

# THE EAST AFRICAN COMMUNITY

## REGIONAL INTEGRATION BETWEEN ASPIRATION AND REALITY

*Stefan Reith / Moritz Boltz*

“One people, one destiny” – so runs the slogan of the East African Community (EAC), which was re-established in 2001. Few of the numerous African regional organisations set their sights quite so high. Unlike the more well-known federations COMESA, SADC and ECOWAS, EAC has enshrined political union in its founding treaty. Its ambitious timetable envisages a common currency by 2012; the common market was introduced last year. Integration – for which the EU, NAFTA and ASEAN provide inspiration – is seen as the road to affluence and growth. However, the rhetoric of leading decision-makers often contrasts sharply with the sobering political reality. The East African Community is strong on paper, but weak in the implementation of its decisions. It is at risk of losing the support of civil society and becoming the scapegoat of national politics. In these circumstances it is doubtful whether the tight timetable can be adhered to. There is a significant gulf between aspiration and reality. Among the voices that have warned against excessively high expectations is that of the former German president Horst Köhler, who stated that the EAC runs the risk of disappointing the region’s people, since it has ambitious plans but little to show in the way of results. The Community is on the right track, he said, but poor fiscal discipline and promises that cannot be kept could jeopardise the process of integration.<sup>1</sup> It is true that the benefits of cooperation do not arise automatically. Successful regional integration requires strong institutions, broad support among the population



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1 | Horst Köhler was speaking in June 2011 at a conference in Arusha organised by the Konrad-Adenauer-Stiftung and the East African Community for the purpose of discussing these issues.

and a clear commitment to the project on the part of the elites. Only then will the potential that undoubtedly exists be unlocked.

## HISTORY

The history of regional cooperation in East Africa goes back to pre-colonial times. The first moves towards cooperation between states were made in 1919. Kenya, Tanganyika and Uganda – all of them under British administration – formed a customs union. Yet even in the first half of the 20<sup>th</sup> century, the differing economic orientation of the three countries was apparent, paving the way for a wide range of later compatibility problems.<sup>2</sup> Economic links were strengthened in 1948 by the founding of the East African High Commission, which established a unified income tax in addition to a customs union. After the end of the colonial period, two organisations played a major part in the pursuit of regional integration. The East African Common Service Organisation (EACSO) succeeded the colonial-era East African High Commission. However, for the majority of decision-makers in the 1960s, EACSO was too closely associated with pre-independence structures. In addition, attempts to set up a central bank founded in 1965. Plans

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to introduce a common market proved difficult to be implemented. Yet there was still strong interest in regional cooperation, and so in 1967, the first East African Community was founded. The three member states of Kenya, Tanzania and Uganda agreed to cooperate on a wide range of economic and social issues. The first EAC, and the extensive integration which it achieved, was hailed a success, but the project nevertheless collapsed in 1977. The failure of the first East African Community can be attributed to four main factors: firstly, its lack of steering functions; secondly, the unequal distribution of benefits; thirdly, the purely intergovernmental – i.e. interstatal –

2 | Uganda and Tanzania were predominantly export-oriented. Kenya's economy had a more domestic focus. The financial sector therefore developed much sooner in Kenya. In addition, more investment was channelled into Kenya as a colony, whereas Tanzania was merely under British mandate. Cf. Edward Kafeero, *Customs Law of the East African Community in light of WTO Law and the Revised Kyoto Convention* (Munster, 2009), 83.

structure; and, fourthly, the irreconcilable differences of opinion between leading players, especially between the Ugandan dictator Idi Amin and the Tanzanian president Julius Nyerere.

In the years that followed the collapse of the first EAC, the three former member states attempted to regulate economic affairs by means of individual multilateral agreements. Important steps towards establishing a community were taken in 1993 and 1997 at two summits of the heads of state. In 1993 the Permanent Tripartite Commission for Cooperation was set up: a coordinating institution that in 1998 produced a draft treaty for the later EAC. Cooperation on security matters was also initiated during this period. In November 1999, the Treaty for the Establishment of the East African Community was signed by the heads of state of Uganda, Kenya and Tanzania. It entered into force on 7<sup>th</sup> July 2000. Two new members, Rwanda and Burundi, joined the Community in 2007.

