policy management (ECDPM) (2012) P. 38

common currency.<sup>21</sup> Political union amongst African countries is the main aim why Africa States advocate for integration. In Africa, integration is rooted in the political arena where political forces were the main determinants in the formation of geographical States. These States were mainly defined by colonial borders and ethnic composition which has led to civil strife and conflicts in Africa.<sup>22</sup> The study addressed integration process in Africa and formed a fundamental base of the study. Particularly it helped narrow the study down to the EAC.

Levy *et al* argues that the euphoria of regional integration in the world economy dates back from the 1980s and 1990s, a time the world witnessed a formation and rebirth of various trading regional blocks within Europe, America, Africa and Asia.<sup>23</sup> In addition, Levy *et al* states that during this period, promotion of regional integration became a global trend and as a result various regional blocs such as Association of South Asia Eastern Nations (ASEAN), North Atlantic Free Trade Area (NAFTA), the Caribbean Free Trade Association (CARFTA), Latin America Free Trade Area (LATFA), European Coal and Steel Community (ECSC) which was transformed to European Economic Community (EEC), later on the European Union (EU) were formed. Regional integration processes which include the creation of a customs union, actualization of free trade and free markets areas were later revived during the trade negotiations, at World Trade Organization (WTO) acknowledging formation of thirty three new Regional blocs from 1990-1994. The arguments advanced Levy *et al* study do not include EAC which was the main focus of this study.

Shaw observes that globally countries are pursuing regional arrangements due to perceived benefits in terms of trade gains and in stimulating economic growth and development.<sup>24</sup> The study further argues that developed countries have achieved much progress as compared to developing countries within their regional arrangements. This has led to increase in intra-regional trade among partner States leading to higher

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<sup>21</sup> McCarthy. The challenges of regional integration in Southern Africa,' *African Journal of Political Science and International Relations*, Vol 3, (2013)., Pp. 396-408

<sup>22</sup> *Ibdi*, P.409

<sup>23</sup> Levy, M. A., et al. "The Study of International Regimes." *European Journal of International Relations*, Vol 1, No, 3 . (2015) Pp.267-330.

<sup>24</sup> Shaw, T. M., "Regional Co-operation and Conflict in Africa" in *International Journal*, Vol. 30, No. 4, (2015) Pp. 671-688

economic growth and development. Shaw mentions that the European Union (EU) and South East Asian Nations (ASEAN) are superior and critical trading blocs which have advanced in regional integration. This is attributed to the fact that they have cooperated with like-minded partners to promote economic growth. The study further states that in Africa various regional integrations efforts have been established to promote development in Africa. However, Shaw fails to show how external actors influence regional integration, hence the current study comes in handy.

Murithi posits that the main aim of Economic Community of West Africa States (ECOWAS) is promotion of trade and cooperation. ECOWAS comprises the republics of Senegal, Gambia, Benin, Burkina Faso, Cote D'ivoire, Guinea, Mali, Niger, Ghana, Cape Verde, Nigeria, Sierra Leone, Guinea Bissau, and Togo. In Southern African, there have been regional integration efforts through the creation of the Coordinating Conference for South African Development (CCSAD) which brings together countries from the southern Africa geographical region.<sup>25</sup> In Eastern Africa, there is the East Africa Community (EAC). Member States of the EAC have undertaken to establish a monetary union where they use a common currency, a common market where the entry is free, a customs union and political freedom in what is called the linear market integration approach. This study has focused on integration in Europe and Africa broadly but has failed to explain how various actors facilitate the process. This study showed how external actors influenced EAC.

Yet in a another study on Economic Integration in Africa, Omotunde states that the aim of regional integration is to regulate and strengthen the political, cultural, social, infrastructural, and commercial relations of the various states to facilitate the development and expansion of the economy and ensure resources are shared equitably. Omotunde further argues that peace and security in East Africa is of immense importance to regional integration.<sup>26</sup> This is prompted by a growing realization that security problems facing the East African sub-region and the Horn of Africa regions are as a result of proliferation of small arms. The conflicts in South Sudan and Somalia are both fuelled by

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<sup>25</sup> Murithi, T. *The African Union: Pan-Africanism, Peace building and Development*, ( Hampshire, Ashgate Press, 2005) P.78.

<sup>26</sup> Omotunde, E. J.,. "Economic Integration in Africa: Enhancing Prospects for Success' *Journal of Modern African Studies*, Vol. No 29, No. 1(2015) P p .1-26

these weapons, as are the violent conflicts in Kenya's far flung North Eastern Province (NEP) that borders Somalia. Hence economic stability and peace are the most important factors in regional integration in the EAC. This study established the purpose of EAC as an Eastern African Regional Integration.

#### 1.4.3 Influence of External Actors on Regional Integration

External actors positively and negatively influence the process of regional integration. The negative effect of external actors on regional integration has been enormous. Most of the external actors have been interested in implementation of interests of the States they represent. According to Mzukisi,<sup>27</sup> strategies such as structural adjustment programmes that are aimed at promoting integration have been thwarted by the influence of external actors. The Africa initiative of having free market where every player has free access has all been shut down by external actors who dominate and dictate world markets.

Lahiri<sup>28</sup> indicates that most regional bodies in Africa have failed due to external influence from various actors. Political organizations that have existed in Africa as a result of integration have been eroded as some leaders want to duplicate what external actors are doing. Hence European integration has had great influence on Africa integration. Europe is seen as the pioneer integration organization that was initially formed to facilitate integration in the European continent and acted as a bench mark to the integration in Africa. Therefore most of the African countries have allowed European influence to dominate the integration process. African countries adopted European policies thereby ignoring what actually affected the Africa. This has made external influence to dominate Africa's integration process as to make it look like European integration.

The literature review has presented studies on regional integration and related issues. The review has identified a knowledge gap, hence the need to study how external actors influence EAC.

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<sup>27</sup> Qobo Mzukisi, *The challenges of regional integration in Africa In the context of globalization and the prospects for a United States of Africa*, Institute for Security Studies, ISS Paper 145

<sup>28</sup> Lahiri. S., (2012). "Controversy: Regionalism versus Multilateralism" in the *Economic Journal*, No. 108 (Blackwell, 1998) pp. 1126-1127

## **1.5. Justification for the Study**

### **1.5.1 Academic Justification**

The study provided additional information on the growth of regional economic blocs in Africa. It is valuable literature on the East African Community. Through this study, we got a better understanding of how external actors influence regional integration. Further, the findings could act as basis for further studies on external actors and regional integration.

### **1.5.2. Policy Justification**

This study may inform policy reforms that the Kenya government could put in place to hasten full integration within the EAC.

## **1.6 Theoretical Framework**

The study was premised on the functionalism theory. The theory is important as it presents the macroscopic view of the dynamics and consequences of integration and reflects on the pattern, logic and implications of increased interactions among actors within a regional setting founded on systemic conceptual explanation.<sup>29</sup>

### **1.6.1 Functionalism Theory**

Functionalism is a theory on regional integration. Functionalist looks at social institutions as a platform where individual and social needs are met. It views society as a system with components part working together in harmony, where individuals with common needs cooperate to satisfy their need.<sup>30</sup> Thus, groups and individuals becomes the main focus of international organization. Functionalism expects that international organizations are task- organized based on the role they perform. Functionalist approach to international organization is gradual and incremental. Functionalism begins with

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<sup>29</sup> IMF. 2008. *Kenya, Uganda, and United Republic of Tanzania: Selected Issues*. IMF Country Report. Washington DC: International Monetary Fund. Pp.123

<sup>30</sup> Jaime De Melo and Arvind Panagariya (eds.), "New Dimensions in Regional Integration; and introduction," Jaime De Melo and Arvind Panagariya (eds.), *New Dimensions in Regional Integration* (Cambridge: Cambridge University Press, 1993). P. 247

individuals faced by a common problem joining hands to solve it by forming a specific organization to facilitate in that task.<sup>31</sup>

The origin of this perspective goes back to the work of intellectual forerunners Emile Durkheim, Auguste Comte, Robert Merton, David Mitrany and Herbert Spencer. The assumptions of functionalism theory are that society is comprised of a social system of integrated parts which relate to one another. These integrated parts built-in control mechanism to ensure system stability and hence regional integration is achieved through agreements of member states based on set values and takes places within the framework of human freedom. Further, it is assumed that State will not sabotage integration process and knowledge and expertise is available to meet the requirements of functional agencies. Finally, proponents of functionalism posits that changes is gradual and dysfunctions exist but are self-solve.<sup>32</sup>

Functionalism theory is considered as the progenitor in the field of regional integration.<sup>33</sup> Functionalism presents the theoretical explanation behind European integration. Mitrany argues that universal approach to human needs is the best approach without interfering with particular ways of one other.<sup>34</sup> The setting up of European coal and steel community and common market in 1952 and 1956 respectively validated Mitrany's claims because European Economic Community presented a platform for eventual political integration in Europe. Moreover, Mitrany contends that international economic integration is developed based on functional cooperation among actors. Functionalist defines integration as an act where interaction of actors creates new actors.<sup>35</sup> For this to happen, States are required to cede their decision- making powers to supranational body and create new level of political power which is above that of States. Functionalists advocate for flexible task- oriented organizations that serve human needs.<sup>36</sup>

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<sup>31</sup> Wood, Steve and Wolfgang Quaisser., *The New European Union*, (New Delhi: Viva, Books Private Limited. 2008). P. 15

<sup>32</sup> C. Fred Bergsten, "Open Regionalism", Working Paper, 97-3, Institute for International Economics (Washington D.C. 1997). Pp. 4-7.

<sup>33</sup> Pinder, John and Simon Usherwood., *The European Union: A Very Short Introduction*, (Oxford, Oxford University Press, 2007). P13

<sup>34</sup> *Ibdi*, P. 15

<sup>35</sup> Lelieveldt, Herman and Sebastiaan Princen., *The Politics of the European Union*, (Cambridge: Cambridge University Press, 2011). P.16

<sup>36</sup> *Ibdi*, P. 17

The relevance of functionalism in Africa integration process lies mainly on its universal orientation. The theory of functionalism provides a framework for integration in African blocs like SADC, MAGREB, COMESA and ECOWAS. According to the functionalism theory, regional integration is achieved through agreements of member states based on set values and takes places within the framework of human freedom.<sup>37</sup> This forms the premise upon which regional integration takes place within Africa. Functionalism informs how regional blocs that share similar challenges decide to cooperate through international organization in order to solve common problems.

In the East African region the functionalism theory applies because the theory advocates for use of institutional structures to solve common problems. Kenya, Tanzania, Uganda, Rwanda and Burundi have applied the functional approach in solving common challenges facing the region through establishment of the East Africa Community. Through the EAC, various joint projects have been initiated in the region. However, the pace of implementation of these projects has been losing momentum. The slow pace of integration within EAC is largely as a result of negative influence from external forces. Most protocols initially designed for common use stalled and more recently projects like LAPSSSET and SGR continue to face implementation challenges owing to lack of commitments by members States. The theory formed the framework through which the study investigated the influence of external actors in the process of integration process within EAC. In addition helped establish how the economic, technical, and functional aspects facilitate the process of regional integration.

The functionalism theory has been criticized by various researchers because of its failure to account for the social change occurs since it mostly concentrates on the needs of society and is considered to be conservatively biased towards individual action despite being part and parcel of the social system.<sup>38</sup> Critics argue that institutions can change in a duration, or disappear at the same time and thus it is not always the case that they have functions. In relation to integration the theory has not shown clearly how actions of the external actors facilitate or inhibits integration process. Nonetheless, the theory fitted into the study in that it explained how various regional units work together in unison to realize

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<sup>37</sup> Laursen and Finn., *Theories of European Integration*, (Taipei, Tamkang University, 2002). P 34

<sup>38</sup> Lahiri. S., (2012). "Controversy: Regionalism versus Multilateralism" in the *Economic Journal*, No. 108 (Blackwell, 1998) pp. 1126-1127

regional integration. It also helped the researcher to identify how well the process of regional integration was realized.

### **1.7 Hypotheses**

The study was guided by the following hypothesis:

H<sub>0</sub>. External actors significantly influence regional integration.

H<sub>1</sub>. External actors have to a great extent participated in East Africa integration process.

H<sub>2</sub>. External actors pose challenges to the East African Community.

### **1.8 Methodology**

This includes research design, population, sampling, data collection tools, data analysis and data presentation procedure, data analysis and ethical considerations.

#### **1.8.1 Research Design**

This study was based on descriptive design. Nachimias and Nachimias note that descriptive design is achieved through studies designed to generate data and information. These studies describes current status of organizational programmes or projects. These includes current trends, performance, relationships and practices that exist in relation to the phenomenon under study.<sup>39</sup> This design was appropriate for the study since it captured a diverse range of information pertaining to the trends and characteristics seen in international actors, regional integration and how the two concepts influences one another.

#### **1.8.2 Target population**

The study targeted staff in the Ministries of East Africa integration and foreign Affairs both based in Kenya. Others included employees of the Embassies of Tanzania, Uganda, Rwanda and Burundi. These embassies are based in Nairobi Kenya.

#### **1.8.3 Sampling Procedure**

Purposive sampling, also known as judgmental, selective, or subjective is researcher's own judgment to decide the persons to select in the sampling. This was used

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<sup>39</sup> Nachimias and Nachimias, *Research Methods in Social sciences*.(New York, St Martins' Press Inc, 1996) P.177



in selecting respondents in the integration department in the Ministries of East Africa and Foreign Affairs. In purposive sampling, the sample size is determined based on the objectives of the study and the characteristic of the target population.<sup>40</sup> Purposive sampling was useful due to the in-depth and specific information required in this study. Such information was provided by integration officers and secretaries within the respective ministries of EAC.

