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Kaisi, Hosi John

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ASSESSMENT OF REGIONAL INTEGRATION PROGRESS IN THE EAST AFRICAN COMMUNITY

Hosi John Kaisi

A Research Report Submitted to the Graduate School of Public & Development Management, University of the Witwatersrand, in Partial Fulfillment of the Requirements for the Degree of Master of Management in the Field of Public Policy

June 2013

DECLARATION

I, Hosi John Kaisi, declare that this thesis is my own unaided work. It is submitted in fulfillment of the requirements for the degree of Master of Management in Public Policy in the University of the Witwatersrand, Graduate School of Public & Development Management. It has not been submitted before for any degree or examination at the University of the Witwatersrand or any other University.

……..

Hosi John Kaisi

21st June, 2013

DEDICATION

To Reynalda John Kaisi, Kabenga Kaisi, Mutakywa Kaisi, Tumu Kaisi, Dr. Enos Bukuku, and John Hosiana Kaisi, Dad, wherever you are in heavenly glory, I thank you for your support and encouragement.

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ABSTRACT

There have been integration efforts in Africa for the last four decades, similar to other continental efforts across the globe. Learning from the past failures of regional integration efforts in Africa, in the late 1960s and 1970s, the East African Community partner states came up with a new approach towards integrating the region, that is, people centered and private sector driven integration. The regional integration projects and programmes remain the top priority among the EAC partner states as the means to achieve sustainable development in the region. Nevertheless there are indications that EAC partner states are over ambitious in advancing regional integration. The major challenges of the EAC integration span issues such as policy coordination and harmonization, infrastructure development and intra-regional trade expansion, protocols and policy implementation, labour mobility. The purpose of the study was to appraise the progress of regional integration protocols and policies implementation at the national level of the EAC partner states. The study assessed the extent of regional cooperation and integration success since the EAC was revived in 1999, up to 2010, in three broad areas: (i) customs union, (ii) community external relations, and (iii) common market. The research used exploratory case study approach. The main findings of the research were that: (i) the customs union is a difficult stage for partner states to implement; (ii) Tanzania has argued that land matters are not part in the common market discussion; and (iii) the EAC partner states are skeptical of the EU's motives in economic partnership agreement negotiations. The study also found that the EU's motives are to obtain preferential trade arrangements both in the EAC and other emerging economies. The study recommends initiatives to create an enabling environment for the greater mutual understanding and substantial degree of trust on the scope of cooperation agreed upon, among the partner states as building for further integration in the region.

ACRONYMS & ABBREVIATION

ACP	African, Caribbean & Pacific
AEC	African Economic Community
AfDB	African Development Bank
ANDEAN	Comunidad Andina
ASEAN	Association of South East Asia Nations
AU	African Union
CARICOM	Caribbean Community
CEMAC	Central African Economic & Monetary Community
COMESA	Common Market for Eastern & Southern of Africa
EABC	East African Business Council
EAC	East African Community
EACJ	East African Court of Justice
EALA	East African Legislative Assembly
ECOWAS	Economic Community of Western Africa States
EEAS	European Union External Action Service
EPA	Economic partnership Agreement
EU	European Union
FTA	Free Trade Area
GDP	Gross Domestic Product
IGAD	Intergovernmental Authority on Development
IMF	International Monetary Fund
PTA	Preferential Trade Area
SADC	Southern African Development Community
UN	United Nations
WB	World Bank
WTO	World Trade Organization

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CHAPTER ONE: INTRODUCTION

1. 1. Introduction

Regional economic integration has been a dominant feature of the international political economy since the second half of the 20th Century (Uzodike, 2009). Its historical provenance can be traced to Europe, especially in the creation and development of what is now the European Union (EU). Similar integration schemes have also been initiated in other parts of the world (Uzodike, 2009). In Africa, regional cooperation and integration initiatives started in the 1960s, aimed at facilitating economic development and cooperation among African states. Since 1960, African countries have experienced a decline in their economies and a lack of capacity to engage in international trade, this has led to the case of regional cooperation and integration today (Uzodike, 2009). In Africa, there are fourteen regional economic communities, but only eight are recognized by the African Union (Braude, 2008, p.157). The African regional integration schemes are characterized by the overlapping of missions and mandates (Braude, 2008). In 1999, the three Heads of State in Kenya, Tanzania and Uganda signed the treaty for the establishment for the revived East African Community and on the 15th January 2001 the East African Community treaty was officially launched in Arusha (Ajulu, 2005). The treaty provides for progression through a series of cooperation initiatives, customs union, a common market, monetary union and eventually a political federation (Article 5(2)). The primary objectives of the East African Community stipulated in the treaty, primarily, is to develop policies and programmes aimed at widening and deepening cooperation among the partner states in political, economic, social and cultural fields, research and technology; defence, security and peace stability, legal and justice affairs, for their mutual benefits (Baregu, 2005, p.57). The East African Community partner states have the desire to enhance industrial development in the region, and to promote intra and inter-regional trade cooperation, lastly, to plug the regional economy into the global economic mainstream (Draper & Qobo, 2009).

This research overall assesses the extent of regional cooperation and integration success in the East African Community, in line with appraising the progress of regional integration protocols and policies implementation at the national level since

the inception of the community in 1999 up to 2010. The research focuses on the customs union, community external relations and the common market.

1.1.1 Background to the Study

The East African Community currently comprises five partner states, namely; Kenya, Tanzania, Uganda, Rwanda and Burundi. Together they cover an area of around 18 million km2, with a population of 133.5 Million people and GDP of $74.5 Billion and average GDP per capita is $ 558 (EAC facts & figures Report, 2010). In 1977, the former East African Community collapsed due to ideological differences among and within the three founders, Kenya, Tanzania and Uganda (Ajulu, 2005). Firstly, the process of re-establishing the East African Community took eight years of negotiations with preliminary meetings of Heads of State of Kenya, Tanzania and Uganda in 1991. Secondly, the establishment of a Permanent Tripartite Commission in 1993, thirdly, a secretariat of the Permanent Tripartite Commission was formed in 1994. Lastly, in 1999 they signed a Memorandum of Understanding on foreign policy cooperation (Ajulu, 2005).

On the 1st of December 1999 the new EAC was inaugurated at Arusha in Tanzania (Ajulu, 2005). The partner states re-launched the East African Community (EAC) due to a strong desire to cooperate in all identified fields to spur economic and social development in the East African region, for equal distribution of gains and benefits. The East African states have decided to forge cooperation and integrate their economies through the East African Community (Ng'eno et al., 2003). The partner states share trade and economic objectives, geographical proximity and historical bonds (Braude, 2008).

At the same time the East African Community partner states are calling for people centered and private sector driven integration (Ajulu, 2005). Most importantly, the partner states seek to increase the market size – trade expansion and utilization of regional factors of production through regional economic integration (Ng'eno et al., 2003). Furthermore, as the East African Community progresses towards other stages of integration, it will enable its position to bargain in an effective manner with other

sub regional integration schemes, international organizations and non-state actors in the international arena (Ruhangisa, 2005). Nevertheless, since the partner states re-launched the EAC in 1999, the treaty establishing the community has laid down several areas of cooperation and integration stages of which partner states undertake to establish among themselves. Ever since the community was re-established, the slow pace of implementation of protocols, resolutions and directives at the national level has been attributed to lack of functional regional structures capable of enforcing laws and policies under the EAC treaty (Odhiambo, 2005; Khadiagala, 2012).

Table 1: Historical Background of the East African Community

Period	Developments
1889-1901	Building of the Kenya-Uganda railway
1921-1923	Formation of customs union; between Tanganyika(Tanzania), Kenya & Uganda
1947-1961	Formation of East African High Commission
1961-1966	East African Common Service
1967-1977	Establishment of the EAC, incorporating the EAHC & the EA Common Services Organization
1977	Collapse of the EAC
1984	East African mediation agreements for dividing assets & liabilities
1996	EAC Secretariat launched, providing for a re-launch of the EAC
November 1999	Signing of the EAC treaty setting out the principles for economic, social & political cooperation. In force in July 2000
Janurary 2001	Launch of the second EAC
March 2004	EAC partner states signed the customs union protocol
September 2004	Formation of fast track committee on political federation
January 2005	The customs union came into force

Source: adapted from Odhiambo (2005).

1.1.2 Problem Statement

Since the revival of the East African Community in 1999, the partner states on the 1st of January 2005 launched the customs union as the first entry point into the integration process (Braude, 2008). Subsequently, a common market came into effect on 1st July 2010 as the second stage of integrating the region (MTTI, 2010). However, the customs union and common market stages of the East African Community integration process have not yet been fully-fledged, operationalised and completed, due to the fact that there are areas of cooperation in the above stages that partner states have not yet agreed on the terms of cooperation at the regional level (Ng'eno et al, 2007; Braude, 2008). Equally important, regional cooperation and integration in the East African Community requires the implementation of a customs union, community external relations and a common market in an arrangement of functional regional structures (Nyanjom, 2005; Khadiagala, 2011; Khadiagala, 2012). To date, there are few studies that have addressed measures by which partner states are required to transform the East African Community from inter-governmental forms of cooperation to supra-national institutional arrangements in the process of deep integration (Ng'eno et al., 2007; Khadiagala, 2012), nor have there been efforts made to address the extent to which the expansion of intra and inter-regional forms of cooperation in the East African Community can be fostered and intensified on bilateral fronts amongst the partner states. This study aims at filling this gap. It argues that there is a need to establish a climate conducive for the greater mutual understanding and substantial degree of trust on the scope of cooperation agreed upon, among the partner states as a building block for further integration in the region.

1.1.3 Research Purpose & Objectives

The purpose of this research, firstly, is to assess the extent of regional cooperation and integration success in the East African Community. Secondly, to appraise the progress of regional integration protocols and policies implementation at the national level, and to ascertain what challenges obstruct regional integration progress in the East African Community. Thirdly, to propose how the East African Community can be restructured and transformed into functional regional structures. In addition, it seeksto emphasize popular participation of the civil society organizations, business sector and regional

parliamentarians on the East African regional integration agenda in the community public policy processes. This research has the following three objectives:

i. To identify policy areas of convergence and divergence in the process of integrating the region with particular focuses on the customs union, community external relations and common market;

ii. Capacity building enhancement for the staff of the East African Community secretariat, partner states Foreign Service officers, and trade representatives involved in multilateral trade negotiations on joint training schemes through centers of excellence in diplomatic training;

iii. To undertake a comprehensive analysis of the East African Community partner states in formulating a unified position on a multilateral trading system.

1.2. Research Questions

(i) Primary Research Question

What needs to be done to strengthen regional cooperation and integration in the East African Community?

(ii) Secondary Research Question

Is it possible for partner states to strengthen regional cooperation before embarking upon the process of further integration in the region?

(iii) Additional Research Questions

a) What institutional arrangements are in place for the community trade negotiations capacity building, policy monitoring and evaluation?

b) How do the partner states formulate common policy positions in multilateral trade negotiations?

1.3. Research Propositions

Proposition No.1

The central proposition of this research is the participation of the East African Community partner states in regional integration process through a fast track driven agenda as opposed to a gradual approach and deepening of commitments amongst themselves in strengthening intra-regional cooperation.

Proposition No. 2

It will be useful for East African Community policy planning, research, monitoring and evaluation department to be enlarged and capacitated to be able to conduct research on issues relating to regional cooperation and dynamics of integration, and to prepare policy options for consideration in the EAC sectoral committees, coordination committee and council of ministers, moreover, to facilitate programmes and policy coordination between the East African Community Secretariat directorates and partner states structures.

Proposition No. 3

The consolidation of East African Community partner states diplomatic and trade missions in the World Trade Organization and European Union by establishing the East African Community Permanent Missions will enhance common foreign and trade policy positions on economic partnership agreements and the Doha development agenda.

1.4. Conceptual Frameworks

(i) Regional Integration

Uzodike (2009) asserts that regional integration, speaks to a more formal arrangement that involves stated political and economic commitments, concessions and benefits, which necessarily redefine a state's participation in the international economy.

Uzodike (2009) further argues that integration is both a "process" and a "condition". As a process, integration refers to the context in which states shift some of their activities and loyalties to a newly established large centre. The above process, leads to economic integration. As a condition, integration is the process of formation and development of institutional mechanisms through which values are authoritatively dispensed among political units in a geographical area. In this way, as a condition, integration relates to political union. Therefore, the process of regional integration in the East African Community is pursued in the following stages: customs union; a common market; economic and monetary union; political federation (Balassa, 1961).

(ii) Regional Cooperation

Regional cooperation refers to policy measures jointly undertaken by a group of countries typically located within a geographical area, to achieve a level of welfare that is higher than what is possible when compared to pursuing such goal unilaterally (Lamberte, 2004). Adetula cited in Uzodike (2009) assert regional cooperation may be a phase in the process of regional integration and allows states to retain much of their sovereignty. For the East African Community, customs union implementation and community external relations allows partner states to retain most of their sovereignty in regional customs administration, foreign and trade policy coordination. Uzodike (2009) stated that integration is much deeper than cooperation.

(iii) Policy Coordination

Braude (2008) noted that policy coordination relies on effective structures and linkages, both horizontal and vertical. According to Mattessich and Monsey (1992) "coordination involves more formality, missions are compatible and this requires common planning and more formal communications, risk increases due to increased intensity of the relationship" (p.39).

(iv) Multilateralism

Bouchord & Peterson (2011) defined multilateralism as a process of three or more actors engaging in voluntary and essentially institutionalized international cooperation

governed by norms and principles. International organizations provide the forum for dialogue on global issues that require coordinated action at international level. The EAC partner states participate in multilateral trade negotiations by harmonizing their bargaining positions in the Doha development agenda under the World Trade Organization, and similarly, in economic partnership agreements with European Union (Adar, 2011; Tindeybwa, 2011).

(v) Programmes and Policy Implementation

Dye (2005) indicates that implementation involves all the activities designed to carry out the policies enacted by the legislative branch. These activities include the creation of new structures such as departments and agencies. The said structures "must translate laws into operational rules and regulations," they must hire personnel, draw up contracts, incur expenditures and perform tasks (p.52). For the East African Community, partner states have established regional ministries of East African cooperation. National structures are responsible for the respective area of policy and formally responsible for implementing policies and programmes that are formulated at the regional level (Braude, 2008).

(vi) The East African Community an emerging Global Actor

The East African Community presents itself as a political and economic entity with a role to play in the world of multilateralism with its own objective and interests. The East African Community has engaged in multilateral trade negotiations and partner states have adopted common policy positions in regional affairs and international negotiations (Tindyebwa, 2011). Apart from the above, the East African Community has engaged in accession negotiations in Rwanda and Burundi in 2005/2007, the Republic of Sudan and Southern Sudan in 2011, and at present, the Republic of Somalia (Sezibera, 2011, pp.1-2). On top of that, the East African Community is mobilizing resources for its project and programs implementation at a regional level with external development partners (Braude, 2008). According to Smith (2008), the articulation of the policy objectives is one requirement of actorness (p.2).

(vii) Policy Convergence

Colin (1991) argues that policy convergence probably means one of five things;

- First, it can signify a convergence of policy goals, a coming together of intent to deal with common policy problems.
- Second, policy content defines more formal manifestations of government policy.
- Third, there may be a convergence on policy instruments, i.e. institutional tools available to administer policy, whether regulatory, administrative or judicial.
- Fourth, convergence may occur on policy outcomes, impacts; consequences, (positive or negative).
- Fifth, policy style, process by which policy responses are formulated-consensual, conflictual, incremental or rational and anticipatory, among others.

(viii) Policy Divergence

Policy divergence may result from political conflicts, partner state's internal domestic problems or conflict of interest in a particular policy in question. However, if regional integration proceeds towards deep integration, the issue of state sovereignty may force other partner states to diverge on regional project initiatives (Kayunga, 2005). Regional integration schemes in low income countries tend to result in divergence rather than convergences in income level (Ng'eno et al., 2003). In addition, overlapping of missions and mandates among the partner states might lead to conflicting mandates and duplication of policies and programmes (Ng'eno et al., 2007).

(ix) The Civil Society Organizations and Business Community Participation in Regional Integration Process

Braude (2008) notes that, in the initial stages of East African Community treaty negotiations and even during the customs union negotiations, civil society felt excluded from the integration process. Therefore, since 2010, the civil society organizations in the East Africa Community have forged a coalition known as the East African Civil Society Network on Economic Issues (CUTS, 2010). The network hopes to approach all civil society organizations in the region for their inputs into the EAC integration process. Moreover, the East African Business Council is the principle body of the private sector activities within the EAC integration agenda (Tindyebwa, 2011). The East African Business Council represents the interests and aspirations of the private sector in all EAC meetings and in community policy formulation (Tindyebwa, 2011). Thus in the EAC the business communities have expanded their commercial operations across the region, by taping the potentials of the common market (Tindyebwa, 2011).

(x) Trade Negotiations Capacity Building

The East African Community partner states Foreign Service and trade representatives have experienced inadequate negotiating skills and low technical experts to participate in trade negotiations (Tindyebwa, 2011). In economic partnership agreements, negotiations partner states have experienced inadequate preparation in critical policy sectors, and a limited use of empirically backed policy options in the negotiations (CUTS, 2010). As noted by Tindeybwa (2011), the East African Community partner states need to jointly develop training programmes that will build capacity for the regional and multilateral trade negotiating teams. Equally vital, the regional and multilateral trade negotiating teams need to be trained on a multilateral trading system so that they can adequately push the interests of their respective countries, in addition to the entire Community (Tindyebwa, 2011). On top of that, partner states need to decentralize training at their Centre's of excellence to create a common trade negotiations practice and culture, include a *espirit de corps* while engaging multilateral trading forums (Tindyebwa, 2011).

1.5. Nature of the Study

This research cuts across the fields of Public Policy and Regional Integration Studies. The policy processes in the East African Community and national structures involve multiple interactions of policy stakeholders and actors with different policy orientations in placing the East African regional integration issues in agenda settings. The East African Community and its partner states interact socially, politically and economically with other governments, international and sub-regional organizations in various capacities, bilaterally and multilaterally, for example, in economic partnership agreement and on tripartite negotiations between the Common Market for Eastern & Southern Africa (COMESA), and Southern African Development Community (SADC). Moreover, the East African Community partner states engage in intra and extra- regional trade for comparative advantages, among others.

1.6. Legal and Regulatory Framework

Legal and regulatory frameworks that underpin this research in assessing regional integration progress in the East African Community since its inception in 1999 to 2010 are:

(i) The African Union: Abuja Declaration of 1994 was the framework for establishing the African regional economic communities

The Abuja Declaration of 1994, is the blue print for African regional economic integration. The treaty came into force in May 1994, and has a schedule of 34 years, extendible to 40 years. Its core mission and mandate is to establish a fully-fledged African Economic Community.

Article 6 of the treaty envisages six phases toward establishing the African Economic Community;

a) To strengthen existing regional economic communities and establishing others where they do not exist within the planned time frame of five years from the date of entry into force of the African Economic Community treaty.

b) At the level of each regional economic community to stabilize tariff and non-tariff barriers, customs duties and internal taxes. To strengthen sectorial integration at the regional and continental level in all areas of activity particularly in the fields of trade, transportation and communications, *inter alia,* for the period of eight years.

c) The establishment of a customs union by means of adopting a common external tariff for a given duration of ten years.

d) Within a period of two years, to coordinate and harmonize tariff and non-tariff systems among the African regional economic communities with a view to establishing a customs union at continental level by means of adopting a common external tariff.

e) To establish an African common market through the application of the principle of free movement of persons as well as the rights of establishments and residence, within a period of four years.

f) Within a period of not exceeding five years to consolidate and strengthen the structure of the African common market, through including free movement of people, goods, capital and services as well as the rights of residence and establishment, *inter-alia.*

(ii) The treaty establishing the East African Community

The treaty was signed on 30th November 1999, entered into force on 7th July 2000, amended on 14th December, 2006 and August, 2007. Article 2 (1) of the treaty provides that contracting parties establish among themselves an East African Community, referred to as community. Paragraph 2 in line with paragraph 1 above states that the contracting parties shall establish an East African customs union and common market as transitional stages to, and integral parts of, the community. Article 5(1) of the treaty provides that the objectives of the community shall be to develop policies and programmes aimed at widening and deepening cooperation among the partner states in political, economic, social and cultural fields, research and technology, defence, security and legal and judicial affairs for their mutual benefits. Article 5 (2) of the treaty stipulates that in pursuance of the provisions of paragraph 1, partner states undertake to establish among themselves and in accordance with the provision of the treaty, a customs union, a common market, subsequently a monetary

union and eventually a political federation in order to strengthen and regulate the industrial, commercial, infrastructure, cultural, social, political and other relations of the partner states to the end that these shall be equitably shared.

(iii) The EAC Partner States National Trade Policies

The East African Community partner states trade policies are guided by the market driven principles of liberalisation under the World Trade Organization, which came into being in 1995 (Tindyebwa, 2011). In partner states, trade policies have realised the potential of regional markets by increasing efforts in the regional economic integration by deepening and expanding the East African Community integration. The bilateral trade agreements among the partner states have widened the scope of trade opportunities in the East African region. The nature of the East African Community partner states trade policies are export led economic policies to some extent, and recognise the potential of regional trade cooperation. The partner states trade policies provides the framework of capacity building for private and public sectors to facilitate proactive participation in the process of negotiations and the implementation of regional and international cooperation agreements. Therefore, the relevance of partner states trade policies in this research is to identify trade policy instruments that are needed to be converged and diverged in the customs union, community external relations and common market.

(iv) The Council of the East African Community Decision Making Protocol, 2001

Article 14(1) of the treaty establishing the East African Community provides that the council shall be the policy organ of the community in accordance with paragraph 2 of Article 14 of the treaty, the council shall promote, monitor and keep under constant review the implementation of the programmes of the community and to ensure the proper functioning and development of the community. Article 2 of the Council Decision Making Protocol requires that the decisions of the council on the following matters shall be by consensus.

(a) Granting observer status to an inter-governmental organization or civil society organization.
(b) Approval of the expenditure of the community.
(c) Establishment of any sectorial council or committee under the treaty.
(d) Submission of bills to the East African Legislative Assembly
(e) Policy decisions made pursuant to Article 14(3)(a) of the treaty establishing the East African Community.
(f) Decisions on what should be recommended to the summit (Heads of State) on:

- Amendment of the treaty.
- Approval or amendment of any protocol.
- Admission of new members.
- Granting observer status to foreign countries.
- Imposition of sanctions.
- Transformation into a political federation.
- Expansion of areas of cooperation.

(v) The East African Community Customs Union Protocol, 2005

The customs union protocol was signed in March, 2004 and became operationalised in January, 2005. Article 4 of the customs union protocol provides the scope of cooperation among the partner states in customs management and trade and shall include:

(a) matters concerning trade liberalization
(b) trade related aspects including the simplifications and harmonization of trade documentation, customs regulation and procedures with particular references to such matters as valuation of goods, tariff classification, the collection of customs duties, temporary admission, warehousing, cross border trade and export drawbacks.

Article 6, paragraph (g) of protocol stipulates that partner states shall initiate trade facilitation by establishing joint training programmes on trade. Article 37 of customs

union protocol, paragraph 2, provides that the community shall coordinate its trade relations with foreign countries so as to facilitate the implementation of a common policy in the field of external trade. In line with paragraph 3(a) of Article 37, the partner states, upon the signing of the customs union protocol and before its coming into force, and taking into account, among others, the provision of paragraph 2 of this Article, shall identify the issues arising out of their current relationships with other integration blocs, multilateral and international organizations of which they are members in order to establish policy convergence on those matters for the purposes of the customs union. Therefore, the first component of this research is the East African customs union. The research will assess the success of customs union formation since 2005 up to 2010, and review the progress of harmonising tax policies and laws at national level.

(vi) The East African Trade Negotiations Act 2008

The East African Trade Negotiations Act provides for an East African Trade Commission, and the development of an East African Trade Regime. The Act provides a mechanism for establishing the joint trade negotiating team of partner states in bilateral, regional and multilateral trade. Therefore in accordance with the provision of Article 3 of the Act, this stipulates that the partner states shall negotiate as a bloc in all matters relating to regional and multilateral trade. In addition, paragraph 3 of the article 3 provides that every partner state may establish a national trade negotiations committee, which shall prepare a national position on each and every issue or item for negotiation at the regional and multilateral level.

(vii) The East African Community Protocol on Foreign Policy Coordination 2010

The Foreign Policy Coordination Protocol was approved in March 2010 by five Heads of State. The foreign policy coordination is a critical factor in creating a conducive environment for regional cooperation and integration in the East African Community. The partner states intend to forge close cooperation, mutual understanding on agreed scope of international cooperation, and collaboration in matters of foreign policy coordination for their mutual benefit. Article 2 of the protocol provides the scope of

cooperation, which the partner states ought to undertake to cooperate in foreign policy coordination and to promote and articulate community policies and strategies for the purpose of:

- Collaborating in diplomatic and consular matters.
- Collaborating in multilateral diplomacy.
- Collaborating in economic and social activities and
- Collaboration in capacity building.

Therefore, the second component of this research is the East African Community external relations. The focal point of this research will look at the possibility of establishing East African Community permanent missions in the World Trade Organization and European Union. In addition to that, will investigate how a common understanding is instigated among the partner states when engaged in multilateral trade negotiations. Lastly, to find out, at what level the East African civil society organizations and business community take part in multilateral trading negotiations, in line with identifying areas of foreign policy convergence and divergence in the integration process.

(viii) The East African Community Common Market Protocol 2010

In accordance with the provisions of Article 76 and 104 of the treaty establishing the East African Community, the common market is defined as partner states' markets integrated into a single market in which there is free movement of capital, labour, goods, services and the right of establishment. The protocol on the establishment of the East African Community Common Market was signed on 20th November 2009 by the five Heads of State, and came into force on 1st July 2010. Article 5 of the protocol provides the scope of cooperation among the partner states in the common market. These are to:

(a) Eliminate tariff, non-tariff and technical barriers to trade in line with harmonising and to mutually recognise standards and implementation of common trade policy for the community.

(b) Ease cross border movement of persons and eventually to adopt an integrated border management system.

(c) Remove restrictions on movement of labour, harmonization of labour policies, programmes, legislation, social services, provide for social security benefits and to establish common standards and measures for the association of workers and employers, additionally to establish employment promotion Centre's and eventually, to adopt a common employment policy.

(d) Remove restrictions on the right of establishment and residence of nationals of other partner states in their territory in accordance with the provisions of the common market protocol, among others.

For the purpose of facilitating the implementation of the common market protocol, the partner states further agreed to coordinate their trade relations to govern international trade and trade relations between the community and third parties. Therefore, the third component of this research is the common market, primarily focusing on the free movement of persons, labour, trade in service and the rights of establishment and residence. In addition, the research assesses the role of transport infrastructure in facilitating trade creation and expansion across the single market and beyond. In the integration process of the East African Community, common market comes after the customs union stage (Braude, 2008).

(ix) The EAC 1999-2010 Development Strategy Documents

The 1st East African Cooperation Development Strategy (1997-2000) focused on the development of a policy framework for regional cooperation and culminated in the East African Community treaty (Braude, 2008). The strategy focused on the following priority areas:

- Immigration
- Investment and free movement of capital
- Identification and establishment of sectorial policies to facilitate trade and investment

- Development of areas of common interest
- Strengthening institutions of cooperation
- Implementing a legal and judicial framework to support economic integration
- Political cooperation
- Ensuring peace and security in the region
- Enhancing coordination with other cooperation arrangements.
- Improving the capacity of the East African Community and attainment of satisfactory co-operation.

The 2nd East African Community Development Strategy (2001-2005) was centered on the implementation of regional projects and programmes and the establishment of an East African customs union as the entry point to the East African integration process (Bruade, 2008). The strategy identified twelve areas of cooperation:

- Macroeconomic policies: monetary and fiscal policy
- Trade liberalization and development
- Productive sectors, comprising agriculture, food security, investment and industrial development, *inter alia*.
- Infrastructure and supportive services
- Human resources development, science and technology
- Social sectors, immigration and labour policies
- Legal and judicial affairs
- Political matters, including peace, security and defence.
- Broad participation of women, the private sector and civil society.
- Relations with other regional and international organizations
- Institutional arrangements at the level of the partner states and the EAC secretariat.
- Managing distribution of benefits and costs.

The 3rd East African Community Development Strategy (2006-2010), aimed at deepening and accelerating the integration process and prioritized areas for intervention include:

- Fast tracking the process of the East African integration.
- Globalization and intensification of competition in world markets; the need to use regional integration as a vehicle to ensure inclusion in the globalization process
- Connections between regional and national plans and long term objectives and their implications for the strategy.
- Effective implementation of policies and programmes; providing an effective institutional mechanism for overseeing the implementation of agreed initiatives including an effective monitoring and evaluation mechanism based on timely and reliable information and statistics.
- Expansion of the community.
- Public participation in the East African Community integration
- Fostering relations with other regional and international organizations
- Mechanism of funding community projects and programmes.
- Institutional reforms in the East African Community

The East African Community Development Strategies Documents of 1997 to 2010 inform the research on measures to transform the community from inter-governmental forms of cooperation to supranational institutional arrangements in the process of deep integration. Consequently, the above strategies lay the basis for the research to widen the scope of the East African Community external relations strategies and to identify alternative sources of funding the community projects and programmes as part of policy recommendations.

1.7. Structure of the Thesis

The structure of the report is summarized as follows:

- **Chapter One: Introduction**

The chapter has provided the introduction and background to the study. In this chapter a problem statement was outlined, also included are the research purpose and

objectives, research questions, propositions, and conceptual framework. In addition to the legal and regulatory framework that underpins the research on appraising the progress of regional integration protocols and policies implementations at the national level, is discussed.

- **Chapter Two: Literature Survey**

This chapter has presented a detailed literature review on East African Community regional cooperation and integration. Moreover, the theoretical frameworks that inform sub regional integration schemes cooperation and customs union theory are explained in detail, and the media reports are also reviewed in this chapter.

- **Chapter Three: Research Design & Methodology**

The chapter introduces the research methods in detail that were employed in the study, that include research approach and design, units of investigation, validity and reliability of the research findings, in addition, the procedures followed during the data collection, analysis and interpretation are described. Finally, the scope and limitations of the study are covered in this chapter.

- **Chapter Four: Presentation of Findings**

This chapter presents the results of the findings; thus the findings are presented in a qualitative form. Therefore, in this chapter, the purpose of the study and research questions will be addressed. More importantly this chapter covers the key issues that the research investigated.

- **Chapter Five: Analysis of Findings & Interpretation**

The findings presented in chapter four are analyzed and discussed in this chapter in line with theories; the literature reviewed, legal and regulatory frameworks are integrated with the research findings.