What lessons has the present-day EAC learned from the collapse of its predecessor?

Firstly, the management of cooperation has been improved by setting up permanent institutions. Secondly, greater attention has been paid to fair distribution of the benefits

of cooperation. For example, transitional customs regulations are designed to protect the Tanzanian and Ugandan economies from the dominance of Kenyan exports. Thirdly, the EAC now allows civil society and market forces to play a more prominent part. However, the powers of the interstatal institutions remain weak. All major decisions affecting the Community must be taken by consensus of the member states.

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### **AMBITIOUS GOALS, SOBERING REALITY**

On paper, the East African Community is a very ambitious organisation. The tight integration plan progresses through the stages of regional integration at a gallop: customs union, common market, monetary union and finally political federation. In 2004, the Committee on Fast-tracking the African Federation – commissioned by the Secretariat –

actually published a report that envisaged accelerating the unification process, recommending that the integration stages be pursued not sequentially but in parallel.<sup>3</sup> However, this strategy creates difficulties. In recent years, a more down-to-earth attitude to the ambitious goals has been adopted. Monetary union has been postponed. The protocol for the common market has been in force since 1 July 2010, but its national implementation is still faltering. The EAC itself acknowledges that

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the implementation of the agreed decisions is inadequate. Practical implementation of the common market is therefore increasingly being regarded as a process that must take place over time. The new secretary general of the EAC, Richard Sezibera, admitted that implementation would probably take decades.<sup>4</sup> In the light of the preceding integration stages, this sober prediction is understandable. When the customs union was introduced in 2004, it was not possible to immediately implement it in full: gradual reductions in duties on goods from Kenya protected Tanzania and Uganda from their economically strong neighbour.<sup>5</sup> As the EAC pointed out in its Annual Trade Report 2009, non-tariff barriers<sup>6</sup> are still a problem. National Monitoring Committees are due to monitor the removal of these barriers. In addition, it is hoped that cooperation with the East African Business Council (EABC) will ease the finding of a prompt solution.<sup>7</sup> However, it remains uncertain whether attempts to remove non-tariff barriers will succeed.

3 | Cf. East African Community, "EAC Fast Tracking Report 2004," [http://eac.int/politicalfederation/index.php?option=com\\_docman&Itemid=28](http://eac.int/politicalfederation/index.php?option=com_docman&Itemid=28) (accessed June 30, 2011).

4 | Sezibera at the conference of June 2011 in Arusha (see n. 1).

5 | Cf. East African Community, "EAC Customs Union Protocol 2004", [http://eac.int/commonmarket/document%20tation/cat\\_view/24-documents-a-downloads/30-common-market-protocol-a-annexes.html](http://eac.int/commonmarket/document%20tation/cat_view/24-documents-a-downloads/30-common-market-protocol-a-annexes.html) (accessed June 30, 2011).

6 | Non-tariff barriers include, among other things, cumbersome and expensive licensing, high charges at border crossing points, charges for infrastructure use, poor security and geographic barriers. Cf. Heinz-Michael Stahl, "Tariff Liberalization Impacts of the EAC Customs Union in Perspective," *tralac Working Paper*, (2005) 4, 1-38.

7 | Cf. East African Community, "EAC Annual Trade Report 2008," [http://eac.int/statistics/index.php?option=com\\_docman&task=cat\\_view&gid=48&Itemid=153](http://eac.int/statistics/index.php?option=com_docman&task=cat_view&gid=48&Itemid=153) (accessed June 30, 2011). The figures relate to the three founder members. Rwanda and Burundi are not included.

Against this background it would seem that hopes of imminent political union are illusive. Nevertheless, the EAC continues to hold fast to this goal. And initial steps towards integration in the non-economic sphere are indeed being taken: there are plans for the EAC to play a more major part in regional stability – since all the member states except Tanzania have internal political difficulties to contend with. Regional coordination of security bodies and a rapid response to escalating conflicts would therefore be extremely useful. Article 124 of the Treaty of the East African Community emphasises the importance of security and peace in the region for successful integration. On paper, the EAC is strong: coordination of decisions on security policy, measures to combat the trade in drugs and arms, cooperation between police forces and steps to counter international terrorism are all referred to in the Treaty. In addition, the EAC maintains a research institute, the Nyerere Center for Peace Research. Yet the reality is somewhat different. The Community's influence on peace and stability is marginal – as is illustrated by the unrest in Kenya, where the EAC was only partially successful in its attempts to promote stability.<sup>8</sup> Conflict management has been handled mainly by national figures of state such as the Tanzanian president Jakaya M. Kikwete and his predecessor Benjamin W. Mkapa. As well as it aspires to shape security policy, the East African Community also promotes cultural, sporting and educational programs, although the scope and success of these must also be rated as modest.

