1. Introduction

Regional integration refers to the process of states coming together to sign agreements where they agree to cooperate in certain areas common to them. This process is overseen by the governments of the specific states. Regional cooperation can take different forms, depending on the objectives of the states that are involved.\(^1\) States may want to come together for economic reasons or even further to form a political alliance or union. History shows us, many states across the globe enter into regional agreements for economic purpose. In Africa in particular, there has been a clamour and trend towards integration with numerous regional blocs being formed in various regions of the continent. The Africa Union recognizes eight regional economic communities (REC)- Arab Maghreb Union (AMU), Common market for Eastern and Southern Africa (COMESA), Community for sahel-saharan states (CEN-SAD), East Africa Community (EAC), Economic community of central Africa states (ECCAS), Intergovernmental Authority on development (IGAD) and Southern African Development Community (SADC).

The decision to form or enter a regional economic community is based on many considerations for example, in many parts of Africa and the world the coming together of different sovereign states will be based on shared cultural, political, economic and societal values as well as shared history of association or cooperation. This is the case with the SADC, whose members consist of mainly former frontline states who came together to agitate for the abolition of apartheid and introduction of democratic rule in South Africa. In addition to shared values and history, geographical boundaries also form an integral part in the formation of regional blocs. Most regional economic groups have shared geographical boundaries.

\(^1\) Gathi J.T, African Regional Trade Agreements as Flexible Legal Regimes. ( Working Paper Series No. 20. 2009), p.5
The most significant consideration in joining a regional economic group however as mentioned earlier is the economic benefit each individual nation stands to gain. In Africa this is particularly true because REC’s are perceived as vehicles for overcoming the constraint of small economic sizes of nations. The small size of most African economies has been seen as one of the reasons that hamper their ability to industrialize effectively. The idea behind regional integration has been that Intra African trade will facilitate structural transformation and accelerate economic and social development of African States. Sovereign States that form or join a regional bloc also view it as a way to increase their bargaining power in a globalized world dominated by a hegemony.

However regional integration does not always serve an economic function alone, but can also be looked at from the angle of a progressive, dynamic process that entails a country’s willingness to share or unify into a larger whole. The degree to which it shares and what it shares determines the level of integration. There are different degrees of integration depending on pre defined criteria. Regional integration demands that a State relinquish a part of its sovereignty willingly in order to be part of a larger group.

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

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1.1 The history of Regional Integration

The first formal attempts at regionalism or regional integration on the global stage are found in Europe under the European Union (EU). To date the EU stands as the world’s model of supranational regionalism. The EU model has managed to incorporate political elements in a deep economic integration. Kenichi Ohmae in his book, *The end of the Nation State,* argues regional economies are the new engines of prosperity while the traditional nation states have become unnatural and even impossible business units in the global economy. The European Union is seen as the fore runner of regional development in Europe and globally. Langenhove, director of regional integration studies at the United Nations University, further states that the regional integration movement and developments in Europe are not a movement against States. He says that regional integration as with the case of Europe should be looked at as a better way for States to respond to the challenges of globalization. He explains that sovereign states should not look at regionalism as moving toward a post-Westphalian world but more toward a neo-Westphalian order. Langenhove also says that States will remain important centers of governance in the future, but will, in an attempt to face challenges of globalization and increase their bargaining power voluntarily turn to local regional groupings to complement and strengthen their power. A situation he says will lead to world of states moving gradually to become a world of regions.

Another challenge to the westphalian order is posed by the fact that states are not stable elements of order and can be created and annihilated. For this reason regional blocs seem more stable and durable. Langenhove and Costea also argue that Europe is not the only geographical area where

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4 Langenhove V. Luk, Power to the regions, but not farewell to the nation state, Europe’s World, Spring 2008 p.p 1-5
sub national authorities have increased in power. They argue the process of regionalism is based on a growth spill over.\textsuperscript{5}

1.1.2 Approaches to regional Integration

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

1.1.3 First generation regional integration

First generation regional integration is based on the idea of a linear process of economic integration, involving separate national economies into larger economic regions. This is the approach that has been used by the reconstituted EAC II from 2001 to date. It begins with a free trade area. A free trade area involves States removing all custom duties, quotas between them and then determining individually the level of custom duties to charge imports coming from outside the area.\textsuperscript{6} This free trade area then moves progressively in successive stages of deeper integration. It moves from a free trade area to a customs union, common market, monetary union and may go on up till when it reaches a federation. Other examples of classic linear evolution is the evolution of Western Europe after World war two from the creation of the European economic community (EEC) under the treaty of Rome in 1957 removing all tariffs and quotas on intra-EEC trade, the achievement of a customs union in 1968 with the establishment of a common external tariff (CET), the creation of a single market in the mid 1980\textsuperscript{6} eliminating