#### **1.8.4 Sample Size**

The researcher sampled five respondents each from the five EAC member states to allow for balance in the responses gathered. This made a sample size of twenty five (25) respondents. This represented the member states and provided the opinions relevant to the study.

#### **1.8.5 Data Collection**

The study obtained information from primary data and secondary data. Primary data was obtained through oral sources including interviews and group discussions. Secondary data was collected from written sources and archival matter including government's records, books, journal articles, reports, internals, /dissertations and conference papers among others.

#### **1.8.6 Data Analysis**

The study used content analysis. Content analysis involves the interpretation of coded textual material that is obtained from the respondents in the field.<sup>41</sup> To achieve this, the researcher coded the oral responses and presented them in a qualitative manner. The coded responses were presented in meaningful manner. The responses were presented based on the objectives of the study and the conclusion made based on the problem under investigation. In addition the opinions, arguments and the various ideas obtained from the respondents were presented qualitatively.

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<sup>40</sup> Ibd, P.178

<sup>41</sup> Nachimias and Nachimias, *Research Methods in Social sciences*,(New York, St Martins' Press Inc, 1996) P. 14

### **1.8.7 Ethical Considerations**

Respondents were informed that information obtained from this study would be used strictly for academic purposes and not be divulged to any third parties. Listing of names of the respondents was optional and confidential.

## **CHAPTER TWO**

### **RELATIONSHIP BETWEEN EXTERNAL ACTORS AND REGIONAL INTEGRATION**

#### **2.1 Introduction**

The pertinent question in this chapter is how external actors affect regional integration blocs. It therefore discusses external actors and their influence in regional integration blocs. Structurally this chapter has three parts. The first part of the chapter provides an overview of what regional integration process is as articulated by different scholars. The operations of political and economic organizations and their place in the integration process are analysed in relation to functionalism theory. Then specific regional integration blocs are related with a view of understanding how they are organized. These blocs are; The European Union in Europe, Economic Community of West African states in West Africa, and Southern African Development cooperation in South Africa. Further, success and failure of the EAC integration process is assessed with a view of showing how external actors relate with regional integration blocs. The second part of the chapter interrogates who external actors are and the manner in which they conduct international relations. The relationship between external actors and integration process is analysed to establish impact of actors on integration process in a given regional. The influence of actors on integration process is premised on the following areas; structures of regional integration blocs, regional negotiations, and regional institutions. Finally, the third part of the chapter is the conclusion. The conclusion examines the mitigating measures that can be put in place to address any negative influence that external actors may have on regional integration. This chapter present a major argument that indeed external actors influence both positively and negatively the operations of regional integration blocs.

#### **2.2 Regional Integration**

The meaning and use of the term regional integration and cooperation varies immensely as there are no agreed definitions among Scholars. Ernest defines regional integration as a process where political players in different and separate States

environment are encouraged to alter their nationalism, allegiances and economic orientations to a new supranational entity with powers above pre-existing national states.<sup>42</sup> But Hannah defines regional integration as a form of prevailing economic set-up at sub-regional and regional level with free and augmented preferential trade area, common market and financial institutions supporting them.<sup>43</sup> Integration often produces new political integration community superimposed on former national states. Nation-States normally subordinate the new entity functionally. Watts argues that any effort to consolidate a common term from many definitions will generate confusion and therefore the use of levels integration would be more idea in describing different regional blocs than use of other variables.<sup>44</sup> For example a regional bloc is expected to move through different levels of growth starting with the four basic level as follows; preferential trade area, custom union, economic union and political union.<sup>45</sup>

Integration is also closely linked to the theory of comparative advantage which proposes removal of trade barriers between neighbouring countries through free trade areas, common markets, custom unions and economic unions.<sup>46</sup> Regional integration promotes efficient allocation and use of resources. According to functionalism theory the end state of integration process is binding together of international community functionally as a result of shared values and mutual interactions. This does not however, imply the end of the nation-state. This paradigm advocates for economic gains over political ones in the integration process. Technological and economic variables are perceived to be generating and exerting pressures on existing political establishment and decision makers. In order to contain these pressures, common political approaches to issues becomes necessary. Functionalism theory therefore proposes that integration process should be gradual, based on functional economic interaction and later, spill over to social and political spheres. The approach suggests that integration process should evolve over the following stages; free trade area, customs union, common market,

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<sup>42</sup> Ernest H B, *The Uniting of Europe*, (Oxford, University Press, 1958). Pp.89-112

<sup>43</sup> Hannah, Onwuka, *Regional Institutional Responses to Security in the Era of Globalization*, (London, Macmillan Publishers, 1985). P.145

<sup>44</sup> Watts. T. *The future of Regionalism in Africa*, (London McMillan Publishers, 1985). P.45

<sup>45</sup> Ibd, P. 46

<sup>46</sup> Cox, W. *The Anatomy of Influence: Decision-Making in International Organizations*, (New Haven Yale University Press, 1974). Pp. 134-145

synchronized economic and political approaches that facilitate fast movement of goods and services.<sup>47</sup>

Mayer defines international regimes as values, conventions, norms and resolutions around which international players' expectations converge in the conduct of their international relations.<sup>48</sup> Values are beliefs of fact anchored on morality while conventions are specific guides for action. Norms are a set of acceptable behaviours defined in terms of civil liberties and implied duties. Resolutions are standard operating procedures creating and implementing collective choices.<sup>49</sup> Gilpin further argues that a regime thrives whenever nation-states cooperate by enhancing collective action.<sup>50</sup> This argument is reinforced by functionalism which advocates for cooperation in management of institutions through collective decisions. As actors undertake collective decisions, there is possibility of spill over effect from one area to other areas.<sup>51</sup> The nation-states and citizens must share similar desires and expectations through cooperation to realize their full potential. Functional requirements of the state and her people are the stimuli for collective response and cooperation. The cooperation in functional areas arise out of negotiations between the actors which results in negotiated agreements and commitments. The East African Community is a product of negotiations and the instruments of these negotiations are Treaties and protocols.

Regional integration occurs faster when states willingly cede their sovereignty to supranational entity to serve their functional interests.<sup>52</sup> Therefore, integration becomes an end state of a process which culminates into a merger of several States. Further, integration can be viewed as the process itself with those involved having aspirations towards this end result.<sup>53</sup> In spite of divergent views on regional integration, it is agreeable across board that the process involves common approach to issues affecting

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<sup>47</sup> Farrell, Mary. "From EU Model to Policy? The external promotion of regional integration," 2004, <http://www.princeton.edu/~smeunier/Farrell%20Memo.pdf> (Search date: 06.30.2009).

<sup>48</sup> Mayer, P. *Theories of International Regimes*, (Cambridge, University Press, 1997). P9 123-145

<sup>49</sup> *Ibdi*, P. 124

<sup>50</sup> Gilpin, R., *The Political Economy of International Relations*, (Princeton, University Press, 1987). P. 34

<sup>51</sup> *Ibdi*, P.35

<sup>52</sup> Karl, D, et al *Political Community and the North Atlantic Area*, (New Jersey, Princeton University Press, 1968). Pp. 12-67

<sup>53</sup> Cooper, C.A., and Massell, B.F., 'Toward a Theory of Customs Union for Developing Countries', in *Journal of Political Economy*, Vol 73, 1965.

particular group of actors. The actors must be willing to make compromise for the good of every one. States should increase their political, economic and socio interactions by transferring some elements of their power to supra-national authority.

Regional integration can be viewed along three distinct dimensions. The first dimension is geographic where a number of States are involved in a particular arrangement. The second dimension is functional coverage which involves labour and capital movement, macro and micro policies and trade aspects. The third dimension is the depth of interactions where collective interaction of major players takes place and their willingness to cede their authority to a supranational entity.<sup>54</sup> The three dimensions do not have any particular order but what is critical is their complementarity role.<sup>55</sup>

The rise of regional integration was a paradigm shift in the international system. It signifies a departure from the state-centric approach to international arena to a multifaceted approach where different actors functionally interact with view of solving common challenged.<sup>56</sup> Realists argues that in the International System, States are the primary actors and they dictate what happens where and how. However, this position has been challenges if the current trend in the global order is anything to go by. Non-state actors are taking the lead in making decision on issues that have international ramifications. Some of these issues touch on human rights, environments, gender and distribution of resources.<sup>57</sup> A collective approach to these issues has resulted to emergence of strong regional arrangements where States are hard pressed to cede sovereignty to supranational level where these decisions are made and implemented.<sup>58</sup>

Regional integration should not be viewed as a product of States interacting in pursuit of their interests.<sup>59</sup> The pursuit of national interests is particularistic in nature and does not represent concrete attribute of the nation as a whole and therefore demonstrates the problem of seeing everything as State-driven. Therefore, it is important to focus on

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<sup>54</sup> Van, Grinkel,. *The Retreat of the State: The diffusion of power in the world economy*, (Cambridge, University Press, 1996) Pp.56-125

<sup>55</sup> *Ibdi*, P.57

<sup>56</sup> Achi, A., *Regional Economic Integration of Africa*, (New York, Praeger press, 1984). Pp.41-78

<sup>57</sup> Brown, A.J., *Separation versus a Common Market in Developing Countries*, in *Yorkshire Bulletin of Economic and Social Research*, 1961.

<sup>58</sup> Hallett, E. C. *The Twenty Years Crisis*, (London, McMillan, 1978). P. 179

<sup>59</sup> Arnold W. *Introduction to international Relations*, (New York, Oxford University Press, 2007). Pp.32-45

other actors when determining issues that have global dimension.<sup>60</sup> The participation of external actors in regional integration is amplified by the very nature and idea of a well-functioning market with all components working harmoniously which is the foundation upon which the process rests.<sup>61</sup> Therefore, external actors form a critical component in the integration process and governments and regional organizations acts as the other part of the whole.<sup>62</sup> Consequently, the involvement of external actors in the design and implementation of regional activities is critical. Such involvement gives integration a global perspective rather than local engagements among States.<sup>63</sup> It is against this background that the influence of external actors on regional integration was evaluated to determine the level of their influence and the impact they have.

### 2.2.1 Europe and Regional integration

After the Second World War, the European Union was seen as a solution to strong nationalism that had caused havoc in Europe. The effects of war were catastrophic and led to economic collapse in the entire Europe.<sup>64</sup> It is against this backdrop that affected States saw the need of coming together, cooperate and rebuild their economies. Currently the union has a membership of 28 States with a population of over 520 million peoples.<sup>65</sup> The Union traces its origin back to the year 1951 when the Treaty of Paris was ratified leading to the establishment of European Coal and steel community and subsequently formation of Economic Community in 1957 through the Treaty of Rome. The two Treaties were operationalized by a merger of the Germany and French steel and coal industries. The idea was to reduce tension and mistrust between the Germans and French who by then were sworn enemies. However, the Union was formally established in 1993 through the Treaty of Maastricht and has gone tremendous transformation for the last fifty years.<sup>66</sup> The initial membership of European Coal and Steel Community was made

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<sup>60</sup> Collier, P., Africa's External Economic Relations: 1960-90, in African Affairs, Vol.90, No. 360, July 1991.

<sup>61</sup> Daniel, B., . *Regionalisation through Trans-State Networks*,(Burlington, Ashgate press, 2003). Pp.32-89

<sup>62</sup> *Ibdi*, P.32

<sup>63</sup> Linder, S., *Economic Development in Latin American Integration*, (London, Praeger, 1964). Pp.99-143

<sup>64</sup> Lindberg, L.N. *The Political Dynamics of European Economic Integration* , (California, Stanford University Press. 1963). Pp.11-54

<sup>65</sup> *Ibdi*, P.43

<sup>66</sup> Haas, E.B. *The Uniting of Europe: Political, Social and Economic Forces* (Stanford, Stanford University Press, 1958). Pp. 58-75

up of Germany and France and later entrance of Belgium, Netherlands, Italy and Luxembourg joined. The commencement of ECSC marked the beginning of integration process in Europe. The net effect was the spillover of the integration process to other areas and increase of membership.<sup>67</sup>

The formation of EU is anchored on functionalism which advocates for active participation of members of a group in a harmonized manner. Synergy and provision is purposively included in article 193-198 of the EU Treaty.<sup>68</sup> This provision encourages external actors and trade unions to actively participate in the integration process. The economic and social committee was the key organ that operationalized article 193-198 of the Treaty. The effect of this provision facilitated the admission of Britain into the union and intensification of interaction between ESC and the outside world while sourcing for expertise on technical issues. Even though this cooperation appeared workable, state-centric attitude was at its peak and would not allow cooperation beyond trade issues.<sup>69</sup> Therefore, the actors were restricted purely on trade matters without interfering with other States affairs. The Treaty of Rome of 1957 extended cooperation to issues of nuclear energy, customs and common market. Agricultural policy was developed but did not work due to protectionism by member States.<sup>70</sup> This occurrence forms a point of reference when analyzing integration process within EAC which is pre-dominantly agricultural based.

The structure of EU is functionally organized in departments. First is the EU Commission which executes the budget, coordinates programs and undertakes a managerial role. Second is the European parliament which carries legislation as proposed by the commission. The parliament is made up of heads of governments who generally make crucial decision. The apportionment of European Council with the role of making crucial decisions reflects a State-centric attitude where States still hold that they are the

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<sup>67</sup> Buzan, Barry. *World Regional Security in Structural and Historical Perspective*, (London, Lienne Rienner, 1992). Pp.67-98

<sup>68</sup> Haas, EB. *The Obsolescence of Regional Integration Theory*, (Berkeley, University of California, 1975). Pp.234-312

<sup>69</sup> Ibd, P. 290

<sup>70</sup> Sandholtz, W. *European Integration and Supranational Governance*, (Oxford, Oxford University Press, 1998). Pp. 960-1130



primary actors and therefore should take the lead in any given setting while guarding and preserving their national interests. The activities of external actors well beyond the boundaries of host nation are always perceived as intrusion to State sovereignty.<sup>71</sup> In the EAC context, activities of external actors within the EAC are enshrined within the EAC Treaty. What is not clear is to whether there have been fair assessment of the impact of external actors on the integration process in general and whether these are mitigation measures. This study thus explored those gaps within EAC integration process.