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## **INSTITUTIONAL STRUCTURE OF THE EAC**

The autonomy of regional organisations is gauged primarily by the independence of their institutions and the corresponding freedom from national state influence. In the case of the East African Community, these institutions are named in Article 9 of the EAC Treaty: the Summit, the Council of Ministers, the Coordinating Committee, the Sectoral Committees, the East African Court of Justice, the East African Legislative Assembly and the Secretariat.

8 | Gilbert M. Khadiagala, "Regionalism and conflict resolution: Lessons from the Kenyan crisis", *Journal of Contemporary African Studies*, 27 (2009) 3, 431-444.

Most of the community's institutions are strongly inter-statal. The Summit is at the heart of the EAC. This is where the heads of state meet and give general direction. New institutions can be created, members accepted, judges appointed and laws passed. Decisions are taken

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by consensus, so that the head of state of a member country can block almost all the EAC's activities. The Summit roughly corresponds to the European Council of the EU, but is far more powerful. The Council consists of the ministers responsible for regional integration in the five member states. Its main task is to support and to monitor the implementation of Council decisions in the national context. The Council also prepares draft legislation for the Legislative Assembly. Like the Summit, the Council is intergovernmental in nature – as are the Coordinating and Sectoral Committees.

The other institutions have greater, although still circumscribed, autonomy from national state influence. The East African Court of Justice supervises application of the Treaty and compliance with it. However, the independence of the judiciary is open to doubt. For example, the judges – unlike in the European Union – are appointed directly and without consultation by the members of the Summit. This contrasts with the procedure at the European Court of Justice, whose judges are also appointed by the governments of the member states, but only after a consultation with a panel of experts under Article 255 TFEU has taken place. In addition, a number of judges retain their position as national judges, which can lead to conflicts of interest. Moreover, the Court of Justice is seldom invoked. Similar criticism is levelled at the Legislative Assembly, which also lacks legitimacy and input from civil society. As a legislative body, the Assembly indeed passes laws and confirms the budget, but its members are elected by the national parliaments, and the Summit can overturn legislation at any time. The Secretariat plans and supports all the EAC's programs and undertakes administrative tasks. The Secretariat also commissions studies and monitors implementation of the agreed regulations in the member states.

Two aspects of the EAC's institutional makeup stand out. Firstly, the executive, dominated by national interests, has an unusually strong position. Secondly, the weakness of the other two powers is striking. The judiciary and legislature tend to be under-represented in regional communities, but in the case of the East African Community this is particularly noticeable.

### **ECONOMIC BENEFITS DO NOT ACCRUE AUTOMATICALLY**

"Regional integration always yields economic benefits for all its members." This assumption is widely held, but untrue. Only under certain conditions does cooperation produce positive macro-economic effects.<sup>9</sup> But generating added economic value is a core function of regional federations and hence extremely important for the legitimacy of these communities. This also applies to the EAC, the economic potential of which is subject to varying assessments. Internal trade within the EAC is weak: although higher than in many other regional organisations, it is still very low. In 2005, internal exports accounted for only 15 per cent of the total exports of member states.<sup>10</sup> In 2006 internal trade actually fell by 12.5 per cent, before rising sharply in more recent years – the total volume of trade within the community grew by 37.6 per cent in 2008. In particular, Tanzania achieved slight growth; internal trade continues to be dominated by Kenya.

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There are many reasons why officially recorded trade within the EAC continues to be modest. One consideration is that the national economies remain focused on the export of primary goods, which rarely takes place between the member states. Geographical conditions also hinder the exchange of goods, especially since the long distances and geographic barriers are combined with poorly developed infrastructure. To these difficulties must

9 | Cf. Rolf Hofmeier, "Regionale Kooperation und Integration," Mir A. Ferdowsi (ed.), *Afrika – ein Verlorener Kontinent?* (Munich: UTB, 2009), 213-247.