- **Chapter Six: Conclusion & Recommendations**

Basing on the analysis and interpretation of findings in chapter five, this chapter draws a conclusion, and provides policy implications of the findings in the customs union, community external relations and common markets. Finally the chapter provides policy recommendations. Additionally, the chapter also suggests areas for future research.

1.8. Summary of the Chapter

This chapter has provided an introduction and brief background of the East African Community, outlined the problem statement and research questions, purpose statement and research objectives, propositions of the research, conceptual framework, nature of the study, in addition to the legal and regulatory framework which underpins the research. Finally, this chapter has also outlined a brief structure of the thesis.

CHAPTER TWO: LITERATURE SURVEY

2.1. Introduction

This research has reviewed existing literature on the East African regional cooperation and integration as part of secondary sources. There are two important aspects that are missing in the academic literature that discusses the regional cooperation and integration in the East African Community. Firstly, there are few studies that have focused on the external dimension of the community with emphasis on multilateral trade negotiations. Thus, the aspect of inter-state relations amongst the partner states in customs cooperation and foreign policy coordination areas agreed upon were not investigated in the existing literature. However, they affect the customs union and common market protocol enforcement. Additionally, the modalities of how to establish the East African Community permanent representation in multilateral trading organizations of which partner states are members were not discussed. Secondly, the theories of economic integration, such as preferential trade areas and free trade area formation, were not dealt in detail, and were not incorporated in the process of re-launching the East African Community. Thus, the customs union and common market stages assume that: the preferential trade arrangement and free trade agreements were fully agreed upon and implemented by partner states. This research will address the above gaps in the policy recommendations.

2.2. Policy Coordination and Harmonization

Braude (2008) asserts that integration by definition requires constant institutional arrangements and policy coordination mechanisms. Braude (2008) maintained that coordination is the central nervous system of any regional economic community. The initiatives in the coordination provide the pathways along which decisions flow. According to the EAC setting the secretariat is mandated to draft laws and forward these to the council of ministers which then forwards them to the East African Legislative Assembly. The final decisions are taken by Heads of State in the summit. The EAC legislative powers lie effectively in the secretariat and the summit. The East African Community, sectorial committees on foreign policy coordination, trade,

defence and security, among others, form the major link between the secretariat and national structures. However, the coordination between EAC 22 sectoral committees and national structures are very weak between the layers of above and below. In light of the above, the EAC member states need to elaborate and finalize the role and mandate of their regional ministries of East African Cooperation, due to the fact that there is a misalignment in the structures and operational set ups of the ministries (Braude, 2008; EAC report, 2011). In the meantime, the EAC secretariat has proposed to partner states to establish the EAC national units to facilitate the coordination of community policies, programmes and projects at the national level (Braude, 2008). Consequently, Braude (2008) noted that it is therefore essential for national structures to collaborate in the process of policy design, implementation and assessment at the regional level. In 2006, the council of ministers established a sectorial council of ministers responsible for the East African Community (EAC) affairs in the partner states to facilitate the coordination of policies, positions and to discharge the functions of the council of ministers in the context of Article 14(3)(i) of the EAC treaty (Braude, 2008).

2.2.1 Sectoral Policy Areas of Coordination & Cooperation in the EAC

- Trade and industrial cooperation
- Immigration
- Agriculture, food security, natural resources & environmental affairs
- Foreign policy
- Infrastructure & development policy
- Fiscal & monetary policy
- Health policy
- Defence & Security

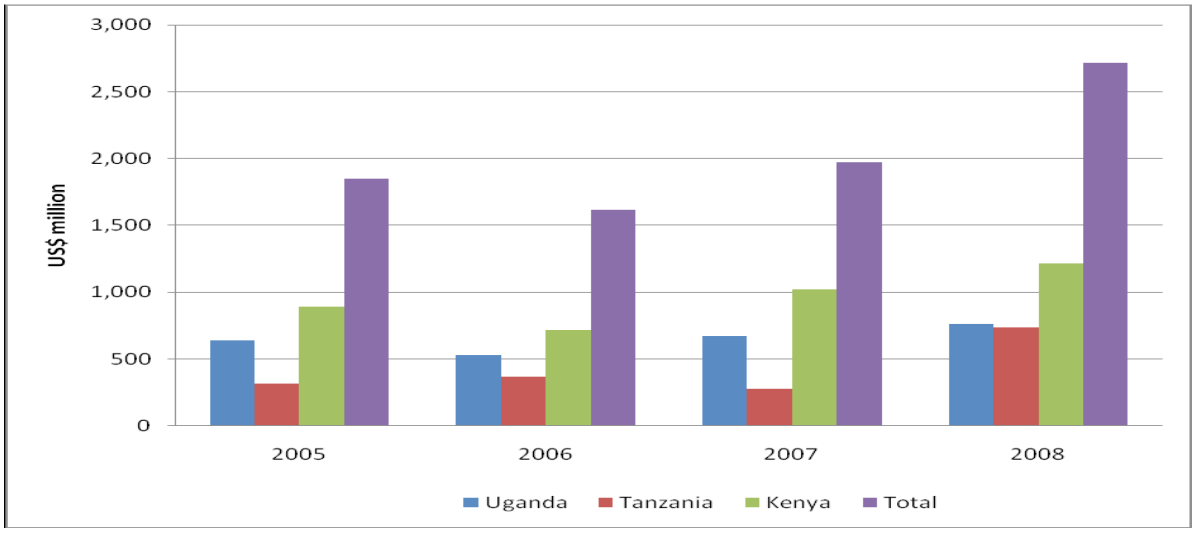
2.3. The East African Community Customs Union

The East African Community customs union protocol was signed in March 2004, and came into effect in January 2005 (Odhiambo, 2005). Article 3 of the customs union protocol spells out the objectives of the customs union which shall be:

- To liberalize intra-regional trade in goods on the basis of mutually beneficial trade arrangements among partner states.
- To promote efficient production in the community
- To enhance domestic, cross border, and foreign investment in the community, among others.

From the perspective of the above objectives, Braude (2008) affirms that the aim of the customs union in the region is the formation of a single customs territory, and trade is the central focus. However, he claimed that internal tariffs and non-tariff barriers that could impede trade between partner states must be eliminated in order to facilitate the formation of one large single market and investment area. Odhiambo (2005) argues that despite the enormous benefits likely to accrue from the customs union there are a number of issues that may challenge the implementation of the protocol. Firstly, partner states undertook to ease the flow of goods and people among them, secondly, little progress has been made, thirdly, he raised a concern that travelers and traders are still being harassed at the border points and the free movement of persons is not permitted.

Figure 1: Total Intra-EAC Trade, 2005-2008 (US$ million)



Source: adapted from Tindyebwa (2011).

The figure above reflects the intra EAC trade since the customs union formation in 2005.

To quote Odhiambo (2005) who stressed that: "the slow implementation of protocols and resolution has been attributed to lack of strong institutions capable of enforcing laws and obligations under the East African Community treaty". He further noted that, the EAC does not have adequate powers to ensure that its decisions are effectively implemented, and its objectives are realized (p.223).

According to Sindiga (2012), states that are up to date partner states implement internal tariffs, but goods are not circulating freely within the region. Sindiga (2012) pointed out that the East African region cannot have a single customs territory unless barriers to integration and fears among the member themselves are fully addressed. Sindiga (2012) asserts that the lack of an agreed mechanism for collection and sharing of customs revenue as well as the harmonized domestic tax regimes has failed the EAC customs union. He subsequently went on to argue that the harmonization of domestic tax collection on goods such as the excise duty and valued added tax in the East African region is the key to a fully-fledged customs union. Lastly, Abdi (2012) stated that no partner state has fully identified the laws that ought to be harmonized for implementing a single customs territory. He noted that Kenya has 10 laws that

ought to be changed while Uganda has just started identifying laws that are to be harmonized.

The process of identifying tax laws and policies to be harmonized is complex (CUTS, 2010). However, the rationale is to: (i) ensure optimal allocation of resources, (ii) maximization of economic benefits, (iii) stimulate economies of scale, (iv) stimulate regional competitiveness, (v) maximize revenue collection, (vi) prevent tax evasion and to protect the environment (CUTS, 2010).

2.4. Trade Negotiations Capacity Building

In line with the above heading, the negotiating capacity has two phases (South Centre, 2004). The first phase, its institutional and technical aspect comes from the coherence of national, foreign and trade policies upon which to base negotiating positions, and, a strong institutional mechanism to achieve the policy objectives through the negotiations, that requires partner states to have the most control, when it comes to influencing the outcomes of trade negotiations (South Centre, 2004). The second phase is to use the negotiating capacity to address and influence the balance of economic and political power among the negotiating partners and to shape the negotiating outcomes (South Centre, 2004). The Doha development agenda and economic partnership agreements negotiations are complex and knowledge intensive, for the EAC partner states Foreign Service and trade representatives to engage in, is critical, due to the fact that trade negotiations require more specific and specialized knowledge, including expertise focused in international economic relations, critical foreign and trade policy analysis (South Centre, 2004). The EAC partner states need experienced and knowledge experts in trade negotiations to assist the regional and national structures in assessing the domestic impacts of various policy outcomes that may come out from trade negotiations, in line with identifying what needs to be done to ensure that the outcomes of negotiations support the partner states development priorities and policies (South Centre, 2004).

Tindyebwa (2011) stressed that the impediment for EAC negotiation abilities include inadequate financial capacity to cover high costs of participation from the region and delegation of partner states abroad. He further argues that partner states lack adequate

funds to support training and refresher courses for the national negotiating teams. Thus, one of the issue he raised about Burundi, that there is no consultative process has taken place to inform the national negotiation position. Moreover the national negotiating team in Burundi mainly comprises the officials from the public sector and the private sector is hardly involved (Tindyebwa, 2011). He concluded that the EAC member states will need to jointly develop training programmes that will build capacity for the regional trade negotiating team in multilateral trading systems, where they can adequately push for the interest of their countries and the community at large.

2.5. Policy Monitoring and Evaluation

Cloete & de Coning (2011) defined monitoring and evaluation system as specialized unit or networks of units dealing with the main questions and objectives that are to be addressed or attained through monitoring and evaluation efforts in line with key aspects to be monitored and evaluated. A monitoring and evaluation of key aspects includes the measurement of indicators; processes for data collection and verifications; delegations of responsibilities and prescriptions; deadlines for reporting the results (Cloete & de Coning, 2011). Monitoring and evaluation is about the assessment and review of performance in order to make adjustments to policy or the way in which it is implemented (Cloete & de Coning, 2011). Therefore, policy evaluation needs to be managed properly to achieve the intended results (Cloete & de Coning, 2011). Braude (2008) stated that the EAC secretariat needs more staff to increase the secretariat's ability to fulfill its core functions of coordination, monitoring, implementation of policies and programmes. To be able to present feedback to member states, he further suggested that "the EAC uses outsourcing to supplement skills levels, consultants are hired by the EAC to monitor implementation and reviewing project" (p. 204).

2.6. The Civil Society and Business Community Participation in Regional Integration Process

It is worth noting that one of the main factors which led to the collapse of the former East African Community was lack of strong participation of civil society and the

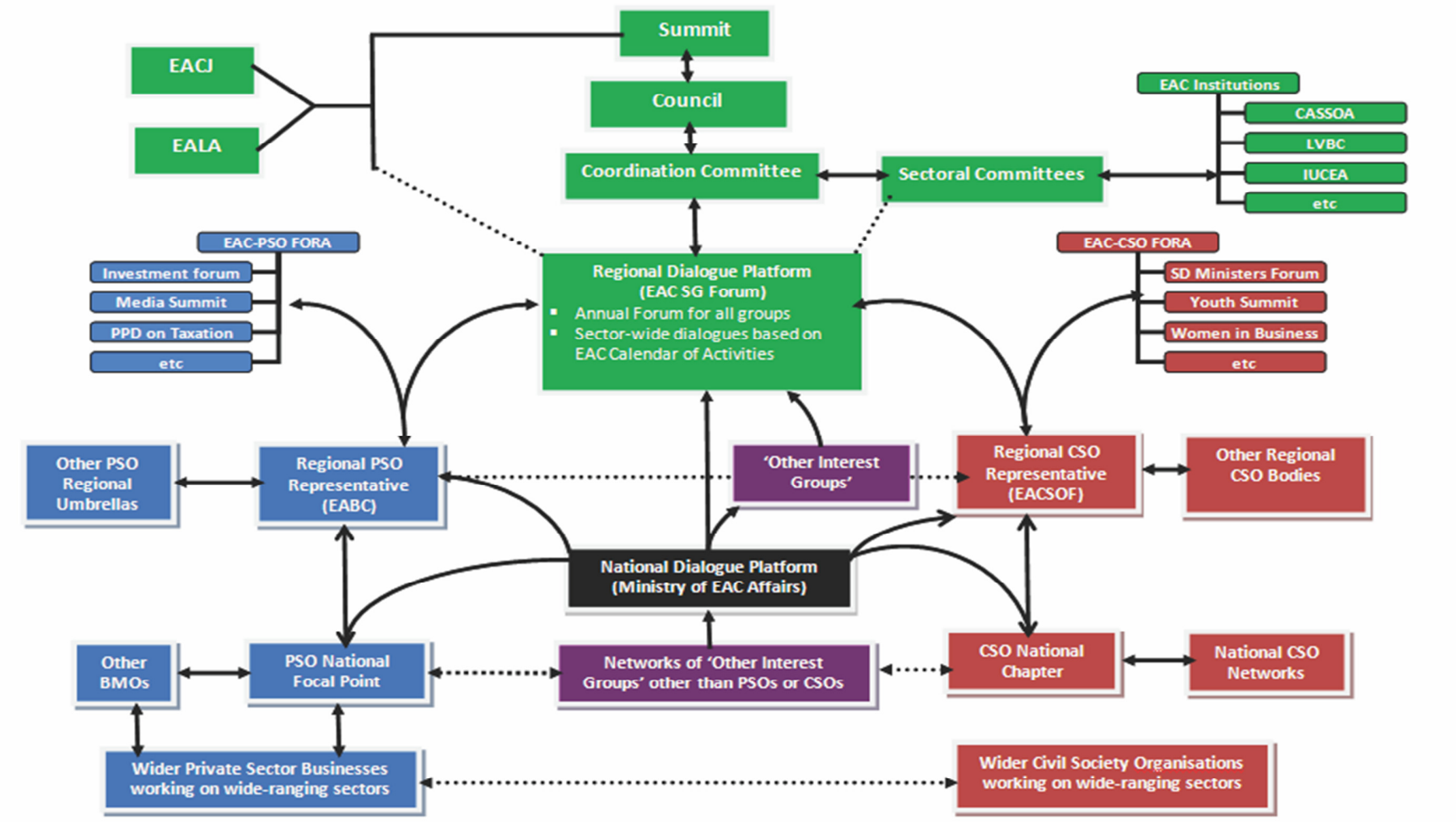
private sector in the community policy making processes (Jonyo, 2005; Ader, 2011). Jonyo, (2005) asserts that the establishment of the East African Community claims to be people driven and adopted rules aimed at enhancing civil society and private sector participation in regional integration. In the treaty establishing the East African Community, Article 127 provides for civil society and private sector participation in the EAC, however the EAC consider the participation of the civil society and business community as essential for the effectiveness and sustainability of regional integration efforts (Jonyo, 2005).The EAC partner states agreed to provide an enabling environment for the private sector and civil society to take full advantage of the community. Jonyo (2005) stated that the civil society organization has been encouraged to participate in the community's deliberations process, particularly in the coordination committee and the council of ministers.

Therefore, according to Jonyo (2005), civil society organizations are helpful as think tanks in respect of strategy and policy formulation, include implementation and monitoring of the implementation of the EAC treaty and its various protocols. President Yoweri Museveni, cited in Braude (2008), publicly acknowledged that the role of civil society, business, and political parties is critical to the success of regional integration objectives. Furthermore, the East African Business Council was established in 1997 to foster the interest of the private sector in integration processes (Kayunga, 2005). The East African Business Council has been granted an observer status in all organs of the EAC, ranging from the sectoral meetings and meetings of the coordinating committee, council of ministers to Heads of State, in which private sector interest are articulated (Kayunga, 2005).

Therefore, since 2005, the East African Business Council has raised some concerns on community projects and programmes implementation at the national level (Kayunga, 2005). The East African Business Council has reported to partner states that since the community came into being, little has been done to ease intra-regional trade and in facilitating the movement of the people and services within the region (Kayunga, 2005). On top of that, the East African Business Council has lobbied for partner states to reduce the cost of doing business in the East African region and asked partner states to pool financial resources, including donor support at the regional level, in favour of collaborative projects on power supply, marine fibre optic cable installation,

road upgrading and port development in Dar- es- Salaam (Tanzania) and Mombasa (Kenya) (Kayunga, 2005). Finally, Jonyo (2005) points out that although the civil society is participating more actively in policy discourse at the national level, their participation in the EAC is still at an early stage of development. In light of the above argument noted by Jonyo (2005), Onyango (2003) cited in Adar (2011), affirmed that the limitations and constraints experienced by civil society and the business community in East Africa arise mainly because the nature of the EAC treaty is largely state driven.

Figure 2: The East African Community, Civil Society Organization& Business Community Policy Dialogue



Source: adapted from the East African Community, www.eac.int.2012

2.7. The External Dimension of East African Community

Tindyebwa (2011) asserts that, in order to strengthen the regional negotiations position, the EAC has made fundamental achievements in evolving a unified bloc in multilateral and international negotiations. However, the factors that have led the EAC partner states collectively to participate in multilateral arrangements are driven by power considerations, strategic interests, economic gain, cultural and scientific objectives, and other strategic factors (Robert & Feilleux, 2009). The above factors have led to greater interactions of the EAC partner states across and beyond the Community boundaries. Robert and Feilleux (2009) further noted that international and regional organizations have introduced remarkable changes in the practice of diplomacy; states are increasingly challenged by a variety of international problems ranging from economic interdependence and globalization, that result in developing states collectively demanding equitable global governance in the United Nations system and fair global trade practices under the World Trade Organization.

The East African Community, as a unified bloc, has been negotiating with the European Union Commission on an Economic Partnership Agreement (Braude, 2008). In addition to that, the EAC is negotiating with the Common Market for Eastern & Southern of Africa (COMESA) and the Southern African Development Community (SADC) on the establishment of a grand free trade area and subsequently customs union in the Eastern and Southern Africa region (Tindyebwa, 2011). In total, the above regional integration schemes comprise 26 countries with a combined population of 527 million people, and combined Gross Domestic Product (GDP) of U$ 624 billion (Tindyebwa, 2011). Equally important, Braude (2008) and Tindyebwa (2011) argue that the institutional strength, capacity, and position of the East African Community partner states in multilateral trade negotiations are stronger and more beneficial to them. Nevertheless, Adar (2011), noted that…"the East African Trade Negotiations Act was passed into a law by the EAC summit in 2008, has provided a useful and policy mechanism for negotiations as bloc in bilateral, regional and multilateral forum". On the other hand, Adar (2011) argues that the EAC secretariat also stands in for a partner states in multilateral negotiations in situation

where a representative is absent or a partner state is unable to send a representative, except where a disagreement arises among the sectorial policy experts from partner states that would require the matter to be referred to the EAC council of ministers for further direction.

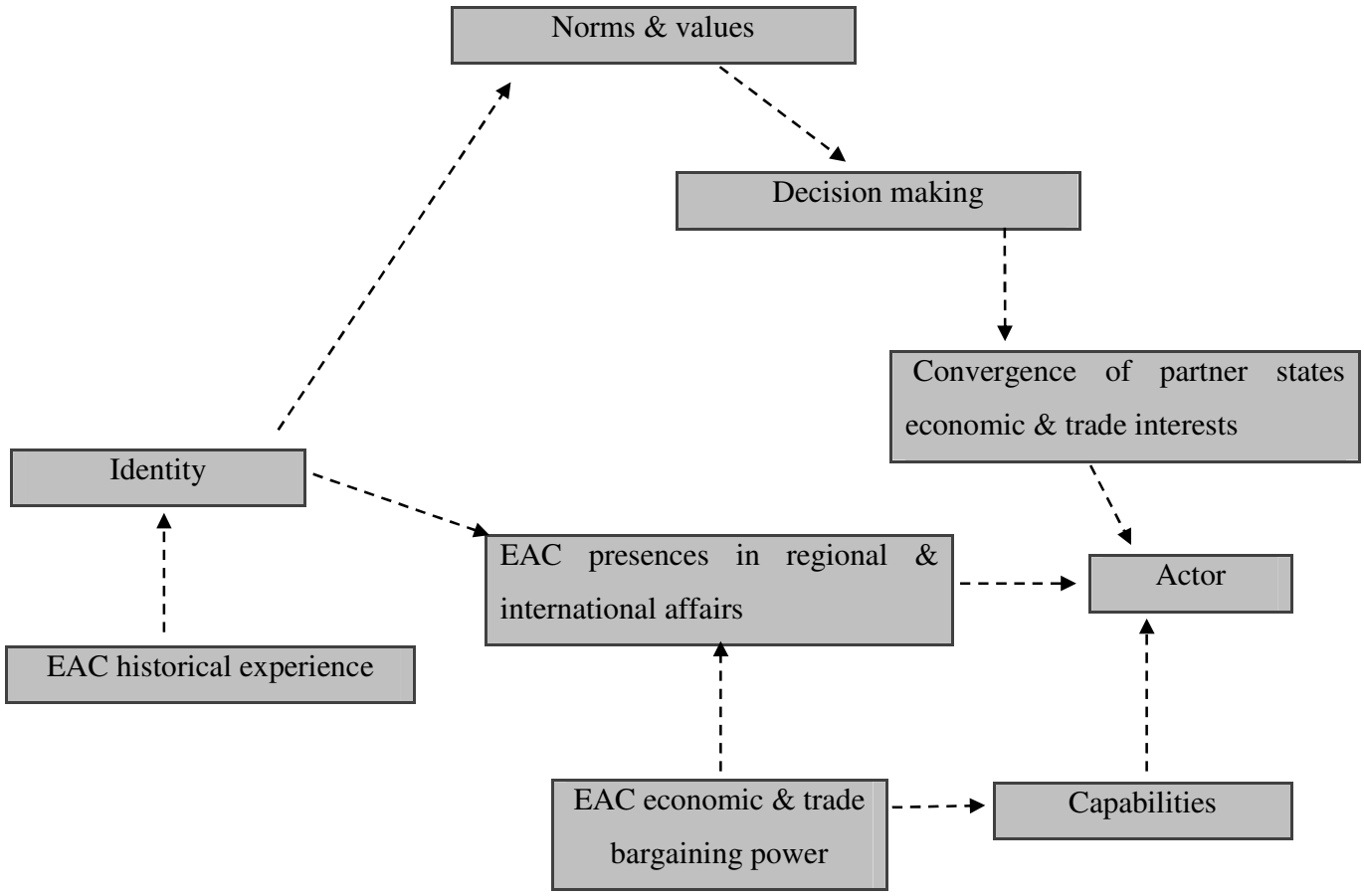
2.7.1 The East African Community an Emerging Global and Diplomatic Actor

Bretherton & Vogler (1999) proposed five requirements to emerge as a global actor: (i) shared commitments to a set of overarching values and principles (ii) the ability to identify policy priorities and to formulate coherent policies (iii) the ability effectively to negotiate with actors in international systems (iv) the availability of, and capacity to utilize, policy instruments (v) domestic legitimation of decision processes and priorities relating to external policy. Meanwhile, the business community, civil society and regional parliamentarians, *inter alia*, have called for the EAC Council of Ministers to explore the possibilities of having representatives in Brussels and Geneva, and stressed that the partner states should strengthen their national structures for international trade negotiations to ensure proper coordination and multi stakeholder involvement in the process of trade negotiations (EAC, 2012). The first modality that is applicable for the partner states to establish the EAC permanent missions in the World Trade Organization and European Union mentioned by B Sen (1988), is to approach the above named organizations and the states where the organizations are located. This requires the EAC Secretariat and partner states to send an agreement to establish its permanent missions. Therefore, the request will be initially examined in the ministries of foreign affairs and the organizations involved (B Sen, 1988).

Article 15 of the East African Trade Negotiations Act of 2003, provides that the EAC trade commission may establish offices at the seats of regional and multilateral organization as may be necessary. The factors that underpin the EAC secretariat establishing its permanent missions in the World Trade Organization and European Union, cut across the range of activities: (a) negotiations (b) dispute settlements (c) actively participation in the WTO committees and working groups (d) handling day to

day administration of trade rules (Draper & Sally, 2005). Realistically, the EAC partner states delegation sent to their missions in European Union and World Trade Organisation, technically are not trained to participate in multilateral trading forums (CUTS, 2010).

Figure 3: Conceptual model of the East African Community as a Global Actor



Source: adapted and modified from Hulse (2012)

2.7.2 World Trade Organization Meetings and Economic Partnership Agreements

The common market stage requires the EAC partner states to speak with a single persuasive voice in regional and multilateral trade negotiations (CUTS, 2010). Mukiibi (2010) noted that deeper integration, maximization of integration benefits, regional competitiveness and insertion of the EAC into global economy will be achieved faster if partner states can harmonize their trade policies and trade related regional instruments.

Trade negotiations in the World Trade Organization (WTO) are handled separately by the EAC partner states (Tindyebwa, 2011). Tindyebwa (2011) assert that trade negotiations are also aimed at obtaining cooperation of trading partners on technical and general assistance required to meet market preferences, and to comply with health and technical standards. In December 2009, the EAC partner states participated in the negotiating group on trade facilitation under the Doha development agenda. They reached an agreement on a draft text for negotiations during 2010 on the content of the future trade facilitation agreement to be adopted by the WTO members. The agreement emphasizes special and differential treatment provisions, technical assistance and capacity building to meet their trade facilitation needs in the context of the agreement (Tindyebwa, 2011). The EAC member states while focusing on trade facilitation negotiations, have embarked on simplifying and improving customs procedures and facilities for transit (Tindyebwa, 2011).

According to Draper & Sally (2005) ...” market access is the bread and butter of the Doha round”. Hence the negotiations on core market access in agriculture and non-agriculture goods and services are far more important for development than all other aspects of the Doha round (p.10). Tindyebwa (2011) argues that trade negotiations at the WTO take place between governments, and he noted that non-government stakeholders beef up the government negotiating team. The views of non-governmental stakeholders are expressed in the stakeholder’s forum and form an integral part of national positions (Tindyebwa, 2011). Moreover, Tindyebwa (2011) argues that for any country to participate effectively in trade negotiations, it needs to have a sufficient number of technically trained trade

negotiators. Lastly, Tindyebwa (2011) asserts that there are differences in perception in negotiations and sometimes aspirations and concerns of EAC partner states differ.

According to Tindyebwa (2011), economic partnership agreements (EPA) aim at promoting sustained growth; increasing the production and supply capacity; fostering the structural transformation and diversification of African, Caribbean and Pacific group of countries' economies and support the regional integration initiatives. In November 27, 2007, the EAC initialed an interim framework economic partnership agreement (FEPA) with the European Commission (EC). In the above framework, the EAC partner states have committed to liberalize their market fully for 82.6 percent of goods only imports from the European Union (EU) over a period of 25 years starting from 2010 up to 2035. The partner states will retain an exclusion list accounting to 17.4% of the trade with European Union (EU). Therefore on the other side the European Union has offered quota free and duty free market access with exceptions of ammunition and transitional arrangements for sugar and rice (CUTS, 2010; Tindyebwa, 2011).

Since 2010, none of the EAC partner states have signed the initialed framework on economic partnership agreement (CUTS, 2010). It is noted that part of the challenge in concluding economic partnership agreements is that no consensus has been reached so far on the contentious issues specified in Article 17, 18, 19 and 27 of the EAC-EU-EPA. The contentious issues are export taxes, most favoured nation clause, stand still clause, trade in services, agriculture and a range of trade related issues covering competition policy; investment and private sector development; environment and sustainable development; intellectual property rights; and transparency in public procurement. Furthermore, other contentious issues are the development matrix; customs and trade facilitation; technical barriers to trade (TBT); sanitary and phytosanitary measures (SPS); legal and institutional arrangements (CUTS, 2010).

Braude (2008) notes that the most fovoured nation clause requires EPA signatories to extend to the European Union (EU) any trade concession that they grant in future to a third part as long as the third part is a developed country or has 1 % percent of world

merchandise export, thus likely to include China, India and Brazil, the emerging markets. Braude (2008) argues that the clause contradicts the WTO enabling clause specifically designed to increase developing countries' participation in global trade.

2.8. The East African Community Common Market

The East African Community common market protocol was signed on 20th November 2009, by the East African Community heads of state, and entered into force in 1st July 2010 (MTTI, 2010). The EAC protocol on common market defines a common market as a merger/union of two or more territories to form one common territory in which there is free movement of goods, labour, services and capital (MTTI, 2010). Therefore, the basic elements of a common market provided in the protocol are:

(i) A smoothly functioning customs union including complete elimination of all tariff and non-tariff barriers to trade plus a common external tariff.
(ii) Free movement of persons, labour, services, and right of establishments and residence.
(iii) Free movement of capital within the community
(iv) Enhanced macroeconomic policy coordination and harmonization particular with regards to fiscal regimes and monetary policy.

Ng'eno et al. (2007) point out that the right of movement, establishment and residence may be denied on public policy, public health, and public security consideration by the hosting partner state. A hosting partner state that imposes the above limitations shall notify the country where a citizen belongs in advance (MITT, 2010). Ng'eno et al, (2007) identified common policy areas of cooperation for the effective functioning of the common market:

(i) Economic and financial sector policy coordination
(ii) Common commercial policy and social security policy
(iii) Coordination and harmonization of transport policy

(iv) Competition policy, among others.

2.8.1 Trade in Services, Free Movement of Persons and Labour

Trade in services is an important sector in the East African Community (Ng'eno et al., 2007). The liberalization of the services sector which the EAC partner states have made, is under the auspices of the World Trade Organization (WTO) General Agreement on Trade in Services (GATS). Ng'eno et al., (2007) assert that the EAC trade policy review shows that Uganda has no limitations on tourism, trade related services and telecommunication, Kenya has no limitation on telecommunication, while Tanzania has no limitation on hotels classified as four stars and above. Rwanda is a leading liberal country in the EAC as many sectors are free from restrictions, in particular provision of trade related services, education, tourism services are unrestricted. While in general, health, road transport and telecommunication have restrictions in the East African Community (Ng'eno et al., 2007). There are factors that restrained trade in services in the partner states, such as work permit requirements and local incorporation imposed on service providers before operating (Ng'eno et al, 2007). Professional services are further limited by the requirement for legislation by local societies, or statutory bodies (Ng'eno et al., 2007). They argued that to allow the professional services to move freely in the region, requires the harmonization of curricula at all level of education, that include entry requirements, curricula and examinations in universities across the EAC (Ng'eno et al., 2007).