\textsuperscript{5} Langehove\&Cristina Costea. UNU-CRIS Occasional papers. Inter regionalism and the future of multilateralism, 2005, p.p 12-17

\textsuperscript{6} Ibid
barriers still existing to trade and the establishment of the four freedoms of movement of-
Persons, goods, services and capital. The EU also completed the process of creation of a single
common currency. They are many other examples of first generation regional integration. The
mentioned East African community is founded along this precise approach and has undertaken
steps to fast track its integration by moving from a customs union to a common market protocol
and currently a common market protocol and by 2015 a monetary union.

The European Union since its formation and growth has been the trigger and model for the
creation of this mode of integration. This approach has proved to be the most popular with more
than 170 regional trade arrangements (RTA's) notified at the World trade organization.\textsuperscript{7}
Although purely an economic process originally, intentions behind first regional arrangements
can be political. For example in the case of the European Union where the driving force behind
integration was to prevent another conflict in Europe by tying their economies together.

\textbf{1.1.4 Second generation regional integration}

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

\textsuperscript{7} Ibid
integrated the more they will need common policies on fiscal and social matters as well as political integration. This approach towards regionalism also known as ‘new regionalism’ is attributed to various factors. According to Langehove the transformation of the world from a bipolar to multi-polar has influenced this form of integration. Secondly the relative decline of American hegemony in addition to a more permissive attitude on the part of the US towards regionalism.

Thirdly, restructuring of the Nation-State and growth of inter-dependence and globalization. There are also recurrent fears over the stability of the multilateral trading order, with the growing emphasis on Non-tariff barriers to trade. The collapse of the communist regimes not only ended the ‘Cold War’ and produced an enormous geographical zone of political uncertainty and instability, it also destroyed the international system that has stabilized international relations since World War II. While until the end of the Cold War regional co-operation was largely a hegemonically imposed phenomenon, it has become even more complex because of the impact of globalization on what was traditionally the Nation State.⁸

1.1.5 Third generation regional integration

Third generation regional integration is characterized by world regions playing a role on the world stage. This means that regions will act within global international regimes, interact with other regional integration institutions and with Nation States that are out of their own geographical area. While in the first and second generation integration the point of focus is primarily the regions own area. In the third generation the focus is on operations that span out of the region, to the entire world. Third generation has three main characteristics that distinguish it

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from previous generations. First in this approach, the institutional environments for dealing with consequences that are out of the region are more present and dominant. An example is the EU that has a constitution which gives the EU a legal personality as a supranational organization and may in future allow the EU to act as a supranational organization within the framework of the United Nations. Secondly in the third generation integration approach the regions become more proactive in engaging in inter regional arrangements and agreements that affect relations at a global level.

For example, the European Economic partnership agreements with the African, Caribbean and Pacific regions. Commonly known as EPA, the EU and the ACP countries have for over 30 years engaged in trade between the regional groupings aimed to promote trade development and poverty reduction. Lastly another distinction of third generation regional integration is that the regions become more actively engaged at the level of the UN. A lot of the regional integration efforts in different parts of the world are modeled along the lines of the European Union, seen as debatably the most successful regional body in the world.

2.0 Overview of regional integration institutions

Regional integration is based on the premise that free trade is primarily a good thing. In the 1990s, many former communist countries acknowledged the benefits of free trade by applying for membership in the World trade organization (WTO). In December 2001, communist China accessioned to the WTO and this marked a landmark of the acceptance of neo liberal international economic organization. The acceptance of market ideology quickly spread beyond

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9 Economic partnerships, accessed from [http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships on 10.06.11 at 2:04pm](http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships on 10.06.11 at 2:04pm)

the advanced industrialized world to the continents of Latin America, Asia and Africa. The fall of the Berlin wall in 1989 and disintegration of the Soviet Union in 1991 saw the end of communism which was replaced by economic liberalism.\textsuperscript{11} With acceptance of economic liberalism ideas, barriers to cross border trade were eroded. The removal of barriers to trade, policies begun to be developed on a regional level to encourage trade among certain regions.