10 | By contrast, internal exports within the EU are about 60 per cent. Cf. Helmut Asche and Jonne Brücher, "Myth and Reality of African Regional Integration," *Recht in Afrika*, 12 (2009) 2, 169-186.

be added the continuing presence of non-tariff barriers. It must, however, be assumed that informal trade – whether legal or illegal – takes place on a large scale and is not reflected in the statistics.

**There are in some respects major discrepancies between the political agendas of the EAC states. Harmonisation of economic policy is inadequate.**

Alongside low levels of interstate trade, the poor coordination of economic policy is a significant obstacle to successful regional integration. A recent study by the University of Dubai concludes that there are in some respects major discrepancies between the political agendas of the member states.<sup>11</sup> Harmonisation of economic policy is inadequate and national state interests often weigh more heavily than long-term cooperation gains. An example of this is the negotiations between the EU and the EAC on an Economic Partnership Agreement (EPA). The member states initially conducted negotiations on the EPA in separate groups. Tanzania, for example, at first negotiated as a member of the Southern African Development Community (SADC). Under pressure from the EU when the talks seemed likely to stall, the negotiators abruptly transferred their allegiance to the EAC. The EPA was negotiated hurriedly and hence in ways that did not favour the EAC.<sup>12</sup> To proceed further along the path towards integration – whether in the form of an effective common market or a currency union – political objectives must be harmonised.

Economic concerns are amplified by the limited economic power of the East African states. The gross domestic product of all the EAC members combined amounted in 2010 to just 74,047 million U.S. dollars. Germany's gross domestic product in that year was 2497.6 billion Euros.<sup>13</sup>

- 11 | Steven Buigut, "A Fast-Track East African Community Monetary Union? Convergence Evidence from A Cointegration Analysis," *International Journal of Economics and Finance*, 3 (2011) 1, 255-261.
- 12 | Cf. Fritz Kopsieker, "Regionale Integration in Ostafrika. Die East African Community (EAC) vor entscheidenden Herausforderungen," *Kurzberichte aus der internationalen Entwicklungszusammenarbeit* (FES), (2007), 1-6.
- 13 | Euros converted to U.S. dollars at a rate of 1 to 1.4. Statistisches Bundesamt, "Bruttoinlandsprodukt 2010 für Deutschland", January 2011, [http://destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/DE/Presse/pk/2011/BIP2010/Pressebrochure\\_\\_BIP2010,property=file.pdf](http://destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/DE/Presse/pk/2011/BIP2010/Pressebrochure__BIP2010,property=file.pdf) (accessed June 30, 2011).



This means that on a currency-adjusted basis, the EAC's gross domestic product is roughly 2.1 per cent of that of Germany. Regional integration yields added value only if there is significant scope for realising economies of scale and advantages of specialisation. There is a risk that relatively small and moreover poorly industrialised states stand to derive only modest gains from joining a federation.

## STATE SELF-INTEREST

Economic concerns are not the only problem. The strengthening of supranational structures presents a major challenge for the EAC, whose cooperation has so far been predominantly intergovernmental. The self-interest of states is in itself understandable and right, but without a suprastatal counterweight it is all too likely that resources will be inappropriately distributed. The short time horizon and internal political commitments curtail the scope for inter-regional action. Realisation of a common market requires all member states to be prepared to accept a not insignificant risk. For regional integration not only creates trade, but also changes the overall economic structure. This entails some uncertainties, which in some cases may have negative consequences. It would seem that coordination is at present aimed primarily at short-term optimisation of profit rather than at sustained harmonisation of joint economic activities. For instance, experts lament the lack of willingness to pursue integration in the form of a unified energy policy.<sup>14</sup> Creating and strengthening supranational structures is therefore one of the central challenges. The General Secretariat, for example, will need to demonstrate that it has the will and the means to assert difficult issues at national level. In the past, the EAC has had particular problems implementing agreed decisions nationally. This is reflected in situations such as the halting implementation of the customs union and the common market. Non-tariff barriers and unequal national legislation continue to exist, and it has not yet

