The Promise and Efficacy of the East African Community

Arthur Bainomugisha | Sabastiano Rwengabo

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### List of Acronyms

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<th>Acronym</th>
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<tr>
<td>ACODE</td>
<td>Advocates Coalition on Environment and Development</td>
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<tr>
<td>AMU</td>
<td>Arab-Maghreb Union</td>
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<tr>
<td>AU</td>
<td>African Union</td>
</tr>
<tr>
<td>CIAS</td>
<td>Conference of Independent African States</td>
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<tr>
<td>CODESRIA</td>
<td>Council for the Development of Social Science Research in Africa</td>
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<td>EAC</td>
<td>East African Community</td>
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<td>EACJ</td>
<td>East African [Community] Court of Justice</td>
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<td>EALA</td>
<td>East African [Community] Legislative Assembly</td>
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<tr>
<td>EASF</td>
<td>Eastern African Standby Force</td>
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<tr>
<td>ECCAS</td>
<td>Economic Community of Central African States</td>
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<td>ECOWAS</td>
<td>Economic Community of West African States</td>
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<tr>
<td>FES</td>
<td><em>Fredriech Ebert Stiftungen</em></td>
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<tr>
<td>IGAD</td>
<td>Intergovernmental Authority on Development</td>
</tr>
<tr>
<td>IO</td>
<td>International [Inter-Governmental] Organisation</td>
</tr>
<tr>
<td>LPA</td>
<td>Lagos Plan of Action for the Economic Development of Africa</td>
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<tr>
<td>MDP</td>
<td>Mutual Defence Pact</td>
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<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
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<tr>
<td>NUS</td>
<td>National University of Singapore</td>
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<tr>
<td>OAU</td>
<td>Organisation of African Unity</td>
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<tr>
<td>RECS</td>
<td>Regional Economic Communities (name for ROs in Africa)</td>
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<tr>
<td>RECSA</td>
<td>Regional Centre on Small Arms and Light Weapons</td>
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<tr>
<td>RECSA</td>
<td>Regional Centre on Small Arms and Light Weapons</td>
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<tr>
<td>RO</td>
<td>Regional [Inter-Governmental] Organisation</td>
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<td>SADC</td>
<td>Southern African Development Community</td>
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<td>SALWs</td>
<td>Small Arms and Light Weapons</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNECA</td>
<td>United Nations Economic Commission for Africa</td>
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Acknowledgements

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While various people contributed to this policy briefing paper, the views expressed are those of the authors, who take sole responsibility for any errors or omissions. The authors hope that briefing paper will contribute to the policy discourse on matters of the East African Community (EAC) and will provide new insights for research, policy, and advocacy on the enhancement of the benefits and progress of regional integration.
Summary

The East African Community (EAC) has made commendable achievements since 1999 and is now considered across Africa as an example of successful regional integration. Most of these successes are rooted in the Community’s strong history that predates any regional inter-governmental organisation in the world by the 1960s, and in the political will that has galvanised technical efforts around regional integration programs since the signing of the 1999 Treaty. Chief among these achievements include: institution building, socioeconomic progress resulting from the customs union and the common market, and a common voice in continental and international fora. Yet these achievements remain less well appreciated by East African citizens. Invaluable potential for deeper regional integration in East Africa inheres in harnessing the synergistic outcome of bringing East African citizens and peoples at the centre of the integration processes. EAC organs and institutions, such as the Summit, Ministerial and Sectoral Councils, the Secretariat, relevant committees, expert groups, the East African Court of Justice (EACJ), and the Legislative Assembly (EALA), remain top-level elite institutions. Avenues for people’s interactions, in form of private sector forums and professional associations’ meetings, do not include majority of East Africans. Therefore, citizens have difficulty associating with the EAC’s activities (resulting from implementation of protocols), which have made it one of the most visible regional intergovernmental organisations (ROs) in the world. A call for wider and deeper involvement of East African citizens in the integration agenda is, therefore, in order at a time the Community works toward monetary union and political integration.

This policy paper is a culmination of a desk-based inquiry in the progress made by the EAC. The main objective is to illuminate the achievements of the EAC with the aim of underlining these landmark successes and outline strategies for consolidating these achievements and making the EAC more people-centred. In the bid to make the paper more widely appreciated, the paper is stripped of much of the theoretical and conceptual jargons. Instead, the paper outlines the EAC’s achievements and builds a case for making the strides made well known and appreciated by East African citizens and peoples. This resonates with the promise of people-centred regional integration to which East African leaders committed their respective countries and the entire Community under the Treaty.
The paper argues that making the benefits of the EAC more widely and deeply appreciated by East African citizens and peoples creates favorable attitudinal change toward the Community. As more people realize that some of the socioeconomic developments witnessed in East Africa since the 2000s resulted from implementation of EAC instruments, specifically the Treaty, Customs Union and Common Market Protocols, and the Protocol on Decision Making, the people will have greater incentives to share the vision of the desired future wellbeing that results from deeper and wider integration. This appreciation enhances the EAC’s legitimacy while also reducing the elite capture. The paper makes recommendations on how people-owned integration can be achieved. Emphasis on the future promise and potentials of the EAC is useful for making the EAC more efficacious in generating the region’s desired socioeconomic and politico-security development which acquires mass support within the Community.
1.0 Introduction

The East African Community (EAC) is one of the oldest regional inter-governmental organisations in the world. It is also one of the earliest attempts to establish organised institutions of governance below the United Nations (UN) after World War II (post-1945 world). The EAC’s history predates that of the Organisation of African Unity (OAU), later African Union (AU), but the EAC became part of the continental governance structures during the 1960s.1 It was established to foster political, socioeconomic and cultural cooperation amongst the peoples of East Africa, and to acquire a common voice in international affairs. The 1967 experiment, however, was dissolved in 1977, but this did not erase the spirit of cooperation. The revival of the EAC during the 1990s indicates resilience of the spirit of cooperation. The EAC has made rapid progress since 1999 and is now “considered ... across the entire African continent as an exemplary organisation of successful regional integration.”2 Thus, the starting point for analysing the promise and efficacy of the EAC is to examine the involvement and appreciation of its people.