Regional integration agreements are officially sanctioned by the WTO and are the only exceptions to the principle of non-discrimination. However under article 25 of the General Agreements Trade and Tariffs (predecessor of the WTO), there three principal restrictions imposed on regional agreements. First, that the agreements must on the whole raise protection against excluded States. Two, that the regional integration schemes must reduce internal tariffs to zero and remove all other restrictive regulations on commerce within the agreed area and lastly must cover substantially all trade.\textsuperscript{12} These conditions imposed ensure that regional integration agreements do not undermine the access of other countries to the integrated area. Nearly all the 144 member States of the WTO participate in one or more regional trade agreements.\textsuperscript{13}

However not all regional trade agreements that have been notified to the WTO are still in force today. Majority of the discontinued agreements have been superseded by redesigned accords. Out of a total of 214 agreements that have been notified to the GATT/ WTO, 134 are still in force.\textsuperscript{14} In the 1950s there were few notifications to the GATT. In the 1960s notifications averaged two or three a year. In the 1970s the number of notifications increased reaching a peak of 10 in 1973.\textsuperscript{15} During the 1980s and 1990s notifications dropped considerably until 1992

\textsuperscript{11} Ibid
\textsuperscript{12} Accessed from http://www.wto.org/ on 14.06.11 at 11.32pm
\textsuperscript{13} Ibid
\textsuperscript{14} Ibid
\textsuperscript{15} Ibid
when 11 new regional trade agreements were notified. Since then, an average of 11 new regional agreements have been notified annually at the WTO.\textsuperscript{16} In addition to the notified arrangements, there also estimated to be nearly 50 non notified agreements.\textsuperscript{17} The WTO has sanctioned an increasing number of preferential trade areas (PTA\textsuperscript{s}) over recent decades covering all continents on the globe. The current proliferation of regional agreements has been attributed to the perceived success in economic integration by the EU.

Some of the explanations as to why States have been moving and are motivated to forming regional arrangements have been listed to be three fold. First there is the security element. The participating States can use regional agreements as security against non-members as well as enhancing security vis-à-vis other members of the group. Integration of States in one geographic area will make conflict among them too costly. As explained earlier this was the motivation behind formation of the EU after the Second World War, to ensure that European countries were so tied to each other economically such that the cost of war would be too high. States have also tended toward regional integration arrangements because of the bargaining power they stand to gain by combining their individual power. They stand to gain more if they speak with one voice especially on the global stage. However States that are integrated only stand to gain greater advantage should they take a common stand on key issues.

On a global level the most advanced regional integration arrangement has been the European Union. In Europe there has also been the European Free Trade Area (EFTA) but has not been as dominant as the EU. In 1992, however the smaller EFTA groupings joined with the EU to form the European economic area. This agreement later led to the EFTA States obtaining full

\textsuperscript{16} Ibid
\textsuperscript{17} Ibid
membership of the EU. Deeper integration of the EU has led to its expansion which means the political and economic benefits stand to outweigh any political and economic losses. The EU has been largely discriminatory partner, but has also signed a number of preferential trading agreements with developing States.

In Asia, regional integration did not appear to initially have great impact upon the trade among members, the regional groupings that emerged did so to promote intra group trade. The Asian States were seen to be distrustful of regional arrangements as many Asian countries had been successful without such arrangements and also smaller states also felt that they risked domination by bigger states. Integration on the Asian continent has taken place within two overlapping forums- The Association Southeast Nations (ASEAN) and the Asia-Pacific Economic cooperation (APEC). ASEAN was founded first in 1967 to foster the peaceful national development of member states through cooperation. The move toward the establishment of trade arrangements between members begun 10 years later. However intra regional trade remained low. APEC on the other hand was created under the framework of open regionalism. Formed in 1989, it is not a formal trade agreement but a community of diverse States. The agreement stresses its members’ commitment to free and open trade. APEC members have even agreed to extend APEC preference to non-members since the agreement has no intention of evolving into a customs union. In Latin America there has also been a history of regional integration. In the early 1950’s and 60’s the Latin American Free Trade Association (LAFTA) and the Central American Common Market (CACM) were established, however their quick success was short-lived. At the end of the 1960’s the Andean community of Nations (CAN) and the Caribbean Common

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18 Ibid
market (CARICOM) were also founded, however they were also unsuccessful. In the early 1990s there was the creation of a new regional bloc called Mercosur, and the attempted re-launch of the Andean community of Nations as well as the Central American Common Market. Mercosur consists of Argentina, Brazil, Paraguay and Uruguay. Mercosur was born as a consequence of democratization of many of the economies of Latin America.\textsuperscript{20} By 1995, what was a free trade area transformed into a customs union, with a long term goal of becoming a common market. The Andean community on the other hand was formed in response to LAFTA\textquotesingle s failure and its integration scheme aimed to be more far reaching than any other organization formed before. The strides in the regional integration processes in Latin America have also been due to a lot of political goodwill and cooperation among different heads of States (inter-governmentalism).