### 2.2.2 Africa and Regional Integration

The process of regional integration has been more successful in Europe than in other continents.<sup>72</sup> In spite of this there is a general trend globally where regional integration blocs are geared towards mutual cooperation. Regional Integration is increasingly setting the new world order where nation-states are becoming interdependent in every aspect of life. Even though integration has tremendous benefits to the global economy, smaller economies are disadvantaged as they cannot compete in absolute terms with strong and more developed economies in terms of material and technological strength. This state of affairs calls for renegotiation of inclusive processes.<sup>73</sup>

In Africa the process of regional integration was mooted by African States after failed attempts to industrialize through the import-substitute approach which advocates for deliberate efforts to substitute foreign imports with domestically produced goods.<sup>74</sup> Efforts to embrace regional integration as a strategy of driving economic growth have been on course among African States. Cross-border arrangements in post-independent era served as a mechanism for promoting integration agenda among developing Countries.<sup>75</sup> Similar, Pan-African organizations have been rooting for integration as part of their development agenda. From a global perspective, effort to promote regional integration blocs in Africa has been through Economic and Social Council of the United Nations.

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<sup>71</sup> Ibd, P.961

<sup>72</sup> Domenico, Mazzeo., *Promoting Regional Integration in the Rest of the World*, (Oxford, Oxford University Press, 1973) Pp. 299-315

<sup>73</sup> Roxborough, I., *Theories of Underdevelopment*, (London, Macmillan, 1979). Pp.78-121

<sup>74</sup> Ibd, P.79

<sup>75</sup> Usoro, E.J., *Past and Present Attempts at Economic Integration in Africa*, (Cambridge University Press, 1982). Pp. 15-34

The ESC was established in 1958 as one of the commission responsible for facilitating integration process in Africa for sustainable development. ESC was intended to tackle Africa development challenges in the context of poverty eradication, good governance and sustainable growth.<sup>76</sup>

African leaders have been strong proponents for Africa integration. On 25<sup>th</sup> May 1963, 30 Heads of independent State Nations held a meeting in Addis Ababa and conceived the Organization of Africa Unity. The primary aims of OAU were to drive liberation struggle in countries that were still under colonialism, promote unity among Africa States for betterment of lives of their people and strengthening cooperation for development and protection of sovereignty.<sup>77</sup> However, not much was achieved out of this initiative because of divergent political views by different leaders as to whether Africa States were to unite as one political bloc or the integration process should have been gradual. It was not until 1970s and 1980s when fundamental steps were taken towards establishment of economic blocs in Africa.<sup>78</sup> These economic blocs were regional and were as follows; Common Market for Eastern and Central Africa (COMESA), Economic Community of West African states (ECOWAS), Southern African Development Community (SADC), East African Community and the Arab Maghreb Union. The objectives of these regional blocs were broad and almost similar.<sup>79</sup> However, their achievements have been low due to numerous factors which are both internal and external. Below is a short description of some of these regional blocs with a view of highlighting reasons behind the slow pace in their development.

ECOWAS was established on 28<sup>th</sup> May 1975 after the ratification of the treaty of Lagos which was later revised on 24 July 1993 in Cotonou, Benin. It is the most advanced sub-regional organization in Africa and has fifteen member countries. The main goal of ECOWAS is to promote political and economic integration among West Africa States.<sup>80</sup> Asante argues that ECOWAS was built on structures that facilitated trade

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<sup>76</sup> Davies, A., 'Cost -Benefit Analysis within ECOWAS' in *the World Today*, Vol. 39, No. 5, May 1983.

<sup>77</sup> Hodder-Williams, R., *an Introduction to the Politics of Tropical Africa*, (London, George Allen & Unwin, 1984). P.567-615

<sup>78</sup> Farrell, M., *Global Politics of Regionalism: Theory and Practice* (London, Pluto Press, 2005). Pp.45-98

<sup>79</sup> *Ibdi*, P. 598

<sup>80</sup> Mazzeo, D., *African Regional Organizations*, (Cambridge, University Press, Cambridge, 1984). Pp.89-112

liberalization. The key structural organs in ECOWAS include the Head of States Summit which is the highest decision making organ. Second are the Ministers who oversees the execution of key decisions and third is the secretariat which formulates and runs day to day affairs of the organization. The structure of ECOWAS closely resembles that of EU, with a slight difference on key provisions found in EU that permit participation of external actors. This is not provided for in ECOWAS. This state of affairs does not conform to the key tenets of functionalism where actors are encouraged to interact in harmony for smooth operation of the organization.<sup>81</sup> This probably explains why there is slow progress of complete integration within ECOWAS.

On its part SADCC was established in 1980 in Lusaka, Zambia. The main objective of SADCC was first to reduce dependence on imports through effective utilization of resources from within member States. SADCC was also to midwife equitable regional integration by forging closer international cooperation. However the mission of SADCC was limited in scope. This led to creation of SADC through a Treaty setting broader objectives. These included boosting of economic growth and uplifting the standards of living of the people of member States.<sup>82</sup> SADC has made tremendous steps in the integration process. The revision of the Treaty in 1992 expanded its mandate to include enhancing political maturity, promotion of institutional growth and maintenance of security and peace.<sup>83</sup> However, despite this progress, the pace of integration in SADC is slow and incoherent because member States are still stuck in nationalism and sovereignty dogmas. This is against the spirit of functionalist which encourages players in the integration process to act in good faith without sabotage.

### **2.2.3 East African Community and Regional Integration**

The East Africa Community is an intergovernmental organization made up of five countries namely: Kenya, Uganda, Tanzania, Burundi, and Rwanda. The cooperation within EAC dates back to the 1900s when Kenya and Uganda established a Customs Union with a view of promoting trade. Tanzania joined this Union in 1927 with the same

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<sup>81</sup> Ibd, P.98

<sup>82</sup> Ibbo Mandaza, *Introduction to international Relations* , (Oxford, University Press, New York, 2007). Pp.78-98

<sup>83</sup> Ibd,P.89

objective.<sup>84</sup> This development laid the foundation upon which the formation of EAC in 1967 was anchored. However due to differences in ideological approaches among member States, EAC collapsed in 1977. It was not until 1993 when the member States revived the idea of cooperation through various agreements that eventually led to the establishment of Tripartite Commission for East Africa cooperation in and re-establishment of EAC in the year 2000.<sup>85</sup>

The participation of external actors is documented within the EAC protocols. To assess the level of their involvement and the impact they have in the EAC integration process, it is important to examine the historical background of EAC. EAC started in 1948 when formal institutions were created under the High Commission for East African to serve Kenya, Tanzania and Uganda. Trade liberalization; infrastructural development, joint research and institutional development were the main concerns of EAC.<sup>86</sup> The functionalist theory predicts that cooperation in one area by actors in an integration process will always lead to further cooperation in different areas in a gradual manner. However, EAC collapsed in 1977. Various reasons may have contributed to the collapse of the East Africa Community. The study explored these reasons with a view of providing critical lessons to the current EAC and other regional blocs undergoing integration process.

The collapse of EAC was attributed to the various reasons. Firstly there was lack of sufficient affection among Members States. Affection in this case refers to the aspect where Members of regional blocs come together and undertake integration process because they feel they have a lot in common and hence are bound by affection. It is apparent that EAC before 1977 shared a lot in common including language connections, similar colonial experiences and cross border ethnic interaction. However the level of affection was low. Secondly, the pre-occupation of members States with material gains while ignoring essentials that drive integration process contributed to the collapse of

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<sup>84</sup> Taylor, Ian, *Toward Africa's Development or another False Start?* (Boulder, Rienner Publishers, 2005). Pp.78-88

<sup>85</sup> Van de Walle., *African Economies and the Politics of Permanent Crisis* (Cambridge, University Press, 2001). P.75

<sup>86</sup> Domenico, Mazzeo., *Promoting Regional Integration in the Rest of the World*, (Oxford, Gen press,2002).P.6

EAC.<sup>87</sup> After independence the EAC member States embarked on aggressive campaign to secure colonial heritage coupled with nationalism. This state of affairs became a serious impediment to integration. Thirdly the fear among member States entrenched on ideological and political differences was at the peak. Kenya and Uganda were pro-West and Tanzania was pro-East. These cold war ideologies badly affected the relationship among EAC members. These diverse political stands only served in creating fear and mistrust among. This was not good for integration process.<sup>88</sup> For these reasons the former EAC would not survive.

### 2.3 External Actors

External actors apply various strategies to influence African policy and decision making processes including integration. The most common strategies used by these actors include; diplomatic engagements that are skewed in favor of external actors, international obligations that bind African States but laced with hidden external interests, directed sanctions to force compliance and tied aid to create dependence.<sup>89</sup> The target countries where these strategies are normally applied include those countries recovering from conflict. Here, the process of re-building the countries is a priority to assist the citizens facing economic and political challenges within their domestic boundaries. Moreover, even those countries that are stable equally remain susceptible to manipulation due to the anarchic nature of the international system. When States are politically and economically challenged, any intervention by external actors and other players tends to be an option as long as it appears to be a solution to challenges facing those countries.<sup>90</sup> Over the years the realist perspective of state-centric international system has changed. Active non-state actors have eroded this notion and States have lost absolute control of what happens in the international system. In turn, this state of affairs has forced the nation states to change the approach to decision making, policy formulations and actions. Nation States have

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<sup>87</sup> Mwesiga, Laurent., *The African Economic Community and the EAC* (South Africa, Midrand, 2004). Pp.76-87

<sup>88</sup> Hass, E. B., *International Integration: The European and the Universal Process*, in *International Organization*, Vol.15, No.3, summer 1961.

<sup>89</sup> Markus, Wagner. *External Actors and Public International Law*, (Oxford: Oxford University Press, 2010). P.57

<sup>90</sup> Young, R., *The Colonial State and Its Political Legacy in State and Society in Africa*, (London, West view Press, 1988). Pp.43-78

hence embraced inclusive approach in order to wade off the pressure from non-state actors especially in areas of commerce, environment and humanitarian issues.<sup>91</sup>

The existence of powerful non-state actors has effected approaches to international relations and the conduct of diplomatic engagements where the State is assumed to be the sole actor. This has led to formulation of foreign policies that are sensitive to other players in the international system. External actors on the other hand are pursuing their interests beyond States boundaries. Here nation-states have no direct control.<sup>92</sup> This paradigm shift has seen operations of multinational companies vastly expanded around the globe. The activities of humanitarian organizations have equally expanded due to increase of conflict and social disturbance worldwide.<sup>93</sup>

The role of external actors has changed the matrix in the international system as well as the place of the states in international engagements. The state-centric perspective is rapidly being replaced by an interdependent world where low politics prevails because of growth of various functional and economic actors.<sup>94</sup> The nation-state creates entities whose purpose is to serve its interest. That is, although non-state actors are increasingly over-shadowing the states in the international engagements, they cannot survive without blessings and the will of the nation-states. International organizations like United Nations and Non-governmental Organizations exist because they complement and serve the interests of States.<sup>95</sup> They are hosted and occasionally regulated by the very States where they operate from. Therefore, these organizations are products of nation-states and are generally constrained by States than they constrain the States. Globalization and technological explosion are key phenomenon in the internationalization of activities of non-state actors. Fast means of transport, effective telecommunications and massive

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<sup>91</sup> Ibd, P.68

<sup>92</sup> Robert, Keohane, *States in Disguise: Causes of State Support for Rebel Groups*, ( New York: Oxford University Press, 2016). Pp. 78-103

<sup>93</sup> Lamy, Steven L., *The Globalization of World Politics: an Introduction to International relations*. (Oxford: Oxford university press, 2005). Pp. 251-268.

<sup>94</sup> Walter, Mattli, *The Logic of Regional Integration: Europe and Beyond*, (Cambridge, Cambridge University Press, 2009). Pp. 98-142

<sup>95</sup> Ibd, P. 100

movement of capital have had catalytic effect on globalization of activities of non-State actors.<sup>96</sup>

International relations have become difficult and complex because external actors have diluted the manner in which political relations are done in real sense hence losing importance in the international system.<sup>97</sup> Some non-state actors have been key advocates of world peace while others have been agents of inclusiveness and human freedom especially in developing nations. These activities have led to reduction in nationalism but increase in internationalization. This has significantly contributed to growth of strong advocacy for peace, development and environmental conservation thus giving the study of international relations a trans-national perspective. The study of international politics can never be complete without inclusion of the role and contribution of external actors. Such inclusion makes these non-state actors permanent entities and players in any future trans-national relations.<sup>98</sup> Therefore, external actors will always remain critical component in any discourse among nations.

### **2.3.1 Influence of European Union in Africa Integration**

EU is the most advanced model of a successful integration process and therefore other regional blocs should strive to emulate best practices in EU.<sup>99</sup> However, this assertion fails to appreciate that dynamics in Europe are partially different from those in Africa and hence improper to compare the pace and the success of EU with the other regional blocs of the world. The interaction of Africa with the EU can be traced back to the days of preferential trade agreements. These agreements granted African countries preferential access to EU markets without attracting trade tariffs. In exchange the African States were to produce certain commodities meant for EU markets. Some of these commodities were sugar, cotton and beef. These arrangements, however, were later

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<sup>96</sup> Balassa, B. and Stoutjesdijk, A. "Economic Integration among Developing Countries." *Journal of Common Market Studies*, Vol. 14, No. 4, (1976), Pp. 37-55.