Fig. 1: Headquarters of the EAC, Arusha, Tanzania

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Since the *Treaty for the Establishment of the East African Community* was signed in 1999, several developments have taken place. These changes underscore the promising potential of deeper regional integration in East Africa. They also highlight the practical need to bring East African citizens at the centre of the integration processes. First, major institutions have been operationalized, such as the Summit, the Ministerial Council, Sectoral Councils, the Secretariat, relevant committees, expert groups, the East African Court of Justice (EACJ), and the Legislative Assembly (EALA). Major protocols and EALA bills have led to operational activities that make the EAC one of the most visible Regional [Intergovernmental] Organisations (ROs) in the world. Two major kinds of protocols and undertakings can be singled out: (i) those related to socioeconomic development, such as the customs union and common market protocol; and (ii) those related to politico-security development, such as the peace, security and defence protocols. The progress made in two-and-half decades of the EAC indicates the Community’s considerable socioeconomic and political development promise.

While socioeconomic and political gains have been made, and challenges remain since 1999, East Africans have not been fully mobilized and sensitized about the benefits and promise of the organisation. Consequently, the EAC’s potential remains less well appreciated by the ordinary East African. The integration process, consequently, largely remains an elite project despite the Treaty’s emphasis on a people-centred regionalism. As a result, the necessary pressure for deeper and wider integration programs has not been ignited strongly enough. Part of the reason is to be found in people’s ignorance of the benefits of regional integration and its promise for the future.

*Figure 2: National flags of EAC Partner States*
This paper outlines the development promise of the EAC. The objective is to showcase—albeit briefly—the EAC’s major achievements and build a case for making these developments well known and appreciated by East African citizens and peoples in order to build [a people-centred] demand side of regional integration. It argues that:

Making the benefits of the EAC more widely and deeply appreciated by East African citizens and peoples builds more positive attitudes and perceptions towards the EAC as more people realize the potential and evolving contribution of the Community for their future wellbeing. This has important implications for building the EAC’s legitimacy and sidestepping the extant elitist approach to regional integration in East Africa.

The paper summarises the background to the EAC, tracing the organisation’s historical roots from colonial attempts at integration. It then summarises the EAC’s socioeconomic development potential as well as its political promise. Though less attention is paid to outlining the achievements of the EAC since 1999—with the conviction that most of these achievements are visible and obvious to any keen observer—emphasis on the future promise and potentials of the EAC is useful for galvanizing momentum toward making the EAC more efficacious in generating the region’s desired socioeconomic and politico-security development.
2.0 Brief Background to the EAC

The EAC has roots in colonial attempts at regional integration in East Africa. These efforts morphed into post-colonial measures which were aimed at federating East Africa. The notion of federation of East African colonies revolved around ideas within the then ongoing debate on regional integration in Africa. Although the EAC did not federate under British colonial tutelage, it started off soon after independence from the 1967 Treaty. This pioneered Africa’s experiments at regionalism that was by then hitherto unattempted anywhere in the world on a continental scale. The resulting common market and monetary union of the 1960s and 1970s was the first of its kind in the modern world. The 1977 dissolution interrupted this experiment. However, the revival of the integration process during the 1990s indicates how valuable regionalism has been considered in Africa’s international politics.

2.1 Pre-Colonial Developments

Pre-colonial East Africa was an integrated socioeconomic and cultural space. In this space foreign traders (Portuguese, Arabs, Indians, Chinese, Lebanese and other Asians) interacted with African societies to form the oft-awed Swahili language in which we find African/Bantu as well as Asian words. Colonialism divided eastern Africa between the major European countries: British East Africa, which consisted of present-day Uganda and Kenya; German East Africa, which consisted of present-day Tanzania; and Belgian control over present-day Rwanda and Burundi which followed the Anglo-Belgian protocol of Kigoma, signed on 5 August 1924. This protocol became the basis for present-day Burundi-Tanzania boundary and was concretised by the 1934 Anglo-Belgian Agreement on the water rights of the respective colonial mandates of Britain and Germany along the boundary. “Burundi and Tanzania were from 1885 to World War I administrative units of German East Africa.” The two countries had a common internal boundary. But in 1919 there was “a decision of the Supreme Council of the Allies to assign the whole of German East Africa to the United Kingdom.” Belgium protested the expansion of the British mandate. Subsequently an Anglo–Belgian convention was held wherein it was agreed that Belgium should receive a mandate over Ruanda–Urundi. The Supreme Council concurred in the agreement reached at the convention. “In 1922 the League of Nations approved a British mandate for Tanganyika and the following year a Belgian mandate for Ruanda–Urundi.”

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Initially, Rwanda-Urundi and Tanganyika became post-World War I UN trusteeships but under Belgian and British administrations respectively. Thus, after World War I, German East Africa was brought under British rule: British East Africa was expanded with the addition of Tanganyika but with the separation of Rwanda-Urundi which were later added on Belgian Congo. Though British Kenya was a settler colony and Uganda a protectorate, the same ethos of colonial politics and economics worked. When demands were made for the integration of East Africa to create a Dominion stretching from the Zambezi River to the Nile with colonial settlers as its dominators, Africans resisted. But the seed of regional integration had been sown. After acquiring German East Africa, British control over the headwaters of the Nile had been guaranteed, and further attempts were made to unify East Africa.