Ng'eno et al., (2007) have argued that the free movement of persons, labour and right of establishment and residence is the most important pillar of a common market protocol. Some of the aspects involving the free movement of East Africans were initiated prior to the customs union formation in 2005. Kenya, Tanzania and Uganda residents travelled in the East African region by using the East African passport (Ng'eno et al., (2007). More importantly, Kenya, Tanzania and Uganda have harmonized and adopted classes of entry and work permits. Nevertheless, the harmonization of fees to be charged on work permits have not been agreed upon amongst the partner states (Ng'eno et al., 2007).

Sindiga (2012) asserts that the East African common market protocol marked its second anniversary on the 1st July 2012. The protocol has not yet been fully implemented since there is no common legal framework in the region to ensure free circulation of goods, with minimal or no border controls, harmonization of standards of goods moved through the territory, inter connected payment systems, and the collection of customs duties at the first point of entry (Sindiga, 2012). Ligami (2012) points out that in the meantime the East African Legislative Assembly has proposed Bills to be passed into laws of the community, such as the Advocates Act, that will enable the legal practitioners in East Africa to practice in the partner states, and in the domestic legal space. In addition to that, an Employment Act, and Immigration and Aliens Restrictions Act have been proposed by the East African Legislative Assembly to accelerating employment of the EAC citizens in the region, and to facilitate the implementation of the common market protocol on free movement of persons and labour at a national level (Ligami, 2012).

2.9. Expansion of the East African Community

The East African Community is moving towards expanding its membership to countries such as Southern Sudan and Somalia and likely potential future members are the Democratic Republic of Congo and the Comoro's (Braude, 2008). The Republic of Rwanda and Burundi joined the community in 2007/2008. Nevertheless, they started the process of implementing the customs union protocol on July 1st 2009 after being admitted to the East African Community (Braude, 2008; CUTS, 2010). The treaty establishing the EAC, Article 3 (3) provides formal procedures for accession and rules of procedures for a foreign country to become a member of, be associated with, or participate in any of the activities of the community, shall include that foreign country:

(a) Acceptance of the community as set out in the treaty;
(b) Adherence to universally acceptable principles of good governance, democracy, the rule of law, observance of human rights and social justice;

(c) Potential contribution to the strengthening of integration within the East African region;
(d) Geographical proximity to and inter-dependence between it and the partner states;
(e) Establishment and maintenance of a market driven economy, and
(f) Social and economic policies being compatible with those of the community.

Braude (2008) notes that the East African Community might even attract further membership if it can deliver practical integration benefits sooner than can the Common Market for East and Southern African (COMESA) and the Southern African Development Community (SADC) would otherwise do. He affirmed that the inclusion of Rwanda and Burundi brings more neutrality to the EAC regional debates and policy forums, and reduce the rivalry between the founding members of the EAC. Thus one of the problems has been identified by Braude (2008) is political instability that may arise in the future in Rwanda and Burundi, that they may undergo further conflicts, for which the resolution would then become the community responsibility. However, the expansion of the EAC by the accession of Rwanda and Burundi needs to be regarded as beneficial for the whole business community in terms of market size for entrepreneurs and inflow of variety of goods and services within the region. Therefore, Rwanda and Burundi governments' needed to empower the business community to tap the potential of regional markets and to strengthen the public and private integration dialogue (CUTS, 2010). Most important, Rwanda and Burundi being members of the community, will necessitate the restructuring of policy organs of the EAC as the integration gets deeper (Ng'eno et al., 2007).

2.10. The Role of East African Court of Justice in Customs Union &Common Market Dispute Settlements

Ruhangisa (2005) argues that the East African Court of Justice is one of the organs of the East African Community and a judicial body established under Article 9 of the treaty establishing the EAC. Being a judicial body, the court's responsibility is to administer justice and to ensure the adherence to law in the interpretation, application of, and compliance with the treaty (Ruhangisa, 2005). In light of the above responsibilities, the East African Court of Justice administers justice by hearing and deciding on cases and other regional integration matters brought before it (Ruhangisa, 2005), in line with the determination of disputes that may arise under the treaty (Ruhangisa, 2005). Ruhangisa (2010) stated that "…the more East Africa gets integrated the more disputes of a trans-boundary nature are likely to occur". The EAC partner states have established other quasi-judicial bodies with the same mandate as the East African Court of Justice (Ruhangisa, 2010). Article 41(1) of the East African Community customs union protocol establish the dispute resolution mechanism, the mechanism consists of the possibility for an amicable settlement of disputes through good offices, conciliation and mediation to be arranged by partners in dispute. Nevertheless, the parties in dispute may proceed before the East African committee on trade remedies established in Article 24 of the customs union protocol.

Ruhangisa (2010) stated that the protocol goes on to confirm that at the East African Court of Justice the decision of the committee shall be final. He acknowledges that the East African Court of Justice is left out and therefore denied a role in all this process under the customs union protocol. Ruhangisa (2010) raised a concern that since the East African customs union protocol came into effect, the court has received no single case on customs union issues. Equally, the common market protocol does not give the East African Court of Justice the power (jurisdiction) to entertain common market related disputes, that mandate has been given to national courts as stipulated in Article 32(2) of the common market protocol (Ruhangisa,2010).

2.11. The Role of the East African Legislative Assembly in Integration Process

Wanyande (2005) points out that one of the major roles of the East African Legislative Assembly is to promote and deepen democratic governance in the East African region. The East African Legislative Assembly is mandated to promote accountability and transparency in the conduct of regional affairs. Wanyande (2005) stressed that the process of East African integration should be done in as democratic a manner as possible. Therefore one of the functions of the East African Legislative Assembly in regional integration is to endorse an important aspect of integration. The important aspects of integration that requires legislation at the regional level are: immigration, labour relations and employment laws, customs procedures and regulations, among others. Moreover, the legislation is central to the process of integration because it provides a legal framework for carrying out the activities related to integration, which legitimizes any activity carried out in accordance with the legal framework (Wanyande, 2005). Equally vital, the role of the East African Legislative Assembly in the regional integration process is to provide a forum for consultation on matters of common interest to the partner states, which effectively cannot be handled by national parliaments (Wanyande, 2005).

According to Wanyande (2005), the East African Legislative Assembly can play a pivotal role in the initiation of new regional policies and can act as an agenda setting institution for the region. He noted that the East African Legislative Assembly can further contribute to East African integration by speaking for and enhancing the bargaining power of the region at international forums such as the United Nations system and with other actors. Wanyande (2005) stated that the above initiatives may result in regional confidence in dealing with common problems, fostering and strengthening a sense of solidarity among the East Africans in the knowledge that their interests are being discussed and given consideration in international forums and with other relevant actors. Lastly, the East African Legislative Assembly cooperates with national assemblies in matters of multilateral trade negotiations (Oloo, 2005). The East African legislative has formed the East African parliamentary liaison for trade negotiations (Oloo, 2005). According to Oloo

(2005) "…the East African parliamentary liaison for trade negotiations brings together regional assemblies in a joint forum to debate and lobby national governments on economic partnership agreements and the World Trade Organization negotiations". Oloo (2005) concluded that the East African Legislative Assembly is in a continuous formative process and thus has limited and non-exclusive roles in regional integration.

2.12. Trade and Infrastructure Development in the East African Region

Kabubo (2005) argued that to some extent the East African Community partner states share infrastructure linkages. Ng'eno et al (2003) pointed out that the EAC envisages a broad based cooperation covering trade, investment, industrial development and infrastructure services, *inter alia*. Kabubo (2005) argues that the main desire of the EAC has been geared towards: improving the road and rail networks; improving marine and air transport; to minimize border posts delay; to reduce insurance costs; attracting investment in infrastructure development; to involve the private sector in infrastructure operation and service provision; and, effective legal and regulatory reforms.

2.12.1 Regional Cooperation in Infrastructure Development

Ng'eno et al (2003) stated that cooperation in infrastructure development in the East African region amongst the partner states is crucial because it ensures coordination of donor funding for community projects; synchronization of standards and quality of infrastructure; removal of institutional constraints and encouragement of trade in services such as transport and the energy sector. Nge'no et al (2003) argued that the integration of transport, communication, and energy infrastructure are integral components of the regional integration schemes. According to Kabubo (2005), the East African Community has three transport corridors:

(b) The Northern Corridor

The northern corridor comprises 1333 kilometers of rail networks from Mombasa to Kampala and the road routes from Mombasa via Malaba and Busia to Kampala, Uganda. It also comprises the road network running along the Kampala and Kasese railway and the road network from Kampala to Mbarara and Kabale to Kigali and Butare in Rwanda up to Bujumbura, Burundi.

(c) The Central Corridor

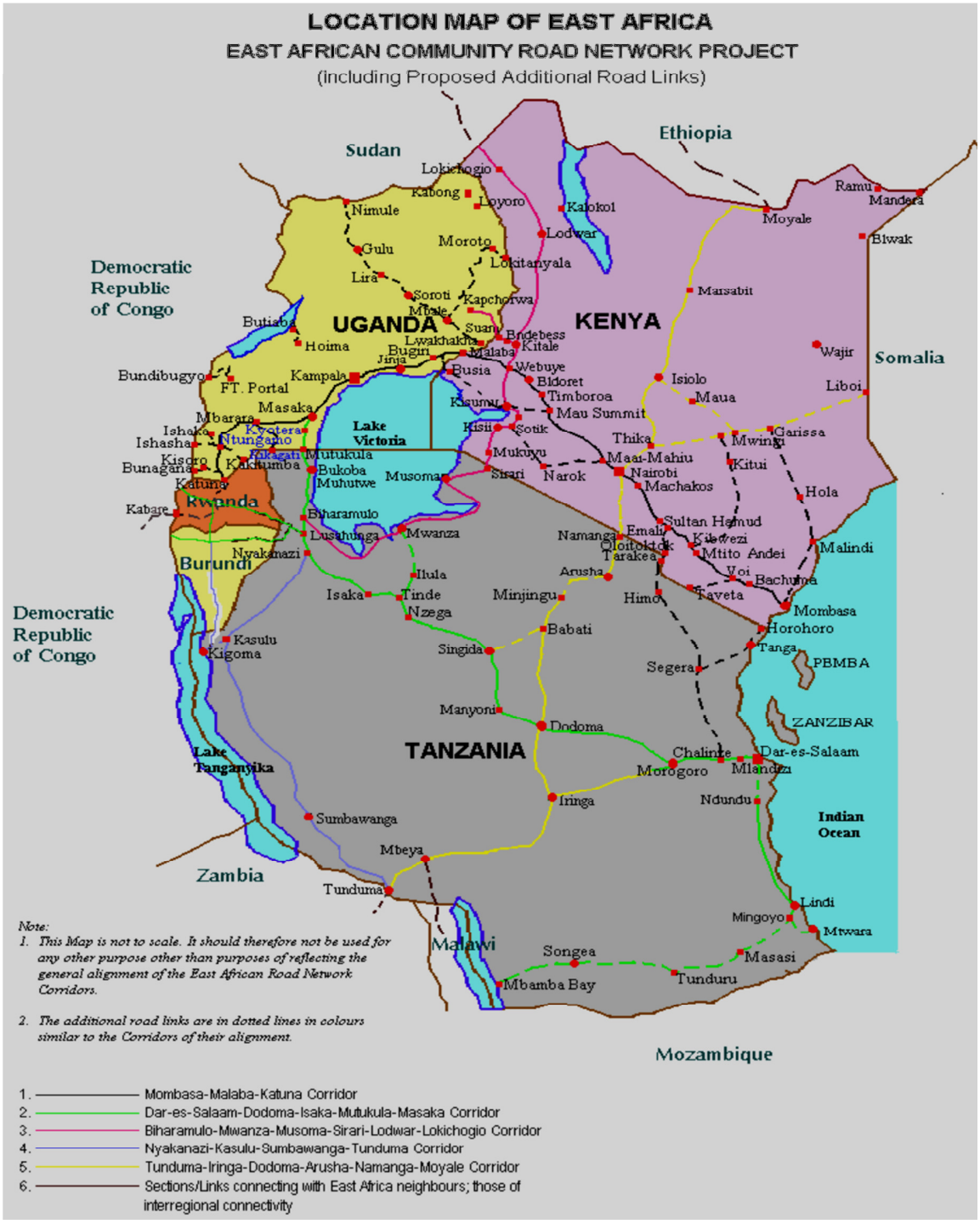
The central corridor, comprising the Dar-es-Salaam and Kigoma railway network, 1254 kilometers connecting to Bujumbura, by barges on Lake Tanganyika to Rwanda by road. The road route is from Dar-es-Salaam via Dodoma, Singida and Nzega to Lushanga into Rwanda and Burundi.

(d) The Southern Corridor

The Tazara corridor (Southern Tanzania) comprises 1860 kilometers and extends to the port of Dar-es-Salaam in Tanzania to New Kapiri Mposhi in Zambia and therefore, it connects with Zambia railway. In Tanzania there are 970 kilometers of line and 890 kilometers in Zambia (Kabubo, 2005). However, to date, the East African Community has identified five main road transport corridors within the community with a total length of about 12,000 Kilometers and these are:

- Mombasa, Kenya-Malaba, Uganda-Kigali, Rwanda-Bujumbura, Burundi.
- Dar-Es-Salaam, Tanzania- Rusumo-Kigali-Bujumbura and Masaka, Uganda.
- Biharamulo, Tanzania-Sirari-Lodwar-Lockichogia, Kenya.
- Nyakanazi –Kasulu-Tunduma, Tanzania- Bujumbura, Burundi (EAC, 2010).

Figure 4: East African Community Transport Corridors



Source: adapted from the East African Community, www.eac.int.2012

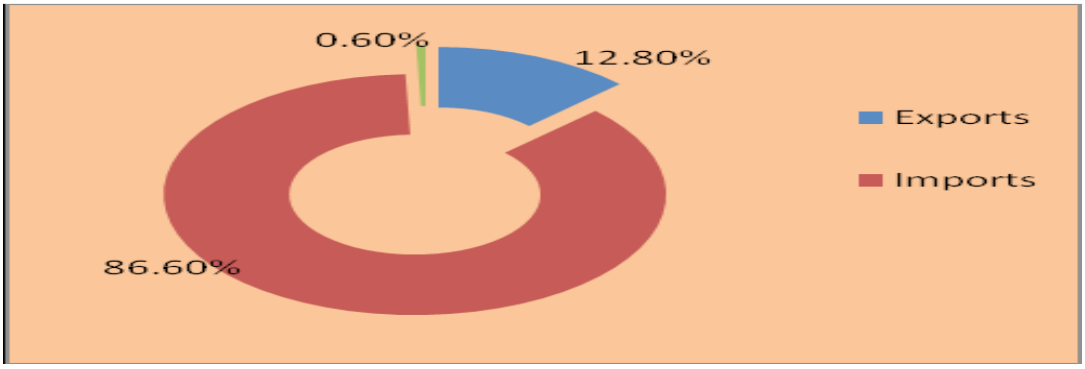
2.12.2 The Role of Mombasa and Dar-es-Salaam Port Facilities in Facilitating Intra-Inter Regional Trade across the Single Market

(i) The State of Mombasa Port

The region has 2 major ports in Mombasa (Kenya) and Dar-es-Salaam (Tanzania). The Mombasa port is administered by Kenyan Ports Authority (KPA) while the Dar-es-Salaam port is run by the Tanzanian Ports Authority (TPA). On top of that both ports have experienced problems such as delays and congestions (Tindeybwa, 2011). The port of Mombasa is the largest port utilized by EAC partner states, serving the hinterland and the main land locked countries of Uganda, Rwanda and Burundi. The port is relatively advanced in terms of capacity, automation, infrastructure, facilities and modernization (Tindyebwa, 2011). Consequently, the port has important infrastructure, which includes oil jetties and handling facilities for coal clinkers, cement, and a three- berth container terminal as well as in land container terminals in Nairobi, Kisumu and Eldoret. The port has a rated capacity of 22 million tons annually while cargo handling has been, on average, approximately 8 million per year (Tindyebwa, 2011). In 2009, the Kenya Port Authority is facilitating intra and interregional trade made tariff adjustments, and removed scanning and verification charges (Tindyebwa, 2011).

Tindyebwa (2011) argues that much of the cargo handled by the port are imports which accounts for 86.6% of cargo handled in 2009 while exports account for 12.8%. Therefore the cargo operations in Mombasa port in terms of traffic, transit countries, container storage and clearance are much higher compared to Dar-es-Salaam port. The average clearances time at the Mombasa port is 5-6 days compared to 8.6 days in 2009 (Tindyebwa, 2011). Uganda accounts for the largest transit cargo at Mombasa port, followed by Rwanda.

Figure 5: Composition of Cargo at Mombasa Port in 2009



Source: Adapted from Tindyebwa (2011)

Tindyebwa (2011) asserts that any problems affecting the port significantly, affect the flow of trade in the region. He subsequently acknowledges that despite the importance of the port, still there are some challenges facing the port such as growth in shipping, waiting days arising out of delays in loading and offloading of containers and the process of cargo clearance. The Mombasa port is committed to modernizing its facilities, for instance, in computerizing container handling system, including improvement of documentation systems and cargo clearance, cargo verification and scanning, inter alia (Tindyebwa, 2011). Furthermore the port is planning to introduce a single window system for faster cargo clearance, efficiency and transparency (Tindyebwa, 2011).

(ii) The State of Dar-es-Salaam Port

The port of Dar-es-Salaam is the second largest port in the East African region after Mombasa (Tindyebwa, 2011). The port falls under the management of Tanzania Ports Authority. The port has a capacity of handling 9.1 million tons per annum at her 11 berths and total quay length of about 2000 meters (Tindyebwa, 2011). The capacity of the general cargo terminal including light quay and oil terminals is 3.1 million tons and 6.0 million tons respectively (Tindyebwa, 2011). Tindyebwa (2011) stated that in 2009 the port managed to handle 4.7 million tons, which is about 52.6 % of the total installed capacity cited in (TPA Annual Report, 2009). Over the last five years cargo traffic has

been increasing at the port reflecting an increasing importance of the port in the EAC intra and extra regional trade (Tindyebwa, 2011).

Table 2: Cargo Traffic at the Port of Dar-es-Salaam

Year	Imports	Export	Transshipment	Total
2005	4,829	1,091	405	6,285
2006	5,225	1,036	428	6,689
2007	5,676	1,317	434	7,427
2008	5,807	1,243	355	7,427
2009	6,630	1,209	213	8,102

Source: Tanzania Ports Authority Annual Report, 2009 cited in Tindyebwa (2011).

The share of transit of cargo has been increasing, more specifically, imports serving the hinterlands countries of the EAC (Tindyebwa, 2011). Most important, other non- EAC member states also used the port, these countries are: DRC Congo, Malawi and Zambia (Tindyebwa, 2011). In addition to that, poor inland transportation systems, especially roads and railways, have been increasing the problem of port congestion in the Dar-es-Salaam port (Tindyebwa, 2011). In terms of cargo clearance, a total of 1.794 million tons were cleared from the port by rail and road in 2006/2007 (Tindyebwa, 2011). Thus in 2007/08, the off load and off take of containers was 7.9 days per container to 12 days per ship, the actual time attained was 21.17 days due to congestion at the terminal. The port is aiming to off load and off take containers within 3.5 days (Tindyebwa, 2011).

The Dar-es-Salaam port modernization effort has implemented a number of projects funded by the World Bank, such as the repair of the container terminal, construction of a new control tower, among others (Tindyebwa, 2011). Nevertheless, there have been strong efforts to increase private sector participation in the Dar-es-Salaam port operations. Tindyebwa (2011) notes that the entire effort has not enhanced port efficiency. He argues that the port is experiencing congestion problems and other problems such as outdated equipment, limited space, human resource capacity, and poor inland infrastructure. There are measures that have been taken by the government of

Tanzania to reduce the congestion at the Dar-es-Salaam port, such as transferring of containers to the new six inland container depots, among others (Tindyebwa, 2011).

2.13. Community Funding Mechanisms

The expansion of the EAC and the functions of its secretariat require a large budget (Braude, 2008). It is important to note that in 2003 and 2004 the EAC budget rose by 22% and more than 25% in 2004 and 2005 (Braude, 2008). Thus each partner state had to pay more than $2.5 million for 2004 and 2005 in the EAC budget (Third EAC Development Strategy 2006-2010, cited in Braude, 2008). The Third EAC Development Strategy (2006-2010) recommended that money for the EAC budget should come from a levy of 1.5% on customs duties; a levy to be charged on imported goods outside the EAC. Braude (2008) asserts that the partner states have been slow to pay their contribution; he noted that contributions are not synchronized and financial flows to the EAC are unreliable.

The EAC partner states have proposed that the contribution to the budget of the community should be linked to the size of Gross Domestic Product (GDP). Therefore, Braude (2008) argued that the proposal will demand that more funds will come from Kenya into the EAC coffers. He indicated that in turn raises the possibility of demands for increased political and economic influence by Kenya in the EAC organs and institutions state of affairs, including the entire region. The challenge that may arise on the above proposed funding mechanism may result in unequal contribution among the partner states. That requires the partner states to amend the provision of Article 123 of the treaty establishing the EAC to permit the above proposed funding mechanism (Braude, 2008). In April 2007 prior to the EAC summit, the council of ministers launched the EAC partnership fund, aimed at supporting the EAC projects and programmes that are geared towards regional integration (Braude, 2008). Subsequently in June, 2007, the EAC extraordinary summit announced the launch of the EAC Development fund (Braude, 2008). The fund facilitated the pooling of resources from within the EAC, which includes contributions from partner states, development partners and international financial institutions (Braude, 2008). The EAC development fund consists of two dimensions; the

first is an adjustment facility aimed at supporting economic integration efforts; second, infrastructure support facility (Braude, 2008). Braude (2008) assert that the EAC development fund is mainly to address development and economic imbalances within the EAC. Thus the fund is used to address infrastructure, development imbalances and investment promotion, *inter alia* (Braude, 2008).

2.13.1 Donor Funding Schemes

The challenge with donor funding in the EAC apparently lies not in its supply, but in the potential conflict between donor agendas at the national level and the regional integration agenda of the EAC partner states (Braude, 2008). The Third EAC Development Strategy (2006-2010) envisages the pooling of development partner resources into an EAC development fund to finance projects, programmes and other activities to further social economic development in the region (Braude, 2008). Braude (2008) noted that "with exceptions, however, donors are seemingly not focused on the regional integration process" (p.251). The dependency over the donor funding has left the community vulnerable, and makes it hard for the community to make independent decisions on implementing projects and programmes, which underpin the social and economic development in the region (Sindiga, 2012). Sindiga (2012) notes that the Swedish government has been financing the EAC experts to attend the economic partnership agreements (EPA's) between the European Union and African Caribbean Pacific group of countries. Sindiga (2012) affirms that in the above scenario, the EAC cannot have independent and open- minded decision making during the negotiations because they are bound by the Swedish sponsorship.

2.14. Public Policy Convergence and Divergence in Regional Integration Process

Public policy differs between countries, in their goals, instruments and styles (Unger & van Waarden, 1995). Thus countries have different policy outcomes, unemployment rates, culture, political ideas and movements, executive decision making and court authorities (Unger & van Waarden, 1995). Convergence has been defined in social

sciences as the tendency of societies to grow more alike, to develop similarities in structures, processes and performance (Kerr, 1988, p.3). Therefore, according to Bennett (1991) the convergence should be seen as the process of becoming rather than a condition of being more alike. Bennett (1991) points out that in the criteria for policy convergence there must be a movement over time toward some identified common point. He noted that …convergence implies a pattern of development over time.

(a) Stages of Policy Convergence

(i) Policy emulation

Bennett (1991) notes that policy emulation might explain a convergence of policy goals; policy content; or policy instrument but it cannot account for policy outcomes or styles. Thus emulation may occur at different stages of the EAC public policy processes; agenda setting; policy formulation; implementation and evaluation (Bennett, 1991). Policy emulation is characterized by the utilization of evidence about integration programmes or experience and lessons to be drawn from other integration schemes programmes. However, the lesson drawn might produce a convergence on some dimension of policy effort (Bennett, 1991).

(ii) Convergence through policy communities

The above stage entails sharing of motivation, expertise and information about integration problems and initiatives (Bennett, 1991). Bennett (1991) argues that convergence in this sense results from the existence of shared ideas amongst a relatively coherent and enduring network of elites engaging in regular interactions at the regional level.

(iii) Convergence through harmonization

Bennett (1991) asserts that convergence through harmonization is driven by recognition of interdependence among sovereign states. He argues that geographical proximity is a good proxy for policy interdependence. Bennett (1991) argues that the existence of intergovernmental and supranational structures at the regional level facilitate the shaping of a common response to common problems. It is important to note that this stage of convergence is centered in functionalist theoretical framework. Thus the envisaged transnational cooperation is on relatively specific and technical questions, and the incremental building of a more integrated and interdependent world order. Hence, this implies a reduction in the autonomy of policy making of individual states and results in gradual convergence of public policy within different integration sectors (Bennett, 1991).

(b) Policy Divergence

To mention but a few, among the challenges in reaching cooperative agreements in EAC are largely attributed to high levels of mistrust among the partner states; past integration experience in the formal EAC; finding equitable ways to share burdens and benefits of regional integration is difficult (Schiff and Winters, 2002). Subsequently, if it happens one of the partner state is dissatisfied with the potential distribution of resources; this state may withhold her position in an agreement on particular integration issues (Schiff and Winters, 2002).

2.15. Theoretical Framework

2.15.1. Introduction

The research will discuss the theoretical framework that informs the genesis and evolution of the East African Community and its challenges towards strengthening regional cooperation and integration since 1999 to date. These theories were developed to explain the European Union integration process as well as other integration schemes across the globe. Therefore, the following theories are useful in assessing regional integration progress in the East African Community since its formation in 1999 up to

2010. Primarily, these theories include; Inter-governmentalism; the East African Community Public Policy Processes, Functionalism, Neo Functionalism, Collective (Regional Public Goods), and a Customs Union Theory, an economic approach to integration.

2.15.2 Intergovernmentalism

Uzodike (2009) asserts that intergovernmentalism conceptualizes integration as a process of bargaining between the heads of government of leading states in a region. Uzodike (2009) noted that it is essentially the interest of large states that drives the integration process, in the process small states may be bought off by large ones. On the whole, intergovernmental theorist argues that small states often see regional institutions as a strategy to deal with more expansive and complex issues (Uzodike, 2009). Nyirabikali (2005) points out that inter-governmentalism considers regional institutions as facilitating organs in the integration process, important and central to the process (p.14).

According to Onyango (2003), the EAC partner states are unwilling even to share the smallest degree of sovereignty. He asserts that the EAC decision making power lay with partner states representatives, that is the council of ministers, rather than the bureaucrats at the secretariat, regional parliamentarians and the judges at the East African Court of Justice. Moreover, he stated that this amount to inter-governmentalism (government to government relations) rather than what is known supranationalism. Finally, Ssempembwa (2004), cited in Oloo (2005), that the approach of East African integration remains intergovernmental rather than supranational, it is inter-governmental in a sense that the partner states retain a say at every level of decision making.

2.15.3 The East African Community Public Policy Processes

The East African Community public policy processes begin with **the High Level Task Force** which comprises various representatives of public and non-public sectors; responsible for discussing the policy issue in question, each with its own function.

Therefore, each policy stakeholder and actor compiles their country paper position paper from which negotiations can be initiated and strategies are formulated for different sectorial committees (KIPPRA, 2007; Adar, 2011).

The second phase is **the Sectorial Committee-** it consists of experts from five countries that are responsible for tabling their various countries' position papers and discussing the various issues of concern within their various sectors. Their recommendations are then made to the coordination committee, specifically, the sectorial committees perform the following functions: (a) each committee is responsible for the preparation of a comprehensive implementation programme and setting out of priorities with respect to its sector; (b) monitor and keep under constant review the implementation of the programs of the community with respect to its sector; (c) submit from time to time, reports and recommendations to the coordination committee, either on its own initiative or upon the request of the coordination committee concerning the implementation of the provisions of the treaty that affect its sector (KIPPRA, 2007; Adar,2011)

The third phase is **the Coordination Committee,** which consists of the permanent secretaries responsible for the EAC affairs in each partner state and other permanent secretaries as each partner state may determine. The function of the coordination committee are to: (a) receive and consider reports from the sectorial committees; (b) submit from time to time reports and recommendations to the council either on its own initiative or upon request of the council; (c) implement the decisions of the council of ministers (KIPPRA, 2007; Adar, 2011).