<sup>97</sup> Mark, Malan., *Regional Power Politics under Cover of SADC*, (Pretoria: Institute for Security Studies, 2008). P.36

<sup>98</sup> Jackson, R.H., and Rosberg, C.G., 'Why Africa's Weak States Persist; The Empirical and the Juridical in Statehood' in *World Politics*, Vol. xxxv, No. 1, Oct. 1982.

<sup>99</sup> Katie, Laatikainen., *The European Union at the United Nations* (Hound mills, Palgrave Macmillan, 2006).P.88

replaced by Economic Partnership Agreements in line with new regulations by World Trade Organization. The EPA prescribed the nature of interaction between EU and African States. This interaction was to be guided by mutual negotiation geared towards promotion of trade and economic partnership. These economic partnerships would eventually improve integration efforts among African States while progressively promoting economic development for EU and African States.<sup>100</sup> However, over time it was realized that this concept of EAP was impractical and unsustainable. EU operatives were cynical about the full potential of Economic Partnership Agreements. This doubtful attitude motivated the EU to explore an alternative approach in its engagement with the Caribbean, Africa and Pacific. EU signed the Treaty of Rome with Caribbean, Africa and Pacific outlining their level of engagements including creation of free trade areas.<sup>101</sup>

Cooperation between Africa States and the European Economic Community was beneficial as it provided financial aid and commercial advantages to Africa. The motivation of EEC and its former colonies was largely connected to the struggle for a new economic order in the world. As a response to demands from African states, the European Community offered a partnership scheme and preferential cooperation.<sup>102</sup>

### **2.3.2 External Actors vis a vis Regional Integration**

The process of regional integration is positively and negatively influenced by external actors. The strength of external actors to influence political developments is determined by the size and power they exercise, their physical location and connection to the outside world. The influence of political developments normally takes two general forms.<sup>103</sup> The first form is the influence by the external actors as a result of active measures taken by these actors based on their power and geographical proximity against the target State. The second form is the pressure emanating from the external

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<sup>100</sup> Joseph, Jupille., *The European Union and International Outcomes*, (London, McMillan, 1999). P.453-512

<sup>101</sup> Tranholm-Mikkelsen, "Neo-Functionalism: Obstinate or Obsolete? A Reappraisal in the light of the new dynamism of the EEC' in *Millenium*, Vol. 20, No.1, Spring 1991.

<sup>102</sup> Patrick Kenis, and Volker Schneider 1987: *The EC as an International Corporate Actor. Two Case Studies in Economic Diplomacy*; *European Journal of Political Research* 15:4, 437-459.

<sup>103</sup> Mattli, Walter., *The Logic of Regional Integration: Europe and Beyond*. (Cambridge, University Press, 1999). P.234



environment in general in form of diffusion processes. The influence of external actors is expounded in the subsequent sub-headings.

### **2.3.3 Influence of External Actors on the Structure of Regional integration Bloc**

Moravcsik posits that external actors can influence and impact on the structure of a regional integration bloc by escalating a normal problematic situation to a more cooperation-averse situation thereby making regional collective approach to problems unattainable. These situations normally arise where strong extra-regional relationships exist between regional actors and external parties. These relationships tend to give rise to uncooperative regional actors because of enticements from extra-regional alternatives. The availability of these enticements makes local engagements among regional actors less appealing in pursuit of national interest.<sup>104</sup> Nevertheless strong honest external actors can positively influence regional cooperation by helping regional actors functionally overcome collective action problems. The external actors make this happen by making regional cooperation or existence of regional institutions a condition for the provision of financial or logistical resources.<sup>105</sup>

### **2.3.4 Influence of External Actors on Regional Negotiations**

The conduct of regional negotiations among regional actors can be fundamentally influenced by external actors. External actors can influence interstate negotiations on the regional level in a skewed manner. This happens when external actors provide skewed policy alternatives and exit-options beyond those available in the region. By so doing, the bargaining power of the supported regional actors is elevated in any given negotiations.<sup>106</sup> Elevated bargaining power can alter power distribution in a related intra-regional problematic area and therefore affecting the way in which interstate negotiations are conducted during problem solving. However, bargaining power that is externally

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<sup>104</sup> Andrew, Moravcsik. 1997. *Taking Preferences Seriously: A Liberal Theory of International Politics*. International Organization 51(4): 513-553.

<sup>105</sup> Nye, Joseph S.. *Introduction*. In *International Regionalism*, ( Boston, Brown and Company, 1968). Pp.72-81

<sup>106</sup> Oye, Kenneth A., *Explaining Cooperation under Anarchy*., (London, University press, 1985). Pp. 30-43

boosted is rather unstable since it is externally determined and can be taken away by the third party.<sup>107</sup>

A strong and uneven relationship between external actors and local actors can affect the way regional actors negotiate among themselves.<sup>108</sup> This is because external actors can dictate the availability and accessibility of exit options especially if the relationship is characterized by strong unidirectional asymmetry and can potentially exert pressure of persuasion or coercion. The influence of external actors on regional integration can be significant if it borders on regional second-order problems. Such level of influence can have negative impacts if some local actors take positions during regional negotiations inspired by the enticements from external actors.<sup>109</sup>

### 2.3.5 Influence of External Actors on Regional Institutions

External actors have significant influence on the operations and effectiveness of regional institution and blocs. This is especially critical if the influence is external and is directed to alter the way decisions are made.<sup>110</sup> Such an impact can metamorphosis a normal problematic situation to a cooperation-averse condition and therefore functionally cripple the operations of an institution. Evidence to existence of external influence on regional integration can be manifested when regional actors lack commitment to joint regional projects due to existence of enticing extra-regional alternatives. This state of affairs exists when external actors indirectly influence regional integration blocs.

External actors can support functionality of regional institutions especially where regional actors are unaware of possible dividends and where they lack means to fund initial investments. This situation exists where regional interdependence is weak and accrued benefits of institutionalized cooperation cannot be ascertained easily. As such regional cooperation can be fostered by an external actor by increasing incentives or by lowering the cost of institutional projects. Possible interventions would include provision of financial assistance and capacity building. External actors could have positively

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<sup>107</sup> Wolf, P., 'International Organization and Attitude Change: A Re-examination of Functionalist Approach', in *International Organization*, Vol. 27, No. 3, summer 1973.

<sup>108</sup> Söderbaum, Fredrik, and Timothy M., *Theories of New Regionalism*, (Basingstoke, Palgrave Macmillan, 2003). Pp.12-32

<sup>109</sup> Keating, M., *The Political Economy of Regionalism*. (London: Frank Cass press, 1997). P.1354

<sup>110</sup> Volker, Rittberger., *From Anarchy to Governance and Stable Peace*, (Oxford, University press, 1990). Pp. 349-364.

influence regional integration arrangements and thus enhance the very effectiveness of these blocs. Similarly, external actors may have negative influence if they solely pursue their interest while negating the survival of the very institutions.<sup>111</sup>

In summary, the global perspective on regional integration varies considerably because of the environments and actors involved in those processes. Therefore there could be no single model that is applicable to different regional integration blocs. However, the experience of different regional integration blocs can be borrowed to enhance future integration blocs or those that are undergoing structural challenges. A case in point is on how African regional integration blocs have borrowed the structural design of their blocs from EU which is regarded as the most successful integration body.<sup>112</sup> This means EAC can learn crucial lessons from EU. Therefore, external actors are central to the success or failure of regional integration arrangements. The big questions is if EAC integration process is people and market driven, while resources used in this process are externally driven, then who is in charge of these process? The subsequent chapter will endeavour to explore the operations of EAC in depth.

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<sup>111</sup> Schiff, Maurice, and L. Alan Winters., *Regional Integration and Development*, (Washington, Oxford University, Press, 2003). P. 21

<sup>112</sup> Sbragia, Alberta. 2008. *Review Article: Comparative Regionalism: What Might It Be?* *Journal of Common Market Studies* 46(1): 29-49.

## CHAPTER THREE

### PARTICIPATION OF EXTERNAL ACTORS IN THE EAST AFRICA INTEGRATION PROCESS

#### 3.1 Introduction

The discourse in this chapter is about the involvement of external actors in the EAC integration process. The first part of this chapter gives an overview of historical background of the EAC with an emphasis on the activities of the external actors in the integration efforts from 1916 to the 2010. The second part of this chapter highlights the activities and influence of external actors on the EAC organization structures. It shows that the external actors had great role in shaping the EAC structures much of which its contents were borrowed. The third part of this chapter demonstrate strong participation of external actors in the integration process in general and specifically on EAC developments project. Finally the conclusion of this chapter validates the narrative of strong involvements of external actors on the EAC integration process and its impact.

#### 3.2 Historical Background of EAC Integration Process

The history of the EAC is uniquely punctuated by the influence of external actors. It can be periodized into four distinct phases as discussed below.

##### 3.2.1 The Colonial Period (1916– 1959)

The history of regional integration within EAC goes back to pre-colonial period. The activities of British colonial administration in late 1890s precipitated the formation of the first EAC. The formation of a political federation within EAC and by extension in central Africa was an administrative objective that was widely sought by both the settlers in the region but also by British government in London.<sup>113</sup> In 1898, Lord Lugard rooted for the administration of EAC as a single unit.<sup>114</sup> In 1903, Sir Johnson Henry from Britain sanctioned the administration of Kenya, Zanzibar, Somalia and Uganda as single unit

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<sup>113</sup> Kiano, J.K., *The Pan-African freedom of East and Central Africa*, ( London, University Press, 1959). Pp. 34-98

<sup>114</sup> *Ibdi*, P.81

while on a familiarization tour in East Africa. This was aimed at reducing administrative costs and ensuring uniform development in the region. In 1917, the implementation of Sir Johnson Henry directives began in two phases. Phase one was the establishment of a Customs Union to expedite regional integration of the East African region. Phase two was the inclusion of Tanganyika as part of EAC administration. This merger effectively took place in the year 1927.<sup>115</sup>

The above happenings established the foundation of regional integration within the EAC. In furtherance of this objective, the British Government formed a commission to establish the best ways of accelerating integration within the EAC region. A report by this commission identified the main areas that were necessary in enhancing cooperation within the EAC region. In 1926, a meeting was held in Kenya by Governors from the East African region with the aim of discussing cooperation for the region.<sup>116</sup> From this meeting, a blue print was published outlining the importance of closer cooperation within the EAC region. These developments led to formation of the Hilton Commission that recommended close coordination of policies.<sup>117</sup> It is out of these recommendations two legal institutions were created by the British Council to formalize EAC regional cooperation. These two legal institutions were EAC High Commission and EAC Legislative Assembly. The members of EAC High Commission were Governors from the Kenya, Uganda and Tanzania. Members of EAHC were select Members of Parliament from the three member States. The main duty of the EAHC was to make laws applicable and enforceable by the EAC High Commission. These arrangements led to the establishment of cross-border departments responsible for coordination of customs, transport services, industries and communication.<sup>118</sup> It is evident that there was active participation of external actors in the formative stage of the first EAC. The British colonialists therefore structured, influenced and shaped how future cooperation within the EAC would be.

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<sup>115</sup> Report. Future Policy in Regard to Eastern Africa. Cmd.2904, 1927:4

<sup>116</sup> *Ibdi*,P.67

<sup>117</sup> Report of the Commission on Closer Union of the Dependencies in Eastern and Central Africa, 1929

<sup>118</sup> Reith S, Boltz M *The EAC Regional Integration between Aspiration and Reality* Report, Arusha, Tanzania (2011).

### 3.2.2 Post- Independence Period and Eventual Collapse of the 1<sup>st</sup> EAC (1961 - 1978)

The Post-Independence period in Africa marked disorientation among African leaders. Most of colonial institutions were re-structured to reflect the new dawn. For instance in the year 1961, the EAHC was replaced with EACSO. Apart from performing the functions of its predecessor, EACSO's mandate was expanded to oversee EAC currency control, customs union regulations, tariffs regulations, and management of tax regimes within EAC. These expanded roles gave EACSO a regional perspective which was good for the region. In 1967 the three Head of EAC Member States ratified the Treaty for EAC cooperation marking a critical step towards regional integration.

The activities of foreign actors was quite evident towards independence of EAC Member states and this had far reaching consequences on future cooperation among EAC Member States. Despite the initial successes, the EAC take-off was hampered by a number of challenges that were both internal and external.<sup>119</sup> External challenges bordered on lack of commitment by EAC leaders who felt that regional integration was foreign. Actually as it was discussed during pre-colonial phase of EAC, the idea of EAC integration was mooted in the British House of Commons and African leaders were not consulted. Though EAC leaders would later embrace the concept, the foundation was already shaky and trust in the whole process was bottom low.<sup>120</sup>

Internally there were a number of underlying issues that hampered regional integration in a big way. First was the adoption of different political philosophies by EAC Member States. Kenya adopted an open economy concept that was influenced by the western bloc. Tanzania invoked Arusha Declaration which advocated for self-reliance laced with socialist connotations. This was pro-East. On its part, Uganda adopted a hybrid system of open economy and some element of socialism and this was pro-Russia. This diverse political orientation only fueled mistrust and fluid regional engagements.<sup>121</sup> The adoption of an open economy by Kenya, coupled with more developed infrastructure attracted great deal of foreign investments.<sup>122</sup> Uganda and Tanzania were cynical about

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<sup>119</sup> IO, Robeto Shee, EALA Member from Tanzanian, 13.6.17

<sup>120</sup> Ibd, P. 56

<sup>121</sup> Mugomba, A. T. (1978). 'Regional organizations and African underdevelopment: The collapse of the East African Community', *The Journal of Modern African Studies*, 16(2): 261-272.