The British had established region-wide governance structures from which the process of regional integration may be traced. The Customs Collection Centre (1900), East African Currency Board and Postal Union (1905), Court of Appeal (1909), Customs Union (1919, which Tanganyika joined in 1927), East African Governors’ Conference (1926), the Income Tax Board and Joint Economic Council (1940), were some of the earlier institutional forms aimed at integrating East African countries. Between 1947 and 1961, the East Africa (High Commission) Orders in Council were passed in relation to the three colonies. These developments might have informed Lord Chandos (Oliver Littleton)’s speech about possibilities of federating the three east African territories, a proposal which Buganda rejected. The operationalization of the East African Common Services Organisation (EACSO), 1961-1966, showed that progress had been made in integrating East Africa. This partly explains why in 1967, a Treaty was signed that led to the establishment of the EAC. Though several regionalisms have emerged around the world since World War II, the EAC remains less well examined in scholarly discourses, yet it also presents unique features and dynamics that would widen and deepen policy and scholarly understanding of the theory and practice of regionalism in the developing global south.

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It needs be mentioned that regional integration in East Africa is one of the oldest attempts at regionalism in the world: perhaps the Latin American regional integration process initiated by Simon Bolívar in his 1815 Cartagena Manifesto\(^7\) predated East African initiatives. The Cartagena Manifesto was developed during the wars of independence (1808–1825). Following the Manifesto and after the wars, attempts to integrate independent Latin American states to resist Euro-American hegemony were rather slower than Bolívar envisioned.\(^8\) The European Union is modelled after the EAC, its predecessor, a fact rarely appreciated by researchers and policy practitioners. Before 1967, Kenya, Tanzania and Uganda enjoyed commercial, industrial, and institutional links, because they shared British colonial control. After the founding of the Organisation of African Unity (OAU) in 1963, East African integration was constituted within the continental approaches that were attempted in all regions of Africa.

### 2.2 Developments after Independence

A major development informing East African integration was the ideological rift within the OAU between the moderate, so-called Brazzaville group and the more radical Casablanca group. These were groups of African leaders of newly independent states disagreeing on the means, nature, and extent of regional integration in Africa. Formed in December 1960, the Brazzaville Group later became known as the Monrovia Group in May 1961. The Casablanca Group, formed in January 1961, had Ghana as its vocal member, and disagreed with the Brazzaville-Monrovia Group about the pace and form of African unity. Rooted in Liberian President Tulman’s idea of a lose association of socioeconomic ties among African states, which opposed Nkrumah’s idea of a political unification of Africa, the Brazzaville-Monrovia Group came to acquire support from countries like Nigeria. The former, President Tulman’s idea, approximates what Mansfield and Solingen call “regionalisation”. The latter, Nkrumah’s notion of politico-military unification of Africa, approximates “regionalism”.\(^9\)

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EAC Founding Fathers, L-R: Mzee Jomo Kenyatta, Mwalimu Julius K. Nyerere, Dr Apollo [Milton] Obote (2nd right)

At the Second Conference of Independent African States (CIAS), which was held in Addis Ababa, Ethiopia, in June 1960, there was serious disagreement between Ghana’s foreign minister, Ako Adjei, and leader of Nigeria’s delegation, Yusuf Maitima Sule. The Casablanca group had faced off with the Brazzaville-Monrovia Group. Africans had disagreed on the trajectory of regionalism. This difference of opinion, between the two groups, “soon hardened into antagonistic positions.”

These positions led to what came to be called the “moderates versus radicals” debate on African unity. During this debate, Mwalimu Julius Kambarage Nyerere (Tanzania) and Osajefo Kwame Nkrumah (Ghana) were positioned in moderate and radical camps respectively. The disagreement was any less ideological than it was on the form and methods of integration. Both Nyerere and Nkrumah were in agreement that Africa needed to unite but disagreed on how fast this unity would be achieved. The fate and role of the OAU, and its role in directing the future of regional integration in the continent, seemed to be in balance. Fortunately this disagreement neither degenerated into interstate rifts or animosities between groups of states nor hampered the prospects of continental cooperation.

The OAU resolved this difference by agreeing to integration within regions as a step toward continental integration. This was the position favoured by Nyerere. But the regions would be subsumed within the continental OAU, almost tending toward Nkruma’s position. A middle-ground accommodation of seemingly competing positions had been reached. The 1990 Lagos Plan of Action was developed within the spirit of continental socioeconomic integration and development. Following the resolution of the debate, post-1963 Africa witnessed the emergence of other regional economic communities (RECs), notably the Southern Africa Economic Community (SADC), Economic Community of West African States (ECOWAS), Economic Community of Central African States (ECCAS), the Arab-Maghreb Union (AMU), and later the Intergovernmental Authority on Development (IGAD). All these RECs/ROs work as levels of intergovernmental cooperation under the OAU, later African Union (AU), umbrella. We do not delve in details of these RECs but focus on the EAC.

2.3 The Dissolution of the EAC

The EAC started off as a promising example of successful regional integration. The organisation was, however, dissolved in 1977 due to ideological differences between capitalist Kenya and socialist-communist Tanzania; political differences between Uganda and other EAC Partner States; and foreign interests aimed at disintegrating East Africa to avoid a strong federation emerging at the apex of the Nile Valley in the heart of Africa. The official version is that the 1967 Treaty was dissolved due to: “lack of a strong political will, lack of strong participation of the private sector and civil society in the co-operation activities, the continued disproportionate sharing of benefits of the Community among the Partner States due to their differences in their levels of development and lack of adequate policies to address this situation.” What remains clear is that though the EAC was dissolved, partner states still desired to cooperate.