Another regional trade agreement on the American continent is in Northern America is the North Atlantic Free trade area (NAFTA), which is an agreement between America, Canada and Mexico, formed in January 1994. NAFTA opened up the economic borders of the three countries in an effort contend with the European Union. Its primary objectives were to promote increased trade, remove tariffs among members and elevate the weaker economy of Mexico to the level of its new partner. NAFTA notably, become the first regional group to be formed between developed countries and a developing one. U.S. critics, however, argued that the agreement would lead to a decline in U.S. economy and the eventual elimination of a large number of its skilled labor forces. Their basis for this argument was the belief that U.S. companies would be enticed to relocate outside the country, mainly Mexico, where regulatory laws are not as

\textsuperscript{20} Ibid
stringent and labor is less expensive.\textsuperscript{21} NAFTA, however unlike other regional integration groupings that have flirted with the idea of political union, is solely economic in nature. The great disparity in the economies of the two North American countries and Mexico has also been seen to be one of the major short comings of NAFTA.\textsuperscript{22}

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

\textbf{2.1 The Pan Africanism contribution to Regionalism in Africa.}

The Pan Africanist movement and ideology can be said to be one of the greatest contributions to the efforts of unification of Africa as a continent. Although, Pan Africanism didn\textquotesingle t actually originate from the African continent. It came at a time when people of African descent and Africans had suffered the indignities of both slavery and colonization. The first Pan-African

\textsuperscript{21} Rourke T. John\& Boyer, World Politics: Is NAFTA a success or a failure, accessed from http://highered.mcgraw-hill.com/sites/007248179x/student_view0/chapter12/analyze_the_issue_1.htm on 14.06.11 at 5:39pm

Congress was convened by W.E.B Dubois in 1919. The conference was attended by mainly Africans in diaspora. The congress called for the equality of all races. The most historic congress was the fifth pan African congress of 1945, which was attended by many post independence African leaders notable amongst them were Jomo Kenyatta, Kwame Nkurumah and Hastings Banda. This forum paved the way for the call for independence and unification of Africa. Armed with the ideology of Pan-Africanism, Nkrumah and Kenyatta and others returned to their respective areas to spearhead the struggle for independence. Thus was born African nationalism. It is Pan-Africanism that gave birth to nationalism and not the other way round. One of the most fervent supporters of Pan Africanism was Kwame Nkurumah, who envisaged a United States of Africa.

Soon after the independence in Ghana he organized the All Africa People's conference that was attended by all political parties and independence movements' leaders. The main agenda of the conference was the attainment of independence of all colonies and the strengthening of new States to prevent neo colonialism. The conference was also seen as a successor of the Pan African congresses. Nkurumah became the foremost advocate for the unification of Africa, under a political federation. An argument that has been revived under the forum of the African union and especially pushed by Libyan president and former AU chair Mummar Gaddafi. Nkurumah who can be said to be the originator of the idea of a United States of Africa, was firmly opposed to regional blocs as he feared that regional blocs would make prospects of African unity even more difficult.

President Nyerere of Tanzania is known to have famously been opposed to the idea of unification of Africa after independence and instead called for the formation of regional blocs for cooperation in

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23 Issa, S, op cit, Note No. 9, p. 9
24 Ibid
different parts of Africa which he saw would eventually lead to unification of Africa as a whole. Nkurumah on the other hand argued that African union government should be formed immediately after independence before individual countries settled in their sovereignties. He argued that imperial powers would use individual countries to pursue their neo-colonial tactics of divide and rule.²⁶

Both Nyerere and Nkurumah were however not in any way opposed to unification of Africa but had different ideas on the most appropriate approach. The divisions between Nkurumah and Nyerere reflected the division that existed between the newly independent African States. On one hand those that supported Nkurumah and Ghana were countries such as Guinea, Mali, Egypt, Algeria and Morocco. While on the other hand there were countries called the conservatives consisting Nigeria, Liberia, Senegal, Ivory Coast, Cameroon and Togo who favoured the more gradual approach to the question of African unity.²⁷

