

UNIVERSITY OF NAIROBI
INSTITUTE OF DIPLOMACY AND INTERNATIONAL STUDIES

CHALLENGES TO REGIONAL INTEGRATION IN AFRICA: THE CASE OF
THE REVIVED EAST AFRICA COMMUNITY 2000-2012

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Declaration

I, hereby declare that this research project is my original work and has not been presented for a degree in any other University.

Signed Date.....

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This thesis has been submitted for examination with my approval as University Supervisor;

Signed Date.....

Mr. Martin Nguru.....

Dedication

I dedicate this work to my wonderful sisters and our loving parents. For all that you have given me, I am forever grateful.

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List of Acronyms

AEC	African Economic Community
AGOA	African Growth and Opportunities Act
AU	African Union
CEN-SAD	Community of Sahel-Saharan States
CET	Common External Tariff
CMP	Common Market Protocol
COMESA	Common Market for Eastern and Southern Africa
CSOs	Civil Society Organizations
CU	Customs Union
EABC	East African Business Council
EAC	East African Community
EACJ	East Africa Court of Justice
EACSOF	East Africa Community Civil Society Organizations Forum
EALA	East Africa Legislative Assembly
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
ECSC	European Coal and Steel Community
EEC	European Economic Community
EPAs	Economic Partnership Agreements
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Area
GDP	Gross Domestic Product
RECs	Regional Economic Communities

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CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 Background

The revived East African Community is a regional intergovernmental organization established under the Treaty for the Establishment of the East African Community. The organization is now in its second decade with membership now comprising five countries, the Republic of Burundi, the Republic of Kenya, the Republic of Rwanda, Republic of Uganda and the United Republic of Tanzania. The republics of Rwanda and Burundi became members after acceding to the Treaty of the EAC on June 18 2007 and become full members on July 1 2007. The EAC covers an area of approximately 1.82 million square kilometers with a population of 135.4 million people as of 2012. The EAC is headquartered in Arusha, Tanzania and the official language is English.¹

1.2 Historical background to the research problem

Historically, formal economic and social integration in the East African Region commenced with, among other things, the construction of the Kenya-Uganda Railway from 1897 to 1901. It was followed by the establishment of several other regional organisations such as the Customs Collection Centre in 1900, the East African Currency Board in 1905, the Postal Union in 1905, the Court of Appeal for Eastern Africa in 1909, the Customs Union in 1919, the East African Governors Conference 1926, the East African Income Tax Board 1940 and the Joint Economic Council in 1940. The Treaty for East African Co-operation 1967 established the East African Community as an organization to control and administer matters of common interest and regulate the commercial and industrial relations and transactions between Kenya, Uganda and Tanzania

¹ The EAC website <http://www.eac.int/> accessed on 20/08/2014

to achieve an accelerated, harmonious and balanced development of economic activities which the benefits of all this to be equitably shared.²

Due to political differences between the three member states, the East African Community collapsed in 1977. Following the dissolution of the organization, former Member States negotiated a Mediation Agreement for the Division of Assets and Liabilities which was signed in 1984. In the Mediation Agreement one of the provisions established was that the three States shall explore areas of future co-operation and they would endeavor to make concrete arrangements for such co-operation. Following subsequent meetings of the three Heads of State the Agreement for the Establishment of the Permanent Tripartite Commission for East African Co-operation was signed on November 30, 1993. Hence on March 14, 1996 efforts for revived East African Co-operation began when the Secretariat of the Permanent Tripartite Commission was launched at the Headquarters of the EAC in Arusha, Tanzania. The need to consolidate regional co-operation led to the start of the process of upgrading the Agreement establishing the Permanent Tripartite Commission for East African Co-operation into a Treaty following direction from the East African Heads of State, at their second Summit in Arusha on 29 April 1997.³

The push to strengthen their economic, social, cultural, political and other ties for their sustainable development fostered the establishment of an East African Community with an East African Customs Union and subsequently a Common Market which would subsequently become a Monetary Union and ultimately a Political Federation. The Treaty for the Establishment of the

² *The Treaty for East African Cooperation*, Article 2, 1967.

³For information on EAC history visit <http://www.au.int/en/recs/eac> accessed on 20/08/2014

East African Community was signed in Arusha on 30 November 1999. The Treaty entered into force on 7 July 2000 following the conclusion of the process of its ratification by the original 3 partner states. Burundi and Rwanda acceded to the EAC treaty on 18th June 2007 and became full members of the East African Community on 1st July 2007.⁴

1.3 Statement of the Research Problem

The revived East African Community is now in its second decade and momentum for its continuity is steady. It has already surpassed its predecessor which collapsed after 10 years following several years of strained relations amongst the then three member states due to differences in political ideology and lack of political will. Political integration even in its loosest form requires a direct surrender of political jurisdiction thus certain powers must be surrendered to the federal authority. The difficulty in economic integration is with the establishment of a customs union where local industry will be protected by a tariff against imports from outside the area, while it will have free or preferential access to markets of the other members of the area. Operation and development of services such as transport, communications, electric power and research in common is a measure of integration between states. ⁵

Effective economic union can therefore be achieved only within the framework of a political association. Difficulties connected with supranational planning and with revenue effects of customs unions are more or less automatically taken care of in a political association. It is however not clear that it would be possible to sustain a political association if it were impossible

⁴ African Union Website <http://www.au.int/en/recs/eac> accessed on 20/08/2014

⁵ Hazelwood, Arthur *African Integration and Disintegration: Case Study of Economic and Political Union*, Oxford University Press, London, 1967 pg. 5

to sustain the more limited measures of economic association. The danger of trying to go beyond economic integration is that disagreement on some non-economic issue may prove to be politically explosive to put agreements on economic co-operation in serious jeopardy.⁶ The study seeks to investigate the various challenges that the EAC integration process is facing with the implementation of the treaty. The study furthermore seeks to identify the solutions that have been put in place to tackle these challenges.

1.4 Objectives of the study

The main objective of the study is to identify the areas that are causing constraints in the realization of the East African treaty.

Other objectives are to find out:

1. the possible solutions to the various constraints identified
2. the extent to which the East African countries are prepared to achieve full integration

1.5 Justification of the study

1.5.1 Academic justification

The study seeks to contribute towards a growing body of literature on the progress of the integration processes in Africa. It will be of most value to the literature on the East African Community by providing information gathered from the EAC officials who are conversant with the challenges of integration on a daily basis.

⁶ Hazelwood, Arthur *African Integration and Disintegration: Case Study of Economic and Political Union*, Oxford University Press, London, 1967, pg. 6.

1.5.2 Policy Justification

The study will also be of value to the current and future policy makers in the EAC as it will provide insights on what to do and what not to do so as to enhance the realization of a fully integrated EAC

1.6 Literature Review

The literature review shall delve into the nature of regional integration in Africa. The study shall show how integration involves various nations having the desire to merge into one region therefore foregoing their ability to conduct foreign and domestic policies independently. This creates the basis for making joint decisions from new central organs. The study shall also review literature on the regional blocs in Africa reviewing their history, performance and the various challenges and opportunities that face them in their quest for integration.

1.6.1 Regional integration efforts in Africa

Regional integration can be described as the attainment within a territory, of a sense of community and of institutions and practices strong enough and widespread enough to assure for a long time, dependable expectations of peaceful change among its population.⁷

Integration is the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectation and political activities to a new center whose institutions possess or demand jurisdiction over the pre-existing national states.⁸

⁷ Deutsch, Karl cited in Laursen, Finn. *Theory and Practice of Regional Integration*, Jean Monnet/Robert Schuman Paper series, Vol.8 No.3, February 2008

⁸ Haas, Ernst *Uniting Europe*, 1958 pg. 16 cited in Laursen, Finn. *Theory and Practice of Regional Integration*, Jean Monnet/Robert Schuman Paper series, Vol.8 No.3, February 2008

The process involves nations forgoing their desire and ability to conduct foreign and key domestic policies independently of each other and instead seeking to make joint decisions or to delegate the decision making process to new central organs. At the center of this definition is the development of devices and processes for arriving at collective decisions by means other than autonomous actions by national governments.⁹

Africans have for a long time held a vision of the continent's political and economic union. The pan-African movement was developed under the premise of African unity and it promoted such a vision in the 1930s and 1940s. Pan-Africanism pushed for the liberation of Africa from colonial rule as the first order of business while bringing the liberated African states under a continent-wide umbrella was always in the bigger picture. These sentiments were what led to the creation of the Organization of African Unity (OAU) in 1963.

African countries embraced regionalism after gaining independence, a move in the direction of Pan-Africanism. There are more regional organisations in Africa than in any other continent with many countries being members of more than one regional integration initiative. However, not that many initiatives have lived up to expectations and thus lessons need to be drawn from these initiatives by studying why they produced limited results. To understand African integration, the challenges and constraints that have rocked these initiatives have to be understood.

⁹ Lindberg, Leon, *The Political Dynamics of European Economic Integration*, 1963 pg. 6 cited in Laursen, Finn. *Theory and Practice of Regional Integration*, Jean Monnet/Robert Schuman Paper series, Vol.8 No.3, February 2008

1.6.2 Regional integration blocs across Africa

1.6.2.1 West Africa

The most comprehensive regional initiative in this region is the Economic Community of West African States (ECOWAS) which was created in 1975. ECOWAS has had success especially when it played an effective role in regional peace keeping operations, through the ECOWAS Monitoring Group's (ECOMOG's) operations in Liberia, Sierra Leone and the Ivory Coast.

ECOWAS has nonetheless made only limited progress in terms of trade integration, the main reason being that there remains significant tariff and non-tariff barriers in the region.¹⁰

Following their independence, most of the French colonies in West Africa maintained their monetary union with France. The West African CFA franc zone countries established the Communauté Economique de l'Afrique de l'Ouest (CEAO) in 1973. Union Economique et Monétaire Ouest Africaine (UEMOA) was formed in 1994, replacing CEAO by joining monetary and economic integration functions. A Customs Union has been in force since 2000 with UEMOA establishing a common trade policy.

1.6.2.2 Central Africa

Colonial legacy has also shaped the push to regional integration in central Africa. In 1964, Union Douanière et Economique de l'Afrique Centrale (UDEAC) was formed by five former French colonies. However, UDEAC has never quite functioned well as a customs union owing to very low intra-regional trade. Limited cross border infrastructure networks and the lack of complementarity between countries have hampered the integration process severely. There was a

¹⁰ Dinka, T, Kennes, W. *Africa's Regional Integration Arrangements: History and Challenges*, ECDPM discussion Paper 74, Maastricht, 2007. Pg. 12

merger of monetary and economic functions similar to what happened in west Africa in the formation of UEMOA whereby UDEAC was transformed into Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC).¹¹

1.6.2.3 East and southern Africa

The Southern African Development Community (SADC), was formed in 1992 following the signing of the Windhoek Treaty. It was a transformation of its predecessor the Southern Africa Development Coordination Conference (SADCC) that was founded in 1980. SADCC was set up with the view to reduce dependence on South Africa in the transport and energy sectors. South Africa later joined SADC after the apartheid regime was removed and a democratically elected government took office. This made SADC the regional integration block with the highest GDP in Africa. SADC adopted its Trade Protocol in 1996 and started actual implementation of an FTA in 2000.¹²

Common Market for East and Southern Africa (COMESA) was formed in 1994 as a transformation from its predecessor the Preferential Trade Area (PTA) that was formed in 1981. It launched its Free Trade Area in 2000, but not all the member states joined. Progress has been made in trade facilitation, insurance and harmonization of transit goods charges amongst its member states. A major challenge which SADC and COMESA face is that of overlapping membership.¹³

Inter-governmental Authority on Development (IGAD) was originally named the Intergovernmental Authority on Drought and Development (IGADD). It was created in 1980 by

¹¹ Dinka, T, Kennes, W. *Africa's Regional Integration Arrangements: History and Challenges*, ECDPM discussion Paper 74, Maastricht, 2007, pg.18

¹²Ibid pg .23

¹³Ibid pg 25-34.

Djibouti, Ethiopia, Kenya, Somalia, the Sudan and Uganda mainly to promote food security and to combat desertification in the Horn of Africa. Over the years, IGAD has continued to play a vital role as a forum for mediation in internal conflicts within its member states.¹⁴

The South African Customs Union (SACU) has a long history dating back to 1910 when an agreement between South Africa and Britain representing three of its protectorates that would later become the states of Botswana, Lesotho and Swaziland. Namibia joined SACU while it was still South West Africa and opted to remain in SACU after it gained independence from South Africa in 1990. SACU's long history is noteworthy and part of its longevity derives from its mechanism of pooling all tariff and excise revenue together and sharing it together using a formula that provides compensation for polarization effects within SACU.

1.6.2.4 North Africa

The Arab Maghreb Union (AMU) is a regional integration initiative established in 1989 by the nations of North Africa except Egypt. It has however been dogged with slow progress and limited development due to political differences especially between Morocco and Algeria.

Community of Sahel-Saharan States (CENSAD) was created in 1998 with one of its main goals being to achieve economic unity through the implementation of people and goods with an aim of creating a free trade area. With 23 member states, CENSAD is the largest African regional body but its effectiveness is greatly hampered by the fact that it overlaps several other regional organisations. Some members of AMU, ECOWAS, CEMAC, and COMESA are also members

¹⁴ Dinka, T, Kennes, W. *Africa's Regional Integration Arrangements: History and Challenges*, ECDPM discussion Paper 74, Maastricht, 2007. Pg 11-14

of CENSAD. This being the case, the organization has mostly been more active as a political forum and less active in the economic integration.¹⁵

1.6.3 Regional Economic communities and their performance

The Lagos Plan of Action of 1980 called for the formation of an African common market by the year 2000. It introduced the idea that regional integration initiatives in Africa would gradually expand towards a single Pan-African arrangement. This idea became the central feature of the 1991 Abuja Treaty establishing the African Economic Community (AEC). The Abuja Treaty developed the notion of Regional Economic Communities (RECs) as building blocks of the AEC. The Treaty indicated the regional communities would cover North, West, Central, Eastern and Southern Africa but it did not specify how membership of the REC would be. This led to the designation of AMU, ECOWAS, ECCAS, COMESA, SADC, EAC and IGAD as REC's. The Abuja Treaty sets out a number of stages that would ultimately lead to a continental economic and monetary union. The first step is to reinforce and consolidate the RECs.¹⁶

The eight RECs recognized by the African Union form the 'pillars' of the African Economic Community. They are moving towards implementing the Abuja Treaty at different speeds with the EAC being the most advanced community, having launched its common market in 2010. COMESA launched its customs union in June 2009. SADC and the Economic Community of West African States (ECOWAS) have made progress in building their free trade areas (FTAs) and they plan to launch a customs union, in 2013 and 2015 respectively. The Economic

¹⁵ Dinka, T, Kennes, W. *Africa's Regional Integration Arrangements: History and Challenges*, ECDPM discussion Paper 74, Maastricht, 2007, pg. 11-13

¹⁶ Dinka, T, Kennes, W. *Africa's Regional Integration Arrangements: History and Challenges*, ECDPM discussion Paper 74, Maastricht, 2007, pg.16

Community of Central African States (ECCAS) launched its FTA in 2004, but is facing enormous challenges in its practical application. The Arab Maghreb Union (AMU), the Economic Community of Sahel- Saharan States (CEN-SAD) and the Intergovernmental Authority on Development (IGAD), is moving slowly, and is still in the early stages of economic cooperation among their member States.¹⁷

1.6.4 Regionalism and national interest

The study of international relations is based upon certain principles. Deriving from the realist theory, power is the main principle where the concept of national interest is defined in relation to national power. Thus in the process of countries vying for power, the foreign policy of all nations must consider survival as their immediate requirement. All nations are compelled to protect their physical, political and cultural identity against encroachment by other nations. The national interest is identified with national survival and each member state has national interests to pursue even if they are grouped together in an integrative process.¹⁸

Regional integration is very important in the world today as many countries are strengthening their bargaining powers among other issues through forming regional blocs, trade liberalization arrangements, developing regional physical infrastructure and institutions including regional capital markets and preventing managing and resolving conflicts among other important issues.

¹⁷ *Assessment of Progress on Regional Integration in Africa*, presented at the sixth joint annual meetings of the ECA conference of African Ministers of Finance and AU Conference of Ministers of Economy and Finance. Abidjan, Côte d'Ivoire 21–24 March 2013 pg.

¹⁸ Muga, Charles. *The Dynamics of Regional Integration in Africa: A case study of East African Community 1967-1977*, unpublished M.A Thesis, University of Nairobi, 2005.

Integration includes concerted efforts aimed at lessening discrimination in certain areas of common interest.¹⁹

A cited reason for failure of integration policy in Africa as a lack of political will in the member countries that are necessary to see integration succeed. This is expressed in the chronic non-observance of commitments undertaken within the respective agreements and in the insufficient use of instruments set up by the governments involved.²⁰

There can also be a more mechanical explanation for failure of regional integration schemes in Africa. It is argued that for example that in some cases, the existing mechanism is too loosely defined or insufficiently equipped with human, material and financial resources to do its work. The result will be failure of governments to bring about substantial changes in policies, rules and regulations, the unwillingness to subordinate national political interests to long term regional economic goals and the absence of monitoring and enforcement mechanisms to adhere to timetables for the realization of the different steps of the integration process.²¹

1.6.5 Challenges and opportunities for African Integration

Incompatibility problems in the road and rail sectors create a cumbersome trade logistics environment. Regional variations in technical standards pose transit challenges some roads designed for higher axle load limits than others while regional railway networks have different track gauges prevent seamless regional connectivity between Eastern and Southern Africa. Under

¹⁹ Arballe, Molu. *Problems and Prospects of Regional Economic Integration: A case study of the East African Community*. Unpublished M.A Thesis, University of Nairobi, 2005, pg. 1

²⁰ Issakh, Abdia. *The Challenges of Political Integration in Africa: A case study of East African Community*, unpublished M.A Thesis, University of Nairobi, 2008, pg.4

²¹ Issakh, Abdia. *The Challenges of Political Integration in Africa: A case study of East African Community*, unpublished M.A Thesis, University of Nairobi, 2008, pg.4

investment in the power sector has creates serious electricity deficits and high energy costs in Africa. Most African countries operate state monopolies in electricity generation, distribution and price regulation constraining the scope for investment opportunities in the private sector. Security and political stability are vital ingredients for economic prosperity anywhere in the world. Recurring conflicts and unsteady political regimes in Africa frighten investors thus inhibiting development by slowing economic growth in Africa as a result of lack of foreign investment.²²

1.6.6 Opportunities

Great opportunities lie in cooperation between the several REC's in Africa. For instance Tripartite Arrangements such as that between the EAC, COMESA and SADC will encourage development in sectors such as infrastructure and intra-regional trade. Deepening regional integration in Africa implies creating the appropriate conditions for guaranteeing factor mobility of factors of production such as movement of people, goods and services. Promoting a vibrant private sector will ultimately bring about development and prosperity to the region²³

1.7 Theoretical Framework

Neo-Functionalism

The study is guided by the theory of Neo-functionalism whose concept of spill over stipulates that with each negotiation and agreement between the EAC member state, a situation for further negotiation and decision making comes up leading to yet another and the cycle continues. The

²² Africa Development Bank, *Regional integration strategy paper* 2011 – 2015, pg.9

²³ Africa Development Bank, *Regional integration strategy paper* 2011 – 2015, pg.9

spill-over effect then traverses all spheres of society moving from economic agreements which move forth to social agreements and eventually to political agreements. This is to allude to the idea that liberalisation of trade within the customs union would lead to harmonization of general economic policies and eventually spill-over into political areas and lead to the creation of a political community.²⁴ The relevance of neo functionalism to this study is that it emphasizes on the economic and political variables in the integration process.