<sup>122</sup> Atsiaya M.A. 'Challenges Facing Economic Integration: A Case Study of East African Community (2000-2012)', Paper- August 2014.

foreign investments. The two countries doubted the geniuses of their colonial masters and harbored the fear of re-colonization. This state of mind precipitated into a risk-averse attitude towards foreign initiatives and thus scared off potential investors. The situation was worsened by poor infrastructural developments which slowed economic growth within the EAC and subsequently affecting regional integration.

Secondly, by the year 1970, the relationship among the EAC Member States was at its lowest. The militarization of the Ugandan Government in 1971 attracted serious attention from EAC members. This further fueled mistrust among EAC Member States. The militarization of government by Uganda unfortunately shook the key pillars upon which regional cooperation was anchored, and subsequently destroying the prospects of future cooperation.<sup>123</sup> Subsequently, the Tanzanian Government denounced the Ugandan Government and considered it illegal and unwelcome to participate in the EAC operations.<sup>124</sup> Tanzania's position on Ugandan government marked the beginning of a long journey that would culminate in the collapse of the first EAC in 1977.

Thirdly, the above mentioned challenges negatively affected the EAC economies to the extent that they were no longer able to honour international obligations like repayment of loans. For instance, in 1973, EAC Members failed to re-pay instalments of the money they had borrowed to operate EAC Airways (EAA). This failure triggered threats from British and American businessmen who wanted to re-possess used aircrafts as collateral. Following these developments, the process of dismantling EAC joint ventures to minimize the danger of economic collapse of respective Member States become the only option.<sup>125</sup>

Fourthly, there existed a strong feeling among Ugandans and Tanzanians that Kenya was gaining most. Kenya, having inherited most of the infrastructures from the former colonial Governments, enjoyed economies of scale compared to her neighbors. And therefore, in any transaction within the EAC, Kenya stood a better chance of benefitting due to ease of doing business. There were various attempts to mitigate these

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<sup>123</sup> Mangachi, M. W., *Regional Integration in Africa: East African Experience*, (Ibadan, Safari Books Limited, 201). Pp. 34-89

<sup>124</sup> De Melo, J., *New dimensions in regional integration*, (Cambridge, University Press, 1995). Pp.34-89

<sup>125</sup> Atsiaya M.A. 'Challenges Facing Economic Integration: A Case Study of East African Community (2000-2012), Paper- August 2014.

anomalies by restructuring the common market framework.<sup>126</sup> For example, there were attempts through EAC Development Bank to stimulate industrial developments through equal contribution by EAC Members States. Gains from these investments would then be shared at a ratio where Tanzania and Uganda would get 38.9% each and Kenya would receive 22.5%.<sup>127</sup> However, since Kenya had inherited a stable infra-structural base from the British, most viable projects would only be implemented in Kenya.<sup>128</sup> This scenario greatly inhibited the functioning of the EAC Development Bank coupled by lack of proper coordination and planning.

Finally, despite the application of a tax transfer system to stimulate industrial growth in Tanzania and Uganda, the concept failed. Under this concept Kenya's exports to Tanzania and Uganda were designed to attract tariffs while exports to Kenya from Tanzania and Uganda were exempted from tariffs. The net gains from this arrangement were cancelled by the advantages Kenya enjoyed. In fact Kenya's geo-position attracted most of the investors. And therefore, the concept of tax a transfer system proved unfeasible.<sup>129</sup> The above issues raised a strong sense of nationalism among the EAC populace and this greatly affected the running of joint ventures. Subsequently, the EAC finally collapsed in 1977.

### 3.2.3 The Revival of the EAC (1978 – 2000)

The aftermath of the collapse of the EAC was devastating to regional economies. The East Africa region lost two decades embroiled in negative nationalism and isolationism. During this period, economic affairs were regulated through multilateral agreements. In 1984 the Heads of States of the three former EAC Members revived negotiations through mediation agreements. These agreements provided for sharing of assets and liabilities from the failed 1<sup>st</sup> EAC. The agreements also advocated for

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<sup>126</sup> Maruping, M., "Challenges for Regional Integration in Sub-Saharan Africa: Macroeconomic Convergence and Monetary Coordination" (Seoul, KIEP, 2006). Pp.130-151.

<sup>127</sup> Ibd, Pp.136-143

<sup>128</sup> Njoroge, L. M. (2010). *The impact of regional integration on economic growth: empirical evidence from COMESA, E AC and SADC trade blocs*. American Journal of Social and Management Sciences, 1(2): 150-163.

<sup>129</sup> Muthoga, S. (2013). *The Effect of Regional Financial Integration on Intra-Regional Trade in the East African Community*. Journal of Emerging Issues in Economics, Finance and Banking (JEIEFB), 2 (6): 888-908.



possibility of future cooperation. In 1991, the Heads of States revived the idea of cooperation during an annual Summit in Harare. The discussion bordered on ways to avoid pit falls that led to the collapse of the defunct EAC.<sup>130</sup> The first critical step taken towards the re-establishment of the EAC was the creation of the Permanent Tripartite Commission in 1993.<sup>131</sup> Through its Secretariat, the Commission revived the strategic path of EAC's future cooperation. The key role of this Commission was to establish firm structures upon which key pillars of future cooperation were to be anchored. The Commission developed key strategies and objectives that were to guide the new EAC to sustainable recovery. The activities of the Commission culminated in the production of a draft treaty on Cooperation. Unlike the previous treaty of the defunct EAC, the new draft treaty extended the area of cooperation to security related issues. In 1997, the EAC Development Strategy was approved and the draft Treaty was fully operationalized. These two activities formalized the full resumption of EAC cooperation. On 30<sup>th</sup> November 1999, a new treaty for EAC cooperation was signed by the EAC Head of States and officially ratified in the year 2000 July 7<sup>th</sup>.<sup>132</sup>

### 3.2.4 The Current EAC

The revival of the new EAC was widely informed first by the past happenings specifically from lessons learnt during pre- colonial period where foreign influence was the key driver of EAC regional integration. Secondly the experience during post – colonial period and eventual the collapse of the defunct EAC was an eye opener to EAC leadership on how regional integration can be achieved and the danger that comes along with lack of trust and ownership of the integration process. And finally from the realization that regional integration is inevitable process, driven by globalization wave. The ratification of the new treaty in the year 2000 charted a new path to the realization of full integration within the EAC.<sup>133</sup>

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<sup>130</sup> OI, Chacha Kikwete, Staff, Tanzanian Embassy, 25.6.17

<sup>131</sup> Chingono, M., & Nakana, S. (2009). *The challenges of regional integration in Southern Africa*. African Journal of Political Science and International Relations, 3(10), 396-408.

<sup>132</sup> Ibd, P. 403-405

<sup>133</sup> Kamala B. D. 'The Achievements and Challenges of the New East African Community Co-operation,' Open Lecture at the Business School, University of Hull, May 3, 2006.

The treaty provided guidelines towards the creation of a single market, synchronization of policies to enhance trade, facilitation of free movement of capital and labor, promotion of infrastructural development and advancement in technological growth. To achieve the goals set in the Treaty, a road map was formulated with set timelines to monitor achievements of those goals. Phase one of this strategy was the establishment of a customs union which was achieved with the signing of customs union protocol in the year 2004.<sup>134</sup> To expedient the integration process, the Heads of States Summit appointed a committee to make recommendations on how best to achieve a political federation. The committee reported that a multi-prong approach was necessary in order to accelerate the full integration process. In doing so, the committee suggested that there were three options. Option one was the shortening of the implementation of each phase. Option two was operationalization of concurrent activities, and option three was immediate creation of the EAC federation.<sup>135</sup> The Summit approved a hybrid approach of the three options which saw the admission of Rwanda and Burundi to EAC Membership after acceding to the Treaty in 2007. The decision of the EAC Member States to replace Cotonou Agreement with Economic partnership in the year 2007 formalizing trade agreement highlights further evidence of the involvement of external actors on EAC regional integration process. The Cotonou agreement were frameworks that guided the relationships between EU and 79 countries from pacific, Caribbean's and Africa.

### **3.3 External Actors and the Organizational Structures of the EAC**

From the discussion on the historical background of the EAC it is clear that the formation of the first EAC was largely influenced by external actors. During the post-colonial period the East African leadership inherited pre-colonial structures on regional integration. These structures eventually collapsed under the weight of mistrust and foreign ideologies. The revival of the new EAC in the year 2000 reflects a similar pattern. The new EAC adopted incremental strategy for full integration. An incremental strategy starts with the establishment of a common market, then a monetary union and eventually

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<sup>134</sup> Zartman, W., *The Politics of Trade Negotiation between Africa and the EEC*. (New Jersey: Princeton University Press, 1971). Pp.467-651

<sup>135</sup> *Ibdi*, P. 13

a political federation which is a complete replica of the EU philosophy of linear increment. The EAC has borrowed the philosophy of Washington Consensus which advocates for a community that is market driven and people centered.<sup>136</sup> While there is nothing wrong with borrowing ideas, experience has shown that dynamics of foreign doctrine rarely conform to dynamics of local environments.

The principle of subsidiarity as enshrined in the EAC Treaty recognises the inclusive participation of all stake holders in the integration process. This concept was borrowed from EU organization objectives. Though the idea is practical, it does not appreciate the negative influence that comes along with inclusive shareholding. Moreover, the concept as presently written does not spell out strategies to mitigate the negative influences from inclusive shareholding. The EAC is task organized under the principle of complementarity among the actors. Which means that the interaction between external and local actors should be harmonised and in support of each other.<sup>137</sup> The EAC structure is organically established. There is the Heads of States Summit which is the overall decision making organ. The Council of Ministers is responsible for policy implementation while the Coordinating Committee is in charge of cooperation of the Member States. The EAC Court charged with an adjudication role while EAC Assembly is responsible for legislative duties.<sup>138</sup> The concept of complementarity is foreign and was borrowed from EU and possibly that is why it has not worked so far within the EAC. Actors within the EAC are largely antagonist, driven by self-gain at the expense of regional integration. While bench marking is an international practice, it is always recommended that what is borrowed should be accustomed to the environment being applied. This has been the major weakness of the EAC and possibly it indicates why the pace of regional integration has been slow than expected.<sup>139</sup>

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<sup>136</sup> Anyang'Nyong'o, P., *Regional Integration in Africa: unfinished agenda*, (Nairobi, Academy Science Publishers, 1990). Pp.97-175

<sup>137</sup> Prestowitz, Clyde V. Jr. et al. "The last Gasp of Gattism." *Harvard Business Review*, Vol. 69, No.2 (1991), pp. 130-138.

<sup>138</sup> Ibd, P.103

<sup>139</sup> Keating, M., *The Political Economy of Regionalism* (London: Frank Cass, 1997).Pp.345-452

### **3.4 External Actors and the EAC Integration Process**

Regional integration has been the main focus among EAC Member States. The recognition by the EAC Member States that regional cooperation is key in solving developmental challenges is in no doubt. Majority of inter- States challenges range from insecurity, water shortage, lack of pasture, movement of people, poor infrastructure, climate change and low trade among other issues. Such challenges if not attended to often lead to violence that affects the most vulnerable groups in society.<sup>140</sup> It is against this background that EAC Member States have committed themselves to jointly work together with a view of mitigating effects that emanate from this challenges. To achieve this implementation of common polices and strategies has been very critical. Activities of external actors within the EAC is evident. However, the progress of EAC integration has been rather slow because of the influence of external actors. This section interrogated the extent of this participation by the external actors in the EAC integration process and the level of influence on implementation of policies and projects.

### **3.5 External Actors and EAC Developments Projects**

The current EAC came into being in the year 2000 and has been operational for the last 17 years. Comparatively the 1<sup>st</sup> EAC lasted for only for 10 years for reasons already discussed above. There is optimism among actors that the current EAC is headed in the right direction despite existing challenges. The current EAC operationalized the Treaty by phasing it into four developments strategies.<sup>141</sup> Phase one was the period between 1997 and the year 2000. During this period the main focus was the re-establishment of the defunct EAC and re-introduction of confidence among the Member States. The phase ended successfully after the establishment of the new EAC. Phase two covered the period between the year 2001 and 2005.<sup>142</sup> The key objectives of this period were the creation of a customs union and setting up of structures that would facilitate the formation of a common market. Phase three covered the period between the year 2006

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<sup>140</sup> Siri, S. "ECC's brand of Neo-colonialism. *Economic and Political Weekly*, Vol. XIV (14), No. 2, (1979), p. 693.