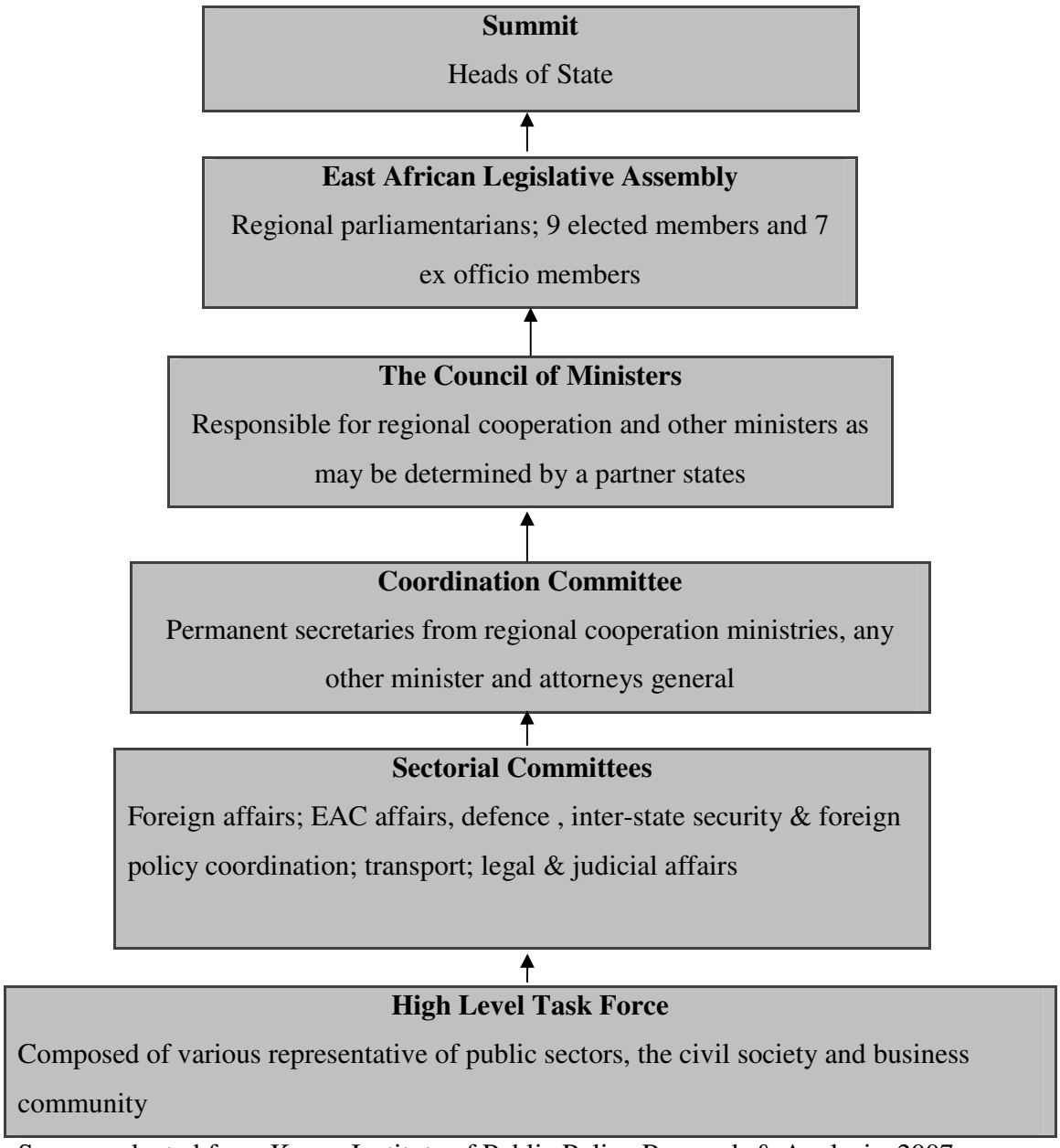
The fourth phase of the EAC policy formulation process is **the Council -** the council is the main policy organ of the community. The council comprises ministers who are in charge of regional cooperation in each partner state. The council considers what is tabled from the coordination committee. Consensus is the main principle that guides its decision making process during the council meeting (KIPPRA, 2007; Adar, 2011).). In support of the above, the council is responsible for tabling bills for discussions in the East African Legislative Assembly (EALA).

Fifth is **the East African Legislative Assembly,** in policy formulation process, the composition of the EALA, comprises of 58 members, with 9 elected members from each of the five EAC partner states and seven ex-officio members, who are drawn from those ministers of each partner states responsible for regional co-operation. The East African Legislative functions include:

- Liaison with the National Assemblies of the partner states on matters relating to the EAC
- Discuss all matters pertaining to the EAC and make recommendations to the council of ministers, as it may deem necessary for the implementation of the EAC treaty.
- Discuss Bills and further forward them to the summit for assent (EAC, 2006/10).

The last phase is the **Summit** - the summit is composed of Heads of State whose main mandate is to ensure that the organization is pursuing its objectives in conformity with the obligations of the treaty. The decisions of the summit are arrived at through a consensus. The core mandate of the summit is to consider and approve annual reports, and to assent to Bills from the East African Legislative Assembly. The Bills assented to by the summit become the Acts of the community (KIPPRA, 2007; Adar, 2011).

Figure 6: The EAC Public Policy Processes



Source: adapted from Kenya Institute of Public Policy Research & Analysis, 2007

2.15.4 Functionalism

Functionalism is rooted in the belief that governance arrangements arise out of the basic or functional needs of people and the states, thus it explains the origin and development of a number of intergovernmental organizations. Jacobson, Reisinger and Mathers (1986) tested key proposition of functionalism as an explanation for the phenomenon of inter-governmental organisation that could be classified as functional, which is, they have specific mandates, links to economic issues and limited membership and often related to geographical region, "found however the evolving web of intergovernmental organization (IGO) has modified the global political system." Uzodike (2009) argues that functional cooperation in economic and social fields may spill over into political field. Additionally, he argues…gradual functional developments and cooperation between states in addressing common needs in the realm of low politics (trade, energy and environmental affairs) may yield mutual benefits that lead ultimately to political unification (p.29). However, it is argued that, the functionalist approach looks at regional cooperation processes as a transitional stage of regional integration (Uzodike, 2009).

In 2004, the EAC Heads of State initiated the fast tracking committee, with a core mandate to propose ways and means of accelerating and compressing the integration process (Braude, 2008). The EAC Heads of State had a vision of entrenching, coordinating, and accelerating the process of integration in the East African region (Braude, 2008). Consequently, in 2005, the Heads of State established regional ministries of East African Cooperation, and in each partner state, ministers of East African Community affairs were appointed (Braude, 2008). Subsequently, the Heads of State directed the council of ministers to establish the post of EAC deputy secretary general in charge of political federation, to oversee and coordinate the fast tracking integration process in the region (Braude, 2008).

Table 3: A Road Map towards EAC Political Unification proposed by the EAC fast tracking committee

January 2005	Free movement across the borders & implementation of the customs union
June 2005	Appointment of the East African affairs ministers
August 2005	East African central bank
December 2007	Setting up common market
September 2009	Draft constitution &referendum, adoption of a single regional currency
2010-2012	Swearing in of the president of transitional federation of the East Africa, Drawing up of regional constituencies and swearing in of a transitional federal parliament
January-March 2013	Election of East African president

Source: adapted from Oloo (2005) & Braude (2008).

2.15.5 Neo Functionalism

Burley & Mattli (1993) argue that neo functionalism is concerning "how and why nation-states cease to be wholly sovereign, how and why they voluntary mingle, merge and mix with their neighbour as to lose the factual attributes of sovereignty while acquiring new techniques for resolving conflicts among themselves." Neo functionalism was premised on the assumptions that "the deliberate merger of economic activity, in particular economic sectors across borders generates wider economic integration that would spill over into political integration," thus the above two process being accelerated by the creation of supranational structures. Ernest Haas assumed that once integration efforts had been launched, there would be pressures for further integration in a particular region. In his view social and economic groups would demand additional economic integration (Burley & Mattli, 1993).

Uzodike (2009) stated that, according to neo functionalism theorist, four analytical variables, actors, motives, process, and context are important to the understanding of integration. Neo functionalists argue the primary integration players are below and above the nation state. The actors below the state include interest groups and political parties, and actors above the state are supranational regional institutions. Consequently, regional supranational structures promote integration, foster the development of interest groups, and cultivate close ties with them and with fellow technocrats in national structures.

In light of the above, Sezibera (2012) noted that the private sector contributes at least 80% to the regional economy in terms of wealth of creation, poverty reduction, production of goods and services. Hence, the need to have a framework for structured dialogue between the East African Community, private sector and civil society, and interest groups within the requirements of the treaty establishing the community must be attained. The second variable of neo functionalism, motives is the process of community formation which is dominated by nationally constituted groups with specific interests and aims, willing and able to adjust their aspirations by turning to supranational means when it appears profitable (Burley & Mattli, 1993). The third variable, is the process that includes the functional spillover; political spillover and upgrading of common interests. Burley & Mattli (1993) point out that, upgrading common interest is the third element in the neo functionalist description of the dynamics of integration. It occurs when the member states experience significant difficulties in arriving at a common policy while acknowledging the necessity of reaching some common stand to safeguard other aspects of interdependence among them. Nation states deepen interdependence by taking joint actions in one sector after another through the process of upgrading common interests (Uzodike, 2009).

In 2006/2007, the ministers of trade and industry in the EAC agreed to negotiate economic partnership agreements as one bloc with the European Union (Braude, 2008). Previously, the economic partnership agreements were negotiated by EAC partner states in different sub regional configuration. Tanzania negotiated economic partnership agreements under the Southern African Development Community (SADC) configuration

in 2005, while the rest of the EAC partner states negotiated economic partnership agreements under the Eastern and Southern Africa configuration. The East African Community and European Union economic partnership agreements configuration was formed in 2007, when the EAC partner states pulled out of the Eastern and Southern Africa (ESA) and Southern African Development Community (SADC) configurations (CUTS, 2010). In 2008, the East African Community and European Union reached an agreement that the EPA negotiations are to be convened at the technical level, permanent secretaries and senior officials level, and lastly, at the ministerial levels (Braude, 2008; CUTS, 2010; East African Business Council, 2010). In support of the above, Tindyebwa (2011) point out that the EAC negotiating structures includes the above arrangements and National Development & Trade Policy Forum at the national level. The forum comprises representatives of public and private sector organizations and civil society organizations in the trade sector. Tindyebwa (2011) assert that the function of the National Development & Trade Policy Forum is to prepare negotiating positions on all aspect of EPA negotiations.

2.15.6 Collective Theory (Regional Public Goods)

A theory within the liberalism school of thought explaining cooperation and governance was championed by Garreth Hardin (1968), "In his article the Tragedy of the Commons", the use of collective goods involves activities and choices that are interdependent and likely that the decisions by one state have effects for other states, that is, states can suffer unanticipated negative consequences as a result of the actions of other states. Olson (1968) points out that "collective goods are easier to provide in small groups than in large" and further argued that the larger the group, the more it will fall short of providing an optimal amount of collective good. Schiff and Winters (2002) have argued that countries can benefit greatly from cooperation when they share common resources such as rivers, rail connections, and lakes. Thus, countries sharing resources may all be willing to cooperate and share the gains from cooperation equitably. Equally, cooperation is also vital in the transport sector. There are two categories of public goods in the East African Community, which underpin regional cooperation and integration in the region. These

are: water basins; Lake Victoria, Lake Tanganyika and River Nile, and infrastructure linkages; roads and railways connection.

a) Water Basins; Lake Victoria , Lake Tanganyika and River Nile

Kayunga (2005) asserts that shared natural resources should be the natural starting point of regional integration. The Lake Victoria basin is shared by three partner states, covering an area of 69,000 square kilometres, and it is the source of the Nile River.

- Uganda has 45% share of the lake
- Tanzania 49% and
- Kenya 6%

The Lake Victoria catchment's area covers 193,000 square kilometres in Uganda, Kenya and Tanzania and includes some parts of Rwanda and Burundi. The East African Community partner states accrue benefits from the Lake Victoria in intra - regional trade, energy, water and transport (Kayunga, 2005). Equally important, Lake Victoria is crucial for Uganda's economy, due to the fact that it is a major inland water transport linkage with other EAC partner states (Kayunga, 2005). Lastly, the EAC partner states' local authorities have introduced the "City Development Strategies", in the three cities bordering Lake Victoria: Kampala, Kisumu and Musoma, to exchange information on achievements, and discuss common challenges and forge a common approach to problems that might arise out of the lake (Kayunga, 2005, p.183).

In 2011, the EAC partner states agreed to cooperate in infrastructure development, energy generation capacity and tourism promotion in the Lake Tanganyika Basin (Ogaro et al., 2011). The four riparian countries, namely, Tanzania, Burundi, Congo DRC and Zambia held the 1st meeting of Lake Tanganyika Basin development in 2011. Among the issues discussed, inter-alia, were to harmonize tourism policies, particularly to enable the implementation of the single East Africa visa initiative, to harmonize investment regimes and to formulate a public-private dialogue (Ogaro et al., 2011). In a meeting, President

Pierre Nkurunziza of Burundi, cited in Ogara et al., (2011), stated that Lake Tanganyika was significant for SADC, COMESA and the EAC whose ultimate ambition is to amalgamate into a tripartite free trade area. He argued that the commercial and cultural exchanges between the three communities will accelerate the integration through the tripartite free trade zone (Ogaro et al., 2011).

Adar (2011) points out that in 1999, the Nile River Basin Initiative was established and comprised ten River Nile riparian states, including, the Republic of Congo DRC, Tanzania, Kenya, Uganda, Burundi, Rwanda, Eritrea and Ethiopia, Sudan and Egypt. He affirmed that, the River Nile Basin Initiative was established for the purpose of finding amicable solutions to the utilization of the Nile River waters and resources. The objectives of establishing the River Nile Initiative were to:

- To develop the water resources of the Nile Basin in a sustainable and equitable manner
- To ensure efficient water management and optimal use of the resources
- To promote socio-economic status of the member states through harnessing of their resources and promoting economic integration, among others (Adar, 2011).

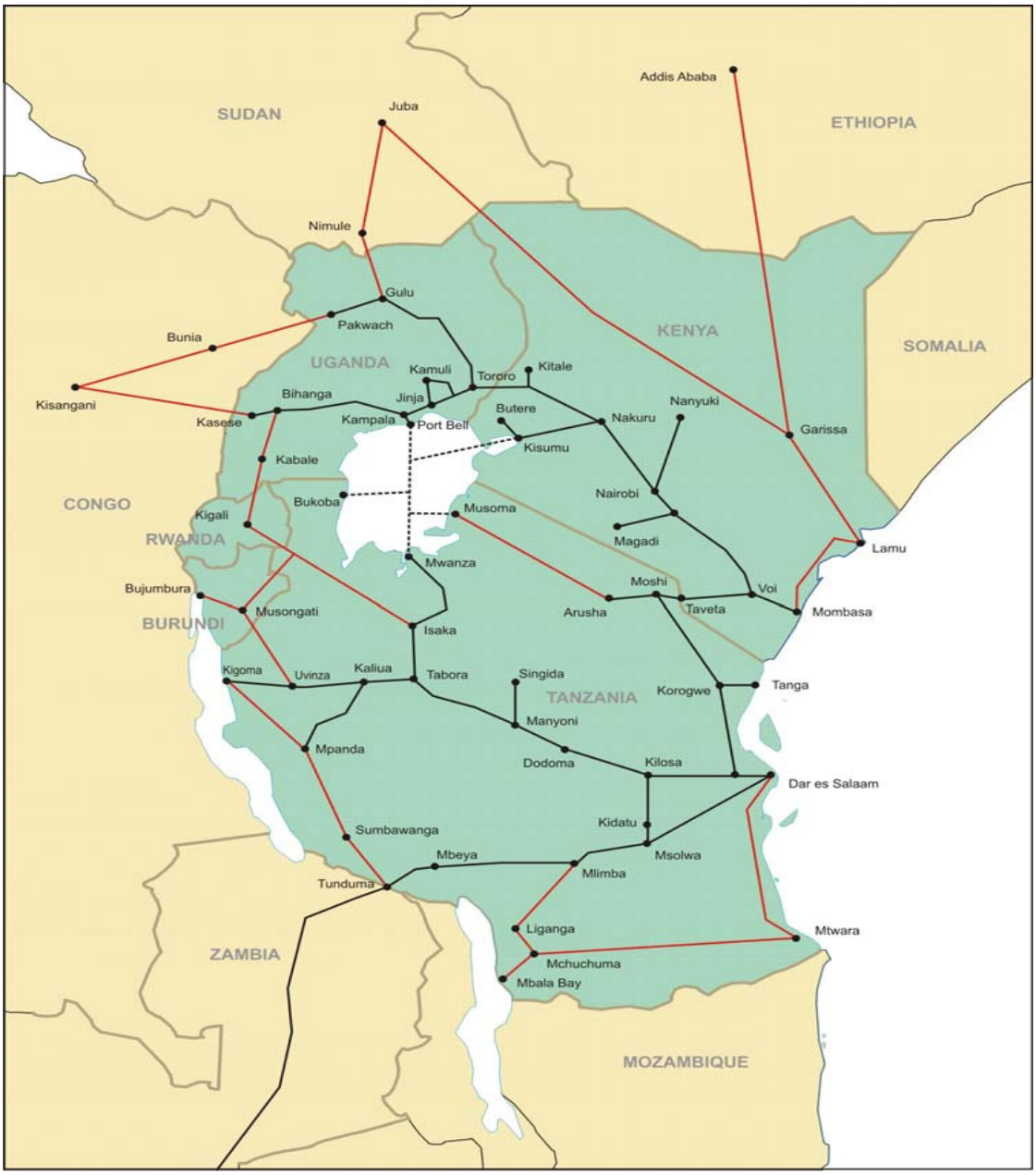
Adar (2011) noted that the EAC partner states policy position in the negotiations is centered on the "reasonable and equitable utilization principle." He affirmed that … what is important to emphasize is the degree of consensus employed by the EAC partner states not only gives its more leverage in harmonizing its position vis-à-vis the other riparian states but also empowers the regional organizations in multilateral diplomacy, which gradually consolidates elements of sovereignty.

b) Infrastructure Linkages; roads and rail networks

The gains from regional cooperation have resulted in Uganda, Rwanda and Burundi, the land locked countries, being able to access Kenya and Tanzania transport corridors and their major port facilities (Kabubo, 2005) Hence, the transport corridors and port facilities

have contributed to the land locked countries accessing the regional market and beyond (Kabubo, 2005). Kabubo (2005) noted that most of the infrastructures in the region are not integrated with each other. She further noted that there are no links among the various modes of transport and infrastructure. For instance, she argued that road transport infrastructures are not integrated with rail and water transport infrastructures. The EAC partner states have agreed to revitalize the railway sector in the regional through rehabilitation and privatization (Kabubo, 2005, p.171).

Figure 7: The Current EAC Rail Networks with Proposed New Lines



Source: adapted from the East African Community, www.eac.int.2012

Legend:

Current Railway Line

Proposed Railway

Line Ferry

2.16. Economic Theory of Integration

Introduction

An economic theory of integration is premised on the assumption that productivity is enhanced if nation states engage in economic activities in areas where they have comparative advantage vis-à-vis other states (Uzodike, 2009).

2.16.1 Customs Union Theory

A custom union theory mostly focuses on markets, goods and services within a region in relation to the discrimination in the integrating areas (Balassa, 1961). The creation of a customs union involves the removal of barriers to intra-regional trade and the equalization of tariffs on imports from non-partner states (common external tariffs). The trade creation is enhanced in the integrating area, providing cheaper imports from more efficient producers in the region. Balassa (1961) argues that the gains derived from the above arrangement promote integration. Balassa's typology occurs across the five stages of regional economic integration. Therefore, in accordance with the provision of Article 5, paragraph 1 and 2 of the treaty establishing the East Africa Community, partner states undertake to establish among themselves a customs union, a common market, subsequently, monetary union, and eventually political federation.

Tindyebwa (2011) notes that, the underpinning within the EAC customs union includes removal of customs duties, and charges of equivalent effects on internal trade, elimination of non-tariff barriers on trade, and the establishment and maintenance of common external tariff. Tindyebwa (2011) further argues that the implementation of customs union has resulted in harmonization and uniform application of community customs laws by all partner states, that is, the uniform application of the common external tariff and ongoing process of asymmetrical reduction of internal tariff. In support of the above, in the meantime, Kenya charges Value Added Tax at the rate of 16% while the rest of the EAC countries charges 18 % (Tindyebwa, 2011; Namara, 2012). In addition, the Excise Duty is charged at the rate of 4% in Rwanda and 5% in other EAC countries

(Namara, 2012). Moreover, the EAC partner states have reached considerable harmonization in corporate income tax. In the region there is a standard income corporate tax rate of 30%, except in Burundi where it is 35% (Tindyebwa, 2011).

Table 4: Dynamics of Integration in the East African Community

1. Customs Union	• Elimination of trade barriers (tariff & quotas) among the partner states. • Common external tariffs against non-members
2. Common Market	• Customs union; harmonization of taxation policies & laws • Free movement of factors of production • Common Commercial Policy
3. Monetary Union	• Common currency • Harmonisation of partner states economic policies • Macroeconomic & fiscal policy
4. Total Economic Integration &Political Federation	• Supranational political authority whose decisions are binding on partner states • Common foreign and security policy

Source: adapted from Balassa (1961).

According to Balassa (1961), typology that occurs across the five stages of regional integration, the EAC partner states agreed to launch the customs union in 2005 as the first entry point in integrating the region (Ng'eno et al., 2003). Therefore, the phases that were not integrated in the initial process of integrating the region are: preferential trade arrangements and free trade area formation.

(a) Preferential Trade Agreements

The preferential trade arrangement requires partner states to reduce tariffs among themselves relative to other states in trade with non-members and jointly pursue trade policies aimed at trade liberalization in the East African region (Ng'eno et al., 2003). Waschik (2009) noted that … preferential trade agreements have legitimate exceptions to Article I of the General Agreement on Trade and Tariff (GATT) through Article XXIV, which aims to ensure that as a result of the formation of preferential trade area (PTA):

- PTA members remove barriers substantially on all trade among themselves over a reasonable period of time and;
- Duties set by PTA members on non-member countries are not higher or more restrictive than prior to the formation of the PTA.

(b) Free Trade Area Formation

Ng'eno et al. (2003) points out that a free trade area is where partner states remove tariff and quotas on trade between members in goods originating within the free trade area, but retain control over their own restrictions on trade with non-member trade. The free trade area normally applies rules of origin to implement the preferential trade arrangements (Ng'eno et al., 2003). Arguably, a fully-fledged free trade area (FTA) requires an intensive negotiation among the partner states in eliminating internal tariffs and non-trade barriers over a period of time (Ng'eno et al., 2003).

2.17. Summary of the Chapter

This chapter has assessed the progress of regional cooperation and integration in the East African Community since its inception in 1999 to date. It has revealed that the East African Court of Justice has no mandate to entertain customs union and common market disputes. According to the literature above, it is not clear if the East African Court of Justice has a legal capacity to resolve inter-state disputes that might arise out amongst the partner states in multilateral trade negotiations. This chapter has found out that the role of the East African Legislative Assembly in driving the integration agenda is in a continuous formative process and thus has a limited and non-exclusive role in regional integration (Oloo, 2005). Therefore, the functional role and mandates of the EAC organs need to be formalized, that is, the East African Legislative Assembly to legislate and formulate community policies (Tsebelis & Garret, 2001), the East African Court of Justice to interpret community laws and policies in line with adjudicating disputes arising out of customs union and common market protocol (Tsebelis & Garret, 2001). Finally, the EAC partner states need to establish a structure at the Secretariat that routinely monitors the implementation of regional integration policies and programmes at the national level (Tsebelis &Garret, 2001).

Moreover, this chapter has established that the role of civil society organizations in the EAC integration agenda is still at an early stage of development (Jonyo, 2005). However, in the above detailed theoretical discussions, there is a significant gap in political science approaches to regional integration pertaining to external dimensions of sub-regional integration schemes. Thus the growing presences of sub regional integration schemes in global affairs and in multilateral trade systems have gained a new momentum, and it requires contemporary integration theories to bridge the gap (Hanggi, 2000). Therefore, the gap in the above theoretical frameworks provide a space for integration theorists to develop multilateral trade negotiations models, which can explain the predictive outcomes and policy implications to developing countries in the negotiations (Hanggi, 2000; Draper & Sally, 2005).

CHAPTER THREE: RESEARCH DESIGN & METHODOLOGY

3.1. Introduction

This chapter presents the research design and methodology used to conduct this research study. The design and methodology used in this research study was determined by the purpose of the research study. The purpose of this research was to assess the extent of regional cooperation and integration success in the East African Community since 1999 up to 2010. The chapter discusses the research methodology used to address the research questions. A selection of a good research design and methodology was employed to ensure validity and reliability of the research results.

3.2. Research design

This is a qualitative exploratory research. The research employed a case study design. The case study design provided a good research plan and structure that allowed for a detailed investigation of the convergence and divergence variables of a single institution, the EAC (McMillan & Schumber, 1997). The design was consistent with literature that the investigation should be within a specified time frame, employing a combination of appropriate data collection methods (Yin, 1994; Creswell, 1994).

The study used exploratory research because of the nature of investigation. The investigation intended to identify new dimensions out of non-predetermined areas of policy convergence and divergence for the East African Community (Morse, 1991). Although a number of studies have been conducted around the topic of regional integration in the East African Community, the process of identifying areas of policy convergence and divergence in the East African Community customs union, external relations and common market is new.

3.3. Research Methodology

The research applied the following steps to ensure a systematic approach to the investigation: sampling, data collection, data entry and analysis. The discussion in this

section also includes a description on how the research ensured validity and reliability of the study results and the limitations of the research.

3.4. Sampling

The research used a non-probability sampling method (Merriam, 1998). It may be argued that the method has a limitation that the results from the sample cannot be automatically generalized to the larger or other populations (Merriam, 1998; Neuman, 2011); but the attempt of generalization was not a primary issue in this investigation, as also evidenced by the selection of the research design. The investigation sought to focus on the specific aspects of the regional integration that can provide an explanation to the issue under investigation.

The research employed the purposive technique of non-probability sampling. The purposive sampling was opted for to allow the researcher to intently select sample units that would provide rich information regarding the subject matter of this research. It is in similar perspective that Merriam (1998) argued that "the logic and power of purposive sampling lies in selecting information- rich cases for study in depth". Thus rich information derives from cases from which one can learn a great deal about the issues of central importance to the purpose of this research study.

The actual selected primary sample units for the study were eight respondents against the initially intended ten respondents. This was because the other two respondents opted out. The actual eight respondents were i) Trade & Customs Director, East African Community, ii) Monitoring & Evaluation Officer, East African Community, iii) Finance Officer, EAC, iv) Training Officer, EAC, v) Ugandan Embassy Official in Tanzania, First Secretary in charge for EAC affairs, vi) Principal International Relations Officer, EAC, vii) Trade & Investment Officer, Ministry of East African Cooperation, Tanzania, viii) First Counsellor of the Embassy of the Republic of Burundi in South Africa. The two that opted out are: i) the Rwandan representative for the EAC in Arusha, Tanzania, and ii) Kenyan Embassy official in Dar-es-Salaam, Tanzania.

Secondary sample units included the following documents: regional integration reports, the treaty establishing the East African Community, the Customs Union Management

Act, and Vienna Convention on establishing Diplomatic Relations of 1961.The selection of the sample units was informed by the proposed research questions/ objectives for this study.

3.4.1 Data Collection

The data collection was done through primary and secondary data collection methods. The mixture of the two methods helped to build complementary sources of information in response to the research questions. The application of the complementary methods of data collection was informed by Merriam's (1998) assertion that the criteria for selecting a particular data collection strategy should be used when it appears they will yield better data or more data than other methods.

(i) Primary Data Collection Methods

The research used interviews to get information from the primary sample units discussed in the preceding section. The researcher utilized a mixture of semi-structured and non-structured interviews to increase the potential for more in-depth perspectives and experiences of the key officials and representatives (Denzin & Lincoln, 2000). The interview schedules were arranged according to convenient times for the respondents. The interviews were recorded through note making techniques without any adjustments to the responses given by the respondents.

The research also used a structured questionnaire to gather key information on the thematic areas of the research. The questionnaire was emailed to respondents. The questionnaires were also completed by the eight respondents as marked in the preceding section. The thematic areas were customs union, community external relations, common market, assessment of institutional arrangements and reforms, dispute resolution mechanisms, funding mechanisms for community projects and programs, finally, monitoring and evaluation institutional arrangements. Of course, new themes emerged as the data collection exercise progressed.

(ii) Secondary Data Collection

The secondary data collection method used the content analysis technique to gather relevant information in responding to the research questions. The method involved reviews of Memorandums of Understanding, community policy documents, Protocols: (a) Protocol on the establishment of the East African Community Common Market, (b) Protocol on the establishment of the East African Customs Union, (c) Protocol on Decision Making by the Council of the East African Community, (d) Draft Protocol on EAC Foreign policy Coordination. Included were articles from the EAC newsletter, gazette, Jumuiya news and newspaper: (a) the East African newspaper. The use of secondary data collection alongside the primary data collection methods is an approach that is consistent with general literature on how to do data collection in research. For instance, Welsh (1998) stated that in order for a researcher to start a research process, the researcher needs to review relevant secondary data sources on the subject matter under investigation.

The secondary data collection was also strategic in sharpening the primary data collection tools. A consistent experience to general literature arguments raised by Merriam (1998) and Potter (1996), is that document review provides confirmatory evidence and strengthens the credibility of interviews. The secondary data sample units provided more benchmark information for assessing the milestones reached in the EAC integration to observe the thematic issues for this research study.

3.4.2 Data entry, analysis and interpretation

Data entry was done using Word columns after the field note taking. The data entry was done within 24 hours of each interview so that the researcher would not lose any meaning and links in the responses. At the point of data entry, secondary content analysis was done in order to develop coding, themes and patterns of clustering the collected data. Hence, the data entry columns were determined by the themes that emerged by the end of the data collection. The data entry of the questionnaire responses was done purely by

coding that ensured accuracy of the data and readability (Wiersma, 1995). The data entry also applied secondary vertical analysis of the data in order to reduce the bulk of interviews into summary and paraphrasing interview by interview and direct quotations (Van Zyl, 2012). At the end of the data entry, the researcher did a screening to match the raw data against the entered data and to check for usefulness of the coding system in describing and enabling understanding of the phenomenon under the investigation. The data entry was done solely by the researcher.

The research used content analysis and narrative analysis techniques in the data analysis process. The ***data analysis*** involved re-examining the entered data in Word files, sorting the data, categorizing the data into the key thematic areas in response to the secondary research questions. The followed steps were consistent with the general literature on data analysis in qualitative research (Badenhorst, 2007; Neuman, 2011; Taylor & Bogdan, 1984).

The two techniques of analysis used a thematic approach to iteratively re-organize the data. In the thematic content analysis approach, the researcher identified the recurring issues to refine and, in other cases, to develop new themes in resonance with the objectives of the research study (Taylor & Bogdan, 1984). In this study, some of the themes had already been generated from the literature review; for instance, trade creation and trade expansion across the single market.

Another technique that was used in the data analysis for data interpretation preparation was pattern building. This technique was applied more on the data extracted from the questionnaires. It applied intense horizontal analysis of the data (Van Zyl, 2012). In the pattern building, the researcher constantly reviewed the identified themes against specific similar economic and political directions of the member states of the EAC. The study looked at recurring themes that appear across the respondent's views and perspectives on the East African regional integration.

Chapter four provides the analyzed research results.

Chapter five of this research report discusses the ***interpretation of the data***. The interpretation of the data is more informed by the literature reviewed in this research study. The background and context of the study also provides another benchmark component of extracting meaningful interpretations out of the research results. The interpretation of the data also extends to giving policy implications and recommendations based on the analyzed data.

3.4.3 Validity and Reliability

This research study mainstreamed the requirements of validity and reliability of a qualitative research. Although qualitative research is concerned with the opinions, experiences and feelings of individuals, producing subjective data, the research ensured that the data, data analysis and interpretations employed in this research are accurate and consistent (Neuman, 2011).

Beginning with the background and context, the conceptualization and the literature review, the researcher employed triangulation methods of data collection and analysis to establish accuracy and consistence in the premises and arguments laid out in this research report (Neuman, 2011). The researcher also used multiple theories and concepts to establish accuracy and reliability of arguments raised in this research. Neuman, (2011) stressed that reliability is necessary for validity in order to have a valid measure of concepts.