1.8 Hypotheses

The study will endeavor to test the following hypotheses:

1. Non-existence of common policy arrangements in common sectors amongst countries create low potential for achieving regional integration amongst these countries.
2. Countries that have close geographical proximity and have a shared history have the potential for integration.

1.9 Methodology of Study

1.9.1 Research Design

The study shall be conducted through an exploratory research design. This type of research design is often conducted in new areas of inquiry, where the goals of the research are to scope out the magnitude or extent of a particular phenomenon, problem, or behavior.

Research may include examination of publicly reported figures, such as estimates of economic indicators, such as gross domestic product (GDP), unemployment etc., obtained through interviews with experts and or key government officials. It may also be derived from studying historical examples of dealing with similar research problems. Exploratory research doesn't

²⁴ Laursen, Finn. *Theory and Practice of Regional Integration*, Robert Schuman Paper Series vol. 8, 2008, No.3

provide definitive answers for the overall population as it usually involves only a relatively small group of people. It is however invaluable bringing out the nature and extent of the problem and serve as a useful precursor to more in-depth research.²⁵

1.9.2 Data Collection

The study used secondary and primary sources for analysis of its data.

1.9.2.1 Secondary Sources

Secondary data will be obtained from published works and researches on EAC integration process, articles and reports by the EAC and other bodies that are involved in the integration efforts of the community.

1.9.2.2 Primary sources

Primary data will be obtained through questionnaires which shall contain both open ended and close ended questions administered to the target respondents. The target respondents are the staff officials at the Kenya Ministry of East Africa Affairs, Commerce and Tourism, the Ministry of Foreign Affairs, embassies of Tanzania, Uganda, Rwanda and Burundi in Kenya.

1.9.3 Data Analysis

The study shall use qualitative data analysis methods to analyze the responses of the respondents. Content analysis shall be conducted due to the fact that the study shall involve generating respondents' views on the problem. The method does not limit the respondents from divulging information hence it is suitable for the study

²⁵ Bhattacharjee, Anol, "*Social Science Research: Principles, Methods, and Practices*" USF Open Access Textbooks Collection, 2012, Book3.

1.9.4 Population and Sample Design

The population for the study comprises of all staff officials at the Kenya Ministry of East Africa Affairs, Commerce and Tourism, the Ministry of Foreign Affairs, embassies of Tanzania, Uganda, Rwanda and Burundi in Kenya. The research shall administer questionnaires to two respondents from each of the five member states to allow for balance in the responses gathered.

1.10 Scope and Limitation of the Study

The scope of the study entails all the five members of the EAC and the population entails all the officials at the Kenya Ministry of Foreign Affairs, Kenya Ministry of East Africa Affairs, Commerce and Tourism, and in the various embassies of partner states in Kenya. The study select an equal number of officials from each country at the respective embassies as this shall help overcome time and financial constraints involved with traveling all five countries.

CHAPTER 2

INTEGRATION, COLLAPSE, REVIVAL AND THE NEW EAST AFRICAN COMMUNITY

2.1 Introduction to East Africa integration

The East African region is not new to integration efforts. The region has maintained a long history of cooperation marked by successive political integration²⁶. The first political integration was by British colonial authorities in the beginning of the 20th century. The objectives were to create modern African states based on British colonial values to colonial and imperialist interests. The second political integration was by African nationalist leaders on the wave of nationalism which was a creation of modern African nation-states based on African values, principles, interests and visions. Mwalimu Julius Nyerere of Tanganyika, an African nationalist leader, promoted the idea of political integration in East Africa with the objective of establishing an East Africa Federation. He was passionate about forming the federation to the extent that, he was ready to delay the independence of Tanganyika in the event of persuading Kenya and Uganda to consider abandoning their quest for independent sovereign statehood and instead merge into a much larger regional state.²⁷

2.1.1 History of East Africa Co- operation since 1900-1950

The regional integration arrangement in East Africa was initially between Uganda and Kenya that were both colonies of the British. This began after completion of the railway through Kenya

²⁶ The concept of integration can refer to a process or to a state of affairs. As a state of affairs, integration refers to a degree of internal coherence in a system whereby units move between conditions of complete isolation and complete integration. As a process, the concept of integration refers to development through which more internal coherence in a system is brought about. See Taylor Paul and Groom R.J.A, *International Organisation A Conceptual Approach*, Frances Pinter London 1978 page 348. International political Integration is defined as a process whereby a group people organized at the outset in two or more independent states, comes to constitute a political whole which can in some sense be described as a community. See also Pentland 1973 p.21 www.maltelewan.com/classic-integration.txt accessed on 30th September 2014)

²⁷ Rotchild Donald, *Politics of Integration: An East African Documentary*. East African publishing house, Nairobi 1968.

to Uganda in 1902²⁸, followed by the establishment of an East African Currency Board in 1905 to offer bank notes to the two territories and finally the establishment of Postal Union in 1911 mainly because the British saw it favourable to coordinate services between the two territories. In 1917, the two colonial territories Kenya and Uganda united to form a free trade and this marked the first phase of East Africa integration.

The second phase of regional integration of East Africa began in 1923 when Tanganyika was incorporated into the Customs Union after joining the Currency Board in 1921 and later joined the Postal Union in 1933.²⁹ Between 1926- 1950, other initiatives to integrate the economies were put in place like the formation of a Common Market, Joint East African Income Tax Board and Economic Council.

2.1.2 The East African High Commission, 1947-1960

In 1948, the East African High Commission was formed which consisted of colonial governors of Kenya, Uganda and Tanganyika. This marked the third phase of regional integration of East Africa. The High Commission was a corporate body and the Governors met at least two to three times in a year. The Governor of Kenya was the Chairman of the commission and according to the Order of Council, in the absence of the High Commission at the Conference; the Chairperson had the powers to act on his behalf on matters agreed upon by the High Commission.³⁰ It had the powers to make laws for peace, order and good governance of territories with the consent of the territorial Legislative Council. The High Commission had to approve a bill before it was

²⁸Delupis di Doimi, *The East African Community and Common Market*, Longman publishers, London 1970 pg. 19-20

²⁹.Ibid page 19-20 It is important to note that Tanganyika was a German colony until the signing of Treaty of Versailles where it was placed under Britain as a 'mandate' and Germany renounced all its rights over Tanganyika and as result, the British were authorized to incorporate Tanganyika into a customs, fiscal and administrative union or federations as per article 10 of Mandate agreement for Tanganyika.

³⁰ Rotchild, Donald *Politics of Integration an East African Documentary*. East African publishing house Nairobi 1968 page 250.

introduced to the Assembly and it equally had the powers to refute or assent to bills in its discretion.³¹ In cases where the Assembly had failed to pass a bill, the High Commission had powers to declare the bill passed.

2.1.2.1 Executive Officers

The Principal Executive Officers were appointed by the High Commission and acted as advisers to the High Commission in respect to the subject of their title. They had powers and duties imposed on them by the East Africa High Commission legislation. These officers were; Administrator, Commissioner of Transport, Postmaster General, Legal Secretary Financial Secretary Commissioner of Customs and Chief Administrative Secretary.³²

2.1.3 East Africa Cooperation in 1960's

During the 1960's four major land marks were set in the economic integration of East Africa. These included the;

2.1.3.1 Raisman commission report of 1961

The Raisman Commission was put in place to inquire the distribution of benefits from the East Africa High Commission services and existence of a Common Market. The report recommended for the creation of a distributable pool achievable by setting up funds and maintaining the flow of funds by taking 6% of annual customs and excise revenue plus 40% of income tax earned from company earned profits. Half of the money raised was to be directed towards the High

³¹Delupis, di Doimi Ingrid, *The East African Community and Common Market* The East African Service Organization, Longman publishers 1970 pg. 28.

³²Ibid, the 1947 order of the council considered the High Commission as a single authority and not as a conference of Governors representing territorial interests. There was the Central Legislative Assembly which consisted of a Speaker, six nominated members of which each Governor nominated two and twenty unofficial members; each governor nominated three unofficial members the territorial legislature elected three and the High Commission appointed two unofficial members who were Arabs.

Commission to enable it run its activities independently. The Raisman Commission failed to address the root causes of the imbalances enacted by the White Settler³³

2.1.3.2 The East African Common Services Organizations (EACSO)

The EACSO was formed in December 1961 and its initial charter was drafted to consider Tanganyika as a State; thus it would be represented by its President whilst the two territories would be represented by the Governors as it was not clear when they would achieve their independence. When Kenya and Uganda attained independence, the Constitution of EASCO was amended to include the two Presidents in the authority.³⁴

EACSO's headquarters was in Nairobi and its main aims were to centralize the administration of East Africa customs, currency, land, sea, air transport, telecommunication services, education and exercise of revenue authorities. In the process of pursuing its goals EACSO faced various challenges including trade imbalances and unequal distribution of resources.

2.1.3.3 The Kampala Agreement

Signed in 1964, the sole purpose of this agreement was to address the persisting problems in the pursuit of integration. This was to be achieved by correcting the imbalances prevailing in the common market primarily to decrease trade deficit and industrial imbalances in Uganda and Tanzania. The Kampala Agreement proposed methods of redressing trade imbalances which never came to play as Kenya failed to ratify the agreement. Instead, Kenya insisted on single

³³Apuuli, Kasaija Philip, *History and processes of Integration in East Africa*, Department of Political Science, Makerere University www.deniva.or.ug accessed on 30 September 2014

³⁴Delupis di Diomi, Ingrid, *The East African Community and Common Market*; The East African Service Organisation, Longman publishers 1970 p42-43

currency to be maintained which was never accepted by the other parties and because of this the agreement had been referred to as the Kampala ‘Disagreement’ as it was never implemented.³⁵

2.1.3.4 The Treaty for East African Cooperation

The three now independent countries of East Africa signed the Treaty for East African Cooperation establishing the East African Community. It was signed in Kampala by Mzee Jomo Kenyatta of Kenya, Mwalimu Julius Nyerere of Tanzania and Milton Obote of Uganda, on June 6 1967 and it came into force in December 1967. The main objective of the community was to strengthen and to regulate industrial, commercial and other relations of the Partner States. Benefits accrued were to be shared equitably through the establishment and maintenance of a common market and the operation of common services.³⁶

2.2 Collapse of the East Africa Community and Factors that led to the collapse.

Nominally the EAC collapsed in 1972 with the EAC ministers running errands of the three member states. The ministers errands were futile efforts to save the regional economic cooperation which finally collapsed in 1977 ten years after the Treaty of East Africa Cooperation had been signed. The collapse could be attributed to various factors that had manifested themselves rapidly after the *Uhuru (Independence)* of member states. Territorial and national consciousness emerged and this resulted to national belonging and national interests which took precedence over supranationalism. Thus, a lot of energy was placed on national building as each state felt its national interest were too basic to compromise.

³⁵Kampala Agreement was not fully accepted by member states. Tanzanians felt it was ineffective and it failed in readdressing East Africa’s trade imbalance Kenyans on the other hand felt resentful towards it as Tanzania had invoked quota restrictions on a large number of items.

It is important to note that, the treaty of East Africa Corporation advocated for restricted trade for example, imposition of transfer tax system for a short-term but eventually move to free trade.

³⁶Morara, Henry *Regional Cooperation and Integration in East Africa: The Case of the East Africa Community 1993-1999*, 2001 unpublished M.A thesis.

East Africa Federation was a major issue in that, the three member states did not completely agree on what regional unity entailed thus the level of understanding differed. What Tanzania and Kenya understood of regional unity was that, it involved the concept of a tightly constructed federation. For Uganda, regional unity inferred a loose plan of inter-territorial co-ordination that should respect citizenship, foreign affairs, agriculture and external borrowing of each member state to be dealt with by the individual government. Mwalimu Julius Nyerere replied to this view of timing of Federation by saying,

“It has been argued, largely by some of our friends in Uganda, that we must put our separate houses in order before we complicate federation. I do accept this argument. If we were all in chaos it would be silly to add chaos to chaos.....But when does one satisfy oneself that our house has been put in order?”³⁷

Divergence of economic policies among East African countries especially after independence of the countries aggravated the demise of the EAC. African nationalist leaders had undertaken some bold experiments after their countries got independence. Mwalimu Julius Nyerere adopted Swahili as the official language and nurtured the ideals of self-reliance and latter launched *Ujamaa* which was an experiment on African Socialism. Mzee Jomo Kenyatta a giant in African Nationalism opted for private capitalist system of development with strong emphasis on foreign investment. With such divergent politico-economic ideologies, the sub region was exposed to both inter and intra state conflicts in their quest for development post-independence.³⁸

³⁷Rotchild, Donald, *Politics of Integration. An East African Documentary*; Politics of Integration, East African publishing house Nairobi, Kenya, 1968 page 70

³⁸Yeke, Felicia A. *East Africa in Search of National and Regional Renewal*: Council for the Development of Social Science Research in Africa. Dakar, Senegal. 2005 pg. 2

A trust relation is fundamental in any economic integration which was non-existent in the case of East Africa Corporation. This was particularly instigated by the difference in socio-political institutions that led to rivalry among member countries. For example, in 1971 Nyerere accused Amin of breaching treaty provisions for appointment of officials. The Ugandan dictator Idi Amin attacked Northern Tanzania in an effort to purge guerrilla fighters. The rivalry continued to the extent that Uganda closed its border with Tanzania and the East Africa airways was forced to suspend flights between the two countries. Tanzania refused to recognize Amin's government and a push and pull situation arose when Amin demanded recognition in return for signing the financial bill which required the Heads of States to sign otherwise the EAC could not function. This war continued until Nyerere assisted in the overthrowing of Amin's government and restoring Milton Obote in 1979.

Absence of road networks and the difference in laws between partner states affected the registration, licensing and use of vehicles on road. For example buses moving between Uganda and Kenya required to be registered twice by both countries hence, the number plates of the buses had to be changed at point of entry of either countries. The treaty of East Africa cooperation was silent and it did not provide common service in this field thus the implications of having two log books was that it affected the idea of common market³⁹.

2.2.1 Lessons learnt from the collapse of East Africa Community

The purpose of regional integration is primarily political, aimed at meeting security needs and enhancing bargaining power. Economic considerations in integration are however paramount in sustaining a regional integration arrangement because, a country enters into an economic

³⁹Delupis di Diomi, Ingrid, *The East African Community and Common Market; The East African Service Organisation*, Longman publishers 1970 page 120

integration with the goal of benefiting from it. Failure to adequately address the socio-economic disparities leads to conflicts, insecurity or eventually break-ups of regional unions. This explains the demise of the first East African Community especially when Kenya was perceived to be benefiting at the expense of Uganda and Tanzania.⁴⁰

There is need for political will that unconditionally supports integration that involves public participation and the involvement of civil society. A stable foundation for legitimate and formal democratic procedure provides a climate for long term economic reforms that are pursued and ensures that institutions are not dependent on the political leaders, heads of states and political appointees. This does not mean that all benefits will be distributed equally neither does it mean that problems and constraints will be non-existent but it means, no member state will benefit at the expense of another and that the obstacles will be seen as providing opportunities for adoption of new innovative initiatives.

Appreciating the fact that East Africa's economic problems cannot be treated in isolation is vital. This is because; East African economies and the world economic systems have links in form of loans and financial aid from World Bank and International Monetary Fund. These financial ties are from time to time influenced by the international politics especially when a country does not follow reforms agreed it may risk losing financing from these two organizations. Trade is equally affected as the value of the shilling keeps fluctuating depending on its value compared to that of dollars. This was the case especially when each member state introduced its currency and when the formation of a federation that could have given member states better bargaining grounds.

⁴⁰Wangwe, Samuel, "Proposals to address Economic and Social Disparities in the East Africa Community" in Dialogue on The Regional Integration in East Africa. EAC secretariat 2001, pg 170

2.3 Post-disintegration to revival of the East African Community

After the collapse of the Community in 1977, member states negotiated a Mediation Agreement for the division of assets and liabilities that was signed in 1984. Article 14.02 of the agreement was to explore areas of future cooperation. Following this provision, steps towards restoring the economic cooperation between the three countries kicked off in November 1993. At this stage of post disintegration, Tanzania made significant improvement in the fields of health, infrastructure and education compared to the post-independent period where it was ranked as one of the poorest countries. In 1986 the support of multilateral donors to Tanzania generated an increase in economic activities hence the country's GDP rose at an annual average of 3.1% during 1990-2001⁴¹.

On the other hand, Kenya in the 1980s began to feel the heat when the prices of tea and coffee in the world market deteriorated and the subsequent world recession led to a slumped Kenyan economy hence sluggish performance. Uganda followed the path of Tanzania in terms of growth as it was able to receive loans from World Bank hence Uganda's macroeconomic growth was quite impressive averaging at 6.5% 1990-2005⁴².

2.3.1 New East Africa Community in the 1990's

In November 30th 1993, Uganda, Kenya and Tanzania signed an agreement to revive the East Africa Cooperation. A Permanent Tripartite Commission for co-operation was established to promote cooperation in political, cultural, social and security of Partner State countries and to resolve outstanding issues of the defunct East Africa Community.

⁴¹Ng'ang'a Wanjiru, *The 'New' East Africa Community: Effects on Trade, Welfare and Productive Activities in East Africa*, Unpublished MA Thesis University of Saskatchewan Saskatoon SK 2006 pg.10

⁴²Ng'ang'a Wanjiru, *The 'New' East Africa Community: Effects on Trade, Welfare and Productive Activities in East Africa*, Unpublished MA Thesis University of Saskatchewan Saskatoon SK 2006, pg. 9

In 1996, a Secretariat to the Commission was launched with its headquarters in Arusha Tanzania which later circulated a draft treaty for the re-establishment of East Africa Community that was debated by the respective East African National Assemblies. These efforts eventually led to the re-establishment of the East Africa Community with the signing of the treaty in November 1999 by President Daniel Moi of Kenya, Benjamin Mkapa of Tanzania and Yoweri Museveni of Uganda.⁴³

2.3.1.1 The enlargement of East Africa Community

The New East African Community is a regional intergovernmental organization established under Article 2 of the Treaty of Establishment of East Africa Community. The Treaty officially entered into force on 7th July 2000 but was launched in 15th January 2001 after it had been ratified by the original three countries. The republic of Rwanda and the republic of Burundi later joined the East Africa community by acceding to the Treaty of the EAC 18th June 2007 and became full members on 1st July 2007. The joining of Rwanda and Burundi led to the realization of a larger economic bloc with a combined population of 130 million people as of 2010 and a combined GDP of \$74.5 billion in the year 2009⁴⁴

The revived EAC's broad goal is to widen and deepen cooperation among partner states in political, economic, social and cultural fields, research and technology, defense, security, legal and judicial affairs for their mutual benefits.⁴⁵ The vision of the integrated community is to create wealth in the region and enhance competitiveness through increased production, trade and

⁴⁴www.eac.int/index.php?option=com_content&view=article&id=1_welcome-to-eac&catid=34:body-text-area&Itemid=53 accessed on 28th August 2014 East Africa community portal.