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14 EAC, Treaty for the Establishment of the East African Community, Preamble.
The 1981-84 period witnessed negotiations on the fate of common assets and liabilities of the dissolved EAC, and possibilities for revival or other forms of cooperation. Under the 1984 Agreement for the Division of Assets and Liabilities, States agreed to "explore and identify areas for future co-operation, and to arrange for such co-operation where necessary and for the continuation of certain institutions and services."\(^{15}\) By retaining the "surviving institutions of the former East African Community", such as the East African Development Bank and the East African School of Librarianship, states indicated the desire and interest in reviving the EAC as future events proved. Negotiations to revive the EAC resumed in 1991 between Kenya, Tanzania, and Uganda.

2.4 The Revival

Following years of negotiations and experimentation with structures of cooperation, a final Treaty was signed in 1999. Article 151(4) of the Treaty provided for new institutions and areas of future cooperation to be catered for through protocols. The EAC had been revived. The Memorandum of Understanding on Cooperation in Defence Affairs, for instance, which was signed in 1998, was adapted to the Treaty in 2001. Thus, post-1999 engagements between EAC Partner States follow the Treaty’s institutional procedures and anchorage.\(^{16}\) Two of the major outcomes of the Treaty include the Protocol on the Customs Union (2004) and the Common Market Protocol (2009).

Table 1: Key Milestones in the Revival of the EAC

<table>
<thead>
<tr>
<th>Year</th>
<th>Key issues</th>
<th>Outcome</th>
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<tbody>
<tr>
<td>1981-1984</td>
<td>Mediation Process: countries agreed to explore and identify areas for future co-operation and to make arrangements for such co-operation</td>
<td>East African Community Mediation Agreement, 14(^{th}) May 1984.</td>
</tr>
<tr>
<td>1993</td>
<td>Further negotiations</td>
<td>Declaration for closer East African Co-operation by the Heads of States of Kenya, Tanzania and Uganda;</td>
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\(^{16}\) Rwengabo, *Regional Security Cooperation in the East African Community*, p. 176
<table>
<thead>
<tr>
<th>Year</th>
<th>Key issues</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2001</td>
<td>Negotiations on decision making and institutionalisation of EAC organs and institutions</td>
<td>21st April 2001: Protocol on Decision Making by Council of Ministers of the EAC</td>
</tr>
<tr>
<td>Since 1999</td>
<td>Negotiations on several protocols, strategies, work plans, regulations, and legislations in EALA</td>
<td>Several protocols (e.g. customs union, 2004; common market, 2009; Peace and Security, 2012; Defence Affairs, 2012; Monetary Union, 2013)1, EALA bills, strategies, and policies.</td>
</tr>
</tbody>
</table>

**Source:** EAC Treaty, 1999; Rwengabo, 2014

**Figure 2:** The EAC Customs Union Protocol was signed in 2004
The two protocols—on the customs union and common market—are aimed at enhancing intra-EAC trade and investment, freedoms of socioeconomic operations, and increased interactions among East Africans through uninterrupted movements, settlements, residence, employment, and professional engagements. Despite debate about the legitimacy of the EAC as an intergovernmental agency charged with undertaking substantive operations and functions that would be ordinarily undertaken by sovereign states, and with important implications for the lives of East African citizens, the EAC has demonstrated great promise in terms of institutionalisation and operations.

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Map 1: Map of the EAC
3.0 The EAC’s Socioeconomic and Political Promise

The EAC has enviable achievements in the socioeconomic and political-security realms, making East Africa one of the most integrated regions in the world. One need not outline the benefits of socioeconomic and political cooperation the EAC has achieved through its institutional infrastructure informed by high-level political will unprecedented in the history of African integration efforts. The EAC’s socioeconomic promise can be discerned from the customs union and common market protocols, the Monetary Union protocol, as well as implementation of joint projects especially in infrastructure development and management of shared resources.19

The protocols are instruments which are imbedded within the Treaty, making them binding upon Partner States. The Customs Union is, according to the Treaty, the first stage in the integration process, somehow unique to East Africa because Preferential Trade Areas (PTAs) and Free Trade Areas (FTAs) theoretically precede the customs union. The common market is the second stage in the integration process. This is again unique to the EAC for it would have been an FTA that follows. The EAC common market creates a single economic space for East Africa. It is reasonable to argue that the EAC jumped two stages of regional integration: the PTA and the FTA. This was on account of pre-existing integration ethos that had been entrenched in pre-1977 East Africa. An analysis of the economic benefits of the EAC integration requires an analysis of the customs union, common market, and monetary union whose protocol was signed in 2013.20 This in no way underestimates challenges of full implementation of these protocols, such as tardiness of non-tariff barriers, inadequacies in customs control and revenue management systems. There are also fears regarding the realisation of a monetary union without an overarching political entity overseeing East Africa’s monetary and fiscal policies, public debt management, exchange rate policies, and resilience against economic shocks especially when a single currency is considered as the endpoint of economic integration.21

3.1 Socioeconomic Benefits

The first string of benefits arises from the customs union, which entails a common external tariff, duty-free and quota-free movement of tradable goods within the EAC, common safety measures for regulating the importation of goods from third Party

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19 There are institutions for managing shared resources, such as the Lake Victoria Basin Commission.
20 EAC, 2013, Protocol for the Establishment of the East African Community Monetary Union, Arusha: EAC
21 Ibid, Articles 5-21
economies, a common set of customs rules and procedures, tariff nomenclature, valuation system, and trade policy, and collective administration of the Customs Union.