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14 | Cf. Veit Bachmann and James D Sidaway, "African regional integration and European involvement: external agents in the East African Community," *South African Geographical Journal*, 91 (2010) 1, 1-6.

been possible to dismantle them. These disruptions of the market are to a large extent the result of the egotism of the national states. If integration is to be effectively advanced, it is essential that the competences of the EAC institutions are strengthened. As with the majority of the African regional organisations, only a few members of the governments involved actually have the will to rationalise and improve the EAC institutions.<sup>15</sup>

### **INSUFFICIENT INVOLVEMENT OF CIVIL SOCIETY**

Inadequate anchoring in civil society is the third weakness of the East African Community. Secretary General Sezibera himself acknowledged that there are shortcomings in involving and informing the population,<sup>16</sup> and the former German president Horst Köhler warned against integration that is too strongly focused on a small elite –

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such integration has a shaky foundation because it ignores the majority of people in East Africa.<sup>17</sup> Inadequate involvement of civil society indeed has serious consequences for the legitimacy of the Community in the eyes of the population. The lack of opportunities for participation, the absence of transparency and poor accountability threaten to undermine the originally strong support for the African unification process. In Kenya and Tanzania, the public tends to react with more restraint than in Burundi, Uganda and Rwanda. Key criticisms have not yet been rebutted. For example, there are doubts as to whether the benefits of cooperation are being shared fairly. According to a survey conducted in 2009, only 58 per cent of Tanzanians and 65 per cent of Kenyans believe that they would profit from a common market.<sup>18</sup> Similar views predominate with regard to the introduction of freedom of movement. Why is the general opinion in Tanzania so negative? Three main arguments against the EAC are adduced. Firstly, Kenya's

15 | Cf. Christian von Soest, "Wackelige 'Bausteine' und schwache 'Mauer': Die Afrikanische Union hat ein Integrationsproblem", *GIGA Fokus*, (2008) 4, 1-8.

16 | Sezibera, n. 4.

17 | Köhler, n. 1.

18 | By contrast, in the three other member states the figure is around 90 per cent. Cf. Robert D. Tortora, "Kenyans, Tanzanians Less Likely to See Gain From EAC," May 19, 2010, <http://gallup.com/poll/128081> (accessed June 30, 2011).

economic superiority threatens economically weaker Tanzania. Secondly, people fear that ethnic animosity from the other member states will spread. Thirdly, the Tanzanian population is concerned about the possible loss of land. According to the argument, Burundi, Rwanda and Uganda – which are small in terms of surface area, but have large populations – are demanding land from their large neighbour, Tanzania. The East African Community has not yet been able to refute these arguments. In addition, the EAC comes up against an awareness problem. In Burundi, only 40 per cent of the population are aware of the EAC's existence, and even in Rwanda, where awareness is highest, almost one-third of the population have no knowledge of the Community.<sup>19</sup> It is as important to step up awareness-raising work as it is to facilitate access to institutions and political decisions. In addition, steps must be taken to encourage the involvement of young people, perhaps by expanding the East African youth organisation or by awarding bursaries similar to those made through the European Erasmus programme. However, it is difficult to achieve greater opening of society under the present conditions. The intergovernmental structure hinders identification with the Community. The situation is exacerbated by the general mistrust of national politicians. As a result, the EAC runs the risk of being perceived as a puppet of national interests. Any ceding of national sovereignty must be based on the widespread consent of the population because increasing the internal political pressure on decision-makers requires a high level of support from civil society.

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### **ECONOMIES OF SCALE, SPECIALISATION, ATTRACTIVENESS**

It is entirely possible to realise benefits from regional cooperation, but the process does not occur automatically. Four closely interlinked economic effects are of central importance: the growth in internal trade within the region, production increases, accompanied by a fall in the unit price of industrial goods (economies of scale), specialisation of the economy and increasing concentration of businesses

19 | Cf. *ibid.*

on particular areas in which they have competitive advantages (specialisation effects), and improved coordination of foreign direct investment.