⁴⁵Wangwe, Samuel, "Proposals to address Economic and Social Disparities in the East Africa Community" in *Dialogue on the regional integration in East Africa. EAC secretariat 2001* p 172

investment in the region. In order to reach this goal the community shall establish a Customs Union as the entry point of the community that is to be followed by a Common Market subsequently a Monetary Union and ultimately a Political Federation of the East African states.

Table 1 Dynamics of Integration of EAC

1. Customs Union	Eliminate trade barriers (tariff & quota among partner States) Common external tariffs against non-members
2. Common Market	Customs union; harmonization of taxation policies & laws Free movements of factors of production Common commercial Policy
3. Monetary Union	Common currency Harmonization of factors of production Common Commercial Policy
4. Total Economic Integration and Political Federation	Supranational political authority whose decisions are binding on partner states. Common foreign and security policy

Source: Adapted from Kaisi 2003.⁴⁶

The economic social and political developments of the EAC partners are supported by strategic vision as indicated by the table below.⁴⁷

⁴⁶ Kaisi, John Hosi, *Assessment of Regional Integration Progress in the East African Community*, University of Witwatersrand, South Africa, 2003 unpublished M.A Thesis.

⁴⁷All partner states share in the dream of achieving middle income status by 2030. The strategies and vision though prepared independently, by each member state they are in line with objectives of the community to develop policies and programs aimed at widening and deepening cooperation. East African Community, *4th EAC Development Strategy 2011/2-2015/6 Deepening and Accelerating Integration*, August 2011- pg.13

Table 2 EAC Partner States Strategic Vision

Partner State	Time frame	Strategic Vision	Priority Areas
Kenya	Vision 2030	Globally competitive and prosperous.	To achieve Sectoral objectives including meeting regional and global commitments.
Uganda	Vision 2035	Transform Ugandan society from peasant to modern prosperous country.	Prominence being given to knowledge based economy.
Tanzania	Vision 2025	High quality of life anchored on peace, stability, unity and good governance, rule of law, resilient economy and competitiveness.	Inculcate hard work, investment and savings, culture; knowledge based economy; infrastructure development; and Private Sector Development.
Rwanda	Vision 2020	Become a middle income country by 2020	Reconstruction, HR development and Integration to regional and global economy
Burundi	Vision 2025	Sustainable peace and Stability and achievement of global development commitments in line with MDGS	Poverty reduction, reconstruction and Institutional development
EAC	Treaty	Attain a prosperous, competitive secure and politically united East Africa	Widen and deepen economic, political social and cultural integration at regional and global levels

Source: Adapted from 4th EAC Development Strategy 2011/2-2015/6⁴⁸

2.4 Structure and Organs of the Revived East African Community

2.4.1 The Summit

The Summit consists of the Heads of State. It holds its meetings at least once a year and may hold extraordinary meetings at the request of any member of the Summit. Subject to the provisions of the Treaty for the Establishment of the East African Community, the Summit gives

⁴⁸ East African Community, *4th EAC Development Strategy 2011/2-2015/6 Deepening and Accelerating Integration*, August 2011- pg.13

general directions and acts as an impetus to the achievement of EAC objectives. Bills passed by EALA have to pass through the Summit to be assented to in order to be Acts of the Community. The decisions of the Summit are by consensus. The Summit determines its own procedure, including that of convening its meetings, for the conduct of business and for the rotation of the office of Chairperson among the members of the Summit.⁴⁹

2.4.2 The Council of Ministers

The Council consists of the Ministers responsible for regional co-operation of each Partner State. Directives and decisions of the Council are binding on the Partner States, on all organs and institutions of the Community apart from the Summit, the Court and the Assembly within their jurisdictions. All the decisions of the Council are made by consensus.

It is the main policy organ of the Community hence; it initiates and submits Bills to the Assembly. The Council is mandated to make staff and financial rules and regulations of the Community; submit annual progress reports to the Summit; and prepare the agenda for the meetings of the Summit. The Council of Ministers establishes from among its members, Sectorial Councils to deal with such matters that arise under the Treaty as the Council may delegate or assign to them.

⁴⁹The tenure of office of the Chairperson of the Summit is one year and the office of the Chairperson is held in rotation among the Partner States. It is important to note that if a member of the summit is unable to make it to the meeting, they are allowed to send in their Cabinet Secretary after consulting with the other members. The interesting bit is at the meeting the Cabinet Secretary has the powers, responsibility of the person they are representing. The decisions made by the Summit are by consensus. www.eac.int/index.php?option=com_content&view=article&id=130-summit&catid=34-body-text-area&Itemid=66 accessed on 28th august 2014)

2.4.3 The Co-ordinations Committee

This organ consists of the Permanent Secretaries responsible for regional Cooperation in each Partner State. The Committee submits reports and recommendations on the implementation of the Treaty to the Council either on its own initiative or upon the request of the Council; it implements the decisions of the Council of Ministers and receives and considers reports of the Sectorial Committees.

2.4.4 Sectorial Committee

The Sectorial Committees consists of experts from five countries that are responsible for tabling their country's position on paper on various issues. They later discuss these issues of concern within their sector. Sectoral Committees are responsible for the preparation of comprehensive implementation programs and setting out of priorities with respect to their sector. Each Sectoral Committee monitors and keeps under constant review the implementation of the programs of the Community with respect to their sector.

The committees also submit reports and recommendations to the Co-ordination Committee either on their own initiative or upon request of the Co-ordination Committee concerning the implementation of the provisions of the Treaty that affect its sector.

2.4.5 The Secretariat

This is the executive organ of the Community comprising the Secretary General and two Deputy Secretaries General; one in charge of department of projects and programs while the other deputy secretary general is in charge of finance and administration.

The Secretary General is the principal executive officer of the Community and the Head of the Secretariat in which she or he serves for five years. Once nominated, the Partner State in which

the Secretary General is representing forfeits the seat of Deputy General. The Deputy Secretary General is appointed by the Summit on recommendations of the Council. They act as deputies to the Secretary General and each serves a three year term, renewable once.

The secretariat is responsible for the general administration and financial management of the Community. In this case, it mobilizes funds from development partners and other sources for the implementation of projects of the Community, submits the budget of the Community to the Council for its consideration as well as proposing draft agenda for the meetings of all organs of the Community other than the Court and the Assembly.

The Secretariat implements the decisions of the Summit and the Council, organizes and keeps records of meetings of all institutions of the community other than those of the Court and the Assembly. It monitors, manages and strategically plans programs for the development of the Community and in the same measure; it is responsible for the general promotion and dissemination of information to the stakeholders, the general public and the international community.

2.4.6 East Africa Court of Justice

The EACJ (the Court) is established under Article 9 of the Treaty for Establishment of EAC as one of the Organs of the Community. It is a judicial body serving five Partner States and to that extent it is an international court. The role of the court is defined by the Treaty as ensuring “the adherence to law in the interpretation, application of and compliance with the Treaty”. Initially the court had six Judges, two from each Partner States, and the Registrar. It began its operation as a single chamber and judges served on ad hoc basis this meant that the judges were not

required to reside in Arusha⁵⁰. The judgment of the courts at this point was final and binding. This aspect of the courts finality without appeal was however subsequently amended as provided for in Article (23) (2), “The court shall consist of a First Instance Division and an Appellate Division. Article (23) (3) continues to state that, “The First Instance Division shall have jurisdiction to hear and determine at first instance, subject to a right of appeal to the Appellate Division under Article 35A⁵¹, any matter before the Court in accordance with the Treaty.”

The number of judges was increased and currently they are ten judges of the Court. According to Article (24) (2) the judges have a maximum of seven years of non-renewable term. The Court is headed by the President who is the administrative Head of the Court as well as head of the Appellate Division and is assisted by a Vice President. The Principal Judge directs the work of the First Instance Division under Article 45(5).

The Court envisions Partner States utilizing the Courts facility as an arbitral tribunal as the Judges are trained and have familiarized themselves with international commercial arbitration principle and practices. The rules of arbitration have been reviewed to measure up to international standards.

⁵⁰Article 140(4) of the Treaty, the Judges only come to Arusha or elsewhere only when there is business to transact – hearing of disputes or attend to administrative matters. It is only the Registrar and the other Court Staffs who are in a full-time basis. The Registrar is responsible for the day to day running of the Court. (Justice Nsekela R. Harold President, EACJ. “*Overview of the East Africa Court of Justice*” A Paper for Presentation During The Sensitization Workshop On The Role of the EACJ in the EAC Integration, Imperial Royale Hotel, Kampala Uganda, 1st -2nd November 2011.)

⁵¹ Article 35A states that, “An appeal from the judgement or any other of First Instance Division of the Court shall lie to the Appellate Division on points of law, grounds of lack of jurisdiction; or Procedural irregularity.(Nsekela R. Harold President, EACJ. “*Overview of the East Africa Court of Justice*” A Paper For Presentation During The Sensitization Workshop On The Role of the EACJ in the EAC Integration, Imperial Royale Hotel, Kampala Uganda, 1st -2nd November 2011 pg. 10)

2.4.7 East Africa Legislative Assembly

EALA is a supranational parliament and the legislative organ of the community under Article 49 of the Treaty. It was inaugurated on 30th November 2001 and it is based in Arusha Tanzania. The membership of the Assembly comprises of nine members elected by each Partner State, ex-official members⁵², the Secretary General and the Counsel to the Community. The Speaker presides over proceedings in accordance to the rules of procedure of the Assembly.

The EALA plays a pivotal role in the initiation of new regional policies as it sets agenda for the region. The Assembly further contributes to East African integration by speaking for and enhancing the bargaining power of the region at international forums such as UN system. This initiative has played an indispensable role in regional confidence especially when dealing with common problems which later results to fostering a sense of solidarity among the East Africans. Equally fundamental is the provision of a forum for consultation on matters of common interest which cannot be handled by national Parliament. This is made possible by EALA cooperating with national assemblies on different matters for example the cooperation on multilateral trade negotiations which brought regional assemblies in a joint forum to debate and lobby national governments on economic partnership and the World Trade Organization.

The promotion of accountability and transparency in deepening of democratic governance among Partner States as well as in the conduct of regional affairs is a vital role for EALA. This is done by the endorsement of important aspects of integration that requires legislation like the customs procedures and regulations, employment laws, labour relations and immigration. The

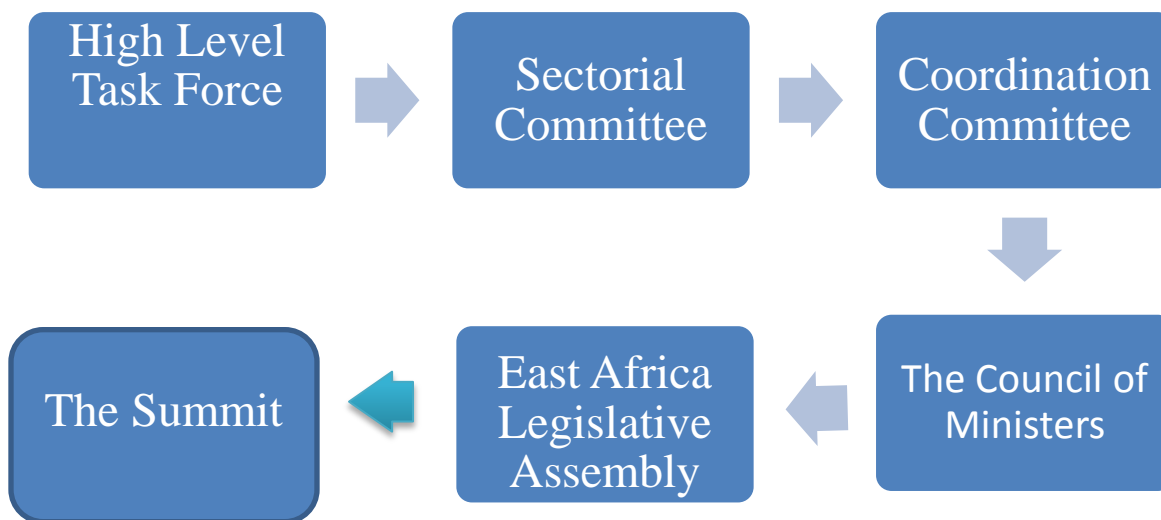
⁵²The Ex-official members' consisting of Minister or Assistant Minister responsible for EAC affairs from each Partner State. The Assistant Minister, Deputy Minister or Minister of State are allowed to participate in the meeting only when the Minister responsible for EAC affairs is unavailable hence unable to attend the meeting.(Article 48 1(b) (11): Membership of the Assembly)

East Africa Legislative Assembly is in a continuous formative process thus, it is limited and has non-exclusive roles in regional integration.

2.5 The East African Community Public Policy Processes

The table below shows the order in which Public Policies in EAC are made. The Summit is the highest in policy making whilst High Level Task Force represents the foundation of policy making.

Figure 1. East African Community Public Policy Processes



Source: Author's Illustration

2.6 East Africa Development Strategies

2.6.1 The First Development Strategy

The First EAC Development Strategy was launched on 29th April 1997 by the three Heads of Partner States with a strategy aimed to achieve certain goals between 1997 and 2000. Its main

goals were to promote the spirit of regional co-operation especially emphasizing on economic co-operation; to strengthen regional institutions by increasing their capacities for regional co-operation; and to ease the free movement of people, capital, goods, as well as services and information within the region.⁵³ Progress made by this strategy culminated in the signing and ratification of the EAC Treaty, the legal document that guides the EAC integration processes.

The strategy did not always determine the feasibility for implementing various policy and programme actions based on country specific conditions. There was a time lag between changes made and change of attitudes and modalities of operation on the part of the operational staff on the ground. A lessons learnt from this 1st development strategy suggest that public education and awareness campaigns may be required to improve on the attitudes towards the integration process. There was need to develop the institutional and human capacity to manage regional co-operation in the context of unequal levels of development of partner states so that a balance may be struck in the actual and perceived distribution of benefits amongst partner states.⁵⁴

2.6.2 The Second Development Strategy (2001-2005)

The Second Development Strategy covered a broad range of areas and activities to address economic areas of cooperation. The formulation of this strategy was guided by six main considerations which were; lessons and experiences learnt from the first development strategy; views of the stakeholders; continuation of ongoing activities including decision making made by various committees; proper use of results of studies commissioned by the Secretariat; and consistency with the Treaty. There was vital need to develop capacity to compete and effectively participate in the globalized world economy and to implement activities without insuperable

⁵³ East Africa Community, *The 1st EAC Development Strategy 1997-2000*. 29th April 1997, Arusha, Tanzania

⁵⁴ East Africa Community, *The 2nd EAC Development Strategy 2001-2005*. 24th April 2001, Arusha Tanzania pg. VIII

obstacles.⁵⁵ This development strategy was guided by the provision of the Treaty which stipulates that, the entry point into the community will be the establishment of a Customs Union and later a Common Market. To achieve these two, there was need to build capacity in the region by enhancing productive sectors which include; tourism, agriculture and natural resources which was to be facilitated by infrastructure, science and technology and human resource development.

Convergence of macroeconomic policies was paramount in speeding up implementation of issues agreed upon in the first development strategy and resolving of disputes. This entailed harmonization of exchange and interests rates policies, currency convertibility of member states, sharing of relevant budgetary information on revenue measures, capital market, monetary and fiscal policies that were imperative in strengthening the role of East Africa Bank in regional financing projects. EADB was to be revamped by allowing border purchasing of shares within EA and enhancing its capacity to issue international bonds.⁵⁶

Infrastructure and support Service were recognized by the Second Development Strategy as key in promoting trade, improving competition and attracting investment in the region. Policies in this area aimed at improving the existing transport and communication services as well as energy and cooperation in supportive services which include Standardization, Quality Assurance and Metrology and Testing (SQMT). A number of tripartite agreements were reached in the field of infrastructure as partner states reaffirmed their commitment in enhancing budgetary resources, strengthening institutional and administrative capabilities of ministries and agencies formed to

⁵⁵East Africa Community, *The 2nd EAC Development Strategy 2001-2005*. 24th April 2001, Arusha Tanzania pg. VIII pg. 8

⁵⁶ One area that has seen economic convergence is price stability with underlying inflation in the 3 partner states. Otherwise, there has been mixed progress among partner States in achieving macroeconomic convergence. Whilst Uganda and Tanzania registered GDP growth of over 5.0% from 1999-2004, Kenya's growth rate gradually bounced back from -0.3% in 2000 to 1.8% in 2003 up to 4.3% in 2004. (EAC Report of the Committee on Fast Tracking East Africa Federation , November 2004.

manage sub-sectors as a means of furthering the physical cohesion of partner states and to facilitate and promote movement of traffic within the community.⁵⁷

In trade liberalization and development, the key objective was to move towards establishing a Customs Union and subsequently Common Market. This particular development strategy called for the adoption of Common External Tariffs (CET)⁵⁸, elimination of internal tariffs and non-tariffs barriers, adoption of common anti-dumping and common positions against illegal toxic wastes. The most significant achievement was the signing of the Customs Union Protocol on 2nd March 2004 coming into force on 1st January 2005. Trade and Customs Unit was created to oversee and advise partner states in the integration of the three customs units by linking of national customs development via standardized procedures, harmonization of treatment throughout the EAC and drawing lessons from relevant experienced integration schemes.