The Customs Union’s main objective was formation of a single customs territory. Within that territory internal tariffs and non-tariff barriers that could hinder trade between EAC Partner States would be eliminated. The aim of such elimination of these barriers to trade is to facilitate the formation of one large single market and investment area in which relevant policies are harmonised.

The benefits of the Customs Union\(^22\) can be outlined as:

- A single customs territory is to enable partner states to enjoy economies of scale
- Harmonised policies and elimination of tariff and non-tariff barriers eases trade and speeds up movement of factors and means of production
- The Customs Union levels the playing field for the region’s producers. This is done through the imposition of uniform competition policy and laws, customs procedures and external tariffs on goods imported from third countries into the East African economy. This helps the region to advance its economic development and poverty reduction interests vis-à-vis other economies.
- The customs union promotes cross-border investment. This attracts investment into the region, as the enlarged market with minimal customs-clearance formalities. This offers a more predictable economic environment for both investors and traders across the region, and between the region and other economies and economic blocs.
- Finally, other benefits arise from: adjustment of the national external tariffs to the common external tariff leading to welfare gains for consumers; the signalling effect arising from Partner States agreeing to implement a common trade policy in their relationship with the rest of the world is enhanced; and East Africans will exploit comparative and competitive advantages offered by regional business locations, without factoring in differences in tariff protection rates, added the business transaction costs arising from customs clearance formalities.\(^23\)

\(^{23}\) EAC, *Implications and Benefits of the EAC Customs Union*, pp. 3-4
An expanded economic space with bigger population attracts investors. In 2000, with their total GDP of US$25.553bn (Kenya, $10.357 billion; Tanzania, $9.027 billion; and Uganda-$6.17 billion) and a combined population of around 86 million people, the 3 EAC Partner States combined compared unfavourably with Vietnam with a total GDP of $31.344 billion and a population of 79 million people. Vietnam would have been more attractive to investors, than the whole of East Africa, since the Asian country is one customs territory. Similarly, East Africa would have compared less favourably with Indonesia (with about 260 million people), Brazil (with 206 million), and Pakistan (194 million). Ethiopia and Nigeria, in Africa, with 102 million and 187 million people respectively, could compare more favourably than the whole of East Africa combined if it is not a single economic area.

The Common Market is anchored in the protocol, which “grants the right of establishment, settlement, and residence; freedom of persons’ movement, provision of labour and services; non-discrimination and equal rights between Partner States’ citizens and intraregional migrants.”24 The Protocol seeks to open national borders, allow intra-regional migration and movement, protect investments of regional citizens outside their home countries, and provide a limitless socioeconomic operational space for East Africans. It widens and deepens cooperation among Partner States in economic and social fields, through removal of restrictions on the movement of goods, persons, labour, services and capital, and the rights of establishment and residence.


24 Rwengabo, ‘From Migration Regime to Regional Citizenry’, p. 35
According to one observation, “The EAC has also made major strides towards the implementation of the protocol particularly in the operationalization of border posts on a 24 hour basis, and harmonization of immigration procedures. This, coupled with the waiving of the work permit fee for the EAC citizens by some countries (Kenya and Rwanda), is a great achievement.”

The benefits of the common market can be summed up as follows:

- It entitles East African workers to apply for employment and accept offers of employment made in other states; move freely within the territories of the partner states for the purpose of employment and residence; and conclude contracts and take up employment in accordance with the contracts, national laws and administrative actions of the host state. These guarantees open opportunities for career and professional growth, thus enhancing the socioeconomic conditions of East Africans.

- The Common Market guarantees East Africans residence in the territories of Partner States subject to national laws and administrative procedures governing such residence, enjoyment of freedoms and rights (such as freedom of association and collective bargaining), and enjoy the rights and benefits of social security as accorded to the workers of the host Partner States. This protects the dignity and rights of East Africans, thus preventing restrictions on well-being.

- The common market has opened opportunities for hitherto less fortunate citizens of East Africans despite operational and technical challenges facing all Partner States.

- The other socioeconomic benefits would arise from liberalisation of services trade; matching regional with multilateral liberalisation policies and practices; protection of citizens on contentious issues, such as land access and ownership; elimination of ambiguities and technical errors and committing to implementing the protocol; transparency and policy stability; and formal engagements aimed at easing tensions that might arise from the implementation of the protocol.

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26 FES, p. 13

Article 10 of the Protocol requires the Partner States to ensure that workers do not face discrimination in employment, remuneration, and other conditions of work because of their citizenship. This, in addition to other freedoms and rights, cross-border movement of persons, an integrated border management system, employment promotion centres and a common employment policy, all ensure the creation of a regional sense of belonging that spans the EAC geo-social space, leading to East African Citizenry.28

A report about Burundi, as of 2012, reveals that: “Burundi, just like other EAC Partner States, has made some progress towards implementation of the CMP. There were, for example, 132,083 EAC citizens who had been granted access into Burundi for the period January to May 2010. The EAC citizens passed through Gasenyi-Nemba and Kanyaru Haut border posts. Between June 2011 and April 2012 some 922 students who are citizens of EAC had been granted gratis student passes to visit and study in Burundi. Also, Burundi harbours no discriminatory legislations inhibiting freedoms of movement of citizens of other partner states into Burundi. In the five months to May 2012, some 48,646 Burundians had entered into other EAC partner states using the Burundian national Passport. Burundi has entered into a memorandum of understanding with the Republic of Kenya on exchange of students and teachers and mutual recognition of educational qualifications.”