However in 1963 the two opposing groups came together and formed the Organization of African Unity (OAU). The OAU’s main aims were to promote unity and solidarity of Africa and speak with one collective voice for the continent. The OAU was also dedicated to eradicating all forms of colonialism from the continent beginning with apartheid in South Africa. The OAU during its tenure to a certain extent managed to speak with one voice on issues to do with the continued struggle in African countries. The OAU managed great successes in relation to decolonization efforts in the continent. Other achievements included making significant contributions to the development of international law, especially in the fields of refugee law and human rights law, where several important treaties were adopted under OAU auspices, although in practice progress was slow and uneven. A court of human rights was envisaged, but the OAU was dissolved before it was

²⁶ Ibid
²⁷ Ketema. M, Creation of the OAU, accessed from http://www.oau-creation.com/ketema_1.htm on 15.06.11 at 12:02pm
established. However it was seen to be largely a failure and was dubbed the ‘dictators club’ as it failed to address the many challenges that emerged on the continent such as wars and coup d’états. A fact that can be attributed to the OAU principle of non-interference in the internal affairs of African states.

The robust debates and energy that surrounded unification of African states died down steadily in the 1970s and 1980s and instead many African countries resigned themselves to forming regional blocs that addressed the challenges faced within their specific geographical boundaries. The president of Eritrea Issaias Afeworki, upon joining the OAU remarked, “We are joining the OAU not because of your achievement, but because you are our African brothers.” This statement reflected the failure of the OAU. The organization was seen not as a vehicle of change but more as an organization that suppressed the problems experienced in Africa, in order to maintain the status quo. The OAU was succeeded by the African Union in 2002 with a different mandate from the OAU which had failed to evolve to deal with the challenges that were facing the continent such as wars, poverty and food shortage. The Africa Union has been lauded as many as more elaborate and dynamic and able to deal with the present day challenges of the continent. Under the AU constitutive Act the unconstitutional change of government has been outlawed, making it impossible for a country that has a coup d’état to continue being a member of the body.

This is a big departure from the OAU which had a strict policy of non interference in the internal affairs of African States. Under the AU, the unification debate resurfaced. Late Libyan leader

29 Ibid
30 Ibid
Muammar Gaddafi who was the chairman in 2009 advanced the idea of a United States of Africa at two regional summits, in June 2007 in Guinea and again in 2009 in Ethiopia.\textsuperscript{31}

The development of the Pan African parliament is a positive development for African unity. It is hoped that the Pan African Parliament (PAP) will act as a forum that will elucidate the concepts of democracy, good governance and the rule of law in Africa.\textsuperscript{32} Although the PAP does not have full legislative powers it hoped that developments will be made in that direction. Other than these few developments however the AU has also been recently criticized for its ineffective approach in dealing with the crises in the Ivory Coast and the current ongoing crisis in Libya.

In the Ivory Coast attempts were made to send a mediator to the country to resolve what seemed as cross between a stalemate and a rigged election by the then incumbent president Laurent Gbagbo and current president Alassane Oughtara. In defence of the AU it did try to find a compromise between the two by sending former Kenyan Premier Raila Odinga to mediate between the two. And later also temporarily banned the Ivory Coast as a member of the AU, when Gbabgo refused to step down. However the country still went to the brink of civil war and it is French led military intervention that managed to end the conflict decisively by ousting Gbabgo. Civilians allied to ousted leader Gbabgo demonstrated in the streets of Ghana at the interference of France in their internal affairs. The question remains why the AU was incapable of rising to the occasion to solve the problem or whether it was because they lacked the enforcement mechanism or were not decisive is still being debated.\textsuperscript{33} More recently the AU has come under even closer scrutiny over the events in Libya. The AU which was heavily funded by

\textsuperscript{31}Ibid  
\textsuperscript{32}Ahmadou. N, Pan African Parliament and the potential for development of a strong continental Legislative, accessed from http://www.iss.co.za/iss_today.php?ID=1104, on 15.06.11 at 5:07pm  
\textsuperscript{33}Ivory Coast: Odinga makes fresh AU mediation attempt. Accessed from http://www.bbc.co.uk/news/world-africa-12204139 on 15.06.11 at 458pm
Libya was slow and non-committal on the issue of Muammar Gadaffi launching attacks on civilians. Yet the Africa Union Constitutive Act through the peace and Security Council allows for interference in a country in the case of war, crimes, genocide and crimes against humanity. The AU has played a secondary role within the international community in comparison to the Arab League. In contrast to many Arab states that have come out and condemned Gadaffi. The AU under the African Union Peace and Security Council insisted on respect for the unity and territorial integrity and rejected military intervention. The AU however criticized strikes carried out on Gadaffi strongholds under the North Atlantic Treaty Alliance (NATO) which are meant to push Gadaffi out of Libya for a transitional government to take over.