2.6.3 The Third Development Strategy (2006-2010)

The formulation of EAC –Development Strategy (2006-2010) was guided by developments in three levels: the world economy, the regional economy and the national economy. The Strategy focused on the key pillars of EA integration. These are consolidating the implementation of Customs Union, establishing a Common Market, laying foundation for establishing a Monetary Union and Political Federation. One of the key successes of the 3rd development strategy was

⁵⁷ East Africa Community, *The Third EAC Development Strategy 2006-2010*. Arusha Tanzania.PDF document pg. 17

⁵⁸ Article 75(7) of the EAC Treaty, in order to ensure proportionate sharing of benefits and costs among Partner States, Adoption of a CET shall be achieved during this period. High CET acts as trade protectionism which perpetuates high-costs industries thus promoting trade diversion, impairing competitiveness based on comparative advantages, and may lead to rent seeking activities. An extremely low CET on the other hand may introduce premature competitive pressures on domestic industries including those which may have a chance to become efficient over time. East Africa Community, *The Second EAC Development Strategy 2001-2005*. 24th April 2001, Arusha, Tanzania. pg. 12

the strong partnership of the public and private sectors towards the implementation of the Customs Union which led to remarkable growth in intra- EAC trade from 2005 to 2009.⁵⁹

Taking into account the nature and level of development of Partner States, the implementation of the EAC –Development Strategy of 2006 to 2010 was based on the Principle of Asymmetry which recognized the need to address differentials and imbalances of integration, the Principle of Subsidiary that emphasized on multi-level participation in economic integration and the Principle of Sublimity⁶⁰ that enable harmonization of policies, strategies and plans with regional counterparts. The Principle of Complementarity that encouraged the participation of people in community activities to complement each other and the Principle of Variable Geometry which allowed progression in cooperation among groups within the community for wider integration in various fields at different speeds were also applied.

The establishment of Common Market was the primary goal of EAC-DS (2006-2010) to create a larger market and a more attractive single investment area with about 100 million consumers, with no internal frontiers. The Common Market entailed free movement of persons, goods, services, labor and right of establishment. This was to provide the region with an opportunity to be more competitive whilst participating in the global economy, accelerate growth rate and enhance the welfare of the people of EAC to be consistent with the concept of people centered development. For it to be possible there was need to provide adequate and reliable supporting

⁵⁹ Intra-EAC trade increased from US\$ 1,979.2 million to US\$3,339.4 million during 2006-2008. Exports increased from US\$ 1,084.9 to US\$ 1,902.9 million in the same period whilst imports increased from US\$ 874.3 to US\$ 1,436.5 million. EAC therefore experienced a trade surplus which increased from US\$411.4 to 466.4 million. East African Community, *4th EAC Development Strategy 2011/2-2015/6 Deepening and Accelerating Integration*, August 2011- pg. 32

⁶⁰ The operationalization of the Principle of Sublimity was a major feature of deepening and accelerating integration. This is due to the fact that the EAC -DS (2006-2010) objective was to have in place East African policies, laws and standards to enable smooth operation of Common Market. www.eac.int/legal/index.php?option=com_content&id=152%3Athe-eac-development-fund&Itemid=241&limitstart=5 accessed on 23rd September 2014

infrastructure through sharing of production, management and operations energy, roads and Information and Communication Technology (ICT).

Substantial ground for the EA Monetary Union and for the establishment of EA federation was covered. In the case of Monetary Union and single currency, foundation was laid by the harmonization of monetary and fiscal policy within the EAC. In the course of achieving political federation, relevant regional structures were established with the purpose of fully involving the people of East Africa. The two are to come into place in the next EAC –Development Strategy (2011-2016).

2.6.4 The Forth Development Strategy (2011-2016)

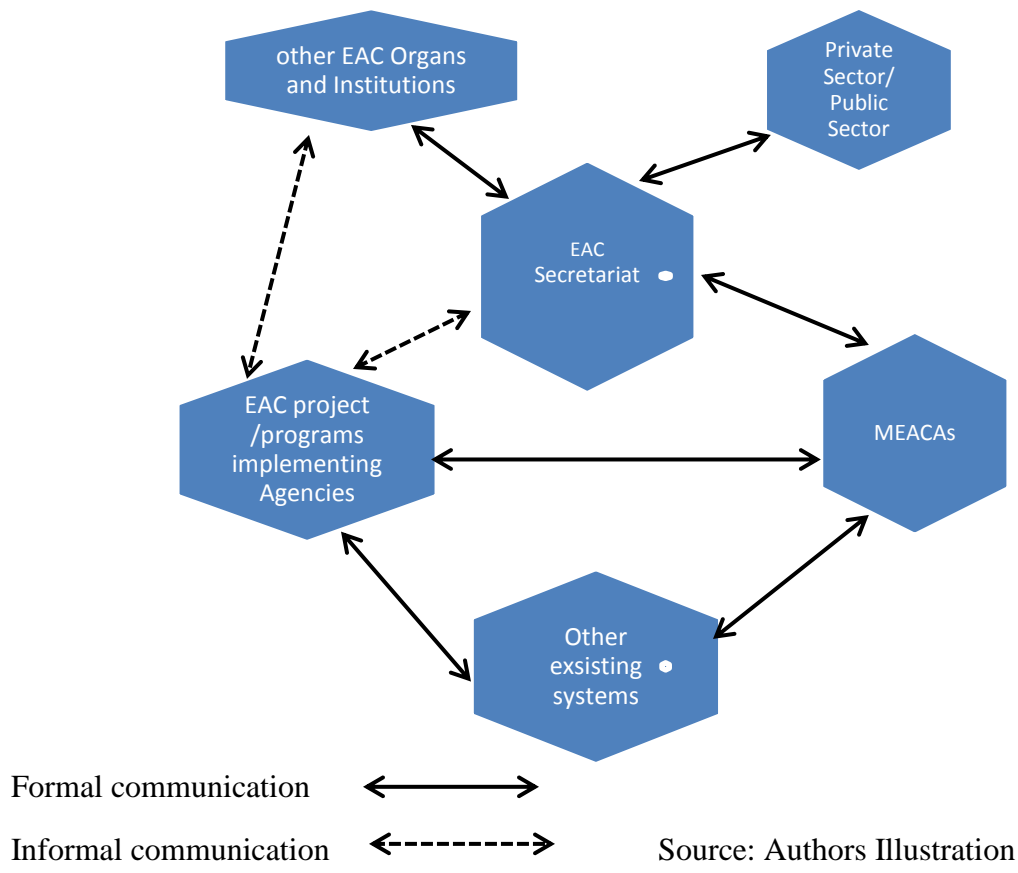
The Fourth Development Strategy is informed by the global, Pan-African, regional and national commitments particularly the global issue. These issues are climate change whose effects are felt on food security and environment, financial crisis, and persisting insecurity characterized by piracy and terrorism. EAC –Development Strategy of 2011 to 2016 plans to focus on consolidating the benefits of a fully-fledged Customs Union, full implementation of Common Market and laying foundation for Monetary Union and Political Federation.

In monitoring the implementation of Fourth EAC Development Strategy, focus is on the outcomes and impacts rather than on activities and processes. The key reports are to be regularly compiled under a monthly activity report, a quarterly performance report, a bi-annual progress report and an annual report.⁶¹ Evaluation of the strategy development endeavors to explore the

⁶¹The Monthly Activity Report will be prepared by sector heads or project managers and submitted to heads of directorates. The report highlights progress made and any technical support required. This allows lessons to be shared, adjustments to be made and decisions to be made. The Quarterly performance report provides achievements of targeted outputs and progress made towards the strategy objectives. Ministries responsible for EAC Affairs link with the EAC Secretariat M&E systems to provide information and updates on projects and programs under

alignment of intervention and policies, change processes that support implementation of the development strategy. The basis, in which data is collected, planned and executed, is laid by the Monetary & Evaluation and the sources of data are EAC Secretariat, Partner States implementing Ministries, Private and Public Institutions. The responsibility of collecting, analyzing and disseminating relevant data and information is solely on EAC Secretariat and Partner States implementing Ministries. The figure below illustrates the principles and systems that guide data collection analysis and the reporting and information flow within the EAC.

Figure 1 MIS Data/Information flow within the EAC



implementation. Bi-annual progress report is prepared by the EAC Secretariat in collaboration with EAC organs and Institution. It reports on progress made in implementing the Development Strategy. Annual reports is done by all relevant stakeholders as it highlights the success, challenges encountered and offers solutions. It provides priority programs for the next year and strategies for maintaining and improving them. East African Community, *4th EAC Development Strategy 2011/2-2015/6 Deepening and Accelerating Integration*, August 2011- pg. 73-74.

2.7 The Achievements of the New East Africa Community

The Treaty of the Establishment of East African Community identifies creation of a Customs Union as the entry point in the process of regional integration in East Africa. The principle objective of the CU according to the Treaty of EAC Article 75(5) is to deepen the integration process through liberalization and promotion of intra-regional trade. Remarkable progress has been recorded in the implementation of the Common External Tariff in terms of elimination of internal tariffs and rules of origin and standards. The establishment of key institutions, systems, policies, strategy and legal framework, for example the EAC Customs Act and the promotion of EAC as a single investment destination, are complementary achievements of the Customs Union. As a result of the establishment of the CU, there has been an improvement in market access, increased awareness of EAC integration agenda, accessibility to cross-border resources and common external trade policy starting with negotiations of EPA and AGOA.

Harmonization of fiscal policies has included the harmonization of banking policies to ease the conversion of member states currencies, pre and post budget consultations by the Ministers of Finance of member countries and the reading of the budgets on the same day.

The integration of transport, communication and energy are integral components of regional integration schemes. Ratification of the Tripartite Agreement on road transport by member states was done to facilitate interstate transport marked by the establishment of a Sectoral Council on Transport, Communications and Metrology⁶². Currently, partner states are working on modalities of improving the railways and the ports that are a gateway to the landlocked countries in the community for example, construction of the standard gauge railway. Tangible achievements

⁶²Cooperation in infrastructure in EA region among Partner States is crucial for it ensures coordination of donor funding for community projects, synchronization of standard quality of infrastructure.

include the joint infrastructure development projects which are currently divided into three transport corridors; the Northern Corridor, Central Corridor and the Southern Corridor.⁶³

The feeling of integration among the people of East Africa has been nurtured with time to facilitate East African identity. The unity among the member states has been enshrined in “*Wimbo wa Jumuiya ya Afrika Mashariki 2010*”, East African flag and the adoption of EAC Military sports and culture week. In addition to the above, the harmonization of immigration forms at port entry and the adoption of common travel documents, working permits, fees for education and tourism has resulted to increased cross boarder student exchange and free movement of modes of production.

The current East African passport grants the holder a six months multiple-entry visa within the region. A communiqué from the Heads of State Summit that took place in Kampala 2013 quoted that the five Presidents agreed to launch a new East African passport in November 2015. As opposed to the current one that is only valid within the region making a holder have to depend on their respective national passports to travel abroad, this new passport will be an international passport that will be recognized globally. The passport shall have a micro-chip installed in it for storing biometric data of the holder and shall have on it the colours of the East African flag.

Uganda, Rwanda and Kenya launched a single destination tourist visa in Kampala in February 2014. The new visa has been modeled on the European Union Schengen visa which allows

⁶³The Northern Corridor comprises of 133kilometre of railway network from Mombasa to Kampala. There is also a road route from Mombasa via Malaba, Busia to Kampala, Kampala to Mbarara, and Kabale to Kigali and Butare in Rwanda up to Bujumbura in Burundi. The Central corridor consists of Dar-es-Salaam and Kigoma railway network which is 1254 kilometers long. It connects to Bujumbura by barges of Lake Tanganyika and to Rwanda by road. The Southern Corridor also known as Tazara Corridor is 1860kilometres but the EAC only recognizes 1200 kilometers which are:Mombasa-Malaba-Kigali-Bujumbura,Dar-es-Salaam-Rusumo-Kigali-Bujumbura and Masaka Biharamulo-Sirari-Lodwar-Lockichogio and Nyakanazi-Kasulu-Tunduma-Bujumbura. Kaisi, John Hosi, *Assessment of Regional Integration Progress in the East African Community*, University of Witwatersrand, South Africa unpublished M.A Thesis , June 2013.

visitors to any of the 26 member states. The single destination tourist visa costs USD\$100 and is valid for 90days and allows tourist to travel around the three countries without seeking any other travel documents. Revenue generated from issuance of the single tourist visa is divided amongst the three states. The issuing state gets USD\$40 while the rest get USD\$30 each.⁶⁴ The Chief Executive Officer of Uganda tourism, Steven Asimwe is quoted as saying that this will open the region to over one billion travelers from all over the world and that Kenya Uganda and Rwanda will market the regions tourism potential from a single hub.⁶⁵ In addition to this, the use of national identity cards, student's cards and voter's cards by citizens of the three participating member states was launched to travel across the participating countries. These developments coupled by the signing of protocols to promote tourism in East Africa as single tourist destination.

2.8 Challenges facing the East African Community

To achieve political federation and to sustain the East Africa Community, political goodwill is essential. Slow decision making processes at national levels have been a major challenge because it involves several statutory steps. For instance issues that require amendment of law, there is a laid down process which involves respective ministry's to develop a cabinet paper which is submitted to the cabinet to be discussed by the Inter-Ministerial Technical Committee and finally taken to Parliament for final approval. It is imperative to acknowledge that the above process takes substantial amount of time which is in most cases never put into consideration in the course

⁶⁴Muramira, Gachegu *East Africa:Kenya Uganda Rwanda launch single Tourist Visa*, 21 February 2014, AllAfrica, www.m.allafrica.com/stories/201402210098.html/accessed on 15 September 2014.

⁶⁵www.visituganda.com/information-centre/media/news/?article=MTEwaccessed on 30th September 2014

of fast-tracking bureaucratic activities. This has manifested itself at boarder points with the red tape that impedes on movements of factors of production.

Availability of resources in implementation of activities is vital. Lack of proper funding from concerned governments has left implementation of certain activities tied to goodwill of the international community. In cases where international resources are not forthcoming at the required time, the implementation of programs is thus delayed. This has led to pressure of restructuring and privatization of public institutions.

The East African countries face challenges in the consistency of reduction of Non-Tariffs barrier (NTB's). In comparison, Rwanda has reduced 94.1% of NTBs whilst Tanzania is trailing having reduced 66% of NTBs. This is an indicator of varying levels of political goodwill among the EAC member states and to curb this the Secretary General Richard Sezibera was quoted saying that the community had proposed legislation that would see actions taken against countries that will fail to eliminate NTB's.⁶⁶

Implementation of Common External Tariff (CET) among member states has been a challenge which could be attributed to partner States being members of multiple free trade blocs.⁶⁷ Kenya is leading in terms of membership as it is a member of CEN-SAD, COMESA, and IGAD. Uganda is a member of IGAD, COMESA and EAC, Burundi is a member of COMESA, EAC and ECCAS, Tanzania belongs to EAC and SADC. This means that, they take regional commitment from all trade blocs they belong to thereby having to implement different CET to extra-regional trade partners. Out of this multiple membership of EAC member States, it was

⁶⁶Mumo Muthoki, *Tanzania, Burundi to Join Coalition of The Willing*. Daily Nation News Paper 25th February 2014.

⁶⁷ United Nations Economic Commission for Africa, *Assessing Regional Integration in Africa, Towards an African Continental Free Trade Area*, Addis Ababa, 2012.

estimated that in 2005 and 2012 lost 1.9 trillion(22.7 billion\$) in terms of goods that came into the region from other trade blocs that are not subjected to CET. ⁶⁸The EAC operating as a common market has been embraced differently by member states. In Tanzania especially, there has been a major challenge in the issuance of work permits among citizens' of member states as they are charged \$2000 and are categorized as foreigners. This has led to people working illegally and as a result, Tanzania is reported to have deported 4000 Uganda and Rwanda citizens thus heightening political tension among member states. Burundi on the other hand charges 3% of gross salary whilst Kenya and Uganda have variable rates for different kind of workers.

The security situation and need for concerted efforts towards combating terrorism and negative forces in the region has been a major challenge. The situation in DRC for instance, has contributed negatively to Tanzania's relation with Uganda and Rwanda after she committed a large number of peace keeping troops to UN Mission whose sole intention was to drive out M23 who are associated with Uganda and Rwanda. The Political and Security developments in Southern Sudan pose a grave concern on the economic growth of EAC as South Sudan acts as a crucial link between East Africa region and North Africa in terms of trade. There is also the issue of joint investment project like Lamu Port- Southern Sudan- Ethiopia Transport (LAPSSET) and Standard gauge railway will be affected.

It is important to note that all member states believe in, the rule of law, good governance and market-driven policies which are fundamental in any economic integration but there has been a significant political difference between member states. The single-party dominance in the Uganda and Tanzania parliament was deemed unattractive to Kenya whose politics on the other

⁶⁸Rob William, *Fee tracking and freedom of movement; Where Now for the EAC?* Think Africa Press: 26th November 2013

hand are ethnic based. As for Rwanda, its political culture is believed to be committed to build a developed state to safeguard the Tutsi against return of ethnic war.

2.9. Conclusion

The East Africa region has gone through a lengthy and complex process of integration. Beginning in the early twentieth century under British colonial rule and maturing during the first years of independence in the 1960's. It however dissipated within ten years of its inception leading to its collapse in 1977. A revival period followed thereafter that eventually led to the creation of the new EAC in the new millennium. The new EAC has increased its membership compared to the defunct EAC and has a broad goal to widen and deepen cooperation among its partner states. The EAC aims to achieve these through four milestones which include formation of a Customs Union then establishment of a Common Market. A single currency shall then be implemented through a Monetary Union that will eventually lead to the total economic integration of East Africa and formation of a political federation. The EAC has made quick strides towards its eventual goal albeit under lengthy bureaucratic procedures that characterize international relations.

CHAPTER 3

APPROACHES AND PROCESSES OF REGIONAL INTEGRATION

3.1 International Organisation and Regional Integration

An international organization is a body that is based on a formal instrument of agreement between several governments of states and the agreement includes three or more parties to it. These organizations have a permanent secretariat that performs day to day tasks.⁶⁹

Regional integration schemes are very important in the world today as many countries are strengthening their bargaining power among other issues through formation of regional blocs; trade liberalization arrangements; development of regional physical infrastructure; institutions including regional capital markets and conflict resolution mechanisms among other issues. Regional integration offers a route to overcome the disadvantage of the small individual economies by pooling resources together, strengthening the effectiveness of domestic policy making and enlarging markets and the subsequent increase in trade flow. The benefits accrued from regional cooperation and integration includes access to a large economic base and markets that attract more domestic as well as foreign investors. This paves the way for more efficient resources utilization, greater flexibility in resources use and planning.

Regionalism in Africa has always had a strong political cause. Pan-Africanism as an expression of continental lucidity distinguishes regional integration in Africa from other regions in the developing world. In the initial years of developing an East Africa federation Pan-Africanism contributed significantly in the field of economic and social unity.

⁶⁹Taylor, Paul. *International Organization, A Conceptual Approach*, 1978, London, Frances Peter Ltd. Pg. 30

3.1.1 What is a theory?

It is important to identify what theory is, how theory relates to the integration process and how its evaluation takes place. In evaluating integration, various scholars' through use of theory have failed to demonstrate the virtue of predicting the course of integration. Good theories select factors that are most relevant in explaining an event hence they are of great value in structuring all observations. A theory could therefore be defined as a structure of observation that draws meaningful conclusions with the purpose of prediction. One can judge a good theory by its scope, its success in predicting events, its intellectual consistency and coherence in explaining phenomena.