The triangulation technique has been supported by a large number of Scholars and stands as a reliable way of ensuring reliability in research. In similar discourse, Gall, Borg and Gall (1996) argued that a study of trustworthiness is increased when data analysis and conclusions are triangulated, subject's perceptions are verified in a systematic manner and the project's data chain of evidence is established as part of internal validity. To a higher extent, triangulation is part of internal validity procedure where researchers search for convergence among multiple and different sources of information to form themes or categories in a study (Jick, 1975; Denzin, 1978).

The triangulation technique was also applied in the research methodology. The data collection tools were designed in a way to allow for consistency checking in responses of the respondents. For example, the researcher drew up at least three questions in each case asking for explanation of one phenomenon and multiple data sources were utilized in the primary and secondary data collection methods (Denzin, 1978).

The process of mainstreaming validity in the study was also better informed by Hammersley and Atkinson (1983), Merrian (1992) and Neuman (2011) who summarily outline that the procedures for validity includes, trustworthiness, transferability, dependability, conformability and authenticity. Since this was a qualitative research, the researcher ensured that the constructs employed in this research were valid and reliable for drawing meaningful interpretations.

In further assurance of establishing a high degree of validity and reliability of the research findings, the researcher engaged a project peer review team of two people who did a technical review of the theoretical framework and literature review (Lincoln & Guba, 1985). The same team was engaged after field work to ascertain the validity and reliability of the research findings and to check if the interpretation of data and conclusion drawn were valid. In addition to the peer review team, the researcher had a project supervisor who was the focal point in guiding and challenging the researcher on mastering of the research content.

3.4.4 Limitations of the study

In the EAC operations and services, the study is limited to assessing regional integration progress in the East African Community in three broad spectrums, namely: customs union, community external relations and common market; and does not study other stages of regional integration schemes such as monetary union and political federation which are not an integral part of the study.

Secondly, a minor limitation is that this being a case study research design, the conclusions drawn are not automatically generalizable. This limitation is one of the main criticisms of case study research design. Nevertheless, this limitation matters less in this research because the study was simply contextual, case of EAC, and not aiming at drawing generalizations but rather simply giving particular details of the EAC with respect to the subject matter.

3.5. Summary

This chapter presents the research design and methodology used to conduct this research. The design and methodology used in this research study was primarily determined by the purpose and the objectives of this research study. This is an exploratory qualitative research. It utilized a case study design. The methodology employed involved non-probability sampling, primary and secondary data collection, data entry and analysis for presentation of the research results. The research results will be presented in Chapter four and Chapter five provides the interpretations of the research results. The chapter finishes with a discussion on how the research study ensured validity and reliability and a description of the limitations of the study.

CHAPTER FOUR: PRESENTATION OF FINDINGS

4.1. Introduction

This chapter presents the findings from the data gathered from interviews. The findings are presented in detail and in sufficient approach (Simon, 2006). The purpose of the research firstly, was to assess the extent of regional cooperation and integration success in the East African Community. Secondly, to appraise the progress of regional integration protocols and policies' implementation at the national level, and to ascertain what challenges obstruct the regional integration process. Thirdly, to emphasize popular participation of the civil society organization, business community and regional parliamentarians on the East African regional integration agenda in the East African Community public policy processes. In the research semi-structured interviews were applied, due to the nature of the research it required submission of regional cooperation and integration experts in the East African Community. More importantly, the quotations in this chapter are a reflection of eight respondents' views and perspectives on regional cooperation and integration in the EAC. However, it has to be noted that the respondents' reflected their views and perspectives in the EAC integration according to the area of speciality. In simple terms, 2 out of 8 respondents had presented the views and perspectives on the East African Community customs union. Lastly the themes coded in this chapter are a resemblance of the themes that were utilised in the master questionnaire.

4.2. The East African Community Customs Union

According to the history of East African Community, when the community was re-established in 1999, the partner states agreed to enter into the customs union as the first stage in 2005, and skipped the preferential trade agreements and free trade area formation in the negotiations. The customs union is the first component of this research, and presents the views, perspectives and opinions of the respondents on tax policies and laws harmonisation process in the East African Community.

4.2.1 Tax Policies and Laws Harmonisation Process

Both the TZ MEAC respondent and BU respondent noted that there is free movement of goods within the region and a conducive business climate since the customs union came into being in 2005. The BU respondent explained that:

"The harmonisation of tax policies and laws will be attained in the process of deeper integration in the region".

Moreover the BU respondent noted that, customs union is the first entry point for partner states to harmonize their domestic revenue policies. In support of the above, both the TZ MEAC respondent and BU respondent said that:

"There should be a fully-fledged customs union from the transitional stages of implementation".

Subsequently both respondents stated that, *"the EAC partner states needed to harmonise their customs procedures not to be cumbersome for regional traders moving across the region".*

The above respondents mentioned that in the meantime there is a proposal on establishing the single customs territory within the community. However, they argued that Rwanda and Burundi need to have their goods taxed at the entry point, if the partner states will agree on modalities to establish a single customs territory. Most importantly, the TZ MEAC respondent mentioned that one of the challenges on the on-going process of harmonising tax policies and laws, and customs union implementation is the Uganda list.

The TZ MEAC respondent reported that the Uganda list is the incentives given to manufactures to import raw materials and industrial inputs from outside the region. Thus Kenya and Tanzania have raised concerns that Uganda creates distortions within the EAC customs union. He further explained that:

"The government of Uganda has requested its list to be exempted from customs duties at the point of entry in Dar-es-Salaam and Mombasa port".

The same respondent claimed that other partner states have paid duties on similar products and raw materials, and the impact has resulted in rendering other firms in the region uncompetitive.

Nevertheless, the TZMEAC respondent mentioned that, there is an agreement on double taxation, and partner states are yet to ratify the protocol. He further added that:

"There is EAC customs valuation manual in place, which ensures that partner states are harmoniously to comply with the East African Customs Management Act".

Lastly, both the TZ MEAC respondent and BU respondent agreed that, the customs union is a difficult stage for partner states to implement. They indicated that there is no need to rush and concluded that partner states cannot belong to more than one customs union arrangement.

4.3.1 Community External Relations

With regard to the second component of the research, community external relations deals with modalities of how to establish the East African Community Permanent Missions in the World Trade Organization and European Union, capacity building for EAC secretariat staff, and partner states Foreign Service officers and trade representatives involved in multilateral trade negotiations, in addition to unified foreign and trade policy positions in economic partnership agreements and Doha development agenda. On top of that, the role of the business community and civil society organisations in the World Trade Organisations; economic partnership agreements and tripartite negotiations

between Common Market for Eastern and Southern Africa-EAC – Southern African Development Community.

4.3.2 Establishments of East African Community Permanent Missions to the World Trade Organization and European Union

The EAC V respondent noted that, in the meantime the community is building towards establishing the EAC representation offices in the World Trade Organisation and European Union. He mentioned that, for time being, partner states are busy with consolidating the integration, and it will not be possible at the moment to have the EAC missions in Brussels and Geneva, due to the fact that the foreign policy coordination protocol is not yet operationalised. However, the EAC V respondent acknowledged that:

"There is demand driven to establish the EAC foreign affairs directorate and to have representatives for key foreign portfolios at the EAC headquarters".

Moreover, the EAC V respondent indicated that there are motivation factors for establishing the EAC missions in Brussels and Geneva, such as, increased globalised world, to pull resources for a common good, efficiency use of resources, manpower in terms of pulling manpower and skills.

The EAC V respondent mentioned the prerequisites for establishing the EAC permanent missions in the World Trade Organisation and European Union. He said that:

"The EAC missions if well established by partner states have to represent the interest of the community".

The prerequisites that were mentioned by the EAC V respondent are: (a) manpower, (b) partner states' financial capacity for funding the missions, (c) communication, in terms of updated information, (d) specificity of rules and procedures of the missions, (e) mandate and reporting mechanisms. He further added that:

"If the above criteria's are met by the partner states, the work of the missions will be easy".

Consequently, the EAC V respondent indicated that the missions will be called the East African Community Representation Offices accredited to the World Trade Organisation and European Union. Correspondingly, the UG MOF respondent said that:

"Integration means that the EAC partner states have one embassy in the European Union and a single visa".

The EAC I respondent said that, in the past, the EAC partner states used to coordinate their activities through their consulates in Brussels and Geneva, and consulates officials used to have regular meetings and exchange of information on WTO trade related issues, including joint tourist and investment promotion in Brussels and Geneva. Nevertheless, the BU respondent explained that:

"In international relations, the major actors are states and international organisations in accordance with the provisions of Vienna Convention, which governs relations between states".

Therefore, both the BU respondent and EAC I respondent said that, the applications to establish the EAC missions in Brussels and Geneva depend to the will of Heads of State. The BU respondent subsequently said:

"If the Heads of State will approve, the procedure is simple, that requires the EAC Secretariat to ask for accreditation to the World Trade Organisation and European Union. He added that there is a need for EAC to be closer to the WTO".

Furthermore both the BU respondent and TZ MEAC respondent noted that the EAC trade observers must be attached to the WTO, and emphasized that it is important that the EAC treaty and protocols be in conformity with the WTO rules and procedures.

Lastly, the EAC V respondent indicated that there are policy making frameworks for every department in the EAC. For instance, he said for foreign affairs there is a sectorial committee on foreign policy coordination, that the experts from ministries of foreign affairs and international cooperation can initiate the agenda for establishing the EAC missions in Brussels and Geneva to the coordination committee up to the above layers of policy making.

4.3.3 Community External Engagements in Multilateral Trading System

In the above theme, the EAC I respondent mentioned that the role of the East African Community in trade negotiations is to facilitate meetings, hold meetings, seek negotiations funds, to prepare position papers, determine; what is it that is supposed to be discussed in the table.

Most importantly, the EAC I respondent reported that in the meantime there is a bill, if approved by partner states it will mandate the East African Community to negotiate on behalf of the member states in the regional and multilateral trade forums. She added that, the role of EAC Secretariat is not to play a front role in the negotiations, rather to provide an advisory opinion to regional negotiating teams. In light of the above respondent's view, the TZ MEAC respondent asserted that:

"The functional roles of the EAC Secretariat in trade negotiations are: note taking, briefing and summarisation of the core issues in the discussion. He added that, the nature of diplomacy is that the partner states representatives negotiate, conclude and sign multilateral agreements on behalf of their states".

4.3.4 Unified Foreign and Trade Policy Positions in Multilateral Trade Negotiations

In the above heading, the UG MOF respondent noted that the EAC partner states bargain as a bloc in regional and multilateral trade arrangements, rather than on the basis of a single country. He said Uganda believes that to negotiate as bloc is an ideal in the forefront for pushing regional integration in the East Africa.

Additionally, the EAC I respondent indicated that the partner states usually converge their negotiating position at the EAC headquarters. She mentioned that:

"The negotiating teams include the officials from ministries of trade and industry, foreign affairs, East African cooperation, infrastructure development and other relevant ministries. For the case of Kenya she added that, Kenya in a bid to strengthen its structures in trade negotiations has separated the ministry of trade and industry into two separate ministries. That the department of industry is the ministry on its own".

In light of what the EAC I respondent said the above, she explained that before partner states can schedule a meeting at the EAC headquarters, each country has its own trade agenda to advance in the negotiations process. For instance, she acknowledged Kenya is an advanced economy in the region and therefore has its own interest in advancing its industrial capability, Burundi focuses on imports, Rwanda in attracting foreign direct investments (FDI's), while Tanzania's interest lies in advancing its economic diplomacy strategies. Thus, in supporting the arguments of the EAC I respondent, the EAC V respondent affirmed that among the interests of partner states, some will be dropped and that will lead in the enforcement of commitments agreed upon at the regional level.

In line with the above statement, the EAC V respondent reported that partner states before initiating trade negotiations at the regional level, usually assess the international trade environment, afterwards they come together to agree their negotiating position by consensus at the EAC. More importantly, both the EAC V respondent and TZ MEAC respondent noted that Kenya is a leading negotiator in regional and multilateral trade

negotiations, thus speaking on behalf of other partner states based on agreed positions at the EAC.

The EAC V respondent indicated that, in foreign policy coordination protocol, it is easy to coordinate areas of cooperation in economic and social affairs while engaged on multilateral diplomacy and international organisations because demands are there.

The BU respondent reported that in Burundi, the ministry of foreign affairs and international cooperation facilitate the coordination of foreign policy vis-à-vis other ministries and other partner states. While the UG MOF respondent noted that in Uganda, there are EAC coordination units in every ministry, in particular the policy area. Moreover the BU respondent reported that;

"Since 2007-2010, the EAC leaders have changed their norms and now they work as group in multilateral forum".

The EAC I respondent reported that the East African Community has drafted the common trade policy and strategies for the community, that is intending to regulate regional trade and as a guide to external negotiations. She noted that, the protocol is expected at the end of year in 2012. Therefore in line with above the statement the TZ MEAC respondent mentioned that:

"Common trade policy is a proposal designed by the East African Community for partner states to adopt in order to facilitate their bargaining position in multilateral trade negotiations. And, not assured if partner states will approve the proposed policy due to the fact that partner states are reviewing their national trade policies".

Moreover the TZ MEAC reported that both foreign and trade policies are under review to address the contemporary issues of regional integration and beyond. He argued that all partner states trade policies are defunct. Thus partner states need to take time to review their foreign and trade policies. In relation to the above, the BU respondent said that:

"There is no hurry in regional integration and all stakeholders must discuss common foreign and trade policy protocols in detail before they are ratified".
Correspondingly, the UG MOF respondent reported that;

"The process of common foreign and trade policy ratification processes differs among the partner states. These are some of the reasons partner states take times to approve regional protocols. In Uganda the ratification process is a little bit shorter, the cabinet and parliament approves regional protocols at the same time. While in Tanzania the ratification process is longer and not harmonized".

Lastly, the EAC I respondent explained that the EAC common trade policy brings partner states elements together for the common market and to seek avenues into emerging markets. She noted that partner states have negotiated and aligned their positions in Trade-Investment Framework Agreements with China, India, Turkey and United States of America.

4.3.5Multilateral Trade Discourse in the World Trade Organization and European Union

In the above theme, the BU respondent stressed that in the globalised world, it requires partner states to be in a unity, as their voice needs to be heard. The respondent reported that; *"Burundi will have many problems to negotiate alone in the World Trade Organisation".*

It is worth noting that both the BU respondent and TZ MEAC respondent argued that the balance of power is not balanced in the WTO, and thus the European Union member states wants to manipulates decisions. In light of that, the BU respondent claimed that:

"The EAC partner states should not support subsidies in the Doha round of trade negotiations".

With regard to economic partnership agreements the TZ MEAC respondent mentioned that EPA negotiations have taken time to be concluded because the European Union wants to make the EAC a dumping zone. In addition to that, he noted that there are too many requirements that partner states cannot comply with; economically partner states are not strong and the East African Community is very young. However, he further said that: *"The EAC partner states find that it's harder to negotiate with development partners in economic partnership agreements".*

The EAC I respondent acknowledged that economic partnership agreement negotiations are about free trade between the European Union and the East African Community configuration. Nevertheless, she raised a concerned about the European Union over the Most Favoured National clause, which the European Union keeps on emphasising that developing economies should not be favoured under the Most Favoured National clause. On top she argued that the EAC economies are still growing and the European Union is a more advanced economy.

Therefore, both the UG MOF respondent and TZ MEAC respondent had arrived at the same conclusion that partner states in WTO and EPA negotiations diverge their positions while negotiating. Basing on the fact that, partner states want to be compensated by other states before they can conclude negotiation. However, the UG MOF respondent agreed that to a certain extent on some of the issues partner states tend to agree. He observed that integration means harmonisation of positions. Proponents, the EAC V respondent reported that:

"There are sanctions if partner states go beyond the treaty in multilateral trade negotiations provided on Article 143 of the treaty establishing the East African Community. A partner state will be reported to the Council of Ministers for further action to be taken".

4.3.6 COMESA-EAC-SADC Tripartite Negotiations

The TZ MEAC respondent noted that in tripartite negotiations, the EAC partner states negotiate as a bloc. Thus the EAC chief negotiator negotiates on behalf of the community. He said that: *"Kenya is a chief negotiator in behalf of the East African Community on tripartite negotiations"*.

Additionally, the EAC I respondent reported that the in the East African Community Secretariat there is a tripartite unit that handles tripartite negotiations.

4.3.7 Civil Society and Business Community Participation in Regional Integration Agenda and Multilateral Trade Negotiations

In light of the above themes, the civil society organization and business community are part and parcel of regional integration in the East African Community. The BU respondent noted that the civil society organization plays a pivotal role in regional integration by sensitizing local ownership of integration. He mentioned that: *"In Burundi the civil society organizations have sensitized the general public to embrace the East African Community integration"*.

The BU respondent indicated that the public in Burundi must work very hard because regional integration is about action. He added that: *"The government of Burundi has to embrace its people to work hard and to protect their rights while integrating in the East African Community"*.

According to the TZ MEAC respondent, in Tanzania the civil society organization and business community are consulted country wide for their inputs in particular sectors of integration. Subsequently, the respondent mentioned that in Tanzania the private sector is relatively small and in actual sense has no capacity to trade with European Union.

The UG MOF respondent explained that in the meantime there are no institutionalized arrangements for the participation of the civil society organizations and business community in the policy formulation processes of the East African Community. It is worth noting that the TZ MEAC respondent had different explanations about the role of civil society organizations and the business community in regional integration agenda. He mentioned that:

"The business communities in the East African Community are organized in the APPEX Board and they are active in regional integration agenda, and multilateral trade negotiations. Unlike the civil society organizations are not under APPEX Board, and they are disorganized".

Thus, in light of what the TZ MEAC respondent has mentioned above, nevertheless he stressed that the civil society organizations inputs and their submissions in regional integration agenda are not binding on the partner states. He noted that the chairperson has to approve their submissions before they are considered.

The TZ MEAC respondent indicated that the business community participates directly in trade negotiations while the civil society organization participates indirectly. He affirmed that in a critical case the civil society organization and business community experts are consulted for additional inputs in multilateral trade negotiations. More broadly, the UG MOF respondent mentioned that:

"In Uganda the civil society organizations organize their own integration forums, and the East African Business Council brings the business people from the East African region, they engaged in discussion and send their recommendations to the Secretariat".

However the UG MOF respondent noted that in Uganda all integration stakeholders are invited to add their inputs to formulate a country position in regional and international trade negotiations. He said that: *"First the process involves official meetings that set the agenda and some of the core integration issues are finalized at the ministerial level".*

Finally, the TZ MEAC respondent stressed that the civil society organization and business community dialogue in COMESA-EAC-SADC tripartite negotiations have to be formalized and approved by the EAC partner states. He indicated that: *"In tripartite negotiations sometimes the civil society organization and business community don't participate at all"*.

4.3.8 Funding of Participation

The BU respondent reported that in multilateral trade negotiations, donors fund the participation of civil society organisations. In the case of Tanzania, the TZ MEAC respondent noted that the civil society organization fund themselves to participate in regional integration meetings, forums and dialogue.

4.3.9 Trade Negotiations Capacity Building for the EAC Secretariat Staff, Partner States Foreign Service Officers and Trade Representatives in Multilateral Trade Discourse

4.3.9.1 The Relevance of Foreign Service Institute of Kenya and Centre for Foreign Relations

The above themes will present the views and perspectives of the respondents on the relevance of Kenya Foreign Service Institute and the Centre for Foreign Relations in enhancing the capacity building for the EAC Secretariat staff; partner states Foreign Service cadres and trade representatives in multilateral trade negotiations.

The EAC IV respondent reported that the EAC Secretariat staff, individually choose where they want to go for training. In support of the above the TZ MEAC respondent noted that most of the staff prefers to go for tailor made courses abroad, he mentioned Swaziland as the hot destination for tailor made programmes. In light of that, the EAC I respondent affirmed that:

"Some of the EAC Secretariat staffs have been trained at the Trade Policy Training Centre in Africa. Also the need for training depends on the availability of the staff in the EAC Secretariat directorates and departments".

The EAC IV respondent reported that some departments in the EAC have one person and others with few staff. She noted that within the EAC Secretariat, they provide training for lawyers, economists and trade officials. The training is provided under the human resource department, training division, which includes training in legal affairs of the community and policy formulation.

In addition, the EAC I respondent affirmed that a good number of trade officials from ministry of industry and trade in Tanzania are trained at the University of Dar-es-Salaam in Masters of International Trade. She reported that trade officials in Kenya are trained in Masters of Arts in Economics of Multilateral Trading System offered by the University of Nairobi. Moreover the TZ MEAC respondent stated that trade representatives from the ministries of East African Cooperation and Trade and Industry in Tanzania have been trained at the Trade Policy Centre in Africa, Arusha in Master of Science Programme in International Trade Policy and Trade Law. He acknowledged that there are two staff members from his department of trade and investment in the ministry of East African Cooperation have been admitted for the Post Graduate Diploma in Economic Diplomacy at the Centre for Foreign Relations. The EAC I respondent reported that:

"Some of the EAC Secretariat staff are Professors and Ph.Ds. holders they don't necessarily require training neither at the Centre for Foreign Relations nor at Foreign Service Institute of Kenya. Somewhat they seek out for refresher courses".

In line with above remarks, she added that the Centre for Foreign Relations and Kenya Institute of Foreign Service needed to introduce refresher courses in trade negotiations, trade policy measures, and trade in services.

The EAC I respondent argued that trade negotiators from ministries of industries and trade in the region are well equipped manually, but are sometimes not adequately prepared, depending on issues. For instance, she mentioned that trade negotiators find it challenging to interpret rules of origin terminologies in the World Trade Organization meetings and economic partnership agreement negotiations.

Therefore, the majority of respondents reported that the Foreign Service Institute of Kenya and Centre for Foreign Relations can introduce trade related capacity building programmes in light of supply and demand of the skills needed in the ministries of foreign affairs, industries and trade, agriculture and fisheries. Apart from the above, the BU respondent professes that:

"Burundi lacks human resources center's of excellence which is connected to the realities of the ministries. That the ministry of foreign affairs needs to communicate directly to the EAC, Centre for Foreign Relations and Foreign Service Institute of Kenya to address its capacity challenges in trade related negotiations".

In summary, all respondents seem to agree that one of the challenges facing the EAC Secretariat staff, partner states Foreign Service cadres and trade representatives to attend training through center's of excellence of partner states and abroad is funding. Finally, the TZ MEAC respondent had a different explanation as he testified: *"There is high mistrust among the partner states; hence it is not possible to use their centers of excellence in diplomatic training for capacity building".*

4.4. The East Africa Common Market

The third component of this research is common market. It is more important to note that the implementation of the common market protocol has been a challenge for partner states. Thus, there are key policy issues on customs union stage that have not yet been agreed upon among the partner states. The UG MOF respondent stressed that in the common market stage there are bracket issues not fully agreed upon. He argued that Tanzania has raised three issues for regional integration, which are: (i) a big country, (ii) land matters should not be part of integration agenda, (iii) education system and political turmoil in the region. Interestingly, Tanzania fears integration due to its past integration experience, that resulted in the collapse of the former East African Cooperation.

4.4.1 Trade in Services, Free Movement of Persons and Labour

The BU respondent reported that the movement of persons in the region is free and said partner states needed to promote free movement of people and capital so as to be able to invest in any country in the East African Community.

Realistically, the TZ MEAC respondent noted that Tanzania has argued that the free movement of services cannot be linked to free movement of workers; this is because Kenya is highly advanced in particular services sectors. For instance, the TZ MEAC respondent mentioned services sectors such as, hospitality industry, travel and tourism, and financial sectors. He further noted that Tanzania is not committed enough on services sectors. However, the TZ MEAC respondent affirmed that the above factors have pushed Tanzania to reform its education system and to improve its hospitality industry in line with advancing credible strategies for tourism promotion. On the other hand, the TZ MEAC respondent reported that, for the time being Tanzania is getting prepared to liberalize the services sectors. In addition, the UG MOF respondent pointed out those Tanzanian medical practitioners fear that Ugandan doctors will take up their jobs. Apart from that he reported since 2009/10 Kenya has conducted a study on waiving work

permit fees to workers from the region interested in working in Kenya in order to open up employment opportunities for East African citizens.

4.4.2 Rights of Establishment and Residence

It's clear that Kenya is the second largest investor in Tanzania's economy, therefore it is evident that Kenyans are coming to Tanzania as investors. The TZ MEAC respondent reported that the government of Tanzania has noted that Kenyans have come in large numbers as investors, while they are intending to grab land. He argued that the government has recognized this and wants to change its legislation to restrain foreigners from grabbing land. According to the TZ MEAC respondent, Kenya has identified laws and policies ought to be reviewed to effect the implementation of the common market protocol. He mentioned policies such as employment and immigration policies, business registration and licensing, investment laws, and capital market regulations.

Most importantly, however Burundi has the fastest growing population in the East African region. The BU respondent stated that Burundi occupies an area of 28,000 square kilometers with an estimated population of 10 million people. He said there is not enough land in Burundi. Nevertheless he argued that the right of establishment means to create power. He mentioned that; *"The right of establishment for East African citizens in any EAC country is dangerous for partner states, because it is about power establishment of certain communities in any other country that eventually may lead to destabilization of the region".*

Moreover, the BU respondent mentioned the case of Economic Community of Central African states (CEMAC), where Equatorial Guinea has refused to go along with the free movement of persons and labour , rights of establishment and residence because of its small population and natural resources endowment. He added the case of Northern Ivory Coast, which is an unstable region because of a large number of foreign immigrants.

Lastly, he emphasised that: *"It is not easy to open everything at the same time; there must be a space"*.

4.5. The Role of Transport Infrastructure in Trade Creation across the Single Market

The above heading will present the respondents' views and perspective about the state of East Africa roads and rail networks in enhancing trade creation across the single market.

4.5.1 Roads and Rail Networks

With regard to the above themes, the TZ MEAC respondent noted that poor roads and railway lines, which are not linked together in the East African region, are among the factors that impede intra-regional trade expansion. He argued that the railway sector in Tanzania is unreliable and has poor quality services. More interestingly, the UG MOF respondent said: *"I wonder why the EAC partner states keep on emphasizing roads infrastructure development instead of opting for inland waterways and railway transportation in the region for which they are affordable. The use of roads and air transportation is expensive"*.

The BU respondent reported that Burundi has no expansive road networks that link with other EAC partner states. However he argued that the East African railway programme will be good for Burundi to advance its trade ties with the rest of East African Community member states. In short he noted: *"the absence of rail networks between Burundi and Tanzania, trade in Lake Tanganyika is not performing well"*.

4.6. The Role of Transport Infrastructure in Trade Expansion across the Single Market

The above theme presents the views of the respondents on the role of Mombasa and Dar-es-Salaam port facilities in facilitating trade expansion within the East African region and beyond.

4.6.1 Mombasa and Dar-es-Salaam Port Facilities

The BU respondent reported that Rwanda and Burundi's economy largely depends on two regional major ports, mentioning the port of Mombasa and Dar-es-Salaam. Nevertheless, he stressed that the Dar-es-Salaam port is the backbone of Burundi's economy.

In addition, the BU respondent, TZ MEAC respondent and UG MOF respondent agreed that both Mombasa and Dar-es-Salaam port facilities are under - capacity and inefficient. In light of the above statement, the TZ MEAC respondent mentioned that: *"Mombasa port is more advanced while the Dar-es-Salaam port was not designed as a gateway to the region"*.

Most importantly the TZ MEAC respondent reported that Tanzania is planning to expand its port operations and facilities in Dar-es-Salaam, Tanga and Mtwara region. Furthermore the UG MOF respondent mentioned that: *"there are multiple of challenges at the Mombasa port that has affected traders from land locked countries such as Uganda, Rwanda and Burundi to experience cumbersome clearance procedures and delays at the port, in line with numerous road blocks and weighbridges in the Northern Corridor"*.

4.7. Funding Mechanism for Community Projects and Programmes

The EAC III respondent reported that partner states have been delaying in dispensing funds to the community activities for a period of six months. Thus both the EAC III respondent and UG MOF respondent noted that it is difficult for the EAC to attain its set objectives and this delays the community in commencing its activities. More importantly, both the EAC III respondent and TZ MEAC respondent argued that the global financial crisis, which happened in 2007/2008, has contributed to partner states sending insufficient funds to the East African Community. With regard to partner states' contribution to the budget of the community, the UG MOF respondent reported the contribution is equal among the partner states. Therefore, all the above respondents reported that partner states do not honour their commitments to send the budget on time and they take too long to pay their contributions. Not surprisingly the BU respondent reported that it is very common for African organisations to not being funded by its member states. Consequently the EAC III respondent reported that the development partners have contributed towards funding the activities of the EAC Secretariat.

The UG MOF respondent mentioned that: "*other source of funding community projects and programmes comes from the East African Development Bank, African Development Bank, and, the World Bank"*.

4.7.1 The EAC Participation in Multilateral Trade Negotiations Funding Mechanism

The EAC III respondent mentioned that: "*the EAC-EU-EPA negotiations are funded from the main budget of the partner states in addition to the contribution from development partners such as Swedish International Development Cooperation Agency, European Union; Development Fund; and United States Agency for International Development"*.

In addition the EAC III respondent reported that in the tripartite negotiation between the COMESA-EAC-SADC, a greater proportion is funded by the European Union

development fund, and that the EAC access the fund through COMESA. She noted that other negotiations' fund comes from EAC partner states. She further said that the East African Community has signed a memorandum of understanding with Swedish International Development Cooperation Agency (SIDA) on July 2011 to extend EPA negotiations project to September 2012.

4.7.2 The Role of Donor Community Support in the East African Regional Integration Initiatives

In an interview, the UG MOF respondent reported that the donors' community provides funding for the activities that have been presented to them. To a certain extent the UG MOF respondent, TZ MEAC respondent and BU respondent agreed that donors funds obstruct the integration process. The UG MOF respondent noted that the obstruction of regional integration process by donors' support was raised in the EAC meeting held on April 2012. In support of the above statement, the BU respondent reported that: *"it is a pressure from donor's community to fund the EAC projects and programmes for good will or sometimes not for good will"*.

Despite the above facts, all respondents seem to agree that the donors' community prefer not to deal with individual partner states on regional integration projects and programmes, and deal with the community as a whole. However the UG MOF respondent noted that 50 % of the community budget comes from the donors community, and thus the contribution from partner states to the EAC is not enough. Hence the need to mobilize resources from the donors community is crucial.

4.7.3 Reliable Sources of Funding Community Projects and Programmes

Both the BU respondent and TZ MEAC respondent reported that partner states have to contribute as the contributions are based on the size of their economies and demographic factors. The BU respondent indicated that the proper means of funding community

projects and programmes, 70% of the budget must come within the community. Apart from the above respondent view, the TZ MEAC respondent reported that the proposal for funding community projects and programmes from the customs revenue has not yet been approved by partner states.