<sup>141</sup> Shaw, T., *Africa Projected: From Dependence to Self-Reliance by the Year 2000* (London, Macmillan, 1985).Pp.98-109

<sup>142</sup> De Melo,J.,*Regional Integration, Old and New*. World Bank Policy Research Working Paper No.WPS985. Washington: World Bank, 1992

and 2010 and prioritized the creation of a common market within the EAC. It is during this period that the protocol outlining the establishment of an economic union was adopted. Phase four covers the current period that outlines EAC infrastructural development strategy.<sup>143</sup>

The EAC infrastructural agenda is well articulated within the Treaty and emphasizes the essence of coordinated and harmonised transport policies. It provides guidelines on how to improve and expand existing communication and transport links within EAC. It further offers guidelines on how to develop new ones with a view of improving regional transport systems for the betterment of regional trade. The EAC infrastructural agenda outlines more than 247 projects worth more than US\$21 billion. These project require that requires expansion and major rehabilitation. These proposed projects include roads and railway lines, gas and oil pipelines, ports and refineries.<sup>144</sup> In the year 2010, in Nairobi, the Head of States Summit by EAC leaders endorsed the above projects to be financed by World Bank, China and other donors. The EAC infrastructural agenda has seen a number of achievements ranging from development of mega projects and improvement of existing ones. Some of these mega projects include; The Standard Gauge Railway Line-SGR, Lamu South Sudan Ethiopia Transport-LAPSSET and oil and gas explorations in Kenya, Uganda and Tanzania. There are many multi-national entities currently engaged in these projects either as experts or financiers as discussed in the next sub-section.<sup>145</sup>

### 3.5.1 EAC Projects

The LAPSSET project is one of the most ambitious projects in Africa. It will open up areas that were largely isolated. It is proposed that in the long run, Lamu port will be linked to other intercontinental corridors under AU programs. The funding of this project is to come from the Chinese Government, World Development Bank and the private sector. The LAPSSET project will have tremendous regional transformational impact

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<sup>143</sup> Mvungi, E., *The draft treaty for the establishment of the East African Community: A critical review*, (Dar es Salaam, University Press, 2002).Pp.45-89

<sup>144</sup> Ibd, P.67

<sup>145</sup> Muthoga, S. (2013). *The Effect of Regional Financial Integration on Intra-Regional Trade in the East African Community*. *Journal of Emerging Issues in Economics, Finance and Banking (JEIEFB)*, 2 (6): 888-908.

within the EAC region and beyond. The project has seven (7) developmental segments. There is a railway and a road connecting Ethiopia and South Sudan. Second is the Lamu port. Others are airports, cities and pipelines linking oil fields in Kenya, Uganda and South Sudan and refineries.<sup>146</sup> The LAPSSET is a joint venture and is being implemented jointly by various stake holders and actors. The LAPSSET infrastructural projects are being implemented concurrently, with the complete one facilitating the construction of the others. The construction of roads in this project is jointly funded by the Kenya government in partnership with the private sector and foreign donors. The construction of Isiolo- Moyale road is complete, covering a distance of 505Km and was funded by the World Bank.<sup>147</sup>

The designing and commercialization of the plans for the oil pipelines is complete. These pipelines run from Lamu port to Uganda and South Sudan and designated pumping sites have been ear marked. The role of external actors in this project is evident through their financial and expert commitments. The Indian government has given the Kenya government credit worth 6.2 billion shillings to set up power transmission which is 85% complete. The construction of 500Km roads Moyale-Hawassah in the Ethiopian side is 75% complete. The Korean government has trained 307 Kenya Officials working on LAPSSET projects on specialized skills. Qatar is funding the construction of Lamu- Garsen road which is currently under way.<sup>148</sup>

The LAPSSET project is a big boost to EAC regional integration effort because of the nature of interconnectedness that will come by. LAPSSET connects areas where oil deposits have been discovered and trade routes between Ethiopia, Uganda, Kenya and South Sudan. Pipeline connectivity forms a critical part of this project. In the year 2015, Kenya and Uganda struck a deal to construct 1,380Km of pipeline from Lamu-Lokichar-Hoima to facilitate the transportation of oil from Uganda through northern Kenya up to Lamu.<sup>149</sup> However, Uganda initiated similar talks with Tanzanian government for an

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<sup>146</sup> OI, Phillis Ropokoit, Ministry of East Africa Integration.1.8.17

<sup>147</sup> Ibd, OI, Phillis Ropokoit, Ministry of East Africa Integration.1.8.17

<sup>148</sup> Balassa, B. and Stoutjesdijk, A. "Economic Integration among Developing Countries." *Journal of Common Market Studies*, Vol. 14, No. 4, (1976), pp. 37-55.

<sup>149</sup> Ajulu, R., *The making of a region: The revival of the East African community*, (Pretoria, Institute for Global Dialogue, 2005).Pp.234-321

alternative route through the port of Tanga. The initial cost-benefit analysis suggests that the Tanga-Hoima route could be economical and therefore more likely. This will technically put Kenya in a tight situation given that the initial design of LAPSSSET project had factored Uganda as a Key player. Competing interests among various actors is said to be over riding the general good of this project.<sup>150</sup>

Tullow and Total of South Africa are two international companies that have been exploring oil within the EAC region. Tullow is currently exploring oil fields in northern Kenya and has made several discoveries. Some of these oil fields oils with substantial amount of oil deposits include NGAMIA 1 & 2 and Lokichar oil blocks. Total of South Africa is a subsidiary company of Total–France. It has interests in gas and oil in Tanzania and Uganda. Tullow is pushing for a pipeline running and connecting Uganda and the northern Kenyan oil fields. This connection will reduce costs through economies of scale. On the other hand, Total Company is lobbying for an alternative route that connects the oil fields in Tanzania and those in Uganda.<sup>151</sup> Total Company argues that the Kenya northern corridor is unsafe because of Al-Shabaab and ethnic tension between locals and refugees. Ethiopian has complicated the matter by her decision to construct a joint pipeline running through Djibouti. The final decision of where the pipelines go through depends on which company is powerful in terms of influence. This economic defection has left Kenya with very few options.

The EAC Member States have embarked on a joint venture to increase connectivity within the region. This is being achieved through partnership with external actors. Uganda, Kenya, Rwanda, Tanzania and South Sudan have undertaken steps in construction of SGR railway line across the region. While SRG is part of EAC railway Master plan, it is financed by individual Member States guided by common policies and planning. The idea behind the SGR is to replace the aging and non-effective Rift-valley railway line. World Bank had objected to this project citing costs but could not halt it because funding was from the Chinese government. The Kenya route is partially done up

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<sup>150</sup> Basu, A., *The Challenges of Regional Integration in Africa and Policy Options*, (Lagos, University press,2008). p.12.

<sup>151</sup> *Ibdi*, Pp. 236

to Nairobi and is operational. The rest of EAC Members are in joint negotiations with Chinese Exim Bank to fund their national portion of the SGR.<sup>152</sup>

The launch of EAC SGR is an initiative that has seen increased activities of external actors within the EAC region. The initiative has seen aggressive cross-border coordination among EAC Member States coupled with massive monetary commitments. The idea of connectivity of EAC land masses with the SGR is a replica of China's philosophy of One Belt One Road initiative. The key tenets of this philosophy is development of infrastructural ties that connect neighboring nations with a view of reducing physical barriers and regulatory challenges that hinder trade.<sup>153</sup> The Chinese have also used this philosophy as a competitive strategy for global influence against great powers in Asia and Africa. The success of EAC SGR will largely depend on accessibility to Chinese loans, EAC regional politics and funding from other donors.<sup>154</sup>

Despite the benefits that come along with the EAC SGR, there is disagreement among various actors on the actual economic benefits that will be realized once the project is complete. The feeling among these actors is that the project is not cost effective and the upgrading of the existing railway line would be more economical. Some actors are worried that the coming of SGR will also harm their business interests. For instance, Qalaa Holdings, who are the current stakeholders in Rift Valley Railway (RVR) are very uncomfortable with the prospects of an operational SGR. Having secured loans to improve the operations of RVR, the entry of SGR will injure its economic base.<sup>155</sup>

The construction of Tanzanian SGR was endorsed by Davos World Economic Forum and subsequently Chinese Exim Bank agreed to fund 10% of the project in the year 2015. The rail runs from Msongati-Mwanza-Kigoma-Dar es Salam. With recent discovery of oil and mineral deposits in Tanzania, a lot of players within the EAC have emerged. In the year 2009 a Canadian Consultant firm carried out a study with a view of establishing the cost-benefit analysis of Tanzanian SGR. In their findings they observed

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<sup>152</sup> Atsiaya M.A. *'Challenges Facing Economic Integration: A Case Study of East African Community*, (Lagos, university press, 2013). Pp.65-78

<sup>153</sup> OI, Richard Nabwele, Ministry of East Africa Community, 13.8.17

<sup>154</sup> Ibd, P. 73

<sup>155</sup> OI, Queens Rwande, Staff Embassy of Burundi, 12.9.17



that the benefits of the rail would be marginal and not worth undertaking. They recommended for refurbishment of the existing meter gauge rail as the better option.<sup>156</sup> Interestingly in the year 2003, a feasibility study conducted by Africa Development Bank recommended Tanzania SGR running from Isaka – Kigali- Bujumbura. From these scenarios it is clear that participation of external actors on EAC projects is critical. How fast these projects take off strongly depends on the good will of these actors, internal dynamics notwithstanding.<sup>157</sup>

In summary, the participation of external actors in regional integration within the EAC can be traced from pre-colonial period to the current times. Their activities have shaped how EAC integration has been taking place. Developmental strategies supported by external actors have been key drivers of the integration process within the EAC. The present EAC is determined to succeed and is building on what the 1<sup>st</sup> EAC was not able to achieve. EAC successes will be determined by several factors. First is political goodwill supported by good governance and secondly is the adoption of economic policies that are market-driven. To achieve these, institutionalization of EAC operations and participation of a strong private sector is necessary. Managements of internal politics and unhealthy competition among the EAC Members should be minimized. While external actors have positively impacted on EAC integration process, their of negative influence is real and cannot be assumed.

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<sup>156</sup><http://globalriskinsights.com/2016/01/east-africas-pipeline-politics-in-2016/> East Africa's pipeline politics likely to tilt in favour of Dar, Accessed, 3/8/17

<sup>157</sup> <http://www.un.org/regionalcommissions/crisis/ecaera09.pdf>. Accessed: 07.09.2017.

## **CHAPTER FOUR**

### **KEY CHALLENGES POSED BY EXTERNAL ACTORS ON EAST AFRICAN COMMUNITY**

#### **4.0 Introduction**

This chapter presents findings on the key challenges posed by external actors on EAC. These challenges are largely interconnected and cannot be treated in isolation. Other regional integration in Africa have made good stride in their quest for integration particularly the ECOWAS. EAC integration process is slower and the indicators shows clearly that the capital inflows, per capita income, GDP growth and general living standards of the EAC populace is low compared to other continental blocs despite the existence of grand visions and ambitious policies. The participation of external actors has posed a great deal of challenges towards realization of full integration process within the EAC. These challenges are either internally or externally generated. While the study is keen to unpack those challenges that are externally influenced, this cannot be done in isolation without looking at those that are internally influenced as discussed below.

#### **4.1 Internally Influenced Challenges**

There are challenges that arise due to internal activities of the EAC stakeholders. Some challenges are deliberate while others are environmental.

##### **4.1.1 Institutional Weakness**

EAC Members often do not comply with the provisions of the EAC Treaty. While there are formal institutions mandated to operationalize policy documents, implementation of policies and compliance remains a big challenge.<sup>158</sup> For instance the EACJ has been rendered redundant as it cannot enforce compliance among members. While the Secretariat is responsible for generating and overseeing implementation of policies, this role has been taken over by member states in conjunction with home

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<sup>158</sup> OI, Rodrigas Kasait, Liaison Officer, Rwanda Embassy, 14.6.17

ministries.<sup>159</sup> EAC Ministries are operationally weak and lack capacity to influence within their states what is good for the EAC as a community. According to the World Bank, Uganda reduced her budgetary allocation to EAC in total disregard of the expanded mandate of the institution. There is evidence in regards to non-compliance by Member states when a particular obligation is not in line with national interests. This has led to unnecessary delay in the implementation of key protocols within the EAC. Vested interests has seen the customs union being challenged through restriction and bans. Furthermore corruption within the EAC community has been cited as a key bottleneck to compliance and accountability.<sup>160</sup>

#### 4.1.2 Memberships Challenges

EAC Member States have subscribed to different regional blocs. For instance Kenya and Uganda have duo membership to EAC and COMESA. Burundi and Rwanda have tripartite membership with COMESA, EAC and ECCAS. Tanzania is member to SADC and EAC. These multiple membership arrangements by EAC partner states poses operational challenges to the community.<sup>161</sup> For instance, the application of external tariffs is a big challenge within the EAC. The EAC Act of 2004 on Customs Management stipulates that all imports by EAC Members from regional blocs they subscribe to membership should enjoy preferential treatment in terms of tariffs charged.<sup>162</sup> This means Burundi, Rwanda and Kenya extend preferential tariff treatments on imports from COMESA but charges CET on imports from SADC Members. Tanzania extends preferential tariff treatment to imports from SADC but charges CET on imports from COMESA.<sup>163</sup>

These amorphous groupings are not healthy for the EAC integration efforts for varied reasons. First, these groupings must maintain surveillance to enforce these restrictive trade arrangements that constrain expansion of EAC market for local regional

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<sup>159</sup> Shaw, Timothy M., *Africa Projected: From Dependence to Self-Reliance by the Year 2000*, (London, Macmillan, 1985). Pp.76-129

<sup>160</sup> *Ibdi*, P.101

<sup>161</sup> Mzukisi, J. 2010. *A Case for Trade in the Resurgent EAC - Policy Challenges and Opportunities.* CUTS Research paper. Geneva: CUTS International.