Theories explaining international organisations are categorized as adjustment theories⁷⁰, Integration theories and Constitutional theories. They express the ways in which governments deal with the demands made upon them by international institutions and how they regularly adjust these positions. States have not fundamentally changed but have adjusted to serve interests in the context of a changing environment. Integration theories explain change in the context of decision making on one or more levels of state, at the popular level (people/citizen), at the level of competing NGO's (organized groups), at the level of administration (the bureaucrats) and at the level of the executive (the politicians). These theories see development at the popular level as the main determinant of stability and stress changes in mass attitudes and values.⁷¹

⁷⁰ Adjustment theories regard supra-nationalism as an arrangement where governments allow an international institution to manage an area of common interest. A framework can be sought to classify adjustment theories into styles of adjustment of intergovernmental cooperation; Supra-nationalism; harmonization of cooperation; Associations and Coordination. See Taylor, Paul. *International Organization, A Conceptual Approach*, 1978, London, Frances Peter Ltd. Pg. 120.

⁷¹ It is important to note the difference between integration and constitutional theories. The Integration theories focus on developments in present circumstances on whose basis forecast future development whilst Constitutional theories prescribe an ideal future arrangement of international society. They are vague on how to arrive to the end situations. See also Taylor, Paul. *International Organization, A Conceptual Approach*, 1978, London, Frances Peter Ltd pg.131

3.2 Functionalism

Functionalism as a theory is a starting point in understanding integration in international relations. It was devised at the end period of the Second World War as a way of advising governments on how to foster peace after the war was over. The task was to bring states together in fruitful partnerships which were to result in the outlawing of war from the international society. The functionalism theory derives from the work of David Mitrany⁷². He departs from the point of view that there was need for a new international system to replace the one whose collapse caused the Second World War.⁷³

The process of setting up integration commences by creating international institutions in areas where they might act most efficiently in solving a function. The process may be initiated by individual private groups or by governments. For instance, after the collapse of EAC in 1977 the member states signed the 1984 Mediation Agreement which stipulated ways for renewing regional cooperation. The Permanent Tripartite Commission for East Africa Cooperation was established in 1993 and it drafted the Treaty for Establishing the East Africa Community that came into force in July 2000 after being ratified by Kenya, Uganda and Tanzania. Once international institutions have been set up with the few involved, then it is expected that after being convinced of the greater benefits brought forth by co-operation, more people will realize that their welfare level is most likely to improve through such institutions. This has been actualized by the subsequent signing and assenting to the Treaty of the East Africa Community by Burundi and Rwanda in 2007.

⁷² See Mitrany, David, *A working Peace System*, Chicago, Quadrangle books, 1966.pg 35-37

⁷³ See Leiber. J Robert, *Theory and World Politics*, University of California, Davis, Winthrop Publishers Inc., Cambridge, Massachusetts,1972, pg. 41

Cooperation and interdependence according to functionalists are requirements in finding solutions to particular needs.⁷⁴ It cites nationalism as based on isolation or limitation as opposed to interdependence which is based on adding or generating. The first step in this process of cooperation is changing the attitudes of people in the organization, establishing mutual contacts to perform common tasks which in return increases support for co-operation. The second step is enmeshing governments through widening the range of interdependencies between states in aspects of development, economics, technology and welfare.

In the revived EAC, the Economic Development Strategies mirror the above listed steps of cooperation in the functionalism approach. The EAC-Development Strategy of 1997 to 2000 provides main goals which include, promoting the spirit of regional co-operation by emphasizing on economic co-operation and in strengthening regional institutions by increasing their capacities for regional co-operation. The successive development strategies subsequently established the Customs Union, Common Market which have further enmeshed the EAC governments.

With increased international co-operation comes increased levels of welfare and those in support of nationalistic ideals will be restricted from improved welfare levels. This has been illustrated by the formation of the Coalition of the Willing (CoW)⁷⁵ within the EAC whereby Burundi and Tanzania were seen to be focusing on nationalistic development and hesitant in moving collectively with the other partner states in developing the region. A snowball effect will

⁷⁴The Functionalists posit that -Form follows function-this is to say that the function/problem shall suggest the extent of area and form of administration to solve the function. The solutions to specific function create the basis of structures and procedures in form of institutions. EAC Expert Report, *The East African Political Federation: Addressing East Africans' fears, concerns and challenges and consolidating its pillars*. August 2010 pg. 11

⁷⁵Coalition of the willing' is a term that cropped up after several meetings were held by the presidents of Kenya Rwanda and Uganda to discuss on fast tracking integration efforts in the EAC in the absence of presidents from the other two partner states of Tanzania and Burundi. Isaac Mwangi, *Is the 'coalition of the willing' the beginning of the end for EAC?* The East African, Saturday November 9, 2013

gradually evolve where people's attitudes will change through the perceived benefits of international organisations leading to formation of a socio-psychological community with a co-operative agenda.⁷⁶

Functionalism originally viewed political factors as subordinate to economic factors leading to a thinking that viewed divergent foreign policies as less important to common commitment to productive expansion. It viewed de-politicization of issues as the most promising route to ultimate political integration. In time, the spill-over will move from the economic to the political sphere, as political loyalties follow economic interests and become attached to the supranational entity. This is however not the reality in the international political system as the political function cannot be eradicated in a competitive system where states compete for power and prestige. A transcendence of the nation state to the supranational entity is unlikely without conscious political intervention.

3.3 Neo Functionalism

Neo functionalism theory is attributed to the work of Ernst Haas.⁷⁷ The theory holds that the creation of a community through integration is not initially dependent on mass support. Interest groups are more important than political parties in pluralistic democracies. These groups are different from political parties and purport to represent every possible sphere of activity that might impinge on government. These groups may push forward the integration agenda overcoming even resistance of national governments. They generalize commitment to integration by promoting solidarity towards the supranational entity. As the demands for expansion of tasks created is felt at the national level pushed by interest groups, the growth in power and function to

⁷⁶ Taylor, Paul. *International Organization, A Conceptual Approach*, 1978, London, Frances Peter Ltd. PG 241-244

⁷⁷ See Haas, Ernst, *The Uniting of Europe*, Stanford, Stanford University Press, 1958

respond to pressures is given to the central institutions. Albeit gradually, a shift of loyalty of the group is created to the center of decision making. If the initial integrative task is inherently expansive then the joint activity between states is larger than the sum of the original independent activities.⁷⁸

Neo-functionalism states that in the end of the integration process the bottom line is the federation of states. It is in essence functionalism but with a difference in that it becomes federal-functionalism. The key step towards achieving this is the fusion first and foremost of economic interests. Robert Schuman differentiates neo-functionalism from functionalism by stating that the former has as its core, the setting up of central institutions for the proposed community.⁷⁹ These institutions are to play a creative role in the realization of the overall objective of the integration. They have federal jurisdiction in which their formal powers make their decisions binding on member states.

The Spillover effect in Neo-Functionalist Thinking

The spillover effect is a key component of neo-functionalism and is defined by Ernst Haas as something that occurs when policies made in pursuit of an initial task and have power can only be made real if the task itself is expanded.⁸⁰ The process through which a given action to a specific goal creates a situation where the original goal can only be assured by taking further action that in turn create a further condition and a need for more action and so on and so forth.

Spillover occurs when a given step in integration may alter conditions of competition such that the need for new central policy decisions that would either retire something like the original

⁷⁸Taylor, Paul. *International Organization, A Conceptual Approach*, 1978, London, Frances Peter Ltd, pg. 256

⁷⁹Taylor, Paul. *International Organization, A Conceptual Approach*, 1978, London, Frances Peter Ltd, pg. 257-258

⁸⁰Haas, Ernst, *The Uniting of Europe*, Stanford, Stanford University Press, 1958.

competitive balance of advantage in the affected sector or open new opportunities for all affected parties. It may also occur when an integrative step is redistributive in its effects between states where it is deemed to benefit some states more than others. The disadvantaged states at this point will devise ways to redress the balance in their favour in other sectors too. Spillover may also occur when an integrative step which may not produce clear balance of advantage or disadvantage for states but have a clear likelihood of benefit for all parties, may create need for further integration. This may also be because such a step has an automatic integrative implication in other sectors hence creating need for further integration in the affected sectors.⁸¹

Weaknesses in Neo-Functionalist Thinking

The automaticity of step by step economic integration leading eventually to political integration is not backed by evidence especially from the European Union where the theory is based on. In contrast, the achievements of the EU are largely linked upon political agreements between national governments.

Another weak point is the great optimism placed on the supranational institutions rather than the genuinely federal institutions. This tends to ignore the difference between domestic and international politics-the difference between sovereign government and international organizations. The weakness is underrating the importance of the formal powers of central government in a political process and to over emphasize informal power relationships.

Ernst Haas noted that though logical, the effects of spillover can be checked by equilibrium restoring forces in any social system which may limit or reduce the impact of any change.⁸² Governments may act as gatekeepers against expansionist spillover pressures therefore

⁸¹ Taylor, Paul. *International Organization, A Conceptual Approach*, 1978, London, Frances Peter Ltd, pg. 258

⁸² Haas, Ernst, *The Uniting of Europe*, Stanford, Stanford University Press, 1958.

arresting the logical consequences of integration. It can be noted that a successful integrative step may actually have a negative effect on prospects for further integration creating stress rather than solidarity among states. This would be brought about by protected competitive negotiations and the redistributive nature of the step to the way it affects the member states.⁸³

3.4 Federalism

Federalism is essentially a system of voluntary self-rule from the word '*federal*' which comes from a Latin word '*foedus*' meaning covenant.⁸⁴ It is defined as a group of political communities uniting under a common order whilst retaining their individual autonomy. Advocates of federalism view it as a way of establishing peace and security, constructing common values and an overarching identity. There are two schools of thought that are distinguished in federalist thinking. One school identifies popular needs as a vital organ, for it eventually leads to a federal outcome with conscious pursuit of creating formal institutional structures.⁸⁵ It envisages that, the establishment of common institutions will catalyze the growth of common attitudes and a sense of community cultivated. The other school is concerned with observing patterns of federal integration and it characterizes federalism as an evolving pattern of relationships with demands, expectations, bargains and growth of institutions.

In a federated system of government, each citizen belongs to two communities; his state and the nation or region. This is the case in pluralistic democracies in which, two sets of government are not at the mercy of the each other hence they legislate and administer within their separate

⁸³Taylor, Paul. International Organization, A Conceptual Approach, 1978, London, Frances Peter Ltd, pg. 265-268

⁸⁴ A covenant signifies moral binding commitment which the partners behave towards each other in accord with the spirit of the law. www.forumed.org/en/federalism/introductiontohandbook.php accessed on 15th October 2014

⁸⁵ Federalism provides both a prescription and description of ways to achieve political community in constitutional ways. It champions for the creation of federal institutions like the police, military and legal systems that will act as a unifying factor for the people who live in separate countries yet they share common features. For example language, culture and are in close proximity to each other. See Leiber, J.R, *Theory and World Politics*, University of California, Davis, Winthrop Publishers Inc., Cambridge, Massachusetts, 1972 pg. 39

entities with interrelated jurisdiction. Thus, a federal union cultivates a jurisdictional diversity inside and the unity is pegged on an implicit or explicit elimination of the rights of territorial succession on the part of any component territorial communities.

The desirability of federalism lies in its commitment to diversity rather than homogeneity. It promises to delegate general powers and functional jurisdiction to a larger territorial scope. This is facilitated by the promotion of common market prosperity; enhanced citizen participation in local self-government which in turn gives citizens freedom to make choices among government jurisdiction hence improving public service efficiency. The government is therefore held accountable to provide public goods and services that are economically appropriate to their territorial jurisdiction.

The federalist approach to regional integration stresses out two coordinated levels of government in pursuit of common objectives; a federal level and a local level. The process is anchored in enlightened constitutional design that leads to a clearly defined supranational state that generates efficiency of scale through a degree of centralization and upward devolution of policy competence⁸⁶. The fact that the theory of federalism has been used for a long period of time goes to show its value in explaining the process of integration.

Article 123(6) of the EAC Treaty provides that the summit shall initiate the process towards the establishment of political federation of the partner states by directing the Council of Ministers to undertake the process. Sensitization programs involving civil society organisations, institutions of higher learning, political parties and local governments in national consultations on the integration process were set to gauge the opinion of the population of EAC partner states on the

⁸⁶Rasmond, Ben, *Theories of European Integration*, Houndmills; Palgrave 2000 pg. 26

envisioned Political Federation. There are four pillars in which good governance in the region is grounded upon. First is Constitutionalism which includes rule of law and access to justice, second is democracy and harmonization processes, third is the protection of human rights and equal opportunities and last is prevention of corruption and upholding ethics and integration in the region.⁸⁷

The Summit, the Council, the Coordination Committee, the Sectorial Committee, the EACJ, the EALA and the Secretariat are the key institutions which are charged with the responsibility to further the political cooperation in the region. There have been concerns on what kind of entity will be formed and the amount of power to be ceded to the new authority as the type or model for federation has not been set out clearly. The EALA members are not democratically elected which makes the EALA not reflect the make-up of the East African population. In addition, being that they are not accountable to the East African population contributes to loss of ownership of the integration process by the people and eventually to the federation process. The importance of grounding ownership of the community's process and bestowing a sense of legitimacy to the assembly seem to have been neglected.⁸⁸ Differences in court systems and the level of development of the judiciary across the region pose questions of credibility, jurisprudence and quality of litigation particularly on matters of commercial disputes.

The fear of loss of sovereignty, nationalism, power, space, status and identity by states or other stakeholders are quite common in the integration process. The reality of surrendering some sovereignty to form a federation is neither adequately addressed nor fully internalized by partner states aspiring to federate. The lack of shared political values coupled with the difference in

⁸⁷Kiraso, B. Beatrice (2009) *EAC Integration Process and the Enabling Peace and Security Architecture* EAC peace conference pg. 9. www.eiseverywhere.com.

⁸⁸Kiondo, A. (2002), *Political Cooperation as the Basis Of Sustainable East Africa, A Critical Look At The Draft Treaty For The Establishment Of The East Africa Community*, Yahya-Othman

experience and obstacles partner states have had to deal with has created unique political cultures that have been eating into the collective identity across the border. The question of nepotism, ethnic hatred, corruption and abuse of power may expose countries that have battled and won these vices before.

There are four guiding principles of a political integration process:

I. Principle of Gradualism and Pragmatism

The principle of gradualism and pragmatism derives from the realization that credible integration is built on pragmatic, gradual steps that reinforce trust and commitment and make the process self-perpetuating. Gradualism is articulated in the principle of variable geometry that provides low risk opportunities to progressively build experience and mutual trust that is essential for integration to move forward and deeper over time. One important facet of pragmatism and gradualism is “open access”, meaning that regional arrangements must remain open to new membership from countries of the sub-region. A core group of countries may get on board but they must keep the door open for other neighbors to join if and when they meet certain criteria.

II. The right to self-determination and the right to secession

The nation as a national group has the right to take an independent decision on the question of its political status whether to remain within the framework of a given state as an autonomous unit or join as a federal member, join another state or form its own independent state.

III. The Subsidiarity Principle

The subsidiarity principle entails partner states of a union or federation ceding only those matters that are better done through common institutions than by member states acting separately. The

Treaty for the establishment of the EAC enshrines this principle as one of the operational principle of the community.

IV. Principle of democracy, human rights and rule of law

A regional integration arrangement should be based on a democratic culture and practice that takes into account the highest democratic standards achieved by its member states.

3.5 Transactionalism Approach

Transactionalism theory is also referred to as the Communication theory and it is associated with Karl Deutsch. It defines integration as an attainment within a territory, a sense of community, institutions and practices that are strong and widespread to assure long time dependable expectation of peaceful change among its population. This is to say that integration requires the attainment of relationships among countries (or within a given country) that no longer anticipate possibility of warfare against each other.⁸⁹

According to the theory, potential for integration could be measured by the level of transaction among states. This is based on the assumption that, integration is a function of the level of communication thus cohesiveness amongst individuals or states can be measured by the extent of mutual relationship or interaction among them. Indicators of proper communication used involve estimating mail flows, telephone calls traffic, trade figures and student exchanges.⁹⁰

⁸⁹Lieber, Robert, J., *Theory and World Politics*, University of California, Davis, Winthrop Publishers Inc., Cambridge, Massachusetts, 1972 page 47-51

⁹⁰ Transactionalists contend that solid networks of transaction between states would lead to more interaction and greater importance to one another. This concept rests on the idea that increasing interaction at the social level builds up feelings of trust and goodwill that makes conflict unthinkable. However, critics of the theory argue that though the number of interactions can be measured, it is impossible to measure their effects on the creation of a common identity. Heinonen, Hannu, *Regional Integration in southern Africa*, Unpublished M.A thesis, University of Helsinki, Roihuvouri, April 2006, pg. 53

There are two types of security communities; pluralistic and amalgamated security communities. In pluralistic security community, each government remains legally separate and independent yet able to establish a security community.⁹¹ The amalgamated security community consists of two or more formerly independent entities merged into one larger unit with a common government e.g. the United Kingdom unitary government, the United States of America federal government. An amalgamated security community can be said to exist if it satisfies the following conditions; the countries have compatible of values; a distinctive way of life; expectations of gains in joint economic ties, increased capabilities in administration and politics, mobility of factors of production; proliferation of different forms of communication and transactions. Disintegration in amalgamated security community could occur when there is an increase in burdens on amalgamated governments that could be manifested in either excessive military engagements/commitments, substantial increase in political participation of groups once docile or in an increase in ethnic or linguistic differentiation. Reduction in governments' capabilities to deliver timely response which is mirrored by economic decline or stagnation⁹²; excessive delay in expected reforms; presence of groups that have differentiated themselves such that a sense of community is non-existent between them, could equally spur disintegration.