4.8. Dispute Resolution Mechanisms

Dispute resolution mechanisms are important for the East African Community, as the BU respondent acknowledged that where there are people, conflicts arise. He stated that the treaty establishing the East African Community provides overall mandates and functions of each organ and institutions of the community. Similarly, the UG MOF respondent stated that the treaty provides who does what. He noted that the East African Court of Justice has power to handle disputes that arise from customs unions and common markets. Nevertheless, the TZ MEAC respondent argued differently that the East African Court of Justice has no capacity whatsoever to entertain customs union and common market disputes.

Therefore, since the East African Court of Justice was launched, it has encountered a number of challenges, thus the UG MOF respondent mentioned that: *"among the challenges is manpower; backlog of cases; inadequate resources to verify cases and judges have not been stationed in a particular place"*.

4.9. Assessment of Community Institutional Arrangements and Reforms

According to the UG MOF respondent, the EAC Secretariat must be the image of the community. The EAC organs are the principal policy making structures of the community, while its institutions are responsible for regional integration policies oversight and implementation. The UG MOF respondent noted that the EAC organs and

institutions are weak and not functioning well. He added that partner states have failed to relinquish some of their sovereignty to the organs and institutions of the EAC. Furthermore, he noted that the above factors make the integration harder.

The BU respondent reported that the EAC Secretariat, directorates and departments have to be changed to accommodate the South Sudan and Somalia. Additionally, the TZ MEAC respondent indicated that the proposal for reforming the EAC Secretariat into a commission and to be given a negotiating mandate in multilateral trading forums was blocked by partner states. However, the EAC V respondent mentioned that: *"one of the challenges of current institutional arrangements is decision making system which is based on consensual agreement among the parties. If a partner state does not agree on the subject matter of integration, there is no movement; the EAC is only a coordination agent"*.

Lastly, the TZ MEAC respondent reported that Tanzania fully support the principle of variable geometry as it is good for regional integration, for instance, he mentioned the case of Rwanda's application to join the Southern African Development was blocked by Democratic Republic of Congo.

4.10. Monitoring and Evaluation Institutional Arrangements

The above heading presents the respondents' views and perspectives on the role of the EAC planning, research, monitoring and evaluation department and national implementation committees in monitoring and evaluation of regional integration policies and programmes at a regional and the national level.

In light of the above explanation, the EAC planning, research, monitoring and evaluation department is concentrated on core mandates of regional integration, namely, customs union and common market. The EAC II respondent noted that the above department monitors all projects and programmes of the community, he affirmed that there are no

specific institutional arrangements to monitor and evaluate different programmes. He further asserts that as the EAC is expanding, partner states need to establish separate divisions for monitoring and evaluation within the EAC Secretariat directorates.

With regard to the research unit within the planning, research, monitoring and evaluation department, the EAC II respondent reported that the research unit is not functioning. He argued that the entire department is understaffed.

Most importantly the TZ MEAC respondent reported that: *"the new structural arrangements have been proposed, therefore the planning, research, monitoring and evaluation department will no longer be understaffed. The new staff will be employed under the quarter system"*.

It is worth noting that in all EAC partner states, there are national implementation committees on common market. They are tasked to assess the progress of implementing the provisions of the common market protocol. The TZ MEAC respondent reported that in Tanzania there are national monitoring committees in particular sectors of regional integration. Moreover he noted that national monitoring committees are tasked to ensure that national laws are in conformity with integration policies and laws. He added that Tanzania has formed a team of permanent secretaries to oversee the implementation of common market protocol and to identify laws that obstruct the process of integrating the region.

According to UG MOF respondent in Uganda, the regional and bilateral trade division under the ministry of trade, industry and cooperatives monitors the implementation of regional trade related programmes and protocols at the national level. The UG MOF respondent further explained that: *"the EAC secretariat has to ensure Kenya and Uganda implements what has been agreed at the regional level and the partner states have to give out reports concerning implementation"*.

In addition, the BU respondent reported that: *"the ministry in charge of East African Cooperation in the Presidency office monitors the implementation of regional policies domain by domain".*

Finally, all respondents averred that the level of customs union and common market protocol implementation at the national level are low. Deadlines expire without being implemented, thus the political will is needed from partner states to enforce the above protocols.

4.11. Regional Integration Challenges and Successes

The above themes present the successes and challenges that obstruct regional integration progress in the East African Community.

4.11.1 Integration Challenges

The UG MOF respondent, BU respondent and TZ MEAC respondent mentioned that integration resources are coming from partner states. They stated that partner states do not have enough resources to advance the integration agenda at the regional level. Despite this, the BU respondent reported that inequality of membership has an effect on the process of integrating the region.

Most interestingly, the UG MOF respondent reported that partner states have not worked together to educate the general public what integration is all about. He noted that people at the grass root level are not informed about East African integration.

According to the majority of respondents, security is a key concern in the region. The presences of Al Shabab and Lord Resistance Army distract the integration agenda. In

light of the above statement the BU respondent responded that: *"the climate change has contributed to inter-tribal conflicts among the pastoralist communities in the region, hence affects the realization of regional integration goals and foreign direct investments"*.

Most importantly, the UG MOF respondent argued that cultural differences also obstruct the integration agenda. For instance, he mentioned that Tanzania and Uganda have different ways of doing things. In supporting the above respondent view the EAC V respondent mentioned that: *"the different legal systems and cultural set up in the East African Community can be positive and sometimes be negative"*.

Moreover the UG MOF respondent reported that the growing nationalism in Zanzibar, as they keep on demanding their own self-governing autonomy out of the union with Tanzania, may negatively impact the consolidated spirit of togetherness in the East African Community. Apart from that, he added that in Uganda, the Buganda kingdom wants a federal status within Uganda.

Additionally, the BU respondent mentioned that the lack of adequate infrastructure and human capital in the region have obstructed the integration agenda. He added that corruption at the Mombasa and Dar-es-Salaam ports, which involves the customs and port officials, distresses the business community.

The TZ MEAC respondent concluded that in the EAC meetings some partner states collude to push their own agenda against other member states.

4.11.2 Integration Successes

The BU respondent and UG MOF respondent reported that partner states and the East African people have been brought together by the Swahili language and bound by the principle of togetherness. They argued that there is a spirit of brotherhood among the

partner states with their existing differences. According to TZ MEAC respondent, it is worth noting that partner states have agreed that Zanzibar should be the headquarters for EAC Kiswahili Commission.

The UG MOF respondent indicated that since the East African Community was re-launched, its organs and institutions have been set in place. He mentioned that the EAC institutions such as the Inter University Council for East Africa and Civil Aviation Safety and Security Oversight Agency, the first of its kind in Africa, have been established since 2007; thus they have rendered services to other members of EAC.

To a certain extent, despite the regional integration challenges, intra-regional trade has been a little bit easier. The UG MOF respondent pointed out that roadblocks and non - tariff barriers to trade have been reduced by partner states. Furthermore, he noted that partner states have signed and concluded customs union and common market protocols. He added that protocols such as foreign policy coordination and defence have been signed and these facilitate integration initiatives in the region. He acknowledged that it is a achievement for the community as it is getting prepared for the common currency in 2012/13.

Finally the BU respondent and UG MOF respondent concluded that their countries, Burundi and Uganda are at the forefront in EAC integration agenda.

4.12. Advancing the East African Regional Integration Agenda

The UG MOF respondent argued the need to support the fast track regional integration process as opposed to European Union, because the East African Community looks at the economic union and political federation at the same time. In light of what the respondent said above, the BU respondent and TZ MEAC respondent argued that to take the East

African integration forward, partner states must fully commit themselves on regional cooperation and integration. Additional to that, the BU respondent indicated that regional integration discussion must be deep.

The above three respondents stressed that partner states have to build trust and confidence among themselves. They argued that partner states must inform the people at the grass root level what integration is all about. More broadly, the UG MOF respondent mentioned that partner states have to mobilize resources from different corners of the world to drive the EAC integration agenda further. He added that partner states need to consolidate peace and security in the region, and to strengthen the organs and institutions of the East African Community.

The TZ MEAC respondent had a different opinion about taking forward the East African Community regional integration agenda by emphasizing that partner states needs to liberalize their economies and not trade per se.

4.13. Summary of the Chapter

The data presented in this chapter was collected through interviews, from respondents' views and perspectives on the East African Community regional cooperation and integration, in addition to highlighting the successes and challenges that obstruct the East African regional integration agenda. Most importantly the chapter has presented the key research components, namely, the East African customs union, community external relations and common market. On top of that, the themes that emerged out of the three research components have presented the valuable insights on assessing the regional integration progress in the East African Community. Thus under each research component, the respondents' views and perspectives were presented and formed the basis for analysis and interpretation in the following chapter five.

CHAPTER FIVE: ANALYSIS OF FINDINGS AND INTERPRETATION

5.1. Introduction

The analysis of results and interpretation presented in this chapter will in depth address the research questions provided in chapter one. The primary research question that guided the research investigation was: (i) what needs to be done to strengthen regional cooperation and integration in the East African Community? The secondary research question was: (ii) is it possible for partner states to strengthen regional cooperation before embarking upon the process of further integration in the region? The additional research questions were: (iii) what institutional arrangements are in place for the community trade negotiations capacity building, policy monitoring and evaluation? (iv) how do the partner states formulate common policy positions in multilateral trade negotiations? Therefore the purpose of the research firstly was to assess the extent of regional cooperation and integration success in the East African Community. Secondly, to appraise the progress of regional integration policies implementation at the national level, and to ascertain what challenges obstruct regional integration progress in the EAC. Thirdly, to propose how the East African Community can be restructured and transformed into functional regional structures. Additionally, to emphasize popular participation of the civil society organization, business community and regional parliamentarians on the East African regional integration agenda in the community public policy processes.

Thus in this chapter the literature review, integration theories, legal and regulatory framework will be integrated with respondents' views, perspectives and general explanation on the East African regional cooperation and integration. The structure of the presentation will include the same headings presented in chapter four, in analyzing and interpreting results.

5.2. The East African Community Customs Union

5.2.1 Tax Policies and Laws Harmonization Process

The TZ MEAC respondent and BU respondent reported that there is free movement of goods and a conducive business climate since the customs union came into being in 2005. Article 3 of the customs union protocol spells out that the objectives of the customs union protocol are:

> (a) To liberalize intra-regional trade in goods on the basis of mutually beneficial trade arrangements among partner states.
> (b) To promote efficient production in the community.
> (c) To enhance domestic; cross border; and foreign direct investment in the community, among others.

Therefore, in accordance with Article 32 of the common market protocol, to provide that partner states undertake to progressively harmonize their tax policies and laws to remove tax distortions in order to facilitate free movement of goods, services, capital and to promote investment within the community. Most importantly, in the meantime Kenya has charges of value added tax (VAT) at the rate of 16% while the rest of the EAC partner states charges 18 % (Tindyebwa, 2011; Namara, 2012). On top of that, the excise duty is charged at the rate 4 % in Rwanda and 5 % in other EAC countries (Namara, 2012). On the other hand, the EAC partner states have reached a considerable harmonization of corporate income tax. The standard income corporate tax rate is 30 %, except in Burundi where it is 35% (Tindyebwa, 2011). However it is worth noting that updated partner states implement internal tariffs and thus goods are not circulating freely within the region (Sindiga, 2012). As a matter of fact, the BU respondent reported that: *"the harmonization of tax policies and laws will be attained in the process of deeper integration in the region"*.

According to CUTS (2010) the process of identifying tax policies and laws to be harmonized is complex, that is, the rationale to: (a) ensure optimal allocations of resources, (b) maximization of economic benefits, (c) stimulate economies of scale, (d) maximize revenue collection and compliance.

The BU respondent and TZ MEAC respondent reported that there is a proposal to establish a single customs territory within the community. Thus, the analysis from the literature revealed that the East African Community cannot have a single customs territory, unless the barriers to integration and fears among the member states themselves are fully addressed (Sindiga, 2012). In light of what the BU respondent and TZ MEAC respondent have reported above, they further mentioned that: *"there should be a fully-fledged customs union from transitional stages of implementation"*.

In support of the above statement, Article 75 (2) of the EAC treaty stipulates that the establishment of customs union shall be progressively in the course of the transitional period as shall be determined by the council of ministers. The analysis from the above respondent's perspective revealed that in 2010 it was expected in the EAC to realize the fully operationalized customs union from the transitional stage. Nevertheless the lack of agreed mechanism among the partner states for collection and sharing of customs revenue, in addition to lack of harmonised domestic tax regimes have failed the customs union (Sindiga, 2012). More importantly there is no partner state that has fully identified the laws that ought to be harmonized for implementing a single customs territory in the region (Abdi, 2012). Realistically, Kenya has 10 laws that ought to be changed, while Uganda has just started identifying laws that are to be harmonized (Abdi, 2012).

According to Article XXIV of the General Agreement on Trade and Tariffs (GATT) paragraph (8(a)) provides that the customs union shall be understood to mean the substitution of a single customs territory for two or more customs territories in accordance with paragraph 8 (a (i)) of Article XXIV that duties and other restrictive

regulations of commerce, except where necessary those permitted under Article XI, XII,XIII, XIV, XV and XX are eliminated with respect to substantially all the trade between the constituent territories of the union or at least with respect to substantially all the trade in products originating in such territories.

Interestingly, it is argued that the functionalist approach looks at the regional cooperation process as a transitional stage of regional integration. In the case of EAC, since the customs union came into effect in 2005 and, eventually after five years of transitional stages lapsed in 2010, as partner states failed to realize the fully fledged customs union, it is worth noting that partner states are still negotiating a free trade area formation up to date (Ng'eno et al., 2003; Tindyebwa, 2011). Arguably, a fully-fledged free trade area (FTA) requires intensive negotiations among the partner states to eliminate internal tariffs and non-trade barriers over a period of time (Ng'no et al., 2003). In light of that Article XXIV of the General Agreement on Trade and Tariffs (GATT) paragraph 8(b) provides that a free trade area shall be understood to mean a group of two or more customs territories in which the duties and other restrictive regulations of commerce except where necessary, those permitted under Article XI, XII, XIII, XIV, XV and XX are eliminated on substantially all the trade between the constituent territories in products originating in such territories.

However the TZ MEAC respondent attested that one of the challenges of the ongoing process of harmonizing tax policies and laws is Uganda list. It is an incentive given to manufactures to import raw materials and industrial inputs with exemption from customs duties in Kenya and Tanzania. According to paragraph 2 of the Article 11 of the customs union protocol provides that the partner states agree that, upon the coming into force this protocol, and, for the purpose of the transition into a customs union: (a) goods to and from the Republic of Uganda and the United Republic of Tanzania shall be duty free; and (b) goods from the Republic of Uganda and the United Republic of Tanzania into a Republic of Kenya shall be duty free. It is clear that the Uganda list has rendered other

manufacturing firms in the region uncompetitive as they are subject to customs duties on similar products and raw materials.

5.2.2 Customs Union: Theoretical Debate between Functionalism and Customs Union Theory

The relevance of functionalism's theoretical school of thought in the East African Community regionalism is that endogenous factors are the ones driving regional integration (Jacobson, Reisinger & Mathers, 1986). While for the case of the EAC, it is quite different when it comes to customs union implementation in relation to customs duties and charges of equivalent effects on internal trade and elimination of non-tariff barriers to trade (Tindyebwa, 2011). Thus from the data, it emerged that the EAC partner states are not interested on endogenous factors that drive the integration forward, such as intra-regional trade facilitation, free movement of goods, services and persons, domestic revenue policies and laws harmonization and coordination among themselves (Ng'eno et al., 2007; Tindyebwa, 2011; Sindiga, 2012). More importantly, the EAC partner states, to a great extent, have focused on exogenous factors that drive regional integration; for instance, the uniform application of common external tariffs against non-members states and joint participation in multilateral trading schemes (Tindyebwa, 2011). Therefore, from the customs union theoretical point of view, partially partner states have implemented common external tariffs against non-member states due to the fact that the regional market is not enough to advance their economies (Tindyebwa, 2011). The underlying intention of the EAC partner states is to insert their economies into a global economy mainstream (Draper & Qobo, 2009). Thus it requires partner states to strengthen their capacity to participate in the global trading system in order to enhance their economic growth and to attain development priorities in the region (Tindyebwa, 2011).

It can be argued that the EAC partner states need to harmonize their tax policies and laws to get ready for tripartite grand free trade area formation and customs union negotiations on elimination of non-tariffs barriers to intra-regional trade between COMEAS-EAC and SADC, and these may eventually lead to common external tariffs negotiations (Tindyebwa, 2011). Moreover it argues that the above initiatives may lead towards the rationalization of African Economic Communities (Braude, 2008). According to Article 6 (2-c) of the treaty, establishing the African Economic Communities requires that at the level of each regional economic community and within a period not exceeding ten years, establishment of a free trade area through the observance of a time table for the gradual removal of tariff barriers to intra community trade and the establishment of a customs union by means of adopting common external tariffs. Correspondingly, Article 37 (3-a) of the EAC customs union protocol stipulates that, upon signing of the protocol and before its coming into force, and taking into account, (*inter-alia*) the provisions of paragraph 1 and 2 of this article, that the partner states shall identify the issues arising out of the current relationships with other integration blocs, multilateral and international organizations of which they are members, in order to establish convergence on those matters for the purpose of customs union.

The analysis suggests that the East African Community is an outwards oriented regionalism (Braude, 2008; CUTS, 2010; Tindyebwa, 2011), that is, the EAC partner states wants to tap the potentials of global market, and to compete with other regional integration schemes in terms of trade, foreign direct investment, a relatively large share international trade and to spur regional economic development (Braude, 2008; CUTS, 2010; Tindyebwa, 2011).

5.3. Community External Relations

5.3.1 Establishments of East African Community Permanent Missions to the World Trade Organization and European Union

Article 2 of the Vienna Convention on Diplomatic Relations (1961) provides that the establishment of diplomatic relations between states and of permanent diplomatic missions takes place by mutual consent. According to B Sen (1988) the first step that ought to be undertaken to establish permanent diplomatic missions, is to approach the institutions concerned and states where the institutions are located for an agreement to establish the EAC missions. Thus the EAC requests to establish its permanent diplomatic missions to the World Trade Organization (WTO) and European Union (EU) have to be examined in the ministry of foreign affairs in Belgium and Switzerland, in addition to institutions involved (B Sen, 1988). The actual decisions on establishing the EAC permanent missions to the WTO and EU will be taken by the Heads of State and Government of Belgium and Switzerland, additionally to the Secretary General of the WTO and European Union Commission President (B Sen, 1988). In this context the EAC I respondent and BU respondent reported that what matters is the will of the EAC Heads of State to approve the process, which will enable the East African Community to ask for accreditation to the WTO and EU and to acquire a fully-fledged diplomatic status.

The EAC V respondent mentioned the prerequisites for establishing the EAC missions to include: (i) manpower, (ii) funding: partner states' financial capacity to fund the missions, (iii) communications; in terms of updated information, (iv) specificity of rules and procedures of the missions, (v) mandate and reporting mechanisms. He argued that if the missions are to be established, they will be called the East African Community representation office in the WTO and European Union. Thus in line with establishing the EAC missions, the foreign affairs directorate has to be established at the EAC headquarters as part of the EAC Secretariat structures, to oversee and monitor the activities of the missions abroad, that include; foreign and trade policy coordination and reviews in the WTO, conducting negotiations in accordance with given mandates.

Nevertheless the EAC V respondent reported that for the time being, partner states are consolidating integration and foreign policy coordination protocol is not operationalised.

It could be argued that foreign and trade policy instruments have to be approved, ratified and operationalised as the stepping - stone towards establishing the EAC permanent diplomatic missions to the WTO and European Union.

5.3.2 The Agenda Setting

The civil society organization, business community and the regional parliamentarians have expressed their concerns to the Council of Ministers, the principal policy organ of the community, to explore the possibilities of having the EAC representatives to the WTO and European Union (EAC, 2012). It is essential for national structures such as the Ministries for Foreign Affairs, East African Cooperation and Trade and Industry to collaborate with EAC sectoral committee on foreign policy coordination to initiate the agenda for establishing the EAC permanent diplomatic missions to the WTO and European Union. Arguably, if the EAC Heads of State approve the agenda for establishing the EAC permanent missions in the WTO and EU, the Secretariat carefully has to approach the Vienna Convention on Establishing Diplomatic Relations (1961), due to the fact that the convention provides a legal framework that deals with interstate diplomatic relations among the sovereign states and not inter-governmental organizations of the East African Community sort (B Sen, 1988).

5.3.3 Community External Engagements in Multilateral Trading System

The role of the East African Community Secretariat in regional and multilateral trade negotiations is to facilitate meetings, hold meetings, mobilization of funds for negotiations and to prepare positions papers. According to the EAC I respondent the role of the EAC Secretariat is not to take part in negotiations, rather to provide an advisory role (Ibid). As noted by Adar (2011), the EAC Secretariat also stands in for partner states in multilateral negotiations in situations where a representative is absent or a partner state is unable to send a representative. Evidently, the TZ MEAC respondent reported that the roles of the EAC Secretariat in trade negotiations are: note taking, briefing and the

summarisation of the core issues under discussion. However the East African Trade Negotiations Act, Article 5 (1) provides that there is an established commission to be known as the East African Joint Trade Negotiations Commission, thus the functions of the commission, among others, shall be to: (i) harmonize trade policies, (ii) conduct trade negotiations on behalf of the partner states, and to (iii) harmonize negotiating positions for individual partner states in instances where other partner states are not present, in accordance with Article 4 (2) of the treaty establishing the East African Community which stipulates that the community shall have power to perform any of the functions conferred upon it by the treaty.

5.3.4 Unified Foreign and Trade Policy Positions in Multilateral Trade Negotiations

The East African Community has made fundamental achievements in evolving a unified bloc in multilateral and international negotiations (Tindyebwa, 2011). The EAC I respondent pointed out that partner states normally unified their positions at the EAC headquarters. Most interestingly, before partner states advance their positions at the EAC, each country has its own trade agenda to advance in the negotiations at the regional level (Tindyebwa, 2011). As noted previously in chapter four, the EAC V respondent reported that in foreign policy coordination protocol, it is easy to coordinate areas of cooperation in economic and social affairs while engaged in multilateral diplomacy and international organization. Article 7 (2) (a-h) of the foreign policy coordination protocol spells out that partner states shall collaborate in the fields of trade, agriculture (*inter-alia*) through joint forums outside the community.

By the end of the year 2012, partner states were expected to approve the common trade policy. In the context of common trade policy the EAC I respondent reported that the policy is intended to regulate regional trade and to operate as a guide for community external trade negotiations.

As illustrated in the comments above, the EAC partner states must approve and adopt the proposed common trade policy to facilitate their bargaining position in trade negotiations. In light of the above explanation the TZ MEAC respondent reported that it is not assured that partner states will approve the proposed common trade policy, as a matter of fact, member states are currently reviewing their national trade policies. He acknowledged that the current partner states' foreign and trade policies are not functioning.

5.3.5 Multilateral Trade Discourse in the World Trade Organization and European Union

Both the TZ MEAC respondent and BU respondent reported that the globalized world requires partner states to be in unity, for their voice to be heard. According to CUTS (2010), the EAC partner states have to speak with one voice in trade negotiations both at the regional level and multilateral forums. It is worth noting that since 2007, the East African Community as a unified bloc has been negotiating with the European Union Commission on economic partnership agreements (Braude, 2008). Economic partnership agreements aim at promoting and sustaining growth, increasing the production and supply capacity, fostering the structural transformation and diversification of African Caribbean and Pacific group of countries, in addition to supporting the regional integration initiatives (Tindyebwa, 2011). The TZ MEAC respondent argued that economic partnership agreements have taken too long to be concluded. He noted that the European Union wants to make the East African Community a dumping zone (ibid). He added that there are too many requirements partner states need to comply with, and they are often economically weak (Ibid). Among the factors that have created the economic partnership agreements delay are contentious issues specified in Article 27 of the Framework Economic Partnership Agreement, on the issues of export taxes, most favoured nations clause, stand still clause, trade in services and agriculture.

Furthermore the economic partnership agreements' negotiations are about duty free and quota free access between the European Union and African Caribbean and Pacific group of countries, which include the EAC configuration (CUTS, 2010), thus the EAC I respondent argued that in the EPA negotiations, the EU wants the developing economies not to be favoured under the most favoured nations' clause. She noted that the EAC economies are still growing and the EU is an advanced economy. The EU stance in most favoured nations' clause is the EPA signatories to extend to the EU concessions that they will grant in future a third party as long as the third party is a developed country (Braude, 2008). Thus the implications of the above agreements to the EAC partner states are; either bilateral or multilateral arrangements are forged with emerging economies such as India, Brazil, Turkey, China, South Africa and Russia, and other integration schemes; legally speaking the preferential arrangements have to be extended to European Union member states too (Braude, 2008).

Both the BU respondent and TZ MEAC respondent have argued that the balance of power is not balanced in the WTO. According to Tindyebwa (2011), trade negotiations are particularly different and handled separately when it comes to WTO talks. Thus trade negotiations are aimed at obtaining the cooperation of trading partners on technical and general assistance, required to meet market preferences, and to comply with health and technical standards (Tindyebwa, 2011). Equally important in 2009, the EAC partner states participated in the negotiating group on trade facilitation under the Doha development agenda (Tindyebwa, 2011).

The trade facilitation agenda is to emphasize special and differential treatment provisions, technical assistance and capacity building as the EAC partner states meet their trade facilitation needs in the context of the agreement. Hence the participation of the EAC partner states have resulted in simplifying and improving customs procedures, facilities for transit, port modernization, among others (Tindyebwa, 2011).

From the perspective of the above analysis, the most interesting debate in the Doha round of trade negotiations is market access; that encompasses agriculture and non-agriculture goods and services are of more importance for the EAC partner states (Draper & Sally, 2005). Thus, it requires the position of EAC partner states on agriculture subsidies to be strengthened to safeguard the interest, welfare, and developmental needs of East African farmers and citizens (Draper & Sally, 2005). Realistically the BU respondent stressed that; *"The EAC partner states should not support subsidies in the Doha round of trade negotiations"*.

Lastly, the deficit of theoretical explanations on external dimensions of sub regional integration schemes in multilateral trade negotiations has the negative implications to the EAC partner states as they are not able to foresee or assess the outcomes of WTO Doha development agenda talks and EPA negotiations in advance, in addition to their implications (Hanggi, 2000). Henceforth, the classical integration theories are inadequate to explain various phenomena in the contemporary East African Community integration processes (Hanggi, 2000). .

5.3.6 COMESA- EAC-SADC Tripartite Negotiations

The TZ MEAC respondent noted that in tripartite negotiations the EAC partner states negotiate as a bloc. The tripartite negotiations are aiming at establishing a grand free trade area and eventually a single customs union territory in the Eastern and Southern Africa region as the building towards the rationalization of African Economic Communities (Tindyebwa, 2011). The above integration schemes comprise 26 member states with a combined population of 527 million people and combined Gross Domestic Product (GDP) of U$ 624 billion (Tindyebwa, 2011). Article 6 (1) of the Memorandum of Understanding on Intra Regional Cooperation and Integration amongst COMESA, EAC and SADC provides that there is established a tripartite coordination mechanism consisting of the following organs: (a) Tripartite Summit consisting of the Heads of State and Government of COMESA, EAC and SADC who shall meet at least once every two

years and which shall be the highest organ of the tripartite arrangement; (b) Tripartite Council of Ministers which shall be meet at least once every two years; (c) Tripartite Sectorial Ministerial Committee on Trade, Finance, Customs, Economic matters and Home Affairs; a Tripartite Sectorial Committee on Infrastructure; a Tripartite Sectorial Committees on Legal Affairs which shall meet at least once a year; and (d) any other Ministerial Committees, that the tripartite Council of Ministers may establish, which shall meet at least once a year; (e) Tripartite Committees of Senior Officials and of experts which shall meet at least once every year; (f) Tripartite Task Force of the Secretariats of the regional economic communities to meet at least twice a year.

In the above context, the EAC I respondent reported that in the EAC Secretariat, there are tripartite committees which handle COMESA, EAC and SADC negotiations. In light of that, the TZ MEAC respondent noted that Kenya is a chief negotiator in tripartite negotiations. To some degree the analysis revealed that a partner state may assume to speak on behalf of other member states while most of the time develop its own interest in the negotiations.

5.3.7 Civil Society and Business Community Participation in Regional Integration Agenda and Multilateral Trade Negotiations

The BU respondent reported that the civil society organization play a pivotal role in regional integration by sensitizing local ownership of integration. In line with Article 127 of the treaty establishing the EAC (1) which stipulates that partner states agree to provide an enabling environment for the private sector and the civil society, to take full advantage of the community. In addition, Article 127(1-b) provides that partner states undertake to formulate a strategy for the development of the private sector and to provide opportunities for entrepreneurs to participate actively in improving the policies and activities of the institutions of the community that affect them so as to increase their confidence in policy reforms and to raise the productivity and lower the costs of

entrepreneurs. The finding presented in the previous chapter indicates that there are no institutionalized arrangements for the civil society organization and business community effectively to participate in the community public policy processes. Hence the civil society organization and business community participates in the consultation for national negotiating teams (Tindyebwa, 2011).

In every EAC partner state, the civil society organizations and business community are consulted country wide for their inputs in the integration agenda and trade negotiations (Tindyebwa, 2011).The analysis has revealed that the consultation of the civil society organizations and business community for their inputs to the country or regional negotiation position is crucial. It helps to ensure that their interests and concerns are articulated (Tindyebwa, 2011). According to TZ MEAC respondent, in a critical case the civil society organizations and business community experts are consulted for additional inputs in multilateral trade negotiations. Subsequently the TZ MEAC respondent reported that in Tripartite negotiations the presences of the civil society organizations and business community have to be formalized and approved by the EAC partner states. As a matter of fact, they have low tendency of participation, or their invitation is restricted.

As it was noted by the TZ MAEC respondent that the business community in the East African Community are organized in the APPEX Board and they are active in regional integration agenda, unlike the civil society organizations which are not part of APPEX Board. It is important to note that the civil society organizations, their inputs and submissions on integration agenda, are not binding to partner states. Thus their submissions to be considered have to be approved by the chairperson in the meeting. Additionally, since 2010 the civil society organizations have forged a coalition known as the East African Civil Society Network on Economic Issues, and intend to contribute their inputs in the EAC integration process (CUTS, 2010). In light of the above statement in the EAC there is an East African Business Council, established in 1997 to foster the interest of the private sector in the regional integration process (Kayunga, 2005). The East African Business Council has been granted an observer status in all organs of the EAC, ranging from the sectorial meetings, meetings of coordinating

committees, council of ministers, up to the summit (Kayunga, 2005). However it is an indication that being granted an observer status, their contributions and submissions are not binding the organs of the community, due to the fact that, there are no formal institutionalized arrangements for the business community and civil society organizations to participates in the community agenda setting. According to Jonyo (2005), the civil society organization participation is more active in policy discourse at the national level, thus their participation in the EAC is still at an early stage of development.