*Table 1: Kenya’s Trade with Tanzania: Trade Values (Billion Kshs)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>Imports</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>41.05</td>
<td>15.58</td>
<td>25.47</td>
</tr>
<tr>
<td>2010</td>
<td>33.21</td>
<td>10.55</td>
<td>22.66</td>
</tr>
<tr>
<td>2009</td>
<td>30.08</td>
<td>7.08</td>
<td>22.27</td>
</tr>
<tr>
<td>2008</td>
<td>29.22</td>
<td>7.31</td>
<td>21.91</td>
</tr>
<tr>
<td>2007</td>
<td>22.33</td>
<td>6.68</td>
<td>15.65</td>
</tr>
<tr>
<td>2006</td>
<td>18.3</td>
<td>4.5</td>
<td>13.8</td>
</tr>
<tr>
<td>2005</td>
<td>19.9</td>
<td>2.9</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: Kenya Export Promotion Board.

From Table 1 above, trade between Kenya and Tanzania has been increasing mainly because of the common market. It is expected to continue expanding due to the current EAC integration process, especially as the common market is implemented and customs union consolidated. This realisation calls for companies from both countries to position themselves to take advantage of the integration.29 The same

28 Rwengabo, ‘From Migration Regime to Regional Citizenry’.

logic applies to all EAC Partner States. Every State has made achievements as a result of its membership to the EAC. We already outlined Burundi’s achievements\(^{30}\), and mention can be made of Rwanda’s as well: increased “cross-border trade and free movement of goods and services especially for districts neighboring with EAC Partner States” (about 307 small traders have benefited from STR in 2012-2013):

Rwanda total trade with EAC increased by 12.5% from US$ 497 million in 2009 to US$ 796 million in 2013. On average Exports to the region increased from US$ 47.4 million in 2009 to US$ 380.3 million in 2013, while Imports decreased from US$ 449.6 million in 2009 to US$ 415.4 million in 2013. In the same period (2009 – 2013), Tanzania was the main destination of Rwanda Exports to the region while Uganda continued to be the main origin of imports of Rwanda from the region followed by Kenya.\(^{31}\)

**Figure 4: Implementing the EAC Common Market**

![Implementing the EAC Common Market](http://eacgermany.org/deepening-economic-integration-in-the-eac/, 16 June 2016)


The above outline of achievements in the socioeconomic realm is neither exhaustive nor does it include cultural, professional, associational, and ideational achievements. It does not include the observable joint development programs in infrastructure development, for instance. Implementation of these programs has led to rapid infrastructural changes in the region. This has made intra-regional transport easy since priority road projects were agreed among Partner States in 1998 and 2003.\(^\text{32}\) The outline also does not include joint management of shared resources, such as transnational ecosystems and management of Lake Victoria, as well as achievements in the international realm which have resulted from common voices on issues like Economic Partnerships Agreements (EPAs) and issues related to the management of the River Nile.

More achievements are expected to arise from the monetary union. The following observations can be made about the potential benefits from the Monetary Union.

- Since the EAC monetary union is not yet institutionalised and operationalised, it remains difficult to measure the benefits accruing from it in practice. Reliance on theoretical benefits of a currency union (monetary union) is, however, worthwhile in informing the understanding of potential benefits of an East African Monetary Union/single currency:

- The proposed removal of currency exchanges between different currencies saves resources. Resource wastage is always high “when people change hand-to-hand currency”, and when credit card transactions and other banking mechanisms have not penetrated the breadth and depth of the socio-economy.\(^\text{33}\)

- Some analysts see the monetary union as a step toward increased solidarity in Africa. It is a symbol of strength that would help provide for political integration that might result in a pan-African monetary integration that has been a dream of pan-Africanists for decades.

- It is generally believed that monetary unions result in “increasing trade-integration and business-cycle correlation, and enhancing the credibility of macroeconomic policies.”\(^\text{34}\) A monetary union can alter an economy’s structure, hence resulting in trade creation and credibility gains for the affected economy.

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For a region to acquire a single currency it needs to be a full monetary union, not just a common market as the Southern African experience reveals.

- Drawing from the European example, especially before the 2011-13 Eurozone crisis, the monetary union reduces transaction costs through reduced uncertainty on foreign exchange, money markets, and divergent instruments attendant to sovereign fiscal and monetary policies.35

- Finally, the monetary union is potentially helpful in protecting the region against competitive devaluations. These measures are “incompatible with a regime of floating exchange rates as the economic authorities, central banks mostly, do not manipulate the market-determined price of the currency.” The practice being “not feasible in economies with high degrees of trade integration”, such as those in Europe and East Africa after the common market in which free capital flows and movements are allowed, devaluations are best prevented through monetary unions. Since the “value of the currency is not determined by the government or the monetary authority but by the market”,36 the monetary union cushions against unnecessary political interference with money markets, regional trade, exchange between regional and foreign currencies, and ensures fiscal stability.

From the foregoing benefits of the customs union, common market, and the promise of the monetary union, regional integration (both regionalism and regionalisation—political and socioeconomic integration respectively37), when realised, creates social and economic synergies as a result of cooperation on key issues and implementation of joint development programs. Geographically contiguous regions cannot avoid spillover effects of economic and sociocultural phenomena—whether negative or positive. Joint management of transnational and regional phenomena augments collective efforts in managing not only shared resources and responses to shared threats and challenges, but promotes conscientious decision-making in interstate relations. Decisional interdependence prevents autarchic choices while also solving collective action problems that would affect states which decide and act independently. In sum, regionalism presupposes that interdependence is more rewarding than autonomy. This conception holds true in both the socioeconomic and political realms.

36 Ibid, p. 147
3.2 Political Benefits

The social world is inherently political. And regional integration is a political undertaking. The political benefits of regional integration have been experimented: first, as ideals pursued through attempts like Nkrumah’s Pan-Africanism and Bolivar’s Pan-Americanism; second, as experiential outcomes of federations like the German Zollverein and Italian unification, post-World War II European cooperation, and the federation of what became the United States of America (USA); third, as experiments in nation building informing Chinese integration, and Tanganyika-Zanzibar union; and finally, as geostrategic survival attempts made through crisis alliances, balances and counter-balances in international politics. The simplest political statement on the political benefits of regionalism is this: “United We Stand, Divided We Fall.”