In relation to EAC, the integration has enabled Kenya and Uganda to address the perpetual deadly cross boarder cattle rustling between communities across each side of the border.⁹³ This could be attributed to the fact that there is a common pattern of institutional resilience by the

⁹¹ Pluralistic security community has limited practical relevance since it has only worked in situations where retaining the peaceful exchange is the only goal. The European Union is an example. Deutsch prefers the pluralistic as he argues that they are easier to attain and preserve them. Ibid pg. 52

⁹²The economy is the strongest element in favour of persistent integration. Prosperity as a social cement suggests that, the overall situation will remain manageable as long as the economy stays healthy. It is noted that to communicate a sense of 'we feeling' is a definite requirement for successful integration

⁹³MisaroJosphine, Jonyo Fred, *Perspective of regional integration in EAC*, unpublished pdf document www.academia.edu/4845633/perspective_of_regional_integration accessed on October 15, 2014

member states as they are determined to maintain peace across the East Africa borders. There are three actors whose strength commitment and legitimacy have played a great role as they are able to routinize cooperation commitment with one another both within and across state boundaries. The three actors are : the civil society which is a coalition of civic leaders , traditional leaders religious figures, women and youth groups; the subnational governments authorities whose area of jurisdiction neighbors with partner states; regional institutions and bodies , who serve as a platform for intergovernmental cooperation on trans boarder conflict issues.⁹⁴

The current EAC can be categorized as a pluralistic security community working towards an amalgamated security community. The EAC's broad goal is to widen and deepen cooperation among partner states in political, economic, social and cultural fields, research and technology, defense, security, legal and judicial affairs for their mutual benefits. It's important to note that, all partner states share in the dream of achieving middle income status by 2030. The strategies and vision though prepared independently, by each member state they are in line with objectives of the community to develop policies and programs aimed at widening and deepening cooperation.⁹⁵

The EAC Memorandum of Understanding on cooperation in defense matters was signed in 1998 and revised in 2001. The MoU is to be upgraded into a protocol whose sole purpose is to pursue an elaborate programme of activities largely for confidence building in the defense forces.⁹⁶

⁹⁴Tech ARD, Tetra, *East Africa Regional Conflict and Instability Assessment Final Report* USAID, 2012, pg. viii. www.conflict.care2share.wikispace.net accessed on October 15, 2014

⁹⁵East African Community, *4th EAC Development Strategy 2011/2-2015/6 Deepening and Accelerating Integration*, August 2011- pg.13

⁹⁶ The activities include exchange of visits and regular meetings of defense chiefs and other cadre of defense forces; joint military training; joint exercises and promotion of various joint sports and cultural activities and seminars and mutual assistance and technical cooperation. Mbeke, Sheila Munyao, *Strategies for Regional Integration; a case study of E. Africa Community*, unpublished M.A. Thesis, University of Nairobi, 2013.

Critiques to the communication/transnationalism approach state that since the content of messages is not specified, throwing attention to transactions is far too crude. Measuring integration may involve examining mutual preferences of the common market countries for dealing with one another rather than with other countries by comparing their trade flows, mail flows, travel flows or student exchange. Content analysis on the news conducted to investigate significant growth in frequency of references to regionalism, and in this case East Africanness.

The establishment of a Common Market in the EAC in 2010 ensured free movement of factors of production for trade and investment in the region boosting productivity and prosperity to greater heights. Though implementation of the common market has been faced by various challenges, it has provided the member states with a larger market, low cost of doing business, improvement in infrastructure, increased investment opportunities enhanced access to education, political stability, peace and security. The common market further created the right of establishment and right of residence among the East Africans as president Kagame of Rwanda was quoted saying, and "...it is now upon East Africans to accelerate the pace as the vision of the full integration is now within reach".⁹⁷

3.6 Optimum Currency Area Theory

An optimal currency area is defined as a region that qualifies for the establishment of monetary union. If countries are good candidates of currency union, the patterns of inflation should be similar hence the convergence in inflation rates is easier as they belong to a currency area. The theory seeks to attain internal and external balance in the least costly way without compromising on monetary and fiscal policies. According to the theory, the critical factors in determining

⁹⁷www.news.xihuanet.com/English/2009-11/21/content_12513712.htm accessed on 23rd October 2014

optimum currency area include: asymmetry of shocks,⁹⁸ factors of mobility, price and wage flexibility, size and openness of a country, sources of shocks, product diversification and structure, inflation convergence and fiscal integration.

In case a negative asymmetric demand shock hits one member of optimum currency area, the labour moves from one country to another member country. The labour migration equalizes wages as well as labour demands and supply in all member countries. Common monetary and fiscal policies at this point, assists economies of all member countries which are as a result stimulated hence adjustments to asymmetric shocks takes place. Flexible exchange rates between the member countries are no longer significant in restoring balances.

Currency union makes the prices of goods across the region comparable making it easier for the consumer to buy in the cheapest markets. At this point, firms are compelled to reduce their prices to remain competitive this is then reflected in the rate of inflation. Diversified economies can forgo the need to change its nominal exchange rate in cases of external shock due to their wider variety of products which are equal to their exports.

Similarity in industrial structures among member countries of an optimum currency area negates the need for undertaking unilateral adjustments in the exchange rates in terms of trade shocks. In cases where prices and wages are flexible between and among the region, the need of using the exchange rate adjustment is diminished.

A standard monetary policy run by the union's central bank as well as a statistics office to control, leads to possibility of government's failure to have low impact on the interest rates

⁹⁸ The benefits derived from monetary union of a country experiencing asymmetric shocks depends on how similar its production, economic and export structures are relative to its partner in monetary union. Economic Commission for Africa, *Towards a Common Currency In the East Africa Community; Issues Challenges and Prospects* United Nations, Kigali Rwanda 2011pg. 16

decision. Thus, interest rates on bills, bonds and other investments across the union hence reduction in inflation. This goes hand in hand with formulation of policies to reduce inflation hence political factors are important. Strong political will by leaders in government and public support in ensuring commitment is paramount as there is need for coordination of policies within members of currency area.

Dissolution of the East Africa Currency Board in 1966 signified lack of political will to sacrifice domestic policy needs for the sake of a currency union. After the EAC treaty came into force in 2000, business circles were reported to be more synchronized hence the capital markets within EAC were more integrated.

The EAC heads of states signed the monetary union protocol in November 2013 with the aim of strengthening economic cooperation via single currency for all EAC members. The proposed currency is the East Africa Shilling and the aim is to have the EAMU in place by 2024. The European monetary union is an apt comparison for the EAC whose conditions are similar. For instance, labour is not mobile due to language and cultural barriers hence wages are not as flexible. The different level of development of the EAC countries and the divergence of their economic outcome has been an argument against speedy creation of EAMU. Burundi's average import growth exceeds that of exports which has resulted to current account deficit of 19.1% of GDP in 2008 far above the other partner states and its inflation rose from a single digit in 2007 to almost 25% in 2008 due to a food crisis. In accordance to the Euro area experience, unless Burundi strengthens its macroeconomic situation, its membership may destabilize the EAMU.⁹⁹

⁹⁹Mafusire Albert and Brixiova Zuzana, *Macroeconomic Shock Synchronization in the East Africa Community* unpublished document, 2012, pg.9.

The EAC partner states must first create an optimal currency area by setting macroeconomic criteria and maintaining them for at least three consecutive years before embarking on the actual implementation of EAMU. The EAC macro convergence process,¹⁰⁰ measured mostly through macroeconomic criteria has three stages: looser macro stance during 2007-10; tighter macro stance during 2011-2014, and the monetary union from 2015 as shown in the table below.

¹⁰⁰ Macroeconomic convergence is crucial though research on monetary integration suggest that a structural similarity among monetary union members is key for unified impact of their joint monetary policies. This is because the adoption of a single currency eliminates some of the macro policies that countries can use to adjust to economic shocks. On the positive side, countries eliminate the economic costs related to the exchange fluctuation. All member countries of a monetary union are subject to the same monetary policy, which are more effective under synchronized shocks. See Mafusire Albert and Brixiova Zuzana, *Macroeconomic Shock Synchronization in the East Africa Community* unpublished document, 2012 pg.7

Table 3 Macroeconomic Convergence Criteria in the EAC

	Indicators	Stage1; 2007-2010	Stage 2; 2011- 2014	Stage 3;2015
Primary Criteria	Budget Deficit to GDP ration			
	Excluding grants	6%	5%	
	Including grants	3%	2%	
	Inflation	5%	5%	
	External reserves	4 months import cover	6 months imports	
	Real exchange rates	Stable		
Secondary criteria	Interest rates	Market based	Market based	
	Real GDP growth	Greater than or equal to than 7%	Greater than or equal to than 7%	
	Debt	Reduced to sustainable level	Sustainable	
	Saving to GDP ratio	Greater than or equal to than 20%	Greater than or equal to than 20%	
	Current account(excluding grants)	Consistent with debt sustainability	Consistent with debt sustainability	
	Banking supervision and regulations	Implementation of the 25 Core Principle		
	Payment and settlement system	Adherence to Core principles for Systematically Important system		
				Introduction of single currency

3.7 Liberal Inter-governmentalism

Liberal inter-governmentalism is largely influenced by the works of Andrew Moravcsik.¹⁰¹ It is thought to be the benchmark theory of European Integration that other theories are judged against. The theory provides a tri-partite explanation of the political process and assumes that spheres of domestic and international politics are distinctly separable from each other as foreign policy is used by governments to enhance national interests.¹⁰²

Liberal intergovernmentalism is said to be a three step model. It proposes to explain national preference formation, interstate bargaining and a model of institutional choice emphasizing the importance of credible commitment. The theory is grounded on the assumption that individuals and states are assumed to have a set of goals they pursue through a cost benefit analysis. The national preference therefore acts purposively in the international arena on the goals defined domestically via the foreign policy goals of national government. This may vary in response to shifting pressures from domestic social groups whose preferences are aggregated through political institutions. In the course of being responsive, the government looks at precise domestic societal interests in particular issue areas and ways in which these interests constrain governments. This assists in predicting where and whether international cooperation is most likely.

The second stage of interstate bargaining, power politics plays a major role in bargaining.

Abundance of information, countless bargaining and ample time characterizes the bargaining

¹⁰¹ See Moravcsik, Andrew, 'Negotiating the single European Act: National interests and conventional statecraft in the European Community,' *International Organisation* 45,1991, pg. 19-56

¹⁰² It is not the states strategic position in relation to other states s representative but the politics and debates within the country that decides what stance a state representative takes in intergovernmental negotiations. See Moravcsik, Andrew, 'Preferences and Power in the European Community: A liberal Intergovernmental Approach,' in *Journal of Common Market Studies*, Vol 31, No.4, pg. 473-523. Moravcsik refers to this as demand side of foreign policy. The supply side is determined by an intergovernmental bargaining process where relative power among states is derived from asymmetrical interdependence that dictates the relative value of agreements to different governments. www.ukessays.com/essays/politics/challenges-of--intergoverntalism-in-the-eu-politics-essays.php

environment. These characteristics allow states to use side- payments and issue linkages to push for particular policies. States that benefit most from particular policy area cooperation are more likely to lobby hard, offer side payments and make concessions if such moves would facilitate interstate agreement with laggard states to influence preference to convergence in regional integration.¹⁰³

Once negotiations are concluded and an agreement is reached at, the states create and delegate the responsibility of enforcing their agreements to an institution. Any form of institutional choice reflects the wishes of member states. The roles of the institutions are to facilitate interstate cooperation; guarantee state superior outcomes from cooperation by ensuring compliance from member states; facilitate the redistribution of cooperation gains and lower the costs of punishing non-compliance.

The formation of an East Africa Business Community reflects the application of liberal inter-governmentalism in EAC. EABC serves as a forum for various business lobby groups in the region with the objective of facilitating and promoting the private sector in development of the EAC. The group seeks to influence the opinion and lobbying efforts of nation-state businesses to be more pro-regional integration.

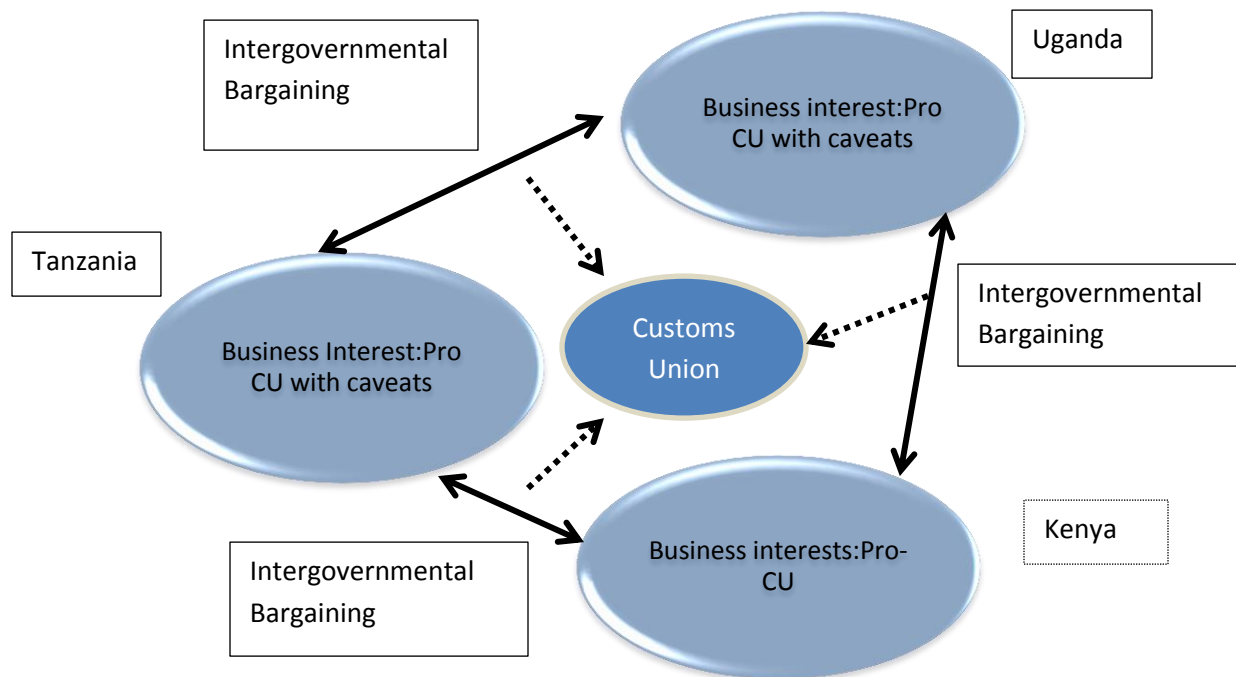
Kenya had the majority members in the EABC which was pro-integration hence championed for the formation of Customs Union. With the largest economy in the region it was slated to benefit from the trade liberalization. As for the other co- founders of EAC, Uganda had the least members in the initial stages of forming the business group making them apprehensive to the idea. Thus, officials from Uganda business community argued for guarantees to be put in place

¹⁰³The side payment serves to persuade states that feel their domestic group would lose out due to further integration hence the laggard states are assured of benefiting from integration due to side payments whilst the more pro-integrationist states are guaranteed further deepening of cooperation in particular policy area.

to protect their infant industries. The situation in Tanzania was similar to Uganda's as they had their doubts in regards to their readiness to compete with the Kenyan and Ugandan businesses. After signing the Treaty of EAC, President Benjamin Mkapa of Tanzania was quoted admitting to the doubts among the business community in Tanzania and asked for more time to prepare for the competition to avoid situations where Tanzania will be the dumping ground for Kenyan goods.

As noted, both Uganda and Tanzania felt that some mechanisms were to be put in place to address the trade imbalances they had with Kenya. Hence in the final agreement it was agreed that Tanzania and Uganda would have free access to Kenyan market whilst Kenyan goods would be subject to 10% tariff in Tanzania and Uganda for a period of 5 years. By the end of this 5 year period, the customs union was expected to be at zero tariff, as the two countries were expected to have reduced the tariff by 2% each year. This 10 % concession was the side payment by Kenya to satisfy the interests of Uganda and Tanzania and in the process quench their condition for regional integration. The signing of the customs union treaty in 2004 paved way for institutions to cater for the interests of member states. The Secretariat was given the enforcement powers, the EACJ was given the power to review the laws, EALA assumed the role of legislating customs laws. Article 24 of EAC Treaty stipulated the anti-dumping measures, rule of origin and dispute settlement be handled by EAC Committee on Trade Remedies.

Figure 3: East Africa Community Customs Union as a Liberal Intergovernmentalism



Source: Authors illustration

3.8 Customs Union Theory

Customs union theory is defined by Professor Jacob Viner as the elimination of inter-trade barriers and the equalization of tariffs on imports from non-member countries. It is built on assumptions of perfect competition in commodity and factor markets and deals with the static effects of a customs union. The core points of Viner’s customs union theory are concepts of trade diversion and trade creation and their effects on regional integration arrangements. Trade diversion involves switching trade from less expensive to more expensive producers while Trade creation is the switch in trade from more expensive to less expensive.¹⁰⁴

A customs union is economically justified if it leads to trade creation but if it generates trade diversion then it leads to deeper protectionism and decrease of efficiency. Viner’s model is built

¹⁰⁴ Viner, Jacob, *The Customs Union Issue*, Carnegie Endowment for International Peace, New York, 1950.

on the assumption that there exists perfect competition in commodity and factor markets and there exists perfect factor mobility within individual countries but not amongst the countries.

Trade is created within an integrating area when the output of inefficient producers is replaced by cheaper imports of efficient producers within the region. This is made possible after the elimination of tariffs to the benefit of both producer and consumer. Conversely, trade diversion occurs when imposition of common external tariff (CET) puts suppliers from countries outside the integrating area in a competitive disadvantage by encouraging imports from less efficient suppliers. This condition leads to trade diversion within the union which reduces economic welfare and the benefits accrued to its members.

Viner argues that greater trade (including investment) through integration will improve welfare by enabling citizens to procure goods and services from the cheapest source which leads to the relocation of resources based on comparative advantage hence efficiency and productivity.

The EAC customs union envisioned the promotion of production efficacy; local ,cross-border and foreign investment; and industrial diversification for economic development. The trend of intra- EAC trade since 2005-2008 rose by 49% with value of trade having increased from US\$1,847 to US\$2,715.¹⁰⁵ Kenya registered an increase in total trade with partner states at 25% in 2008. This increase is due to tariff liberalization as free tariff regime was adopted on a number of internal trades alongside progressive reduction of tariffs on some goods from Kenya to Uganda and Tanzania. The East Africa Customs Act and Regulation played a critical role in creation of stability and predictability in the business environment in the region thus the

¹⁰⁵Bagamuhunda, Kenneth, (2009) *5 years of EAC customs union EAC*, www.arushatimes.co.tz/2009/44/society_5.htm

harmonization of customs tariffs and legal regimes.¹⁰⁶ In 2009 EAC attracted a total FDI investment of USD 3,732 million which was actually 2% of Africa's total FDI inflow. The FDI accounted for 61% local investment 36% and portfolio investment of 3%. There was growth in total revenue in the 5 partner states which was at 11%.

Implementation of CET has been a major challenge to the member states. Customs valuation procedure variations lead to different basis for taxation. This could be attributed to the fact that Partner states belong to other regional economic integration hence they are forced to implement two CETs. The effect of this is trade deflection due to lack of proper relations in tax and trade policies and regime.

Single custom territory is the stage towards full attainment of the Customs Union which is achievable by the removal of restrictive regulation on goods moving across partner state. Only three partner states are party to the SCT leaving out Tanzania and Burundi which has been seen as slowing the full economic integration¹⁰⁷. The single custom territory includes the implementation of one stop border posts; a single tourist visa as well as an identity card as travel document; reduced turnaround time from 18-4 days for Mombasa /Kampala and 21-7 days Mombasa /Kigali; reduced custom documentation, cost of doing business and information exchange; single weighing for Transit cargo; removal of road blocks; mutual recognition of the Revenue Authorities officials working together in the Partner States.¹⁰⁸

¹⁰⁶ It was stipulated that no partner state can amend the tariff or law unilaterally. Discretionary powers that had been granted authorities at national level were stripped off by the customs law. This included the powers to grant exemptions of custom duties by Ministers of Finance which created uneven playing ground. In place of it, harmonization list of incentives and exemption was adopted which could only be amended by the Council of Ministers. (www.customs.eac.int/index.php?option=article&id=27&Itemid=92) accessed on 23rd October 2014.