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

3.0 Origins of the East Africa Community

Relations between the peoples of Eastern Africa can be traced to before colonial times before the artificial colonial boundaries were created during the scramble and partition for Africa. Before

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1885 the area of Eastern and Central Africa was a borderless region with a lot of social activities being conducted between the different ethnic groups existing in the area. However, first ever formal attempt to govern the area begun with what was known as the Imperial British East African Protectorate (IBEA). The first official engagement by the IBEA was the construction of the Uganda/ Kenya railway in 1887.\textsuperscript{35} The construction of the railway began at the Kilindini Harbour in Mombasa. The railway line was to pass across Kisumu, Eldoret and into Kampala. The railway line was very significant as it bypassed the use of ships on Lake Victoria from Kisumu. It more importantly made movement between the two colonies easier. The motive behind investing in the building of the railway was to ensure movement of the manufactured goods that were from Kenya.\textsuperscript{36} To date the railway’s importance cannot be underestimated in East Africa, as it is the same railway that ensures that Uganda and Rwanda that are landlocked are able to import goods into their country.

The collective effort by colonialists for 60 years in Uganda, Tanzania and Kenya formed the building blocks for later integration in the EAC. From 1900\textsuperscript{35} to about 1914 the British managed to establish administrative and economic structures in both Kenya and Uganda. After World war one the protectorate of Tanganyika also fell under British rule. In 1927 the Hilton-Young Commission of 1927 also undertook to investigate the possibility of establishment of a federation. The Commission however recommended the laying of a foundation for the institutionalization of services.\textsuperscript{37} An organizational framework for managing common services was agreed upon with the establishment of the East African High commission (EAHC) of


\textsuperscript{37} Ibid
governors in January 1948. Following its establishment it enacted laws that put into operation the East African Railways and Harbours, the East African Post and Telegraph, the mechanism for revenue collection, the East African Tax Management and Makerere College. These institutions formed the backbone of the post independence East African Community. (EAC I).

The post-independence era of the early 1960s saw a lot of effort and optimism for a federation within the East African region. A lot of the optimism if not all surrounding the idea of an East African federation was based on the Pan Africanist spirit among the leaders at the time. The President of Tanzania, Mwalimu Nyerere, one of the more ardent Pan Africanist leaders not only in the East African region but in Africa, was believed to have been ready to delay the independence of his country if it would enable Kenya and Uganda to unite with his country in a political federation. In June 1963, the leaders of East Africa- Jomo Kenyatta of Kenya, Milton Obote of Uganda and Nyerere of Tanzania came together and proclaimed, “We the leaders of the people and governments of East Africa assembled in Nairobi on 5 June 1963, pledge ourselves to the political federation of East Africa.” This famous declaration marked the beginning of efforts by the three governments to cooperate in formation of a political federation.\(^{38}\)

3.1 The Operations of the EAC 1975-1977

During the early years of the federation, the three countries continued to share close links and heavily relied on one another. Many institutions within the EAC were shared to a large extent for basic services such as transport and education. The EAC treaty during these years was amended several times to accommodate the changing needs of member states and to include services in the treaty that partner states felt the community should handle. The community at this stage

\(^{38}\) Ibid
economically speaking was a common market area. Each country however pursued policies it felt would be beneficial to its development. Tanzania pursued a policy of nationalizing financial and key manufacturing institutions as well as nationalization of trade especially external trade. Kenya on the hand accepted and adopted capitalism but also embarked on an Africanization programme that allowed greater government control of economic activities. 39 Uganda also similarly introduced a policy "move to the left" which attempted to control imports from partner states and exports from Uganda. Uganda also took a stand to "Ugandanize" unskilled labour and drive out of Uganda non-Ugandans from the country. These policies and decisions by the respective leadership of each partner state served to move them away farther away from the path of economic integration and instead focused on their internal growth alone.

There were also issues of political consideration during these early years. The EAC was an economic association however politics was prominent and the management of the community and its institutions could not escape this. The ultimate power to make decisions was vested in the EAC authority which comprised the three heads of state.