The EAC Partner States were “DETERMINED to strengthen their economic, social, cultural, political, technological and other ties for their fast balanced and sustainable development by the establishment of an East African Community, with an East African Customs Union and a Common Market as transitional stages to and integral parts thereof, subsequently a Monetary Union and ultimately a Political Federation.” They were also “CONVINCED that co-operation at the sub-regional and regional levels in all fields of human endeavour will raise the standards of living of African peoples, maintain and enhance the economic stability, foster close and peaceful relations among African states and accelerate the successive stages in the realisation of the proposed African Economic Community and Political Union.”

From this determination and conviction, three political benefits can be discerned from regional integration in East Africa: improved peace and security; realisation of the pan-African dream of unity; and safeguarding [East] Africa’s geostrategic future.

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38 EAC, 1999, Treaty for the Establishment of the East African Community, Arusha: EAC, Preamble
Defence and peace and security cooperation are cornerstones of regional integration in East Africa. The Defence Forces of the EAC Partner States (Kenya, Uganda, Tanzania, Rwanda and Burundi) concluded the Ninth Edition of the East African Community Military Games and Cultural Event on Wednesday, 26 August 2015 at the Mandela National Stadium in Kampala, Uganda.
Regional integration "fosters close and peaceful relations among African states," while enhancing peace and security cooperation. For instance, following the adoption of the MoU on Defence Cooperation to the EAC Treaty in 2001, and the negotiation and signing of relevant protocols, the Community has been undertaking various security cooperation practices, exchanges of visits, sports, such as joint trainings, join exercises, shared infrastructure and technical services, and the Community is working on a common foreign/defence policy. These activities resulted in enhanced counterterrorism cooperation, and cooperation in the management of piracy, transnational organised crime, control of the proliferation of small arms and light weapons (SALWs), border controls, and disaster responses. Once a political federation is reached, the benefits of peace and security cooperation will be enhanced through single defence and external security policies.

Second, the EAC, through “close and peaceful relations among African states”, views itself together with other Regional Economic Communities (RECS) under the African Union (AU) as “successive stages in the realisation of the proposed African Economic Community and Political Union.” This pursuit is consistent with pan-African interests of the founding fathers, such as Julius Kambarage Nyerere and Kwame Nkrumah, who agreed that Africa needed to unite (though they disagreed on the speed and method), a view shared by Libya’s late Muamar Qaddafi, Uganda’s Yoweri Museveni, and most other African leaders. Politically, integration enhances bargaining power in international affairs, reduces policy duplication, a common defence and foreign policy, and single international voice.

Regionalism ensures the emergence of a geospatially larger and militarily more defensible geopolitical space. According to President Museveni, Africa’s strategic survival requires acquiring at least a minimum in what Americans “call four dimensional superiority”—superiority on land, in the air (air-force), at sea (the navy) and in space (satellites and rockets)—for it to defend itself. This necessitates integration of economies and polities to build demographic, geospatial, and economic capacity for establishing strong and reliable defence systems. Thus, regionalism will lead to prosperity, and ensure "strategic security for our people and enhanced international credibility for the African peoples."
Finally, regional integration erases, or at least minimises, internal weaknesses that have historically led societies to be subdued and subjugated by other societies. It is argued that by 1900 the whole of Africa, save for Ethiopia [and Liberia?], had been colonised “Mainly because of internal weaknesses” wrought upon African societies by pre-colonial chiefs and kinds who kept people divided into “small tribal kingdoms, chiefdoms or segmentary societies and those divisions are still being promoted by the reactionaries today.” This disunity led to colonisation and subjugation of Africa, yet other societies which were technologically similar to Africa but politically united “were not easy to swallow because of a higher degree of political integration.” It follows, from this line of reasoning, that “In Unity Lies Strength”, a reason why Germans, North Americans, Chinese and Indians integrated and became stronger polities that would survive strategic threats to their existence.

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44 Buell, ‘The Destiny of East Africa’.
45 Museveni, State of EAC Address, p. 1;
46 Ibid, p. 2
4.0 Looking Ahead: Overcoming Current Challenges

4.1 Recent Observations

The progress and achievements made by the EAC need to be consolidated. The UN Economic Commission for Africa (UNECA) observed East Africa’s increasing competitiveness by 2012. The study assessed progress in economic growth and wealth creation; agriculture and food security; climate change; issues of poverty, inequality and social deprivation; energy and energy poverty; the relationship between environment and sustainable development; the environment for peace and security, sustainable consumption and production, as well as waste management; and the role of regional integration and multi-level partnerships for sustainable development. The study observes that “The Eastern African subregion registered commendable economic growth and wealth creation since 1992. It has some of the fastest growing economies in the world, with the GDP estimates of a large number of its countries tripling since 1992. Poverty has also significantly reduced”, while regional economies have become more self-reliant, reduced dependence on agriculture, and improved life expectancy, despite the prevalence of both old and new and emerging challenges like persistent poverty, environmental degradation, and low technical implementation capacity for international and regional sustainable development obligations.47

Development achievements increase people’s expectations. These expectations may cause additional strain on the EAC and Partner States. But expectations, which are rooted in achievements, are indicative of the increasing appreciation and embracing of the EAC and other integration efforts observed in the region, such as the Eastern African Standby force (EASF), the East African Police cooperation, and the Regional Centre/Mechanism on Small Arms and Small Weapons (RECSA) based in Nairobi. The consolidation of benefits is in no way based on the assumption that there are no challenges being experienced by the EAC and contagious regional-integration efforts; it only underlines the task of overcoming those challenges in order to widen and deepen the Community’s record.