¹⁰⁷ www.brainstorm.co.ke/2013/12/24/the-eac-conundrum/ accessed on 22nd October 2014

¹⁰⁸ Memo, Beatrice *Single Customs Territory-The East Africa Community Model* Customs Services Kenya [Www.Eiseverywhere.Com](http://www.Eiseverywhere.Com)

3.9 Conclusion

When early theories of integration were developed there was much discussion in the literature on how to define the concept. It was for instance discussed whether integration refers to a process or to an end product. Of course the two can be combined. Integration could then be defined as a process that leads to a certain state of affairs. Karl Deutsch, for instance, defined integration as “the attainment, within a territory, of a ‘sense of community’ and of institutions and practices strong enough and widespread enough to assure, for a ‘long’ time, dependable expectations of ‘peaceful change’ among its population.” There is no theory that explains regionalism on its own hence the need for a multidisciplinary approach when defining integrations.¹⁰⁹ The familiarity in theory assumptions goes to show that, each theory builds off the other. This could be attributed to the fact that creativity in the academic arena is limited to demonstrate how the new theory builds on a preceding theory. Given the many processes that occur simultaneously in the course of integration, there is need for additional theories to build on the capacity of past theories in order to consider integration as a dynamic system captured between a series of processes of integration regarding many policy areas. It is imperative to note that African countries are now beginning to redefine both the theory and practice of regionalism. Although market integration, based on the EU model, has failed, African governments continue to adopt it, believing the strategy will enhance economic growth and development.

¹⁰⁹Santos Caballero Sergio, *Constructivism and Regional Integration Theories*. The Application to Mercosur, 2008, Pg. 25

CHAPTER 4

DATA COLLECTION AND ANALYSIS

4.1. Introduction

This chapter shall analyze the data collected from the primary sources using the duly filled in and returned questionnaires together with secondary data attained from economic reports and other research reports written on integration of the EAC. The study set out to identify the areas that have caused constraints in the realization of the East African treaty between the year 2000 and 2012. In doing so it also seeks to gauge the opinion of the respondents on the possible solutions as well as the level at which they place the EAC in achieving full integration.

Theorists have delineated the steps to integration as one comprising of stages from a free trade area to a customs union, a common market, monetary union and finally leading to a political federation. This is stated also in the EAC Treaty as the flow chart for process of EAC integration. A constant problem for the EAC is that much is actually planned for but not as much is actually achieved.

4.2 Findings from Data collected

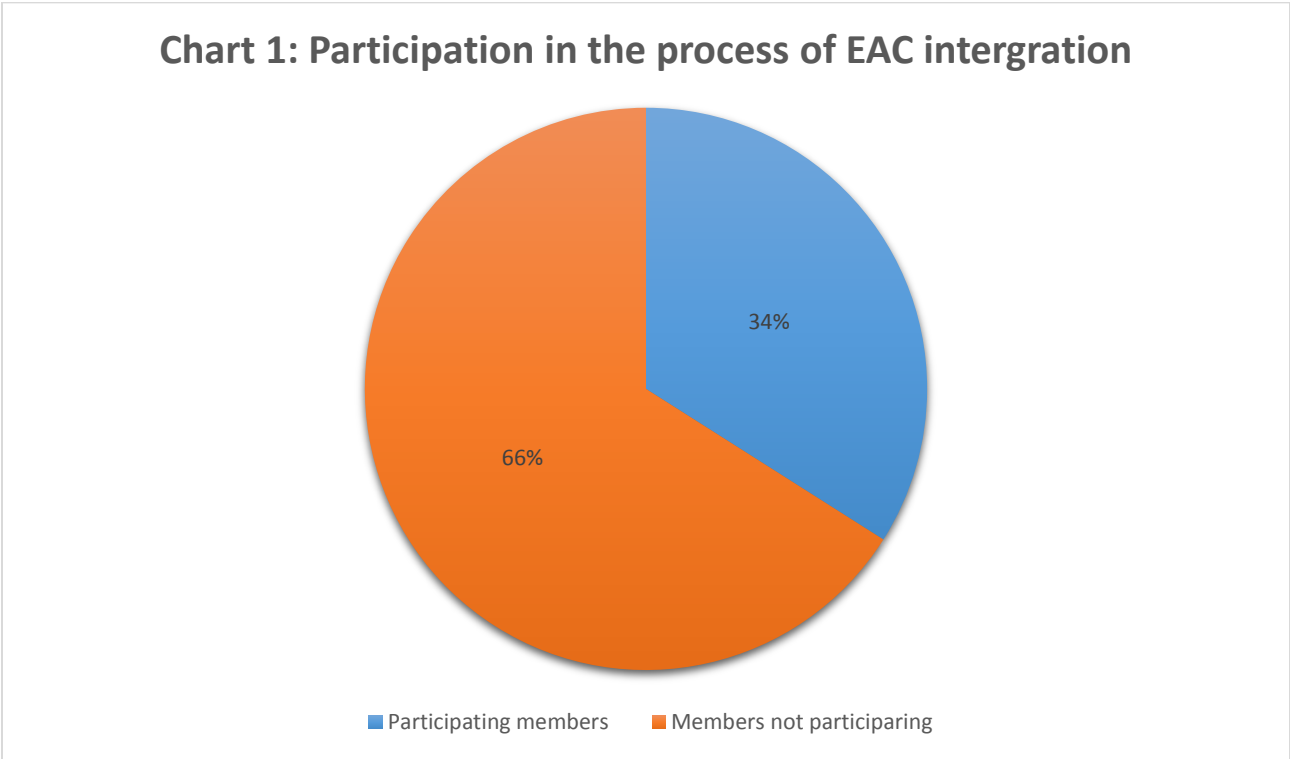
4.2.1 Public involvement in the integration process

The general population is a passive recipient of integration as there exist minimal opportunities for participation.¹¹⁰ This creates the absence of transparency in the integration process as the general public neither knows nor understands what integration is all about. This fact also presents another major challenge which is the lack of legitimacy for the organs of the EAC. For instance the EALA members are selected by national MPs of member states as opposed to being

¹¹⁰ Stefan Reith, Moritz Boltz *The East Africa Community: Regional integration between aspiration and reality*, KAS International Reports , 09/10/2011, pg. 100

elected by the general public as do MPs from member states. This removes the mandate of EALA MPs as they are not put there by a mandate of the people.

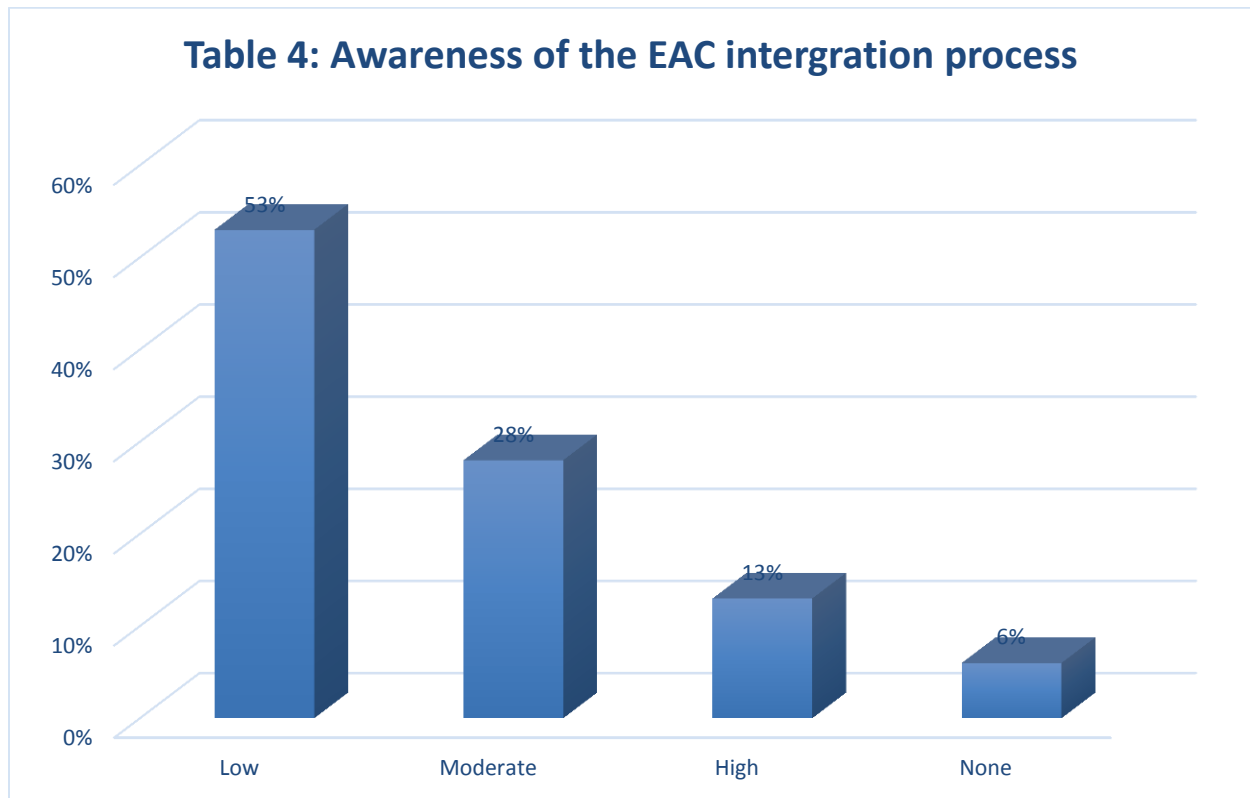
Data collected on whether the East African citizens are actively participating in the process of EAC integration shows that about 34% of the respondents think that East Africans are already participating in the integration process by trading with their counterparts across member state borders either directly or indirectly.. However, 66% of the respondents were of the opinion that East African citizens are yet to fully participate in the integration process by trading with their counterparts across the border either directly or indirectly as represented in the chart below.



Source: Authors illustration

4.2.2 Level of EAC citizen awareness of the integration process

The study also sought to rate the opinion of the respondents on the level of awareness of the East African citizens in the integration process. The findings from the data are rated according to percentages in the graph below.

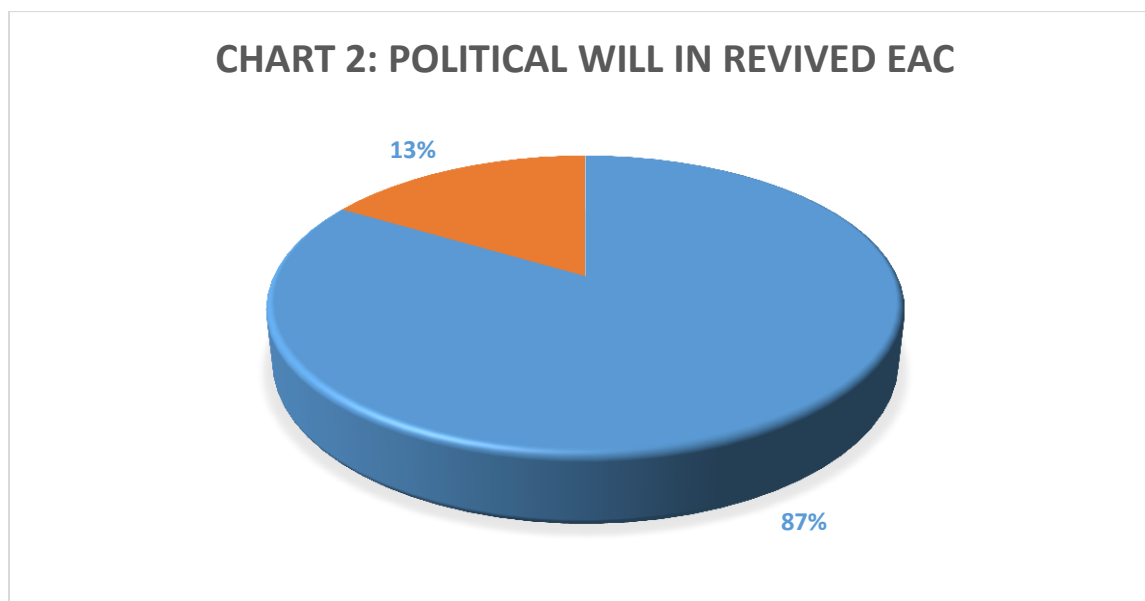


Source: Authors illustration

4.2.3 Political Will

In contrast to the citizen participation being low, data from the respondents showed tremendous confidence in the level of political will present in the revived EAC. 87% of the respondents are of the opinion that there is strong political will in the revived East African Community. This may

indicate change in tact in the current integration process since a major reason cited for the collapse of the previous EAC was lack of strong political will.



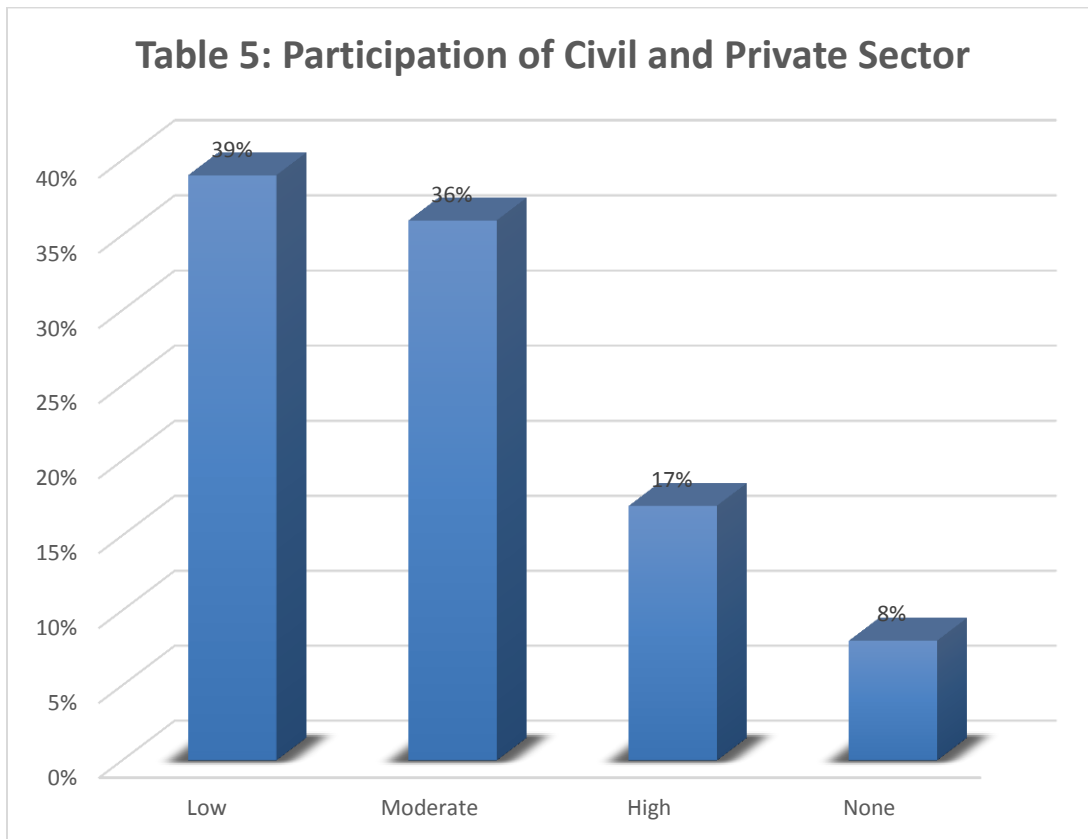
Source: Authors illustration

4.2.4 Private sector civil society participation

The study sought also to gain the opinion of the respondents on the level of participation of the civil society and private sector in the EAC integration process. The levels of participation ranging from moderate to high as per analysis of the responses in the graph above. Civil society participation in any national or international undertaking is another way of citizens taking part in it. Civil society organisations work to serve the community in specific areas that the government is not or cannot fully be able to. The civil society may participate in the integration process in two broad ways as provided for by the EAC Treaty. Civil society can participate in by seeking

observer status and through consultative forums with other stakeholders in the private sector.¹¹¹

The graph above shows the opinion of the respondents on the level of participation of the private sector and civil society within the EAC. 36% of the respondents said that the civil society participation is moderate, compared to 17% who said it was high with 39% having the opinion that CSO participation was low. 8 % held the opinion that the civil society does not play any part in the integration process of the EAC.



Source: Authors illustration

¹¹¹ EAC Secretariat, *The Treaty for the Establishment of the East Africa Community*, Arusha, 1999, Article 127.

4.2.5 Infrastructure in the EAC

The state of infrastructure within the region is a major setback to regional integration. The poor road networks have been on increased pressure due to increased trade and movement of goods making transportation cost in the region especially high compared to global rates. The railways also lag behind in that they are yet to be replaced by modern railway transportation. The ports of Mombasa and Dar es Salaam are characterized by long delays and inefficiency in operations making it even more costly for countries such as Uganda, Rwanda and Burundi that are landlocked and depend on these ports.¹¹² Generation and distribution of power is not sufficient and at time not reliable. These two variables make firms operating within the region less competitive compared to firms in other regions and eventually costs for consumption in ultimately higher for the final consumer as products and services have to incur huge costs for power and transportation.

4.2.6 Non-Tariff Barriers

There exists National Monitoring Committees (NMCs) in member states as a means of implementing the Mechanism for Identification and Elimination of NTBs within the EAC¹¹³.

There are eight clusters of NTBs namely:

1. Customs documentation procedures
2. Immigration procedures
3. Cumbersome inspection requirements
4. Police roadblocks
5. Varying trade regulations among the EAC countries
6. Varying cumbersome and costly transiting procedures in the EAC partner states
7. Duplication of functions within agencies involved in customs activities
8. Business registration and licensing

¹¹² Special Focus: *Deepening Kenya's integration into the East Africa Community*, June 2012, Edition No. 6

¹¹³ EAC Secretariat, *Trade Report 2008*, Arusha, 2010, pg. 3

However, even with these committees in place to implement NTB elimination mechanisms, there has been a lack of progress in eliminating the NTBs. More needs to be done in raising the awareness of NTBs and more transparency in the process of identifying and eliminating them. There are more NTBs being identified with only less than 30% of them being eliminated by partner states in according to the timelines set by the committees.¹¹⁴

NTBs affect the overall trade flows of the EAC. The ports of Mombasa and Dar-es-Salaam are key to the region especially to the landlocked partner states. Delays in document preparation, custom and technical control clearance time; port waiting and handling; and slow inland transportation are some of the more limiting NTBs to the progress of EAC integration.¹¹⁵

4.2.7 Overlapping loyalties

African countries have come into partnership with each other through various trade agreements and arrangements. Some of these arrangements have materialized into regional blocs that have large market bases and huge potential to yield development for these members through increased trade. This has naturally turned into a convergence of interests and a streamlining of policies that improve on how members of these blocs relate with each other for mutual benefit. This has resulted in the formation of up to 13 Regional Economic Communities (RECs) in Africa. Good as this may be, it poses a great challenge on policy making as countries go into membership within two or more RECs. The table below shows the overlapping nature of membership within the various African RECs.