2.2 The collapse of the EAC I

Even though the EAC continued to run well into the 1970's there were murmurs of disbandment of the EAC. Tanzania's felt the EAC served only Kenyans and believed Kenyan leaders were selfish and greedy, while the Kenyan media led Kenyans to believe Tanzania was a parasite on the economy and were determined to damage the economy and good name of Kenya. 40 In addition to these sentiments, Uganda's President Idi Amin also did nothing to foster a sense of unity in the community and made wild claims that parts of Uganda had been grabbed by Kenya.

39 B. Ogot, My foot prints in the sands of time: An autobiography, pg 273.
40 Ibid
A situation that saw Kenya close the Kenya-Uganda border in February of 1976. Although Amin changed his tune and relations between Kenya and Uganda normalize, things in the community continued to deteriorate among member states. In the latter part of 1976 and 1977, partner states tried to cease the community assets in anticipation of the breakup of the community. This piracy was most intense among Kenya and Tanzania. Each partner state through its legislative assembly member tried to identify assets which could be seized by their governments. This begun the ultimate disintegration of the community, since even legislative assembly members of the EAC were no longer representing interests of the community but those of their own states interests. In January 1977, Kenya officially complained it was being forced to bear the financial burden of the entire community. This complaint came in the background of a campaign by a select group of government officials who were set on demolishing the EAC. A cabinet minister Bruce Mackenzie and Attorney General Charles Njonjo, were determined to see the termination of the EAC and were highly influential members of the Jomo Kenyatta government.

Mackenzie with support from Njonjo used the East Africa Airways Corporation to push their campaign against the community. They argued the Corporation had defaulted on debts to Kenyan banks and that this was because of non-payment by member states. Seemingly having managed to convince the president of their case, all East Africa airways aircrafts were ground in Nairobi. The impact of the grounding of the airline hit Tanzania the hardest. Tanzania had relied heavily on the air carrier and even more distressing was that the airline was ground at a time Tanzania was hosting international guests for the celebrations of the Arusha declaration anniversary.

The situation was made worse by the fact that Kenya had also impounded railway cars and three boats belonging to Tanzania in a dispute over transport maintenance costs. Tanzania responded

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41 Ibid
42 Ibid
to this by closing its border and seizing Kenyan property in Tanzania. A series of confiscations followed in addition to repatriations of Kenyans from Tanzania and vice versa. This series of events led to the failure to remit money by both Tanzania and Kenya for the fiscal year 1977/1978, leading to the collapse of the community on 1st July 1977.

3.2 The reconstitution of the EAC

After the collapse of the East African Community in 1977 leaders in the East African region made moves to revive the community. In the 1980’s and 1990’s change of leadership in the region brought about new style of governance and with this change a change of perceptions of regional integration with positive repercussions. In 1984 a mediation agreement was signed by the Partner states to apportion the assets of the EAC. This paved the way for a rapprochement between the countries especially the leaders. The stage was however set for revival during a meet for the Heads of the Commonwealth in Harare. The leaders were at this point able to discuss the future of the Community. Following this closely was the establishment of a Permanent Tripartite Commission for East African Cooperation in 1993. This initiative was led by Presidents Daniel Moi of Kenya, Yoweri Museveni of Uganda and Benjamin Mkapa of Tanzania. These efforts by the three Presidents laid the foundation for cooperation in the region and paved the way for the establishment of the structures and functions of the EAC.43 In 1996 the East African Cooperation secretariat was established paving the way for the signing of the treaty establishing the EAC.

The vision and mission of the revitalized EAC captured the new spirit of cooperation between the partner states. Its vision states that the EAC aims to establish a prosperous, competitive, secure and politically united East Africa and its mission to widen and deepen economic,

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political, social and cultural integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production trade and investment. Major achievements of the EAC development strategy following its ratification in 2000 have included the establishment of a customs union in 2005 that graduated to a common market protocol in July 2010. The EAC has also managed to harmonize and develop East African Standards, remove non-tariff barriers, establish the Lake Victoria Basin Commission, the establishment of the East Africa Legislative Assembly and the East African Court of Justice.44

One of the most significant developments has been the expansion of the EAC membership, with the inclusion of Burundi and Rwanda in 2006. The two countries were welcomed by the three original partner states after they acceded to the EAC treaty. The inclusion of Rwanda and Burundi has seen the EAC become one of the most attractive regional blocs in Africa. As it stands today following the inclusion of Rwanda and Burundi the EAC has a population of 126 million people covering a span of 1.8 million square kilometers. The combined Gross domestic product (GDP) of the area of the members is close to $41 billion that makes it a very attractive market area.45 The reconstituted EAC rests on four pillars- The Customs Union, Common Market Protocol, Monetary Union and Political Federation.