The neo functionalist theorist argues that the primary integration players are below and above the nation state (Burly & Mattli, 1993). The actors below the state are civil society organization, business community, interest groups and political parties (Burly & Mattli, 1993). Similar to that, the President Yoweri Museveni of Uganda publicly acknowledged that the civil society organization, business community and political parties are critical to the success of regional integration objectives (Braude, 2008). The actors above the state are supranational regional institutions (Burly & Mattli, 1993). The role of regional institutions is to promote integration and to foster development of civil society organization, private sector and interest groups by cultivating close links with them (Burl & Mattli, 1993). Article 127 (4) of the treaty establishing the EAC provides that the secretary general shall provide the forum for consultations between the private sector, civil society organization, and other interest groups and appropriate institutions of the community. Correspondingly, in 2012 the EAC secretary general stated that the private sector contributes at least 80% to the regional economy in terms of wealth creation, poverty reduction, production of goods and services (Sezibera, 2012). Hence the EAC Secretariat is working on modalities to strengthen a regional dialogue with civil society organizations, business community and interest groups (Sezibera, 2012).

5.3.8 Funding of Participation

The BU respondent and TZ MAEC respondent attested that the civil society organization are funded by donors in trade negotiations while Tanzania provides funds for their own participation in regional integration meetings, policy forums and dialogue. Despite the

above facts, the finding in the previous chapter indicates that the consultative mechanism is generally weak among the EAC partner states, hindered by insufficient resources to engage the civil society organization and business community meaningfully (Tindyebwa, 2011).

5.3.9 Trade Negotiations Capacity Building for the EAC Secretariat Staff, Partner States Foreign Service Officers and Trade Representatives in Multilateral Trade Discourse

5.3.9.1 The Relevance of Foreign Service Institute of Kenya and Centre for Foreign Relations

As noted earlier in the previous chapter, the EAC Secretariat officials do not engage directly in trade negotiations, however, they participate in trade negotiations if a partner state is unable to send a representative (Adar, 2011). This does not preclude the EAC Secretariat from attending trade related negotiations capacity building programmes in the partner states centers of excellence. Consequently, the pool of experienced and knowledgeable experts in trade negotiations at the national and regional level is essential for EAC partner states effectively to be engaged in regional and multilateral trade negotiations (Tindyebwa, 2011).

The EAC I respondent reported that trade representatives from Tanzania are trained at the University of Dar-es-Salaam in International Trade Master's degree programme, while Kenya trade officials are trained at the University of Nairobi in the Master of Arts in Economics of Multilateral Trading System. Equally vital the TZ MEAC respondent reported that Tanzania's trade representatives involved in trade negotiations from various government departments are pursuing Master of Science in International Trade Policy and Trade Law at the Trade Policy Training Centre in Africa (TRAPCA) based in Arusha, Tanzania. It is important to note that there is a considerable progress among the

partner states for introducing Masters programme in International Trade, to bridge the gap in trade policy measures, research and capacity building.

Also partner states needed jointly to develop common training programmes that will address the skills shortage at technical level (Tindyebwa, 2011). In addition to this, the need to decentralize trade related capacity building programmes in partner states centers of excellence is a must (Tindyebwa, 2011), as it will result in Foreign Service officials and trade representatives building a common negotiating practice and e*sprite de corps* in multilateral trade discourse (Tindyebwa, 2011). Henceforth partner states have to consider that trade negotiations are complex and knowledge intensive, and require more specific and specialized knowledge in the process of negotiating (South Centre, 2004). The EAC partner states needs experienced and knowledgeable experts to an extent that the implications of various policy outcomes which may came out from negotiations are given options that cannot affect their developmental objectives and priorities (South Centre, 2005; Tindyebwa, 2011).

According to the EAC I respondent, some of the Secretariat staff are professor and Ph.D. holders, who do not necessarily require training either at the Centre for Foreign Relations or at Foreign Service Institute of Kenya, therefore, it is a time for the Foreign Service Institute of Kenya and Centre for Foreign Relations to introduce refresher courses in trade related programmes. At last the funding of trade related capacity building programmes at the national level and abroad was mentioned by all respondents as the major challenge among the partner states. Tindyebwa (2011) affirmed that partner states lack adequate funds to support training and refresher courses for national negotiating teams.

5.4. The East African Community Common Market

The UG MOF respondent reported that in the common market stage there are bracket issues not fully agreed upon. He noted that Tanzania has raised three issues; (i) a big country, (ii) land matters should not be part of integration agenda in relation to that,

Article 15 (i) of the common market protocol provides that the partner states hereby agree that access to and use of land and premises shall be governed by national laws of the partner state, (iii) education system, and political turmoil in the region. In accordance with Article 4 (1) of the common market protocol, provision is made that the overall objectives of the common market are to widen and deepen cooperation among the partner states in the economic and social fields for the benefit of the partner states. In support of that paragraph 2 (a) stipulates that the specific objectives of the common market are to accelerate economic growth and development of the partner states though the attainment of the free movement of goods, persons and labour, the rights of establishment and residence, and the free movement of services and capital. In light of that, the right of movement, establishment and residence may be denied on public policy, public health, and public security consideration by the hosting country (Ng'eno et al., 2007; MTTI, 2010). Correspondingly, Article 7 (6) of the common market protocol states that a partner state imposing the above limitations, shall notify the other partner states accordingly.

In support of the above, the BU respondent reported that the movement of persons in the region is free. Thus some of the aspects involving free movement of East Africans were initiated prior to the customs union formation in 2005 (Ng'eno et al., 2007), for example, Kenyans, Tanzanians and Ugandans were travelling in the region by using the East African Passport (Ng'eno et al., 2007).

5.4.1 Trade in Services, Free Movement of Persons and Labour

The TZ MEAC respondent reported that Tanzania has argued that the free movement of services cannot be linked to free movement of workers because Kenya is highly advanced in particular services sectors, for example, in hospitality industry, travel and tourism. He noted that Tanzania is not committed enough on services sectors. Therefore the above factors have caused Tanzania to reform its tourism sector and education curriculum to be consistent with regional and international standards, additionally, to compete with cutting edge services in hospitality and tourism in the region. As illustrated in the comments above, Article 16 (1) of the common market protocol provides that partner states

guarantee the free movement of services supplied by nationals of partner states and the free movement of services suppliers who are nationals of partner states within the community.

In line with above analysis, the TZ MEAC respondent reported that for time being Tanzania is getting prepared to liberalize the services sectors. Thus according to the guidelines set in Article 17 of the common market protocol which requires that: (a) each partner state shall accord to services and service suppliers of other partner states treatment not less favourable than that accorded to similar services and service suppliers of the partner state; (b) for the purpose of fulfilling the requirement of paragraph (a) above, each partner state may accord to services and service of other partner states, either formally identical treatment or formally different treatment to that it accords to like services and service suppliers of the partner states. According to the trade policy review, it is clear that Uganda has no limitations on tourism, trade related services and telecommunications (Ng'eno et al., 2007), while Kenya has no limitations on telecommunications, and Tanzania has no limitations on hotels classified as four stars and above. Rwanda is the most liberal as many sectors are free from restrictions (Ng'eno et al., 2007). It is important to note that in the East African Community, trade related services in education, and tourism are unrestricted, while health and road transport services have few restrictions (Ng'eno et al., 2007).

From the perspective of the above analysis, Article 1(2) of the General Agreement on Trade in Services (GATS) states that for the purpose of this agreement, trade in services is defined as the supply of a service: (a) from territory of one member into the territory of any other member. This provides that a service supplier in the telecommunication services can supply service to any EAC partner state (Ng'eno et al., 2007). (b) In the territory of one member to the service consumer of any other member. More importantly the services consumer in the region needs to be encouraged by the EAC partner states and the Secretariat to tap the tourism potentials in Tanzania, in Uganda educational services, while in Kenya, the East African traders to use Mombasa port facility (Ng'eno et al., 2007; Tindyebwa, 2011). (c) by a service supplier of one member, through commercial

presence in the territory of any other member. Arguably, trade in services is highly restricted in the EAC in a way that one must get a work permit and local incorporation imposed on services providers before operating (Ng'eno et al., 2007). In addition professional services are subject to restrictions for registration imposed by local societies, such as statutory bodies (Ng'eno et al., 2007).

On the other hand, partner states have to ease regulations and encourage movement of professional workers in the region such as Doctors, Lawyers, Engineers, Accountants and Teachers (Ng'eno et al., 2007). Hence the facilitation of professional services movement in the region requires the harmonization of curricula at all level of education that includes entrance requirements, curriculum, and examinations (Ng'eno et al., 2007). To date there are bills that have been proposed by the East African Legislative Assembly such as the Advocates Act aiming at legal practitioners in the region enabling them to practice in the partner states domestic legal space (Ligami, 2012). Lastly paragraph (d) of the General Agreement on Trade in Services (GATS) provides that by a service supplier of one member, through the presence of mutual persons of a member in the territory of any other member. It is worth noting that the free movement of people in the EAC, those involved in service suppliers might adversely be affected by public security consideration in the hosting partner state (Ng'eno et al., 2007).

The UG MOF respondent reported that Tanzania medical practitioners fears Uganda doctors will take up their jobs. He noted that since 2009/10, Kenya has conducted a study on scrapping work permit fees to workers from the region interested in taking up employment opportunities in Kenya. In the matter of work permits, Kenya, Uganda and Tanzania have harmonized and adopted classes of entry and work permits. However the harmonization of work permit fees to be charged harmoniously has not yet been agreed upon among the partner states (Ng'eno et al., 2007). On the contrary, Article 7 (2) of the common market protocol provides that each partner state shall ensure nondiscrimination of the citizens of the other partner states based on their nationalities by ensuring: (a) the entry of citizens of other partner states into the territory of the partner states without a

visa. According to Article 12 (1) of the common market protocol which states that partner states undertake to harmonize their labour policies, national laws and programmes to facilitate the free movement of labour within the community. Interestingly, the East African Common Market Protocol marked its second anniversary on the 1st July 2012 (Sindiga, 2012). Nevertheless the protocol has not yet been fully implemented since there is no common legal framework in the region to ensure free circulation of goods and free movement of persons and labour (Sindiga, 2012).

Most importantly the East African Legislative Assembly has proposed the Employment Act, Immigration and Aliens Restrictions Act, aiming at accelerating the employment of the EAC citizens in the partner states (Ligami, 2012), in addition to that, to facilitate the implementation of common market protocol provisions relating to free movement of persons and labour (Ligami, 2012). In light of the above discussion, it is concluded that since 2010 adequate preparations were not made by partner states to smooth the path for effective implementation of the common market protocol to benefit the East African citizens to date. On the basis of the analysis there is no specific provision on partner states National Immigration Policies that address labour mobility across the East African region. Thus it is an indication that National Immigration Policies are designed to ensure that employment opportunities are mostly given to nationals rather than non-nationals from the region. It could be argued that this might be the reason for partner states not agreeing to harmonize their work permit fees (Ng'eno et al., 2007).

5.4.2 Rights of Establishment and Residence

The right of establishment is perhaps the most important pillar of the common market (Ng'eno et al., 2007). The TZ MEAC respondent reported that Kenyans have been investoring heavily, while they are intending to grab land. He argued that the government has recognized this and wants to change its legislation to prevent foreigners from acquiring land. On the contrary, Article 13 (3-a) of the common market protocol provides

that the right of establishment shall entitle: (a) a national of partner state to: (i) take up and pursue economic activities as a self-employed person; (ii) set up and manage economic undertakings in the territory of another partner state. Furthermore paragraph 5 of Article 13 of the common market protocol provides that partner states shall ensure that all restrictions on the right of establishment based on the nationality of companies, firms and self-employed persons of the partner states are removed, and shall not introduce any new restrictions on the right of establishment in the territories. Therefore the Tanzanian position in the context of common market is clear that land matters shall not be part of regional integration agenda as opposed to the above provisions of common market protocol.

The BU respondent reported that there is not enough land in Burundi, that it occupies an area of 28,000 square kilometers with an estimated population of 10 million people. Also the BU respondent argued that the right of establishment is dangerous for partner states, due to the fact that it is about power establishment of certain communities in any other country that eventually may lead to destabilization of the region. For instance, he mentioned the case of Northern Ivory Coast, which is an unstable region caused by established foreign migrants from neighbouring countries. According to common market protocol, the right of establishment and residence shall be subject to limitations imposed by the host partner state on grounds of public policy, public security and public health. In the previous chapter, the BU respondent emphasized that it is not easy to open everything at the same time, there has to be a space. There is a considerable progress that has been made in Kenya, by identifying laws and policies that ought to be reviewed to operationalize the common market protocol. The TZ MEAC respondent mentioned the laws and policies that are about to be reviewed in Kenya; (i) employment and immigration policy; (ii) business licensing and registration (iii) investment laws and; (iv) capital market regulation.

5.5. The Role of Transport Infrastructure in Trade Creation across the Single Market

5.5.1 Roads and Rail Networks

The TZ MEAC respondent raised a concern that the state of roads and railway networks in the East African region are poor. That contributes to the low level of intra and extra regional trade expansion. He noted that the railway sector in Tanzania is unreliable with poor quality services. However the UG MOF respondent argued that partner states have emphasized roads infrastructure development programmes instead of opting for inland waterways and railway transportation which are affordable. It argued that countries can benefit greatly from cooperation when they share common resources such as rivers, railway connection and lakes (Schiff & Winters, 2002). As a result, the roads and railway connection provides the basis for regional cooperation in the East African Community, and the East African Community envisages a broad based cooperation covering trade, industrial development and infrastructure development (Ng'eno et al., 2003).

In addition, the BU respondent reported that Burundi has no expansive road networks to link with the rest of East African Community partner states. According to Kabubo (2005) in the East African Community there are no links among the various modes of infrastructure and transport. The BU respondent acknowledged that the East African Railway programme will be good for Burundi to advance its trade ties with other EAC partner states. In light of what the BU respondents as said above, efforts have been made by partner states on revitalizing the railway sector in the region through rehabilitation and privatization (Kabubo, 2005). Most importantly, the EAC desire has been geared towards improving the roads and railway networks, marine transport, attracting investment in infrastructure development and to involve the private sector in infrastructure operation (Kabubo, 2005).

Moreover, the BU respondent reported that the absence of railway networks between Burundi and Tanzania have caused the trade in Lake Tanganyika not to perform well. It is important to understand that in the East African Community roads infrastructure is not integrated with rail networks and water transport infrastructure (Kabubo, 2005). In 2011, the EAC partner states agreed to cooperate in infrastructure development and tourism promotion, among other, in Lake Tanganyika Basin (Ogaro et al., 2011). It is worth noting that there are four riparian countries of Lake Tanganyika Basin, namely: Burundi, Congo DRC, Tanzania and Zambia, therefore the Lake Tanganyika Development Basin is significant for COMESA, EAC and SADC whose ultimate ambitions are to amalgamate into a tripartite free trade area and customs union (Ogaro et al., 2011; Tindyebwa, 2011).

To some degree, inadequate roads and rail networks in the East African region does not promote either effective movement of goods or services. Thus since the customs union and common market came into effect, the rail networks are still restricted to national borders (Kabubo, 2005; Ogaro et al., 2011).Nevertheless, there are efforts being made to expand roads and rail networks beyond the EAC partner states borders as illustrated in figure 7, aiming to facilitate effective flow of human traffic, goods and services (Ogaro et al., 2011).

5.5.2 The Role of Transport Infrastructure in Trade Expansion across the Single Market

5.5.2.1 Mombasa and Dar-es-Salaam Port Facilities

The BU respondent reported that Rwanda's and Burundi's economy largely depends on two regional major ports; Mombasa and Dar-es-Salaam port. He noted that the Dar-es-Salaam port is the backbone of Burundi's economy, he stressed that both port facilities needs to be modernized. Importantly, the port of Mombasa is the largest utilized by the EAC partner states, serving the hinterland and land locked countries (Tindyebwa, 2011). Apart from Mombasa, the Dar-es-Salaam port is the second largest port in East Africa (Tindyebwa, 2011). It is worth noting that both ports are committed to modernization in terms of computerizing container handing systems, improved documentation procedures, cargo clearance, and cargo verification and scanning (Tindyebwa, 2011). The BU respondent, UG MOF respondent and TZ MEAC respondent reported that the state of poor port facilities in Mombasa and Dar-es-Salaam affects the movement of goods in the region. They agreed that Mombasa and Dar-es-Salaam port facilities are under capacity and inefficient. On the contrary, the Mombasa port is relatively advanced in terms of capacity, automation, infrastructure facilities and modernization (Tindyebwa, 2011). In support of the above, the TZ MEAC respondent noted Mombasa port is more advanced compared to Dar-es-Salaam port. For instance container storage and clearance in Mombasa port is much higher compared to Dar-es-Salaam port (Tindyebwa, 2011). The average cargo clearance at the Mombasa port is 5-6 days while in Dar-es-Salaam port, it is 17-21 days; this is largely attributed to congestion, outdated equipment, poor inland transportation systems, human resource capacity and limited space (Tindyebwa, 2011).

The Mombasa port has important infrastructure which includes oil jetties, handling facilities for coal clinkers and cement, in addition to three berth container terminal and land container terminals in Nairobi, Kisumu and Eldoret. The TZ MEAC respondent reported that the Dar-es-Salaam port facility was not designed as a gateway to the region.

Hence the port has the capacity of handling 9.1 million tons per annum at her 11 berths and total quay length of about 2000 metres, while the Mombasa port has the capacity of handling 22 million tonnes annually (Tindyebwa, 2011). In relation to the above, the TZ MEAC respondent reported that Tanzania is planning to expand its port operations and facilities in Dar-es-Salaam, Tanga and Mtwara region. The port of Dar-es-Salaam modernization effort has implemented a number of projects funded by the World Bank, such as the repairing of container terminals, construction of a new control tower (Tindyebwa, 2011). Moreover, measures have been taken by the government of Tanzania to reduce the congestion at the Dar-es-Salaam port that includes transferring of containers to new six inland container depots (Tindyebwa, 2011).

Apart from the above Dar-es-Salaam port initiatives, the Mombasa port is planning to install a single window platform for faster cargo clearance to enhance its productivity (Tindyebwa, 2011). The single window platform is an online cargo clearance system aiming to terminate cumbersome clearing processes at the port (Tindyebwa, 2011). Regardless of the above imitative the UG MOF respondent insisted that there are multiple challenges at the Mombasa port, that traders from land locked countries have experienced cumbersome procedures and delays at the port, considering that Uganda accounts for the largest transit cargo at the Mombasa port followed by Rwanda (Tindyebwa, 2011). It is clear that if there are problems affecting the Mombasa port operation, this will significantly affect the flow of trade in the region (Tindyebwa, 2011).

However there are some challenges facing the port such as growth in shipping, waiting days arising out of delays in loading and offloading containers and the process of cargo clearance. As noted above by the UG MOF respondent with regards to multiple challenges at the Mombasa port, he subsequently reported that there are numerous road blocks in the Northern Corridor and weighbridges. The Northern Corridor comprises 1333 Kilometers of rail networks from Mombasa to Kampala, and the road routes from Mombasa via Malaba and Busia to Kampala (Uganda) (Kabubo, 2005) It also comprises the road network running along the Kampala and Kasese railway and the road network from Kampala to Mbarara and Kabale to Kigali and Butare in Rwanda up to Bujumbura,

Burundi (Kabubo, 2005) this the Northern Corridor is the main transit route from Mombasa port to hinterland countries in the East African Community (Kabubo, 2005; Tindyebwa, 2011). In light of this analysis, Article V (3) of the General Agreement on Trade and Tariffs (GATT) states that any contracting party may require that traffic in transit through its territory be entered at the proper custom house, but in cases of failure to comply with applicable customs laws and regulations, such as traffic coming from or going to the territory of other contracting parties shall not be subject to any unnecessary delays or restrictions and shall be exempt from customs duties and from all transit duties or other charges imposed in respect of transit, except charges for transportation or those commensurate with administrative expenses entailed by transit or with the cost of service rendered. Therefore the above provisions suggest that the government of Kenya need to reduce unnecessary roadblocks and weighbridges along the Northern Corridor as it is the main transport route in the East African region (Kabubo, 2005; Tindyebwa, 2011).

5.6. Funding Mechanisms for Community Projects and Programmes

The UG MOF respondent reported that the contribution to the budget of the community is equal among the partner states. This is consistent with Article 132 (4) of the EAC treaty which provides that the budget of the community shall be funded by equal contributions by partner states. Further the UG MOF respondent mentioned other source of funds comes from the East African Development Bank (EADB), African Development Bank (AfDB), and the World Bank. In addition to that the EAC III respondent reported that each partner state has to contribute to the budget of the community. According to Braude (2008) the EAC partner states have been slow in paying their contribution to the community. One of the factors that have led partner states not to contribute into the East African Community budget on time is that, their financial contributions are not synchronized (Braude, 2008). Realistically the EAC III respondent reported that partner states delays in dispensing funds to the community projects and programmes, that may even take six month for the funds to be available for the East African Community to commence its activities. She argued that it is difficult for the EAC to achieve its set

objectives. Braude (2008) affirmed that financial flows from partner states to East African Community are unreliable.

Both the TZ MEAC respondent and EAC III respondent reported that the financial global crisis in 2007/08 has contributed to partner states being unable to send sufficient funds to the East African Community. Nevertheless the BU respondent reported that it is very common for African organizations to not be funded by member states. At last the above respondents reported that partner states do not honour their commitments to send the budget on time to the East African Community. In 2007, the EAC partner states launched the EAC Development Fund and Partnership Fund (Braude, 2008). The EAC development fund is geared towards the pooling of resources within the community and development partners to support economic integration efforts and infrastructure development in the region (Braude, 2008). The EAC development fund is mainly to address development and economic imbalances within the community (Braude, 2008). Most importantly the fund has been used to address infrastructure, development imbalances and investment promotion in the East African Community (Braude, 2008).

In addition, the EAC III respondent reported that the development partners have contributed towards funding the activities of the EAC Secretariat. It is evident that the dependency over the donor funding has left the community vulnerable, and make it hard for the community to make independent decisions on implementing projects and programmes, that collectively underpin social economic development in the region (Sindiga, 2012).

5.6.1 The EAC Participation in Multilateral Trade Negotiations Funding Mechanisms

The EAC III respondent reported that the EAC-EU-EPA negotiations are funded by the partner states main budget and contribution from development partners such as the

Swedish International Development Agency (SIDA) and European Union. However there are implications for the EAC-EU-EPA negotiations for being funded by Swedish government that is the East African Community cannot have independent and open minded decisions in the course of negotiations (Sindiga, 2012). Apart from the EAC-EU-EPA negotiations, the East African Community engages in tripartite negotiations with COMESA and SADC. In line with the above, the EAC III respondent reported that in tripartite negotiations, a greater proportion is funded by the European Development Fund. On top of that the EAC access the fund through COMESA.

5.6.2 The Role of Donor Community Support in the East African Regional Integration Initiatives

The UG MOF respondent reported that the donor community provides funding for activities that have been presented to them. Nevertheless the challenge with donor funding in the East African Community lies not in its supply, but in the potential conflict between donor agendas at the national level and the regional integration agendas of partner states (Braude, 2008). On the other hand, the UG MOF respondent, TZ MEAC respondent and BU respondent reported that to some extent the donor funding obstructs the regional integration process. Most importantly, Braude (2008) stated that the donor community has no interest on the East African Community integration process. Similarly the UG MOF respondent reported that the donors obstruction agenda on the East African Community integration process was raised in the East African Community meeting held on April 2012. However the BU respondent argued that it is pressure from the donor community to fund the East African Community project and programmes on a good will basis or sometimes not on a good will basis.

5.6.3 Reliable Sources of Funding Community Projects and Programmes

The BU respondent and TZ MEAC respondent reported that partner states have to contribute as this is based on the size of their economies and demographic factors. In

support of the above, the UG MOF respondent acknowledged that 50 % of the community budget comes from the donor community. He noted that the partner states contribution to the East African Community is not enough, hence the community needing to mobilize resources from donors is crucial. Nevertheless the BU respondent proposed that the proper means of funding community project and programmes, that is 70 % must come within the community. In light of that, the Third East African Community Development Strategy (2006-2010) had proposed 1.5 % levy on imported goods outside the region to be deposited in the EAC accounts, but the TZ MEAC respondent averred that the proposal for funding the EAC from customs revenue has not yet been approved by partner states. However, the partner states have proposed the contribution to the budget of the community to be linked to the size of Gross Domestic Product (GDP) (Braude, 2008). In reality the proposal will demand more funds from Kenya (Braude, 2008). It is an indication that Kenya will have more say and stake in the process of integrating the region. Eventually the above initiative will result in establishing inequality of membership amongst the partner states (Braude, 2008).

5.7. Dispute Resolution Mechanisms

The BU respondent reported that dispute resolution mechanisms are important due to the fact that where there is integration of people across the community, conflicts may arise, therefore as the East African Community is deeply integrated, the more disputes of a trans boundary nature may occur (Ruhangisa, 2010). The BU respondent reported that the treaty establishing the East African Community provides overall mandates and functions of each organ and institutions of the community. In line with the above statement, the UG MOF respondent noted that the East African Court of Justice has the power to handle disputes arising from customs union and common market. It is worth noting that the East African Court of Justice is one of the organs of the East African Community and judicial body established under Article 9 of the EAC treaty. Thus being a judicial body, the court is responsible to administer justice and to ensure the adherence, to mention but few; in the interpretation, application of, and compliance with the treaty (Ruhangisa, 2005). In

light of the above mandates the TZ MEAC respondent reported that the East African Court of Justice has no capacity and mandates to entertain customs union and common market disputes. However this is attributed due to the fact that partner states have established quasi-judicial bodies with the same mandates as the East African Court of Justice. The quasi- judicial bodies are established under Article 41 (1) of the EAC customs union protocol that consists of an amicable settlement of disputes through good offices, conciliation and mediation, in addition to the East African Committee on Trade Remedies (Ruhangisa, 2010).

According to Ruhangisa (2010), it is important to note that since the EAC customs union protocol came into effect in 2005, the court has received no single case on customs union. On the other hand the common market protocol does not give the East African Court of Justice jurisdiction to entertain common market related disputes (Ruhangisa, 2010).Thus the mandates have been given to national courts as stipulated in Article 32 (2) of the common market protocol (Ruhangisa, 2010).

5.8 Assessment of Community Institutional Arrangements and Reforms

The UG MOF respondent reported that the EAC organs and institutions are weak and not functioning well. He went on further by stating that the EAC partner states have failed to relinquish some of their sovereignty to the EAC organs and institutions. This makes integration problematic. In line with the above remarks, Odhiambo (2005) noted that ever since the community was re-launched, the slow pace of implementation of protocols, resolutions and directives at the national level have been attributed to lack of functional regional structures capable of enforcing laws and policies under the EAC treaty. Functionalism theoretical explanation which classifies regional integration schemes as functional with specific mandates links to economic issues and limited membership, and often limited to geographical region (Jacobson, Reisinger & Mathers 1986). More interestingly, the analysis draws attention that the role of the East African Community in enforcing and monitoring regional integration policies implementation at the national

level is questionable. Article 9 of the EAC treaty provides the main organs of the community should include: (i) the Summit, (ii) the Council of Ministers, (iii) the Coordination Committee, (iv) the East African Court of Justice, (v) the East African Legislative Assembly and the Secretariat.

Most important, among the East African Community organs, the East African Legislative Assembly has limited and nonexclusive roles in regional integration (Oloo, 2005). Since the assembly was launched, it was mandated to promote accountability and transparency in the conduct of regional affairs; to legislate regional integration policies and laws in areas of (a) immigration, (b) labour relations, (c) employment laws, (d) customs procedures and regulations, *inter-alia* (Wanyande, 2005).

By definition regional integration requires constant institutional arrangements and policy coordination, hence coordination is the central nervous system for regional integration scheme (Braude, 2008). The EAC V respondent reported that the challenges of current institutional arrangements include decision making system, which is based on consensual agreement among the parties, for instance, he noted that if a partner state does not agree on the subject matter of integration, there is no movement. Therefore according to the East African Community decisions making setting; the Secretariat is mandated to draft laws and forward to the Council of Ministers, which forwards the proposed law to the East African Legislative Assembly. The final decisions on whether to approve or dis-approve the proposed law are made by Heads of State in the Summit by consensus (KIPPRA, 2007; Adar, 2011). The analysis indicates that there is misalignment in the operational set up between the Secretariat and the East African Legislative Assembly in community agenda setting. In line with the above analysis, the East African Legislative Assembly is supposed to initiate the agenda of integrating the community (Wanyande, 2005).

In addition, the EAC V respondent reported that the East African Community is a coordination agent. Similarly intergovernmentalism theoretical approach considers

regional institutions as facilitating organs in the integration process, important but central (Nyirabikali, 2005). Further the approach of integrating the East African Community is considered to be inter-governmental rather than supranational (Ssempebwa, 2004).It is inter-governmental in a sense that partner states retain a say at every level of decision making (Ssempebwa, 2004). As a matter of fact, the TZ MEAC respondent confirmed that the proposal to transform the EAC Secretariat into a commission was blocked by partner states (Ibid).

5.9. Monitoring and Evaluation Institutional Arrangements

The EAC II respondent reported that the planning, research, monitoring and evaluation department monitors all projects and programmes of the community and reports on a quarterly and annual basis. Most important, the EAC V respondent reported that there are no specific institutional arrangements designed to monitor and evaluate different programmes of the community. According to Cloete & de Coning (2011), monitoring and evaluation systems are specialized units or networks of units dealing with the main questions and objectives, which are to be addressed through monitoring and evaluation. Nevertheless, the EAC II respondent affirmed that the planning, research, monitoring and evaluation department is understaffed, thus the aspects of monitoring and evaluation require; the measurement of indicators processes for data collection and verifications, delegation of responsibilities, prescriptions, and deadlines for reporting results are affected (Cloete & de Coning, 2011). The above analysis revealed that monitoring and evaluation requires an expert knowledge to examine the progress of regional integration policies implementation at the national level. Additionally, to assess and review performance in order to make adjustments to policy or the way it is implemented by the EAC partner states (Cloete & de Coning, 2011). As noted above by the EAC II respondent, that monitoring and evaluation department is understaffed (Ibid). Braude (2008) pointed out that the EAC uses outsourcing to supplement skills levels, for which consultants are hired to monitor the implementation and to review projects.