¹¹⁴ Special Focus: *Deepening Kenya's integration into the East Africa Community*, June 2012, Edition No. 6, pg.30

¹¹⁵ USAID, *EADS Snapshot on Trade in East Africa*, No.95, January 2015, pg. 6

Table 6: Overlapping membership to various integration arrangements in Africa

<p>Arab Maghreb Union+(UMA) 5 Members</p>	<p>Algeria, Morocco, Libya, Mauritania, Tunisia</p>
<p>Economic Community of West African States 15 Members</p>	<p>Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo</p>
<p>West African Economic and Monetary Union (UEMOA)# 8 Members</p>	<p>Benin, Burkina Faso, Ivory Coast, Guinea Bissau, Mali, Niger, Senegal, Togo</p>
<p>West African Monetary Zone# 6 Members</p>	<p>Gambia, Ghana, Guinea, Liberia, Nigeria, Sierra Leone</p>
<p>Common Market for Eastern and Southern Africa * 19 Members</p>	<p>Burundi, Comoros, Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe</p>
<p>East Africa Community 5 Members</p>	<p>Kenya, Uganda, Rwanda, Burundi, Tanzania</p>
<p>Community of Sahel Saharan States (CEN-SAD)* 28 Members</p>	<p>Burkina Faso, Chad, Libya, Mali, Niger, Sudan, Central African Republic, Eritrea, Djibouti, Senegal, Egypt, Morocco, Nigeria, Somalia, Tunisia, Benin, Togo, Ivory Coast, Guinea, Guinea-Bissau, Liberia, Ghana, Sierra Leone, Comoros, Kenya, Mauritania, Sao Tome and Principe</p>
<p>Intergovernmental Authority on Development+(IGAD) 7 Members</p>	<p>Ethiopia, Somalia, Kenya, South Sudan, Sudan, Djibouti, Uganda</p>

Economic Community of the Great Lakes Countries (CEPGL)+ 3 Members	Burundi, Democratic Republic of the Congo, Rwanda
Economic Community of Central African States 10 Members	Angola, Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Republic of Congo, Sao Tome and Principe
Economic and Monetary Community of Central Africa (CEMAC)# 6 Members	Cameroon, Central African Republic, Chad, Equatorial Guinea, Gabon, Republic of Congo
Southern African Development Community 14 Members	Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Swaziland, Zambia, Tanzania, Zimbabwe, South Africa, Seychelles
Southern African Customs Union # 5 Members	South Africa, Botswana, Lesotho, Namibia, Swaziland

Source ORF Occasional paper # 48 October 2013

Key:

+ denotes inactive, in the case of the CEPGL efforts have been made to reactivate negotiations

denotes a subsidiary organization to a larger Regional Economic Community

* denotes a Free Trade Area or a Trade Bloc as opposed to a Regional Economic Community

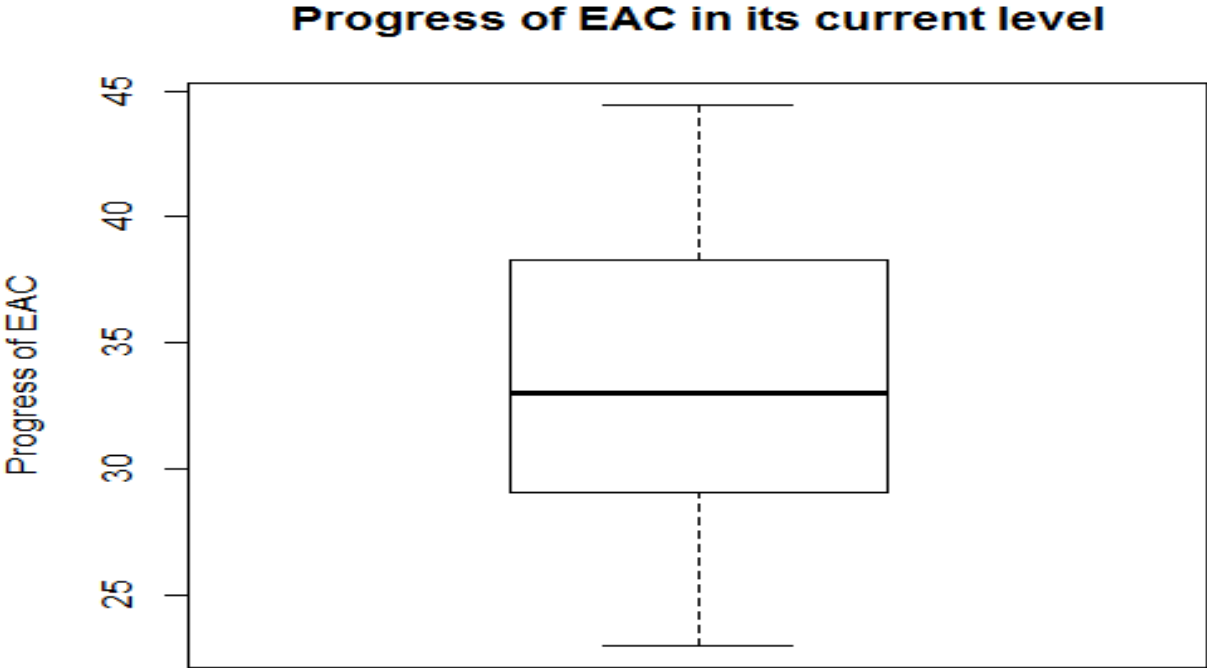
As noted in the above table, Kenya is a member of four RECs, EAC, COMESA, IGAD and CEN-SAD. Tanzania is also a member of RECs, EAC in the East and SADC in the south.

4.2.8 Level of progress in Integration

The research also sought to gain the opinion of the respondents on whether the EAC has achieved the objectives it has set. The objectives of the Community were to develop policies and programmes aimed at widening and deepening cooperation among the Partner States in political, economic, social and cultural fields, research and technology, defense, security and

legal and judicial affairs, in order to improve the quality of lives of the people of East Africa.

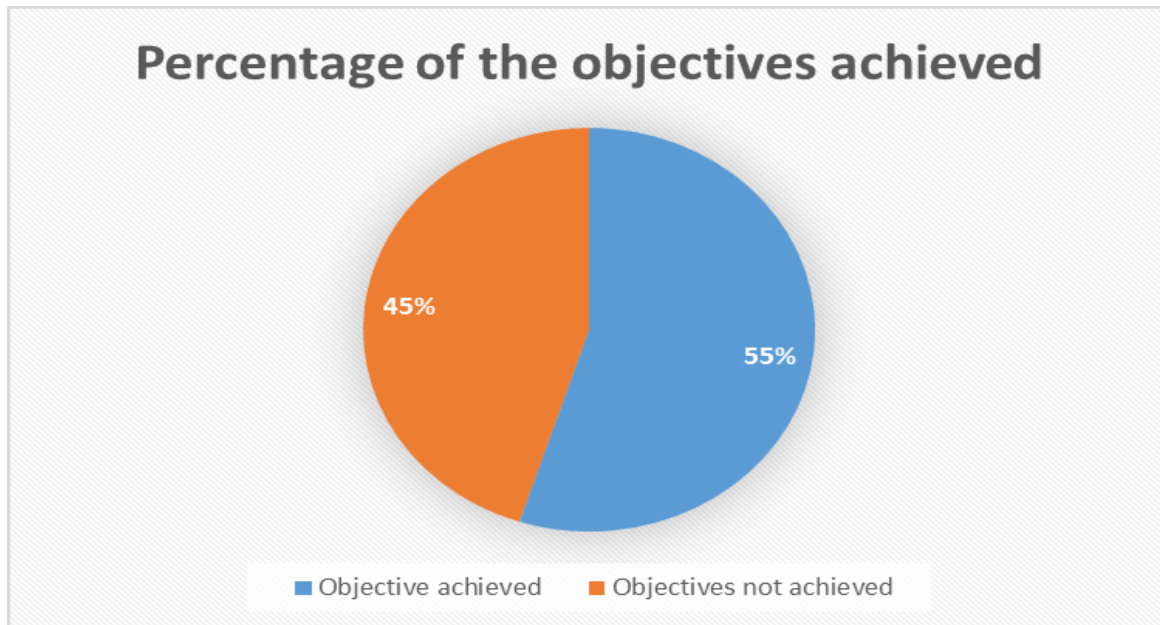
The EAC has established a Customs Union and a Common Market which are to be succeeded by a Monetary Union and ultimately a Political Federation. The study got the respondents opinion on the level of EAC integration in its pursuit towards a political federation. The respondents placed the progress at an average of 34 percent.



Source: Authors illustration

55 percent of the respondents held the opinion that the EAC has achieved its objective this far while 45% of the respondents held the opinion that the EAC is yet to achieve its set objectives this far, as indicated in the chart below.

Chart 3



Source: Authors illustration

4.3 Conclusion

There is a great lack of information and involvement of the population on matters of the EAC integration process. This aspect may have terrible consequences if it goes unchecked as it may lead to a detachment of the population from the process. The data also shows that a major constraint to integration in East Africa is the poor state of key infrastructure such as the road and rail networks. Integration of the region will depend on the ease of movement of goods, services, information and people within the region. The study also shows that existence of Non-Tariff barriers affects trade especially where a duplication of functions within agencies in the region such as in custom activities hinder integration in the region. The study also shows that this may further be complicated when a country has varying tariff arrangements with other countries because a country has membership in overlapping regional economic blocs.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The study sought to identify challenges in regional integration in Africa with a focus on the revived East Africa Community between 2000 and 2012. The interest arose from observed publicized increase of activities within the East Africa Community especially by the Summit of the Heads of Partner States. This prompted the researcher to want to find out about the areas causing constraints in the realization of the EAC treaty from representatives working within the EAC. Informed by the Neo-Functionalist theory of integration the study hypothesized that common policy arrangements in one sector amongst countries eventually leads to a spillover to other common sectors creating a higher potential of achieving regional integration amongst these countries. Conversely, non-existence of common policy arrangements in common sectors amongst countries create low potential for achieving regional integration amongst these countries. In seeking the validity of these hypotheses, the study gave the general background of the revived East Africa Community and outlined the broad review of the history of integration, collapse, revival and the new East Africa Community. The study sought to highlight the performance of the EAC based on its 5 year Development Strategies'. The research also focused on a broad literature review of various theories and approaches to the process regional integration. This was an attempt to describe how the various theories and approaches to regional integration may be used to describe partly or fully the EAC integration process. The study identified that there is no single approach that can wholly describe and prescribe the progress of the EAC integration process. It finds, rather, that a mixed theory approach is more effective, where various theories describe and prescribe the EAC integration at various stages of the process.

5.2 Conclusions

The research findings based on literature review of EAC policy documents, the researchers own critical observation and results obtained from the questionnaires that generally tended to agree with the hypothesis that guided the study. In view of this, there was overwhelming consensus on:

1. Political will is high, at least at the highest level which is at the Summit of Heads of State of Partner members. The respondents from the questionnaires were of the opinion that unlike the collapsed EAC, the new EAC's heads of State are far more willing to actualize the treaty towards the realization of an East African Federation.

Despite this finding the study concludes that the political will might be high at the highest level but the rest of the levels do not fare as well. The study concludes that:

1. The integration process should incorporate the public more if the process is to succeed. It needs to be owned by the East African citizenry through their participation in decision making such as electing members of regional bodies for instance the EALA, to give it popular mandate as opposed to what it is now where they are selected and not elected limiting their mandate.
2. To accelerate the process of integration, investments on basic infrastructure such as railways, roads, electricity and access to water need to be prioritized in order to connect the region as well as providing favorable conditions for commerce to thrive. Difficulty in the movement of people, goods and services create a hindrance to the process of integration. Non-tariff barriers create such a hindrance and hence the EAC should strive to completely eliminate them.

5.3 RECOMMENDATIONS

5.3.1 Public Awareness

The East Africa citizenry needs to be informed and educated more about the integration process. The EAC secretariat ought to conduct massive civic education programmes around East Africa for the public to know how they can get involved in the process. It will as well inform them of the benefits to them and the huge opportunities that lie in an integrated East Africa. The passive nature of the larger East African citizenry needs to be made part and parcel of the process as they are the ones that shall eventually be most affected by the results of the process of integration.

5.3.2 Strengthening Institutions

The organs of the EAC are structured in a way that executive power lays in the Partner States through the Council of Ministers. The decision making process in the EAC has proved to be a lengthy and bureaucratic activity rendering it ineffective in effectively delivering its mandate.

The Treaty stipulates in Article 11 and 14 that issues requiring executive decision first have to be considered by respective Sectoral Committees then considered by the Coordination Committee that make a recommendation to the Council of Ministers for final decision making. The process is lengthened even more by the requirement of Article 12(3) of the Treaty that decisions shall be made in consensus. This means that all State Partners have to be in agreement for any decision to be final thus limiting progress where one Partner State disagrees then a decision cannot be made.

There is need to allocate proper power to make decisions to the various organs as opposed to just one final decision making organ. This move would enable the organs perform their objectives more effectively. The EACJ for instance has been denied the opportunity to play a bigger role in the integration agenda by its limited jurisdiction to interpreting the Treaty of the EAC.

5.3.3 Focus on the EAC

As has been documented in this research, though RECs in Africa are beneficial, it shall be prudent if the members of the EAC maintain their main focus on establishing the EAC as per its objectives. The State Partners have multiple memberships in several RECs and this in itself can create a conflict of loyalty. Membership to these overlapping regional institutions produces complexities that create confusion for governments and the private sector. This situation gives rise to duplication of effort especially at customs where different tariffs have to be applied. It also burdens partner states of the EAC to other protocols, rules, procedures and financial obligations as members of other regional organisations. The study recommends that EAC partner States prioritize achieving EAC goals and avoid conflicting efforts in other RECs in Africa as one cannot render service to two masters at the same time.

5.4 Suggestions for Further Study

Whereas regional integration theories offer countless issues to explore within the EAC, to evaluate these issues requires adequate time and resources to analyze effectively. Owing to the nature of the study as a project as opposed to a dissertation, the scope and time allocated may not have been adequate to identify in depth all the challenges facing integration in the EAC. It is therefore recommended that a similar study be conducted by Consultants who will have both the resources of time and finance to conduct a more in depth analysis to the challenges of East African integration. An in-depth look at how an integrated education system and curriculum may work towards modeling future generations of East Africa on a more regional identity through the uniformity of formal education as a major socializing element. Such a study may base the foundation for a more integrated East Africa Community in future.

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**QUESTIONNAIRE ON CHALLENGES TO REGIONAL INTEGRATION IN AFRICA:
THE CASE OF THE REVIVED EAST AFRICA COMMUNITY 2000-2012**

Dear Respondent

The purpose of this questionnaire is to collect primary information towards a research project on ‘Challenges to Regional Integration in Africa: A Case Study of the East African Community’. The research project is being written by the researcher in partial fulfillment of the award of Master of Arts Degree in International Studies tenable at the University of Nairobi.

On account of your experience and demonstrable knowledge of the East African Community Affairs, you have deliberately been identified as a respondent in this research. The invaluable information you provide shall strictly be treated with utmost confidence and used for academic purposes in the said study only. It is therefore not obligatory that you provide your name if you do not wish to do so. Please feel free to provide information in this questionnaire and revert to the researcher at your earliest convenience. Please provide your answers by writing on the available space (dotted) or by circling your answer where appropriate.

1. At the preamble of the EAC Treaty of 1999, the main reasons contributing to the collapse of the East African Community were the lack of strong political will, lack of strong participation of the private sector and civil society in the co-operation activities. In your opinion, is there strong political will in the revived East African Community?

A. YES B. NO

Give reasons for your response.

2. In your opinion, are the East African citizens actively participating in the process of EAC integration?

A. YES B. NO

Kindly explain your response.

3. In your opinion, how would you rate the level of awareness of the East African citizens on the integration process?

A. LOW B. HIGH C. VERY LOW D. VERY HIGH

Kindly explain your response.

4. In your opinion, at what level of participation would you place the civil society and private sector in the EAC integration process?

A. LOW B. HIGH C. VERY LOW D. VERY HIGH

Kindly explain your response.

5. Article 5 of the EAC Treaty provides that the objectives of the Community shall be to develop policies and programmes aimed at widening and deepening cooperation among the Partner States in political, economic, social and cultural fields, research and technology, defence, security and legal and judicial affairs, in order to improve the quality of lives of the people of East Africa. In your opinion has the EAC since 2000 effectively achieved the objectives mandated to it by the Treaty?

A. YES B. NO

Kindly explain your response.

6. In your opinion does the membership of EAC Partner States in other Regional Integration Institutions like COMESA and SADC affect EAC's effectiveness?

A. YES B. NO

Kindly explain for your response.

7. The EAC has seven organs: The Summit of Heads of State, the Council of Ministers, the Coordination Committee, the Sectoral Committees, the East African Legislative Assembly, the East African Court of Justice and the EAC Secretariat. With regards to the interpretation of the EAC Treaty do you think there is inter-organ harmony between and among these organs?

A. YES B. NO

Kindly give reasons for your answer.

8. Effective communication in any organisation about ongoing activities is vital to keep employees and stakeholders (EAC citizens) informed as well as motivated. In your opinion are there effective communication channels at the EAC?

A. YES B. NO

Kindly give reasons for your answer.

9. What more can be done to bring about effective communication at the EAC?

10. The EAC's decision making structure begins with consideration by Sectoral Committees who then make recommendations to the Coordination Committee who make recommendations to the Council of Ministers (including Sectoral Council of Ministers) for ultimate decision making. In your opinion, is this structure supportive of EAC's ability to effectively achieve its goals?

A. YES B. NO

Kindly give reasons for your answer.

11. In pursuit of its integration process, the EAC Partner States established a Customs Union and a Common Market that will be succeeded by a Monetary Union and ultimately a Political Federation. In your opinion is this integration roadmap realistic?

A. YES B. NO

Kindly give reasons for your answer.

12. The vision of the EAC is to have a prosperous, competitive, secure, stable and politically united East Africa while the Mission of the EAC is to widen and deepen economic, political, social and cultural integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, trade and investment. In your opinion, are the vision and the mission of the EAC capable of providing members of the organization with a sense of shared purpose and direction?

A. YES B. NO

Kindly give reasons for your answer.

13. Clarity of purpose in an organization is mirrored in a clear organization vision and mission as well as defined goals and objectives in terms of their clarity, prioritization and capacity for implementation. In your opinion does the EAC have clarity of purpose?

A. YES B. NO

Kindly give reasons for your answer.

14. Several studies have shown that there exists nationalistic sentiments and anti-foreigner sentiments in some parts of the community against citizens of partner states. What has the EAC done to mitigate and change such sentiments?

15. What percentage would you give the progress of the EAC in its current level of integration in its pursuit to full integration?