4.0 The challenges of regional Integration

The EAC II has made great strides and is considered one of the more active REC’s on the African continent. The EAC at present is in the process of fully implementing a common market protocol, which entails ensuring the freedom of people, capital, services and goods. Although the common protocol was signed on November 2009 and came into force on 1st July 2010, there

44 Ibid
45 Accessed from http://www.eac.int/ on 06.08.11 at 7:01pm
major challenges that have not been addressed by partner states. The freedom of movement of people has not been fully realized, even with a common East Africa passport in place, States in the community still have in place internal bureaucratic procedures that prevent labour movement. In Tanzania for example citizens of EAC states are charged about $2,000 for a work permit, a fee that is exorbitant and discouraging. Other partner states claim to have in theory waived fees for work permits, however the truth on the ground is that priority for employment is given to citizens of each partner state and seeking employment for citizens of partner states is strenuous. The movement of goods is also not as straight forward as it should be in a common market area, with complaints of non-tariff barriers such as police and immigration checks faced by transporters of goods across the partner states. The EAC partner states have also in 2012/2013 accused each other of introducing new barriers to trade by introducing new cargo transit fees. Kenya accused Tanzania of introducing cargo transit fees at the Arusha border and similarly Tanzanian transporters have decried an increase in transit fees for trucks crossing over from Rwanda into Tanzania, from $152 to $500. Even though states within the EAC retain the right to implement policies they feel are beneficial to them, introducing new barriers both tariff and non-tariff go against the spirit of the common market.

Other than the economic challenges faced within the reconstituted EAC, there is also emerging a new challenge in the community which is personality clashes between leaders. A situation reminiscent of the EAC I. In the second half of 2013, the presidents of Tanzania and Rwanda have exchanged words publicly, a situation that seems to have erupted into a diplomatic row.

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46 Business Daily, September 16th, 2013, 17:54
between the two countries. The row between the two partner states begun when President Kikwete commented at African Union forum that Congo and Rwanda should engage in talks with M23 rebels who have caused a lot of instability within the central African region. These comments were taken to be insensitive by Rwanda government officials who claimed they would not sit down with genocidaires. 48 The war of words seemingly turned into hostilities between the two states, when in September Tanzania expelled Rwandan immigrants from its territory. Although, Tanzania made clear that it was only deporting illegal immigrants and criminals, this action was taken as politically motivated by Rwanda. Rwandan Minister for Refugees and Disaster Management, Seraphine Mukantabana suggested in an interview with the BBC that Rwanda viewed the expulsions as politically motivated. She pointed out many of those whom were deported were women, children and elderly people.49 Currently the disagreement between Rwanda and Tanzania seems to have quieted down, with both countries trying to mend diplomatic relations behind the scenes.

However another issue that has been of concern in the EAC is what has seemed an isolation of Tanzania and Burundi in recent summit meetings, where Presidents of both countries have been glaringly absent. The East African Community executive organ asked for explanations on recent economic and diplomatic realignments that have sidelined Tanzania. The council of ministers directed its chairperson, Uganda’s EAC Affairs minister Shem Bageine, to prepare full information on the blossoming alliance between Kenya and its landlocked neighbours Burundi, Rwanda and Uganda.50 The EAC secretariat has responded by denying any divisions, saying the

48 Ibid
50 Ibid
treaty allows members to sign pacts for implementing milestones agreed at regional level as long as there was room for others to join when ready. This approach and attitude by some partner steps if not checked may led to a deterioration of relations between member states, a situation as history has shown can lead to collapse of the community.

4.1 Conclusion

Even with the present challenges the EAC is one of the strongest regional economic communities in Africa. It has grown progressively from its reconstitution in 2002, to establish a custom union and has almost fully implemented and actualized a common market protocol. The EAC has also initiated many infrastructural projects which will serve as enticement to other States within the region who will be able to see the benefits they stand to gain should they join the community. By and large the EAC has also managed through continuous advocacy to reduce a substantial number of trade barriers within the region. The EAC also has the most comprehensive institutional structures of any REC within Africa. However much more can be done by member States to propel the community to even greater heights and ensure prosperity.