A customs union and a common market could lead to an increase in trade between the members of the regional organisation. The integration of trade is in turn an important indicator of the economic ties between the member states.<sup>20</sup> Abolishing customs barriers and non-tariff barriers boosts the volume of trade and prompts growth – at least in theory. However, the link is fragile. As a proportion of all the trade of member states, internal EAC trade is rising, but to a low level. For example, the Annual Trade Report 2009 reports a rise from 7.5 per cent to 8.4 per cent in 2008. Within these figures, exports – mainly agricultural goods and manufactured products – traditionally feature more prominently in internal EAC trade than imports, which are usually imported from third countries. While external trade, for example with the European Union, sometimes shows considerable fluctuations, internal trade is able to achieve stable and moderate growth rates.

Closely linked to the growth of regional internal trade is the generation of economies of scale. Access to a larger market produces depression effects and economies of scope. Production quantities rise, so that unit costs fall while fixed costs remain constant. The increased efficiency that results reduces prices and thus boosts domestic consumption.

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When combined with foreign trade tariffs, regional products therefore become more competitive. However, the economic dynamic brings with it the risk of unequal distribution. It is difficult to predict which businesses will prosper. It is likely that trends will vary in different parts of the region. The EAC must therefore take steps to ensure that all member states – with due regard to their differing economic conditions – participate equally in the benefits of cooperation.

20 | Cf. Durgesh K. Rai, "Asian Economic Integration and Cooperation: Challenges and Way Forward for Pan-Asian Regionalism," *GIGA Working Papers*, (2010) 152, 5-31.

As a result of larger markets and greater competition within the region, businesses will focus more strongly on their core competences. However, to be successful, the realisation of comparative competitive advantages must be based on fair distribution, if necessary accompanied by compensation mechanisms. In addition, greater division of labour can accelerate industrialisation. Under certain conditions this alters the competitiveness of internally manufactured products when contrasted with imports from outside the region. The problem of the high level of dependency on primary export goods illustrates the potential for industrial development. If attempts to make the region's industry competitive through economies of scale and specialisation are successful, sustainable economic development is possible.

A larger market and a unified economic policy would increase the attractiveness of the region. Investment in East Africa has risen sharply, but – with the exception of Chinese investment – it remains largely tied to development aid. A more attractive market could result in an increase in foreign direct investment in many areas.

## **SECURITY AND STABILITY**

East Africa is facing a raft of problems that cannot be solved within the national context.<sup>21</sup> The member states' borders are porous and poorly monitored. Kenya in particular is battling a growth in organised crime and smuggling. Its borders with Somalia, Sudan and Ethiopia are regions of instability. Internal and external refugees impose a huge additional burden. Ethnic conflicts, often fanned by exclusion from economic development and political participation, occur in all member states. The spread of small arms promotes instability in the region. Disputes between farmers and nomads such as the Massai do not stop at state borders. In these conflicts as well as many others, the poor economic situation plays a key role. Balanced economic development automatically promotes security and stability.

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21 | Cf. Annie Barbara Chikwanha, "The Anatomy of Conflicts in the East African Community (EAC): Linking Security With Development," <http://www.ascleiden.nl/Pdf/LectureAnnieChikwanha.pdf> (accessed June 30, 2011).

The effects of national conflicts have long since been felt in all the member states. This is illustrated by the trend in tourism – a particularly sensitive but economically important sector. Visitor numbers in all member states fell by 3.7 per cent between 2007 and 2009; in the view of observers this was mainly due to the ethnic unrest in Kenya in 2008.<sup>22</sup>

Cooperation is needed in many areas. Challenges such as migration, organised crime, the increase in piracy off the East African coast and ethnic conflicts can only be tackled effectively through joint measures. But this imperative should not hide the reality of the low level of integration on security issues. To actually exploit the potential, new institutions must be created and equipped with adequate resources and funds.

### **EXTERNAL IMPACT AND NEGOTIATING POWER**

The potentials analysed so far relate to possible developments within the East African Community. However, the EAC's external relationships should not be ignored. Ideally regional integration not only brings the member states together but is also able to influence third countries. The Community is still far from presenting a unified front, but integration nevertheless gives rise to numerous opportunities. Coordinated political agendas and imports/exports increase the negotiating power of the member states in relation to other regional communities and partners.