<sup>162</sup> OI, Murata George, Trade Officer, Uganda Embassy, 17.6.17

<sup>163</sup> <http://www.imf.org/external/pubs/cat/longres.cfm?sk=17971.0>. Accessed 22.08.2017

businesses. Secondly, these grouping have created legal dilemmas as different players struggle to implement different agreements with different trade blocs. It becomes impractical to effect diverse CETs, while paying allegiance to different custom unions. The high cost of membership is also a concern to most of these parties. There is lack of commitment to the EAC philosophy by members States partly because of these kind of dis-jointed membership arrangements that have contributed to creation of intractable social-political and economic relations that make regional integration unattainable. In the year 2016, Tanzania failed to renew the EAP agreements with EU while the rest of the EAC Members were ready. This stand-off is a result of Tanzania negotiating trade agreements under the umbrella of SADC while the rest of the members are bound by COMESA regulations.<sup>164</sup>

The key motivation for multiple membership by States is both economic reasons and strategic. Kenya and Tanzania have been perpetual competitors within the region. Kenya is perceived by EAC Members to be domineering due to her economic prowess. To counter this, other members have sought alternatives including extraterritorial memberships. Such manoeuvre has seen lack of commitment by regional players thus affecting implementation of crucial protocols that would otherwise facilitate the integration process. Attempts to harmonize different regional blocs in order to address the issue of scattered membership problem has not materialised.<sup>165</sup>

#### **4.1.3 Failure to Domesticating Regional Policies**

Domestication of regional agreements within the frameworks of national policies is critical in any integration process. However, this has proven to be the most difficult part in the EAC. Regional players are more inclined to independently enter into negotiations with external financial entities without pre-conditions to regional arrangements.<sup>166</sup> Incidentally, most of the international donors are equally inclined to funding national projects as opposed to the projects with a regional dimension. It is this

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<sup>164</sup> <http://www.imf.org/external/pubs/cat/longres.cfm?sk=17971.0>. Accessed 22.08.2017

<sup>165</sup> Farrell, Mary et al. (eds.). *Global Politics of Regionalism: Theory and Practice*, (London, Pluto Press, 2005). Pp.456-560

<sup>166</sup> OI, Jane Wakhungu, Officer in charge of commerce, Kenya. 19.6.17

state of affairs that has seen EAC Member States less committed to regional matters due to availability of alternative options provided by external actors.<sup>167</sup>

#### **4.1.4 Lack of Supranational Ideals**

National States are more inclined to preservation of power than any other entities. This tendency has made the creation of supranational entity within the EAC impossible. For supranational entities to function in an efficient manner, the states parties must cede and transfer a portion of their inherent powers to these entities that work for the common good of these states. The EAC Member States have deliberately denied effective functioning of EAC organs. For instance while the EAC secretariat has a role of lowering trade tariffs, States circumvent these gains by increasing non-tariff barriers which have become a very big challenge.<sup>168</sup> Decision making mechanisms within the EAC are politically driven and are heavily influenced by decisions taken at nation level. The staff working within EAC are political appointees whose loyalty is much inclined to the appointing authority as opposed to selection based on professionalism and transparency.<sup>169</sup> This state of affairs has impacted the way key organs are run. Generally there is lack of political commitments within the EAC and the member states are more inclined to multilateral agreements and not those with regional bearing. This is mostly driven by national interests at the expense of integration process.<sup>170</sup>

#### **4.1.5 Limited Participation of Private Sector and Citizenry**

The role of the private sector and citizenry is critical in any integration process worldwide. The private sector is the lead agent and implementer of regional integration process. This sector provides the link and structures upon which integration takes place. Moreover, the citizenry are very critical for any regional integration process to succeed. Citizens form the masses that consume products of any integration process. The role of the private sector within the EAC is limited and seemingly unappreciated. The private

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<sup>167</sup> Balassa, B. and Stoutjesdijk, A., "Economic Integration among Developing Countries." *Journal of Common Market Studies*, Vol. 14, No. 4, (1976), Pp. 37-55.

<sup>168</sup> Basu, Anupam. *The Challenges of Regional Integration in Africa and Policy Options, Africa emerging market forum*, (Lagos, University Press, 2008) Pp.12-34

<sup>169</sup> OI, Nyamwea Antony, Protocol Officer, EALA. 15.7.17

<sup>170</sup> *Ibdi*, P. 28

sector is treated as an observer and is rarely involved on issues that touch on policies.<sup>171</sup> Poor infrastructure and erratic National regulations as opposed to Regional regulations greatly affects business communities. The EAC Treaty acknowledges that the integration process must be peoples driven. The Treaty further states that the EAC cooperation is for the good of the general public of the region. But in reality these masses are never involved in decisions making processes despite the fact that the decisions being made adversely affect them. Such scenarios have greatly affected ownership of the EAC integration process. The citizenry lack general awareness of the EAC integration process because they are not fully involved by their respective government.<sup>172</sup> Failure to involve the public through representation complicates the implementation of key decision within the bloc.<sup>173</sup>

#### **4.1.6 General Instability within the EAC Region**

The EAC region is prone to social and political instability. EAC integration bloc is part of the great lakes Region that have experienced systemic conflict for a long period. Political violence triggered by election disputes has been prevalent. Kenya experienced the worst in 2007 where more than one thousand people died. Currently Kenya is battling the Al-Shabaab terror group. War in South Sudan is still raging. Rwanda is recovering from the aftermath of the 1994 genocide. Somalia is in turmoil and Uganda is facing political resistance from LRA rebels.<sup>174</sup> There has been rise in terrorism activities across the region. The instability being experienced within the EAC region is largely not favourable for economic development. Instability disrupts infrastructural development in the region especially along the Kenyan northern corridor where the LAPSSET project is being developed. The Somalia coast being a shipping lane is not safe to mariners and this is affecting international business. These events are disruptive to EAC integration process.

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<sup>171</sup> Deacon, Bob et al. "Regional Social Policy," UN Department of Economic and Social Affairs (UNDESA), Working Paper N. 37ST/ESA/2007/DWP/37 (2007). Pp. 17-20

<sup>172</sup> OI, Kamwalethu Gaita, Ministry of Foreign Affairs, Kenya. 16.7.17

<sup>173</sup> Ibd, P.19

<sup>174</sup> De Melo, Jaime. et al. *Regional Integration, Old and New, World Bank Policy Research Working Paper No.WPS985*. Washington: World Bank, 1992.

## **4.2 Externally Influenced Challenges**

These are challenges arising due to external activities that influence integration. Within the EAC context, these challenges could be intended or environmental as discussed next.

### **4.2.1 Influence of External Actors on Unhealthy Competition within EAC**

Good trade relations between Kenya and the West have been on the rise and this increased foreign direct investment. Various multinational companies and their subsidiaries have capitalized on Kenya's advanced economy. These corporations have secured a great deal of concessions in return for further foreign investments and markets. Tanzania has taken the cue and has established good relations both with the West and the socialist bloc particularly China. Competition among EAC Member States for foreign markets, FDI and technology has had three negative effects on EAC integration process. The first effect is the creation of different environments in terms of foreign exchange privileges, labour, and tax inducements. This disrupts harmonization and coordination of State development strategies. This works against procurement of external resources that is crucial for regional economic integration. This unhealthy competition is responsible for the failure of tax transfer and investment policies for EAC Development Bank.

Competition for foreign aid among EAC Member States promotes dependence on external actors. This aid generally is tied to buying of foreign goods and equipment. Procurement of foreign equipment implies rise in local demand for spares and technical skills for those equipments. For instance trade arrangements between China and Tanzania have badly affected the economic environment for other EAC Member states.<sup>175</sup> Tanzania has re-directed her imports from EAC markets and is relying on foreign sources due to tied aid and the need for skills and technology from China. This is not exceptional to Tanzania considering other EAC Members are also doing the same.<sup>176</sup>

The second effect of unhealthy competition among the EAC Member States for external actors is uneconomic duplication of industrial plants within the EAC. External

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<sup>175</sup> Bachmann, V., and J.D. Sideways. 2010. *African Regional Integration and European Involvement: External Agents in the East African Community*. South African Geographical Journal. 92 (1): 1-6.

<sup>176</sup> *Ibdi*, P.4

actors are the primary beneficiaries of these duplications. External actors put up substandard plants and ensure the survival of these plants internally through manipulation of the tax system of the host. They also shield these plants from outside competition through stiff external tariffs. The existence of these inefficient plants goes against the very purpose for the establishment of the EAC customs union. This is because the plants kill the economies of scale that arise from common union.<sup>177</sup> The influence of external actors within the EAC has led to the establishment of uncoordinated entities. For instance the tyre factory that was built in Kenya in 1975 was initially meant for Tanzania. The construction of Tan-zam railway line in 1973 in total disregard of existing EAC infrastructural plan under EAC railway line Corporation. The establishment of international research centre in 1985 was in direct competition with EAC veterinary organization. The establishment of plywood depots between 1980 and 1985 in each of EAC member states against the very reason for the establishment of EAC Plywood Company in 1974.<sup>178</sup>

The unhealthy competition highlighted above and the tendency of multinational companies to inflate prices, the cost of production within the EAC is generally high. High cost of production within EAC makes exports very unattractive compared to imported goods and services. External actors are able to manipulate demand and supply of commodities within the host nations in order to maximize their profits. The importation of machinery at inflated prices from external markets has had serious effects on balance of payments of EAC Member States. In order to conserve scarce foreign currency, EAC Member States have deliberately reduced intra-community trade on consumable goods and at the same time reducing remissions of subscription to EAC headquarters.<sup>179</sup>

The third effect of this unhealthy competition within EAC is imperialist rivalry. The emergence of hegemonic tendencies has led to infighting for regional power among EAC Member States. This has in turn shaped the strategic posturing of the EAC Member States. This subsequently leads to unabated mistrust and rivalry. For instance geo-

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<sup>177</sup> Booth, D., Cooksey, B., Golooba-Mutebi, F., and K. Kanyinga. 2014. *East African Prospects. An update on the political economy of Kenya, Rwanda, Tanzania and Uganda*. ODI Report. London: Overseas Development Institute. Pp. 987-1209

<sup>178</sup> Ibdj, P.1112

<sup>179</sup> Chauffour. P., *The Challenge of Implementing Preferential Trade Agreements in Developing Countries*, (Florence, European University Institute, 2013). Pp. 89-109



politically, Kenya is more inclined to behave like the ‘big boy’ within the region due to her connection with the west and superior economy. Such behaviour is interpreted by the rest of the regional members as domineering. In reciprocity, Uganda and Tanzania have sought alternative political and economic influence from extra-territorial actors like China and United Arab Emirates. Such external affiliations have grown over time at the expense of local integration process.<sup>180</sup>

#### 4.2.2 Financial Influence on EAC Projects by External Actors

Financial influence by external actors on EAC projects comes in various forms. Incentives from external actors have a bearing on policy choice within the EAC integration process.<sup>181</sup> Dependence on donor funds by EAC Member States to finance their projects has negative effects on the manner of implementation and type of projects that are funded. In most cases, these policies are tailored to suit the interest of the donors. The EAC budget for the year 2013/14 was 80% funded by external actors and the rest was contributed by the Member States. This dependence on donor funding directly influences the kind of projects that are carried out and in most cases such end up not benefiting the EAC citizenry.<sup>182</sup> The main motivation for the EAC Member States is to access unrestricted funding even when it is clear a particular project does not serve the common good for everyone. Similarly most of this donor funding is open ended in terms of support and is tied to specific objectives set by donors. This kind of approach makes the level of commitment by external actors very minimal.

External actor’s support for regional integration is not entirely based on functional interest to this process, but self-interest. For instance most of the support extended to EAC from European Union is intended to experiment some of Europe’s integration models.<sup>183</sup> Such motives end up producing policy agendas that are generic and impractical within the foreign context they are being applied. Such experiments inhibit

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<sup>180</sup> EABC. 2008. *Deepening Regional Integration through Greater Private Sector Involvement*. EABC Briefing Paper. Arusha: East African Business Council.

<sup>181</sup> Mwapachu, J., *Challenging the Frontiers of African Integration: Dynamics of Policies, Politics and Transformation in the East African Community*, (Dar el salaam, University press, 2012). Pp.234-321

<sup>182</sup> *Ibdi*, Pp. 305-312

<sup>183</sup> Mugisa, E., *Evaluation of Implementation and Impact of the East African Community of the Customs Union*, (Arusha, EAC Secretariat, 2009). Pp. 651-910

EAC regional integration. Meanwhile, Chinese influence within the EAC is on the rise while the Western grip in the region is declining. Chinese are funding high-cost infrastructural development projects some of which are not economically viable. EAC Members are competing against each other in order to access Chinese funding. This competition is jeopardizing EAC projects that are supposed to be jointly funded.<sup>184</sup> For instance the last minute decision by Uganda to pull off from LAPSSET pipeline network in the Northern Corridor was a decision that has been influenced by foreign entities (Total- France) interested in oil business.<sup>185</sup>

#### 4.2.3 External Actors and EAC Policy

External actors have a history of influencing EAC policy and decision making processes. As observed in chapter three of this study, the history of the EAC puts doubt on the full ownership of this community. EAC as an entity is driven both internally by actors within the regional and externally by extra-territorial actors. Most donor-funded policies are embodied within short-term development strategies and are never expressed into concise policy.<sup>186</sup> Immediate priorities are at times ignored. A case in point is EAC development strategy of 2015/6 which has elaborate reference on environmental and social issues but is silent on critical infrastructure like SGR. Furthermore EAC policies are international by standards and therefore lack local realities and ownership by constituents.

Over the years there have been concerted efforts to improve the manner in which policies are implemented within the EAC. Some of these policy areas that have experienced grand interventions include EAC Transport Strategy which has particular focus on railway management within the region and development of the Northern Corridor.<sup>187</sup> The EAC transport strategy has been operationalized through execution of EAC Railways Master Plan. The Master Plan of EAC Railways provides the road map on how EAC Member States railway connectivity is scheduled. This is evident with the

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<sup>184</sup> Ibd, Pp.710-870

<sup>185</sup> Magu, S. 2014. *Dilemmas of Collective Action: Explaining East African Regional Integration and Cooperation*. International Journal of Political Science and Development. 2(4): 58-67.