We suggest three interventions in looking to the future interventions that target a brighter future for East Africans, in the form of critical investigation of previous achievements and challenges (assessment of progress); documentation and debate

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on the political and socioeconomic factors behind or limiting progress so far; and simultaneous engagements between Partner States on the Monetary Union and Political Federation.

### 4.2 Interventions aimed at a Brighter Future

- First, previous stages of the EAC integration experience should be deeply investigated with the view to identifying areas of inefficiency, inefficacy, and inappropriateness. This is a time of self-reflection, of avoiding pretense, so that we can identify what needs to be done to ensure full implementation of the customs union and common market in order that we may fully prepare East Africa for a monetary union and political federation that we await to achieve our full integration.

- The political and technical changes undergirding effective monetary cooperation should be documented, openly discussed, subjected to national consultation processes, and decisions made and implemented in order to ensure permanency and security. We believe the operationalisation of a monetary union within the EAC, when national currencies are left to simultaneously operate alongside the EAC/regional currency, may create conflicts between regional and national monetary and fiscal policies, especially in periods of economic crises.

- Finally, engagements between Partner States on the political federation should be done concurrently with engagements on the monetary/currency union. A single currency is the ultimate achievement in monetary cooperation. But currencies are political instruments, instruments of sovereign control and political power. They are driven by states’ monetary and fiscal policies, including such political practices as debt servicing. The survival of a single currency within the EAC without a political federation\(^ \text{48} \) remains questionable at least as one peers into the future. We need to ask and answer these tough questions if we are to realize the EAC’s ultimate destiny. By avoiding finding a workable solution to the challenge of sovereignty concerns and with regard to monetary/currency union and subsequently political federation, confronting that powerful but subtle challenge of sovereignty, we shall address the strongest bottleneck to regional integration in the East African Community.\(^ \text{49} \)

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\(^{48}\) The Federation may be undergirded by a single military-security and intelligence command and authority structure, and single foreign policy.

5.0 Conclusion and Recommendations

We have underlined the achievements of the EAC. We have also stressed the need to consolidate these achievements with the view to strengthening the regional foundation for future benefits. We in no way assume that there are no challenges facing the EAC. Like any other organisation, the EAC needs to address the challenges of: maintaining interest convergence, capacity development, making the EAC financially and technically self-sustaining, maintaining the political will and momentum that previously informed the integration process, and mobilizing and strengthening regional support from East African citizens in line with the stated objective of a people-centred integration.

5.1 Conclusion

This paper has outlined the achievements of the EAC and underlined the paucity of people’s awareness about the organisation’s benefits and its promise for the future. It indicates that East Africans have not been fully mobilized and sensitized, leaving the ordinary citizen less appreciative of this would-be people-centred regional integration. Achievements such as operationalization of major organs and institutions, ratification and implementation of major protocols and EALA bills, and cooperation in politico-security affairs have led to a simplified trade regime; ease of movements of goods, services, peoples, and other factors of production; enhanced interstate cooperation and greater integration. Great potential for intra-regional trade remains from within the EAC.

Once these benefits are highlighted and showcased to East Africans, greater momentum and demand for deeper and wider cooperation would be generated. This notion about the evolution, spread, and resilience of ideas within [and beyond] organised political communities has theoretical notions, which are rooted on constructivism in International Relations (IR) theory. We avoid these theoretical details here because of the nature of this writing. Making the benefits of the EAC more widely and deeply appreciated by East African citizens and peoples builds more positive reactions to the EAC. As more and more people realize the potential the organisation has for their future wellbeing, they are likely to appreciate its continuity and survival, while also demanding wider and deeper integration. These people’s demands have vital implications for building the EAC’s legitimacy and reducing the elitist approach to regional integration that currently obtains in East Africa.
5.2 Recommendations

From the foregoing, we supplement the aforesaid observations in the way forward with the following recommendations:

- Consolidate the achievements of the EAC by showcasing them to the East African citizenry, national agencies not directly involved in EAC affairs, and civil society.

- Mobilise citizens for regional activities or networks that enhance productivity

- Build an institutional infrastructure for persistent political will and steadfast national-level support in order to ensure continuity of supportive decisions

- Involve national institutions and agencies in inculcating the spirit and ethos of East African-ness, by demonstrating the potential benefits and actual achievements of regional integration to young East Africans.

- Tread carefully on contentious issues that might lead to diversion of attention from the achievements and potentialities toward thinking and acting about unresolved issues whose avoidance has insignificant impact on the EAC’s future. Issues like political and security issues the cooperation on which lacks regional consensus need not be the basis for insistence and subsequently undermining already-observed progress and potential benefits of cooperation on other issues.

- Address institutional and structural issues of building socioeconomic resilience, climate change mitigation and adaptation, and speed up the rate, quality, and climate-change-resilience of infrastructure development.

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50 The recommendations are summarized to make them succinct and targeted to the key issues that should be considered to push the EAC to greater horizons. They are not exhaustive. Emphasis is placed on protocols because they are appendages to the EAC Treaty, and, once ratified, become binding to [and part of the domestic law of the] Partner States.
The refurbished EAC Headquarters is situated near Arusha International Conference Center in Arusha, United Republic of Tanzania. It houses the EAC Secretariat, the East African Legislative Assembly (EALA), and East African Court of Justice (EACJ). The building includes state-of-the-art conference facilities, committee rooms, courtrooms, a Resource Centre, an archive, a media centre, shopping and dining facilities.


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