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The volume of trade with countries outside the region has risen sharply in recent years. The external trade balance shows a high level of dependency on international price trends on both the import and the export side. For example, export revenue rose by 26.2 per cent in 2010, as a result of higher goods prices. In the same year, expenditure on imports rose by 22.7 per cent, largely as a result of the higher price of oil. Regional integration is certainly no panacea against price fluctuations, but it is at least a partial counter-strategy. A joint strategy for defending economic interests

22 | East African Community, "EAC Facts and Figures 2010", [http://eac.int/statistics/index.php?option=com\\_docman&Itemid=153](http://eac.int/statistics/index.php?option=com_docman&Itemid=153) (accessed June 30, 2011).

is particularly important in relation to exports. Since all the member states have a noticeably negative trade balance, it is important to boost exports. But a significantly larger market – in 2009, the total population of the EAC was 128.5 million – could also make for better conditions on the purchasing side.

In addition, integration can strengthen political negotiating power. There are numerous examples of situations in which joint representation of interests could be advantageous in dealings with other states: they include water use rights in relation to the Nile and Lake Victoria, the economic rivalry with southern Africa and the SADC (Southern African Development Community), a unified economic policy vis-à-vis third parties such as the EU, representation within the African Union, and the conflicts in neighbouring states such as Somalia and the Democratic Republic of Congo. The list could be continued, but it illustrates the EAC's political potential for bringing together the common interests of member states and hence representing them better. However, two things are necessary for realisation of this potential: the acceptance of joint representation by national decision-makers and the strengthening of institutions and mechanisms for compromise and harmonisation.

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## **SUMMING UP – SUCCESS FACTORS**

On paper, the East African Community is a strong regional organisation with extensive competences and major ambitions. Parallel integration, in far more than economic matters, is on the agenda. Expectations of the benefits to be derived from the Community are high and out of proportion to the advantages – whether political or economic – that have actually accrued. Potentials and opportunities are in almost all cases tied to particular conditions and are often beset by major obstacles. Lack of supranationality, national self-interest and the absence of societal anchoring undermine progress towards unity. The EAC is under threat from countries' membership of numerous, sometimes competing, regional organisations, timetables that are not adhered to, a faltering unification process and dwindling support from the population. The

main item on the credit side of the East African Community is the economic advantages of the integration process. However, the fact that these by no means accrue automatically is not communicated openly.

**Secretary General Sezibera outlined five priorities: the customs union, the common market, the monetary union, regional infrastructure and the promotion of industrialisation.**

In the long term, the success of the EAC will depend on strengthening the supranational institutions and involving the whole population. Strong institutions, distributive justice and opportunities for participation are critical factors. In addition, the EAC must give critical consideration to its aspirations and image. The new Secretary General Sezibera has taken a pragmatic step toward this. In a press statement of May 2011, he outlined five priorities.<sup>23</sup> The first of these is strengthening of the customs union, with an emphasis on the removal of natural non-tariff barriers. Secondly, the common market should be established as a functioning reality. Pressure on member states and monitoring of implementation are required here. Thirdly, the monetary union should be implemented on schedule. The fourth priority listed by Sezibera is the strengthening of regional infrastructure. The aim must be to improve the transport network in order to accelerate development of the customs union and the common market. Fifthly, industrialisation is to be promoted by involving private stakeholders. The General Secretary stated, however, that in focusing on these critical goals he will not lose sight of the need to involve the population of the member states.<sup>24</sup>

The list of priorities illustrates the dilemma faced by the East African Community: much is planned, but little is actually achieved. Progress on the customs union and the common market must certainly be seen as positive. The expansion of infrastructure and industry is also an important way of furthering integration, boosting exports and expanding the domestic economy. However, it remains distinctly uncertain whether the planned customs union can actually be implemented on schedule in 2012, and whether it is likely to succeed. The various parallel attempts

23 | Richard Sezibera, "EAC Secretary General Outlines Priorities. Press Statement," <http://eac.int/about-eac/eacnews/632.html?task=view> (accessed June 30, 2011).

24 | Sezibera, n. 4.



at integration need to be linked and pursued in more depth. The acknowledged contradiction between aspiration and reality must be tackled from both sides. In other words, a successful strategy for the future of the EAC requires a sober analysis of what is feasible and a focus on core aspects. The East African Community has aroused expectations that must now be met. The General Secretary is clear about this when he stresses that the success of the EAC must be concretely measurable in terms of improved living standards for the people of East Africa.<sup>25</sup>