<sup>186</sup> Mattli, W., *The Logic of Regional Integration: Europe and Beyond*, (Cambridge, Cambridge University Press, 1999).Pp.456-567

<sup>187</sup> IO, George Kuhugu, Staff, Uganda Embassy Nairobi, 31.6.17

recent surge on SGR contracts between Chinese Roads and Bridges Corporation and EAC Member States. However, the implementation of these policies has met resistance from interested external actors. For instance while Chinese is the main financier in this endeavour, the World Bank and IMF are of the view that implementations of these policies is not economical and the refurbishment of the old rail is more cost effective.<sup>188</sup> Such sentiments are informed by the competitive nature of economies between the West and 'Asian Tigers'. This economic war serves as bottlenecks that have slowed integration within the EAC. There exists a strong inclination by external actors to fund local national programs rather than those that have a regional outlook. Such a move is driven by self-interests where external actors find easy to negotiate investments in favourable terms with individual States than coalition of States.<sup>189</sup>

#### **4.2.4 External Actors and Overlapping Membership within the EAC**

External actors are more inclined to pursue their interests by engaging individual States rather than engaging regional blocs. The reasons for such behaviour is because multilateral and bilateral agreements are more binding when entered into between independent legal entities with international standing. While regional organizations also qualify as entities with international standing, they lack independence because of loose commitment by member states especially in developing countries.<sup>190</sup> Further, external actors find it easy to negotiate and directly entice independent states rather than a group of states embroiled in form of regional entities. It is for these reasons that external actors secretly encourage existence of weak regional blocs without a common stand on issues affecting them. Encouraging multiple membership is a silent strategy of weakening regional blocs. External actors have more often than not funded initiatives within the EAC region that have culminated to the formation of several regional blocs with overlapping membership. While the formation of these regional blocs is justified with the existence of circumstances that motivate their formation, the ramifications that comes

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<sup>188</sup> Ibdi, Pp. 468-503

<sup>189</sup> Magu, S. 2014. *Dilemmas of Collective Action: Explaining East African Regional Integration and Cooperation*. International Journal of Political Science and Development. 2(4): 58-67.

<sup>190</sup> Kafeero, E. 2008. *Customs and Trade Facilitation in the East African Community (EAC)*. World Customs Journal 2 (1): 63-71.

with their existence are disastrous.<sup>191</sup> East Africa Member States subscribe to various regional economic groupings that are often in direct competition instead of complementing each other. Management of these multiple groups is not only wasteful but also conflicting. For instance Uganda and Kenya are members of COMESA, while Tanzania has membership with SADC, but the three countries are members of IGAD and AU.<sup>192</sup> This state of affairs usually leaves member states torn between commitments to the regional integration or pursuit of alternative options provided by external actors. The latter is always the way out leading to tension within the EAC.

#### **4.2.5 External Actors and Limited Citizen Engagement in EAC Process**

The participation of EAC citizenry in regional integration process has been very minimal despite the existence of formal channels where the regional body interacts with the masses.<sup>193</sup> One reason for this break-down is the influence of external actors in decision-making processes within the Community. Decisions made within the EAC are confined to those whose implications do hurt the interests at stake. For instance the East African Business Council is a platform through which the private sector participates in the integration process within the EAC. Membership to EABC majorly comprises companies with interests and operations within the EAC. Thus majority of the EAC decisions are more inclined to the will and wishes of these groups at the expense of the EAC constituent.<sup>194</sup>

#### **4.2.6 Influence of External Actors on Institutional Weakness in the EAC**

Although the EAC has well established institutions with well spell out obligations, these institutions are functionally dead. This is caused by competing interests among actors. Internally, EAC Member States have rendered the East Africa Court of Justice useless as it cannot enforce laws that legislated among members. Throughout the history of the new EAC, member states have consistently violated the statutes of the

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<sup>191</sup> Khanna, K. 2013. *Regional Integration in Africa: A Study on the East African Community*. ORF Occasional Paper No 48. New Delhi: Observer Research Foundation.

<sup>192</sup> Ibd, P.70

<sup>193</sup> IO, Thumbi John, Ministry of Foreign Affairs, 21.8.17

<sup>194</sup> IMF. 2008. *Kenya, Uganda, and United Republic of Tanzania: Selected Issues*. IMF Country Report. Washington DC: International Monetary Fund

Treaty. It is also clear that none of these members has ever been reprimanded or sanctioned over those violations. While the EAC Secretariat is responsible for generation, supervision and implementation of policies, this role has been taken over by member states in conjunction with home ministries.<sup>195</sup>

EAC Ministries are operationally weak and lack capacity to influence within their states what is good for the EAC as a community. According to the World Bank, Uganda reduced her budgetary allocation to EAC in total disregard of the expanded mandate of the institution. There is evidence in regards to non-compliance by Member States when a particular obligation is not in line with national interests. This has led to unnecessary delay in implementation of key protocols within the EAC. Vested interests have seen the customs union being challenged through restriction and bans.<sup>196</sup> Corruption within the EAC has been cited as a key bottleneck to compliance and accountability.<sup>197</sup> Externally, when EAC institutions are properly functioning it is hard to push underground interests that are externally influenced. The enticed EAC member would be willing to compromise support to regional institutions as long as the gains are substantial. Such compromise comes in form of non-compliance to the statute of the Treaty.<sup>198</sup>

#### **4.2.7 Influence of External Actors on EAC Political Systems**

The influence of external actors on the EAC political system is as old as the Member States themselves. As early as the 19<sup>th</sup> Century the activities of external actors were quite evident. These activities majorly bordered on establishment of political systems. It implies then that the EAC system of government was from the beginning inherently colonial. These colonial structures tailored to serve foreign interests were inherited at independence. The EAC leaders inherited governments that had foreign orientations. Though there have been deliberate attempts to correct these anomalies through constitutional review, not much has been achieved. Colonial networks and

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<sup>195</sup> OI, Geland Muradi, Protocol Officer, Burundi Embassy, 29.7.17

<sup>196</sup> Muthaura, F (2001). *The Process for the East African Regional Integration in the East African Community* " Dialogue on the Regional Integration in East Africa, East African Dialogue Number 4, EAC, Arusha.

<sup>197</sup> Ibd, Pp. 34-56

<sup>198</sup> Gray, J. 2011. *External Actors and Outside Funding in South-South Regional Trade Agreements*. Paper presented at the 5th Annual Conference on The Political Economy of International Organizations, St Davids, Pennsylvania, USA, 26 – 28 January 2012

connections are alive and influence most of the decision that are made within the EAC region. When colonialists left their colonies within the EAC, there were a lot of interests at stake. These interests ranged from huge parcels of land they previously owned to general wealth they had amassed. To safe guard these interests the outgoing colonial governments installed friendly transition governments. They also ensured that the transition governments would at least function without the assistance of the out-going colonial masters. However that dependence has been there since then up to the present. Colonialists negotiated a variety of concessions ranging from trade, security and currency among others.<sup>199</sup> These concessions have had a lot of implications to the operations of the present governments within the EAC bloc. These effects by extension have influenced how the operations of EAC are being carried out.<sup>200</sup>

Often when the interests of external actors are threatened by implementation of certain EAC policies, vested interests resort to informal lobbying and connections. Member States are enticed to block or sabotage the implementation of such policies. For instance the implementation of a customs union has faced serious challenges due to lack of commitments by Member States.<sup>201</sup> External actors thus fuel defection from agreed protocols by EAC members. As a result, projects that are supposed to be jointly undertaken by the EAC Member States are prone to prolonged delays and stoppages.<sup>202</sup>

In summary, this chapter provided an overview of challenges facing East Africa Community as a result of activities of external actors. EAC regional actors consistently relent from regional integration commitments due to availability of alternative options from extra-territorial actors. The local actors are often inclined to altering incentives rather than pursuing common goals. For instance Northern corridor initiative led by Kenya which excludes Tanzania threatens to of spark divisions because Tanzania view it as domineering and discriminatory. It is therefore imperative for the leaders within the region to strike a balance between temporary benefits that arise from defections and the need for maintaining cohesion within the EAC. It is evident that the majority of

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<sup>199</sup> Gray, J., *Can Foreign Aid Buy Cooperation? External Funding and International Organizational Adaptation*. (USA, University of Pittsburgh, 2013). Pp.76-98

<sup>200</sup> *Ibdi*, P.82

<sup>201</sup> OI, Jane Salome, Ministry of East Africa Community, 21.8.17

<sup>202</sup> Giginishvili, N., Mauro, P., and K. Wang. 2014. *How Solid Is Economic Growth in the East African Community?* IMF Working Paper No 14. Washington DC: IMF.

infrastructural development taking place within the EAC region is occurring outside the framework of EAC development strategies. This scenario is dangerous to the general health of the EAC. Incentives by donors are designed to signal intent but promoting informal engagements that undermine the operations of the EAC and by extension its mandate. Donations by external actors are not an end by themselves, but rather a means to an end. In most cases it creates dependence and at the same time encourages financial non-commitment by the members. The possible recommendations and the way forward will be discussed in the next chapter.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1. Introduction**

This final chapter presents summary of findings, conclusions, recommendations and suggestions for further research on the influence of external actors on the East Africa Community (1990-2016). The main concerns of this research is to establish to what extent extra-regional considerations by EAC Member States affects the pace of integration process within the region. Full integration process within EAC have not been realized because member States are not fully committed due to enticing alternative options that are influenced by external actors. The research attempts to show how asymmetric relations by EAC member States with external actors constitute to failure or slow progress in the achievement of full integration. To be able to achieve this the three objectives were formulated and below are the key findings.

#### **5.2. Summary of Findings**

The study sought to establish the relationship between regional integration and external actors. The study established that regional integration worldwide varies due to a number of dynamics. These dynamics range from geo-political to economic orientation. Lessons learnt from these different regions inform integration process decisions. For instance EAC can cautiously borrow what is workable for the region from EU. The study further revealed that activities of external actors are vital for the accomplishment of integration and that States are not the only actors within the international system. The process of regional integration within the EAC is driven by respective member States and numerous actors. The influence of external actors as the lead agent over economic transactions other than the States is a reality. The roles of States have declined over the years and the areas that were predominantly the preserve of States have been challenged by non-States actors.

The study further established that historically the level of participation of external actors in the EAC integration has existed. As early as the 19<sup>th</sup> century activities of external actors influenced integration process within the EAC. External actors have been



instrumental in supporting development strategies which are key drivers of the integration process within the EAC. The study have established that though they are transformative agents within the EAC integration process, excessive domination by these agents has not been positive for the EAC. A central argument in this study is that the domineering posture by external actor has contributed to numerous challenges facing EAC integration process.

The stand taken in this study is the key challenges facing East Africa Community emanates from the influence of external actors. The EAC regional actors more than often shifts allegiance from regional commitments due to availability of alternative options provided by external actors. The local actors are often inclined towards altering incentives rather than pursuing common goals. The study reveals that majority of infrastructural development is occurring outside the framework of EAC development strategies because of the influence of external actors. Further the study show that incentives by donors promote informal engagements that undermine the operations of the EAC and by extension its mandate. These enticements by external actors are tailored to trigger abdication of regional economic commitments.

### **5.3 Conclusions**

The EAC have gone through four crucial stages that define its current posture. The contribution of the external actors either positive or negative during this period has been immense. EAC integration process has a come a long way despite various challenges facing the region. The movements of factors of production within the EAC have been relatively easy compared to yesteryears. However, the challenges that have bedevilled these regional integration blocs are both structural and externally influenced. The structures of pre-colonial EAC have been transformed over the decades but not much has changed. These structures have metamorphosed and are inherently colonial. The African leaders have struggled to cut this ties with less success. The external actors are actively influencing decisions within the EAC to their advantage. The enticement from these external actors have made the EAC State actors abandon genuine EAC course for cheap alternative options. The research provides an important contribution to the existing

literature on EAC integration. The study presents a useful analysis in understanding the relationship between external actors and regional economic integration.

#### **5.4 Recommendations**

From the study the following recommendations and suggestions were proposed to assist EAC Member States and other actors overcome challenges currently facing the EAC. Firstly it is important for EAC local actors to balance between short time benefits that arise from defections and the need for maintaining cohesion within the EAC. The strict implementation of the EAC Treaty devoid of external interference is necessary. Political good will and honest engagement is critical. Additionally, there is need for the EAC leadership to come up with moderates to curb multiple membership which is hurting cohesion and a common approach to issues. Currently membership of EAC regional members is spread from SADC, COMESA, IGAD and EAC. Thirdly, it is important to streamline the number of issues that can be implemented fully at a given time without bogging down members. Further, regional actors should come up with different methods of funding joint projects without relying on external actors. Fifthly, there is need to review the EAC structures and align them with local realities. This calls for domestication of these structures in a manner that serves local needs. Those foreign aspects should be amended. Moreover, the EAC members should adopt common strategy when dealing with external actors as this will ensure favourable outcome.

Suffice it to say, the EAC Member States should accelerate construction of joint projects especially roads and railways as this will facilitate movement of goods and services within the region. Consequently it will promote intra-trade. In addition an involvement of the East Africa constituent is a priority. There is need to educate the masses their role in the whole integration process. This can be done through civic education. Further, it is significant to strengthen the operations and the working of the EAC organs. The EACJ, the Secretariat and the Council of Ministers should be given space and authority to perform their roles without interference from host countries. Finally the study recommends that EAC Member States must stop imperialistic rivalry. The members should stay focused on achieving EAC goals and objectives. Any division among EAC partners is an advantage to external actors. Collaboration between EAC

Member States and other integrating blocs in Africa should be well stipulated to avoid unhealthy competition that ends up watering down concerted efforts. The extra- territorial relationship should not end up encouraging defections among EAC members.

### **5.5 Suggestions for Further Research**

This study was limited to covering the influence of external actors on the East Africa Community between the year between 1990 and 2016. From its findings of the study it is evident that the EAC integration process has taken place though at a slower pace than expected. There has been progress despite external influence. The current study has not unpacked how EAC regional actors can capitalize on the activities of external actors to their advantage without being exploited. It is therefore suggested that the following three areas of the study can be explored: One, identifying strategies that can spur regional integration process without inevitably involvement of external actors. Two, exploring integration model that can operate independent of external actors within the EAC region and three, examining political and economic framework that can boost regional integration process without encouraging defections due to influence from external influence.

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