5.10. Regional Integration Challenges and Successes

5.10.1 Integration Challenges

The UG MOF respondent and TZ MEAC respondent reported that integration resources are scarce in the region, that partner states do not have enough resources to fully support the integration initiatives at the regional level, however considerable progress has been by partner states in terms of contribution to the budget of the community (Bruade, 2008). In 2003/04 the EAC budget rose by 22% and more than 25 % in 2004 (Braude, 2008).

The UG MOF respondent reported that partner states have not worked together to educate the general public what integration is all about. For instance, he insists that grass root level people are not informed about the integration. On the contrary, partner states have declared that the nature of East African Community integration is people centered and private sector driven (Ajulu, 2005).

According to BU respondent, lacks of adequate infrastructure and human capital in the region have obstructed the integration agenda. Despite the aforementioned challenges, since the East African Community was re-launched, partner states have worked together towards improving the roads infrastructure and rail networks in the region (Kabubo, 2005).

5.10.2 Integration Successes

Both the BU respondent and UG MOF respondent reported that the EAC partner states and people of the region have been brought together by the Swahili language. In addition, the spirit of brotherhood among the EAC partner states has advanced the integration agenda despite the existing differences. Moreover the UG MOF respondent reported that since the East African Community was re-launched, its organs and institutions have been set up in place. According to Braude (2008), the coordination between the EAC 22 sectoral committees and national structures are very weak within the layers of above and

below. It is clear that the EAC partner states need to elaborate and finalize the roles and mandates of regional ministries of East African Cooperation (Braude, 2008).

Nevertheless the UG MOF respondent reported that despite regional integration challenges, intra-regional trade has been a little bit easier. He noted that road blocks and non-tariff barriers to trade have been reduced by partner states. As illustrated in the comments above, Braude (2008) stated that internal tariffs and non- tariffs barriers to trade which impede trade expansion amongst the partner states have to be eliminated to facilitate the formation of one large single market and investment zone (Braude, 2008).

As reported in the previous chapter, the UG MOF respondent stated that partner states have signed and concluded the customs union and common market protocols. This is an important milestone in the EAC integration. He added that protocols such as foreign policy coordination and defence have been signed and this facilitates integration initiatives in the region. However, the aforementioned protocols have not yet been ratified by partner states. In light of what the UG MOF respondent has said above, the implementation of customs union and common market protocols have been regarded as the major challenge to the realization of integration goals (Odhiambo, 2005, Ng'eno et al., 2007).

5.11. Advancing the East African Regional Integration Agenda

The UG MOF respondent had a view that supports the East African Community fast track regional integration process as opposed to European Union. He noted that the East African Community looks at economic union and political federation all in one go. According to Uzodike (2009), functional cooperation in economic and social fields may spill over into the political field. It is important to note that in 2004, the EAC Heads of State initiated the fast tracking committee mandated to propose ways and means of accelerating and compressing the integration process (Braude, 2008). In the process of taking forward the East African Community integration, the Heads of State directed the

Council of Ministers to establish the post of deputy secretary general in charge of political federation (Braude, 2008). In support of the above, the deputy secretary is in charge to oversee and coordinate the fast tracking integration process in the region (Braude, 2008). Lastly, as noted by the BU respondent in the previous chapter, the regional integration discussion must be deep in the East African Community (Ibid). Henceforth partner states needs to operationalize the customs union and common market stages before embarking upon the process of monetary union negotiations.

5.12. Summary of the Chapter

This chapter has presented the analysis and interpretation of findings. Therefore in the analysis and interpretation of results, core integration areas, namely; customs union and common market, in addition to external dimension of the EAC and other related aspects of integration were discussed in detail in line with views expressed by respondents. Most importantly, the research has made a contribution to the growing body of knowledge on East African Community as an emerging global and diplomatic actor, in addition to contemporary debate on the interface between regional economic communities and multilateral trading systems. Further, though the EAC has no mandate to conduct negotiations on behalf of partner states, it has proposed a common trade policy, that if partner states will approve the aforesaid policy, the EAC will conduct trade negotiations on behalf of partner states and harmonize negotiating positions for individual partner states instances where partner states are not present (Adar, 2011).

CHAPTER SIX: CONCLUSION & RECOMMENDATIONS

6.1. Introduction

This chapter presents the main conclusion of the research, policy implications of the findings, recommendations and suggested areas for future research. Finally the conclusion drawn primarily centered on the three components of the research, namely, customs union, community external relations and common market, in addition to other related aspects of integration that were discussed in the previous chapters. More broadly the research investigations in the above components have addressed the research questions that were outlined in chapter 1 of this study. The recommendations that are offered in this chapter will suggest various policy measures that can be taken by partner states to advance the East African Community integration going forward.

6.2. Conclusion

The components of this research were customs union, community external relations and common market. In drawing up the conclusion of the research, the above components will be employed as a means to draw a conclusion on the findings of the study. The purpose of the research, firstly, was to assess the extent of regional cooperation and integration successes in the East African Community. Secondly, the study appraises the progress of regional integrations protocols and policies implementation at the national level. Moreover it ascertained what challenges obstruct regional integration progress in the EAC, and emphasised popular participation of the civil society organization, business sector and regional parliamentarians on the EAC regional integration agenda. The primary and secondary research questions that have guided the research were: (a) what needs to be done to strengthen regional cooperation and integration in the East African Community? (b) Is it possible for partner states to strengthen regional cooperation before embarking upon the process of further integration in the region?

The type of this research was exploratory case study. According to Badenhorst (2007), the basic purpose of exploratory case study is to help the researcher to identify questions and select types of measurement prior to the main investigation. The nature of case studies is used to look at the individuals, groups and organizations. Similarly Gall, Borg & Gall (1996) and Badenhorst (2007) argued that a case study is typically qualitative design, which includes describing, understanding, assessing and evaluating a phenomenon under investigation. Hence the research has focused in assessing regional integration progress on the EAC. It is important to note the advantages of exploratory case study design; arguably, the design is flexible and addresses research questions of all sorts (Morse, 1991).

The research methodologies employed in this study were through primary and secondary data collection methods. The interviews were conducted through note taking between May and July 2012 with East African Community officials at the EAC headquarters, Ministry of East African Cooperation in Tanzania, in addition to Burundian and Ugandan embassy officials both in South Africa and Tanzania.

In assessing the overall integration progress in the EAC, it emerged from the research that the community has not yet met its set objectives articulated in the EAC treaty. It is worth appreciating that the EAC is a 12 year old institution. Since the EAC was re-established in 1999, partner states in 2004/05 signed the customs union protocol and subsequently common market protocol came into effect in 2010 (Braude, 2008; Tindyebwa, 2011). This is an important milestone in the history of EAC integration, though other partner states, unlike Tanzania, have an agenda for pursuing fast track integration processes. In outlining the problem statement the study has noted that to date there are few studies that have addressed the measures by which partner states are required to transform the EAC into functional regional structures (Ibid). In addition to that, the customs union and common market stages have not yet been fully operationalised. It is therefore concluded that this is largely attributed to lack of functional structures at regional level to monitor the implementation of the aforesaid

protocols, policies, directives and decisions (Odhiambo, 2005; Ng'eno et al., 2007; Khadiagala, 2012).

Further, the research noted that there have been no efforts made to address the extent to which the expansion of inter and intra-regional forms of cooperation in the EAC can be fostered and intensified on bilateral fronts amongst the partner states (Ibid). In light of the above observations, it is concluded that the role of the EAC in facilitating integration activities on its partner states is questionable. However, the analysis in chapter four has revealed that there are a number of implementation challenges emanating from human resource capacity, financial constraints, that is, partner state have problems in fulfilling their financial obligations, lack of political of will among the members to enforce agreed decisions.

Out of the four planned stages of EAC integration as provided in table 4 of chapter 3 of the research, the first two stages are currently in effect. However, in the meantime, the EAC partner states have embarked on the process of negotiating the monetary union. It is therefore concluded that, to advance the EAC integration forward in the region, will mainly depend upon the extent to which the key sectoral policies of integration are converging in an agreed approach among the partner states.

6.2.1 Customs Union

Notably, since the customs union came into effect in 2005, significant progress has been made among the partner states in reducing internal tariffs and to some extent uniform applications of common external tariffs (Tindyebwa, 2011). Consequently it emerged from the research that partner states implement internal tariffs and goods are not circulating freely in the region (Sindiga, 2012). In light of that, it is concluded that partner states cannot initiate a single customs territory unless internal tariffs and non-tariff barriers to trade are completely eliminated in the region to facilitate the formation of a single customs territory (Sindiga, 2012). In addition, firstly, all partner states must implement uniform application of common external tariffs in goods and services

originated outside the East African region. Secondly, the partner states revenue authorities jointly have to identify policy areas and laws in customs union that ought to be converged and diverged in the process of deeper integration. Thirdly, both the BU respondent and TZ MEAC respondent noted that partner states cannot belong to more than one customs union arrangement. It is concluded that partner states can still belong to multiple customs union arrangements, this it will require the harmonisation of customs rules and procedures, and eventually the application of common external tariffs. The above initiative will facilitate the free flow of goods and services in the multiple customs union arrangements.

6.2.2 Community External Relations

In assessing the modalities for establishing the EAC permanent missions to the WTO and EU, it has been established in this research that the Vienna Convention on Diplomatic Relations does not provide the legal framework for sub regional integration schemes of the EAC sorts to establish its missions in the aforementioned institutions. Notwithstanding the above fact, as a starting point, it is concluded that the EAC has to apply the provision of Article 2 of the Vienna Convention on Diplomatic Relations in establishing its permanent diplomatic missions to the WTO and EU.

In relation to economic partnership agreements, the EAC partner states have pledged to liberalise their market in full for 82.6 percent from 2010 up to 2035. Therefore it is important to note that to date the economic partnership agreement negotiations have not been concluded and the document has not been signed, neither by the EAC partner states nor European Union. Thus the literature in chapter 2 reveals that there are a number of contentious issues in the agreement, especially Article 17, 18, 19 and 27 of the framework for Economic Partnership Agreement (fEPA) (CUTS, 2010). As the result the study has found out why the EU keeps on emphasizing that the EAC partner states sign the agreement and liberalise their markets in full. Realistically, the EAC partner states are sceptical of EU motives in the negotiations. The EU motives are to gain preferential arrangements in the emerging markets. In light of the above analysis, it is concluded that

in the ongoing process of EPA negotiations, partner states have to converge their trade and economic related national interests as well to align the bargaining position. In support of the above, Mukiibi (2010) argued that the common market stage requires the EAC partner states to speak with a single persuasive voice in multilateral trade negotiations.

6.2.3 Common Market

The finding from the study shows that all partner states have established National Monitoring Committees, tasked to monitor the implementation of the common market protocol. On top of that free movement of persons and labour, free movement of goods and services, and right of establishment and residence is the most important pillar of the common market (Ng'no et al., 2007). With regards to right of establishment and residence the BU respondent reported that it is not easy to open everything at the same time, there must be a space (Ibid). Therefore, it is important to understand that Tanzania has made it clear that land matters are not an integral part in the common market discussions. Apart from that, it emerged from the findings that Tanzania differs with other partner states in linking the free movement of labour and services in an ongoing common market discussion. The study noted that the Tanzania's stance on land matters mostly can be driven by public security and public policy considerations (Ng'eno et al., 2007). According to the BU respondent, it is a known fact that right of establishment is about power establishment of certain communities in other members of the EAC. To conclude, the study shows that the common market protocol has not yet been fully implemented since there is no common legal framework in the region to operationalize the protocol (Sindiga, 2012). It is therefore concluded that the approach of implementing the provision of common market protocol needs to be on bilateral arrangements between the partner states, for instance, the agreement between of Kenya and Rwanda on labour mobility (Ibid).

6.3. Policy Implications of the findings

(i) Customs Union

The harmonization of polices and laws in taxation may negatively impact other partner states due to the fact that other partner states rely heavily on charging high value added tax (VAT) and excise duty rates on specific products and services. In addition, the size of EAC partner states economies differs in terms of revenue collection and allocations. Hence compensation is vital in the process of harmonizing tax policies and laws in the region to reduce fear among other partner states that their tax base will be decreased.

(ii) Community External Relations

- **The EAC Partner States Geographical Location and Strategic Interests**

Notably Uganda, Rwanda and Burundi are land locked countries and particularly concerned to have adequate access to the sea port especially the Mombasa and Dar-Es-Salaam port facilities (Tindyebwa, 2011). Hence in trade negotiations their interests and concerns will tend to differ with those of Kenya and Tanzania. It is clear that; firstly, they will demand Kenya and Tanzania address structural bottlenecks that impede the free flow of trade in the region and beyond, these are port facilities, roads infrastructures and rail networks (Tindyebwa, 2011).

- **Collective Bargaining in Multilateral Trading Forums**

The EAC partner states have different motives for participating in regional integration and multilateral trade negotiations. Consequently the land locked countries have a small market in the East African region, thus for their survival and growth they need to participate in regional integration as a gateway to entering other regional and emerging markets. The implications may rise out in the implementation of common foreign and

trade policy, and likely that the land locked countries will implement an area of policy that addresses their concerns.

- **Economic Partnership Agreements**

The EAC partner states, before concluding and signing economic partnership agreements with European Union, have to assess the implications of the agreements in customs revenue. It is worth noting that the severe revenue loss are expected to range between 1 % for Uganda, Tanzania 10% while Rwanda 12 % (Khandelwal, 2004 cited in Meyn, 2005).

(iii) Common Market

- **Free Movement of Persons, Right of Establishment and Residence**

However the free movement of persons, right of establishment and residence may affect the public affairs of other partner states in the long term.

(iv) Institutional Arrangements and Reforms

The expansion of the East African Community membership to Somalia and South Sudan needs to follow a series of steps before their admission. It is important to note that militias and rebels will threaten the political and economic stability of the region.

6.4. Policy Recommendations

6.4.1 Strengthening Regional Cooperation and Integration in the East African Community

- **Joint Permanent Commissions of Cooperation among the EAC Partner States**

To a large extent the expansion of intraregional forms of cooperation in the East African Community, can be intensified through joint permanent commissions of cooperation among the partner states, hence the commissions need to be reinforced to guide and operationalize the agreed areas of cooperation, both at the regional and national level. That includes developing strategies of enhancing mutually beneficial cooperation in economic, political, peace and security, social and culture fields. The study recommends that joint permanent commissions on the East African affairs have to be formed among the partner states in the ministries of regional cooperation in three working groups, as is the case between Kenya and Rwanda. These are:

- **The Foreign Affairs Working Group**

To comprise areas such as public services, defence, security, immigration, international cooperation and local governance, prisons services, police, labour relations, justice and legal affairs.

- **The Economic Affairs Working Group**

The Economic Affairs Working Group has to constitute the following areas; trade, lands, agriculture, fisheries, livestock energy, tourism, information and communication technologies, water and irrigation, cooperative development, forestry, wildlife, environmental and natural resources, in addition to transport.

- **The Social Affairs Working Group**

Has to include; education, health, gender and youth, cultural and sports, and humanitarian affairs.

- **Building Trust and Confidence**

The EAC partner states, civil society organization and business community have to collaborate at the regional level, this eventually will generate practice in a shared problem solving. That can raise the degree of trust among the integration stakeholders.

- **Popular Participation of the Civil Society Organization and Business Sector in the East African Community Public Policy Processes**

As noted in the literature above, the civil society organization has been encouraged to participate in the community deliberation process particularly in the coordination committee and council of ministers, nonetheless the East African Business Council has been granted a permanent observer status at the council of ministers meetings and summit (Kayunga, 2005). It is worth noting that the civil society organization in the region lacks capacity to participate in the regional integration process, and to promote their interests in a coherent and organized manner. Jonyo (2005) noted that the civil society organizations are deficient in advocacy, research, policy analysis and networking. Therefore to integrate the civil society organization into the East African Community public policy processes will not ensure that they have achieved their objectives. Hence they need to articulate alliances with other elements of civil society organization, such as, trade unions, academia, and the media in order to be more representative when they articulate their interests and submissions.

- **Customs Union**

There is a need to establish an independent body (the East African Customs Authority) in the East African Community Secretariat, to oversee the implementation of the customs union protocol under the single customs territory (EAC report, 2012).In the context of deepening interstate customs cooperation, Tindyebwa (2011) noted that the EAC partner states have undertaken a number of customs modernization efforts mainly concerned with

integration of information and communication technology (ICT). Hence, this research recommends partner states should adopt a common strategy for customs integrated information systems. The study discovered that Kenya is underway to install a single window system in order to improve processing procedures as well to increase its customs control efficiency. The study recommends that Tanzania, Uganda, Rwanda and Burundi customs authorities substitute Automated System for Customs Data (ASCUDA++) and Revenue Authorities Digital Data Exchange (RADDEX) to a national single window system. Additional to that, at a later stage, partner states should introduce the East African Community to a single window system for collection and dissemination of customs information. This will facilitate information flow across all the partner states customs authorities for better business facilitation in the region (Tindyebwa, 2011). For the Association of South East Asia Nations (ASEAN) single window system processes see Appendix E on page 203.

Moreover regional integration can take several forms, according to the standard trade theory (UNECA, 2006). That will depend on the levels of political and economic commitment of member states (UNECA, 2006). It is worth noting that in 2005 the EAC partner states agreed to establish the customs union progressively over a transitional period of 5 years. However, to date, the customs union has not yet been fully fledged, consequently the study recommends that partner states get into free trade arrangements between themselves.

- **Community External Relations**

The EAC partner states need to strengthen national structures for international trade negotiations to ensure proper coordination and stakeholder involvement in the process of EPA, WTO and Tripartite negotiations (Tindyebwa, 2011; EAC, 2012). Furthermore the EAC partner states needs to speak with a single persuasive voice in regional and multilateral forums.

On the basis of establishing the East African Community permanent missions to the WTO and EU, firstly, partner states have to restructure and transform the International Relations Department under the Directorate of Political Federation into a Directorate of Community External Relations. Secondly, its scope of work has to cover: (i) international public policy issues, (ii) trade, (iii) inter-regional diplomacy, (iv) international cooperation and development, (v) consular affairs, (vi) community expansion and accession negotiations, and (vi) regional foreign policy making. Additionally, it is recommended that technical Secretariat officials in the International Relations Department be required to be stationed in partner states permanent missions to the WTO and EU. Hence, the above initiative will propel partner states to ascertain proper modalities in establishing the EAC permanent diplomatic missions on the aforementioned institutions

- **Common Market**

It is important to note the free movement of persons, labour and right of establishment and residence among the partner states, thus member states must opt to cooperate on a bilateral level on the subject matter above, rather than the regional approach. As noted by the TZ MEAC respondent there is high inter-state mistrust between Kenya and Tanzania, and currently there is substantial movement of Kenyans to Tanzania. In addition, more recently the Government of Tanzania has acknowledged the intention of Kenyans coming as investors while intending to take land. In the long run these countries might go into a conflict. Clearly, the above principles which underpin the common market protocol needs to be dealt on bilateral arrangements as a matter of urgency.

- **Community Expansion Policy**

The East African Community expansion policy needed to be re-adjusted as community potential members such as South Sudan, Somalia, Comores and DRC Congo are allowed

to join the bloc on a gradual basis. In addition to that, the EAC partner states should ease their entry into full status once certain domestic, economic, political, legal and social adjustments have occurred to avoid creating a burden on existing member states. Most importantly the Republic of South Sudan and Somalia have applied to join the East African Community. It is recommended that the South Sudan and Somalia have to establish bilateral arrangements with partner states as the stepping stone towards the EAC membership. Moreover the South Sudan and Somalia needs to set up their diplomatic missions in Kenya, Tanzania, Uganda, Rwanda and Burundi.

- **Participatory Monitoring and Evaluation Approach**

The East African Community needs to adopt a participatory community monitoring and evaluation approach. That includes the EAC monitoring and evaluation unit, representatives from the civil society organization, business community and interest groups. In line with the above participatory monitoring and evaluation is the process through which stakeholders at various levels engage in monitoring or evaluation of a particular project, programme or policy. Thus the stakeholders share a control over the content, the process and results of the monitoring and evaluation activity, and engage in taking or identifying corrective actions (the World Bank, 2012; Nzewi, 2012). The participatory monitoring and evaluation differs from the conventional approach in monitoring and evaluation. It seeks to engage the key project stakeholders, such as the professional association bodies, private sector and civil society clusters; research institutions, academia, trade unions and employment associations more actively in reflecting and assessing the progress of their project, and in getting the achievement of results (the World Bank, 2012; Nzewi, 2012).

- **Resource Allocations in the Maintenance of Transport Infrastructure across the Single Market**

The EAC partner states must fully recognize the crucial role transport infrastructure plays in economic growth and development, intra-inter regional trade, and in regional integration (Kabubo, 2005). There is a need for partner states to channel more resources in the maintenance of transport infrastructure across the region in areas such as, roads networks, rail lines, and sea ports (Kabubo, 2005). Kabubo (2005) argued that there are must be a change in the current trend of allocating more resources to administration than to the provision and maintenance of infrastructure. Correspondingly the United Nations Conference on Trade and Development report of 2009 acknowledged that one of the reasons why aggregate figure of intra- Africa trade remains very low is that countries have so far pursued a process of integration favouring institutional arrangements at the expense of physical integration (UNCTAD, 2009).

6.5. Suggested Areas for Future Research

There are several important aspects that emerged during the process of data gathering, which could not be addressed due to limited scope of this research. It is therefore recommended that future research needs to explore upcoming issues to bridge the knowledge gap that exists. These areas are divided into three components, namely:

- **Customs Union**

There is a need to find out modalities appropriate for establishing the single customs territory in the region in line with mechanisms for tax collection and distribution amongst the partner states. In addition to that, whether it will be efficient in a single customs territory; transit goods can be subjected to customs duties at the entry point or at the point of destination.

It will be useful for future research to investigate the measures of how other partner states, such as Uganda, Rwanda and Burundi will be compensated to adjust the costs arising from tariff revenue and other income losses while getting prepared to harmonize their policies and laws in taxation.

- **Community External Relations**

There is a need for research to ascertain means of harmonizing internal Foreign Service rules and regulations of partner states in the future to operationalize East African Community permanent diplomatic missions to the World Trade Organization (WTO) and European Union.

- **Common Market**

Realistically there is an insufficient welfare system among the partner states to cater the needs of their own citizens. In future there is a need to assess to what extent, since the common market protocol came into effect in 2010, persons and labour across the region have benefited from the right of establishment, residence and welfare system of other partner states. In light of the above, it will facilitate the extent to which partner states are supposed to liberalise the movement of capital and trade in services in the East African Community.

6.6. Summary of the Chapter

This chapter has presented the main conclusion of the research, policy implications of the findings, policy recommendations and suggested areas for future research. Firstly, with regards to customs union implementation, the study found out that still up-to-date partner states implement internal tariffs and goods are not circulating freely in the region. It was concluded that partner states cannot initiate a single customs territory unless internal

tariffs and non-tariff barriers to trade are completely eliminated. In addition, partner states revenue authorities jointly have to identify policy areas and laws in customs union ought to be converged and diverged in the process of deeper integration. Secondly, in relation to community external relations, the study found that the EAC partner states have committed to liberalise their market in full for 82.6 percent from 2010 up to 2035. Nonetheless, the study noted that to date, the EPA negotiations have not been concluded. Thus the study concluded that the EAC partner states have to converge their trade and economic related national interests as well to align their bargaining positions. Thirdly, in the context of implementing the common market protocol, the study found that Tanzania has made it clear that land matters are not an integral part in the common discussion. Additionally, Tanzania has opposed linking the free movement of labour and services all at once. Consequently, the study concluded that the approach of implementing the provision of the common market protocol needs to be on bilateral arrangements between the partner states.

Moreover there are other important aspects that were mentioned above and that emerged during the process of data gathering that need to be addressed in future research to advance the EAC integration agenda. Finally, some of the recommendations were drawn from the literature review and respondents' views on how to take East African Community integration forward that have addressed the main purpose of this research.

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Appendix A: To what extent the East African Community integration process can lead to policy convergences & divergence in customs union, community external relations and common market?

(i) **The East African Community Customs Union**

Areas of Policy Convergence	Mechanism for Convergence	Areas of Policy Divergence	Mechanism for Divergence
1.value added tax (VAT); apparently, Uganda charges vat at the rate of 18 %, Kenya charges 16 %, while Tanzania charges 18 % 2. Excise duty 3.Common revenue sharing pool to compensate other partner states in revenue loss 4. EAC single customs declaration forms to goods originated from SADC & COMESA bloc, and other international destinations 5. Harmonisation of penalties for non-tax compliant (CUTS, 2010). 6. Harmonization of rules and practices	1. The EAC is heading towards a single customs territory. That is partner states will integrate their customs structures in the long term. 2. Harmonization of domestic tax policies & laws. 3. Grand free trade area formation between COMESA- EAC - SADC. 4. Tripartite customs cooperation towards attaining continental customs union as envisaged under the constitutive act of the African Union & the treaty establishing the African Economic Communities. 5. Trade liberalization; intra-regional trade amongst the partner states.	1. Value added tax (VAT) exemptions; as matter of fact every partner states must retain its exemption regime to facilitate foreign direct investment. First to spur economic growth & development. Though it is clear that harmonization of incentives & exemption policies may assist partner states in avoiding trade deflection in the region (Bagamuhunda, 2010/11). 2. Direct taxes such as: (a) capital value tax (b) corporate asset tax	1. Excise duty; cultural background and preferences on certain regional products. 2. Wide difference in partner states in tax systems, customs rules & procedures (CUTS, 2010; Tindyebwa, 2011). 3. Tariffs & non tariffs barriers to trade 4. Overlapping of membership among the partner states in COMESA, EAC, IGAD & SADC, impacts on customs union in varying degrees. In the first instance, it distorts the common external tariff given that partner states apply different tariff regimes to third parties, which may cause trade deflection of goods accorded preferential rates in one partner states. In light of that, eventually the goods may end up in another state that does not

for value added tax (vat) refunds 7. Double taxation avoidance 8. Withholding tax 9. Converging of list of exemption of goods from export processing zones & economic development zones entirely established in the East African region. 10. Harmonization of commodity descriptions and coding system 11. Harmonization of standards	6. Financial market liberalization. 7. Uniform application of common external tariffs among the partner states to non-member states. (Braude, 2008; Tindyebwa, 2011). 8.Harmonization & simplifications of trade formalities & customs procedures		accord such preferences (Bagamuhunda, 2010/11). 5. Unequal sharing of revenue pool among the partner states in the proposed single customs territory. 6. Competition among the partner states in tax & investment policies while attracting circulation of capital in region (Unger & van Waarden, 1995). 7. Disparities in the mobility of goods, capital &labour among the partner states (Unger & van Waarden, 1995). 8. The principle of variable geometry; decisions are agreed on consensual basis. 9. Lack of regional functional structures to ensure compliance with the customs union instruments & policy framework (Bagamuhunda, 2010/11).

(ii) **The East African Community External Relations**

Areas of Policy Convergence	Mechanism for Convergence	Areas of Policy Divergence	Mechanism for Divergence
1. All the EAC partner states foreign policies have oriented towards regional cooperation and integration. It is evident that national foreign policies have contributed to the development of the EAC foreign policy coordination protocol. 2. Economic partnership agreements & WTO negotiations. The EAC partner states have to converge policies in sectors that brings more revenue to the community, these sectors are: (a) the agriculture sector, which requires common agriculture policy, (b) manufacturing industry, which also requires common industrial policy. 3. If the EAC partner states will approve the proposed common trade policy, their position in Economic partnership agreements needs to be aligned on Kenya to be treated as least developed country (LDC) as well to lobby for duty free & quota free status (EAC, 2012).	1. Identity, norms & values are converging as partner states proceeds towards deeper integration. Thus the partner states shares the definition of the East African Community at the international stage. 2. National positions are compiled together at the regional level. 3. Tripartite close collaboration, between COMESA, EAC & SADC on forging common negotiating position and strategies in multilateral and international trade forums. 4. Interdependence amongst the EAC partner states in regional & international affairs (Adar, 2010). 5.Internal & external pressure: (a) Internal factors; local & regional economic development, diaspora &	1. The EAC partner states need to diverge from Article 16 (2) of Economic partnership agreement while negotiating with the European Union. Thus the above provision will constraint partner states future trade arrangement with emerging economies as their trade concessions will be extended to European Union. 2. The Tripartite arrangement member states needs to diverge from European Union financial pool. Hence the pool is not sustainable, due to the fact that in the long run it will undermine tripartite cooperation and integration efforts.	1. Inter-state mistrust 2.Internal domestic problems preoccupy the EAC partner states, hence the preoccupation weakens their commitment at the regional and international platform 3. Geo politics and EAC partner states foreign policy strategies and priorities tend to differ overtime. It is an indication that partner states international relations orientation; how they perceive the world, international & regional organization, areas of cooperation among themselves and others actors differs. 4. Constitutionalism 5.Nationalism

4. Tripartite free trade areas between COMESA, EAC & SADC; (a) Harmonization of tripartite customs procedures, tariffs and immigration policies, as to facilitate the free flow of goods, services, persons and labour across the tripartite. (b) Harmonization of transport policies. 5. WTO rules provide that its member states cannot belong to more than one customs union at a time (Braude, 2008). Therefore the tripartite arrangement needs to forge a common foreign and trade policy position in the ongoing Doha development agenda talks, in addition to economic partnership agreements negotiations.	foreign direct investment flow, expanding intra-regional trade networks. (b) External factors; changes in international systems, a call for global governance reforms, climate change, trade talks and fear for being marginalized in the globalized world 7. Diminish roles of national diplomatic services; emerging of multi stakeholders diplomacy.		6. The principle of variable geometry; decisions are agreed on consensual basis. 7. Incoherence in partner states public policies

(iii) **The East African Community Common Market**

Areas of Policy Convergence	Mechanism for Convergence	Areas of Policy Divergence	Mechanism for Divergence
1. Free movement of persons &labour requires converging of social security policies and benefits. The process of harmonizing social security policies will encourage labour mobility across the region (Ng'eno et al., 2007). 2. Immigration policy & regulations; partner states have to facilitate intra-regional movement of persons by establishing the lines for EAC nationals at entry points, especially in common border post. In addition, to cancel the use of national and regional passports while the East African citizens travelling across the region. That lay emphasis on partner states to agree to use the National ID's as travelling document in the region. 3. Right of establishment & residence; (a) Refugees from Rwanda & Burundi across the region have to be accorded with	1. Market integration 2. Harmonization of labour standards across the single market. 3. Social protection 4. Trade facilitation across the region and beyond. 3. EAC partner states joint infrastructure development programs in a single market (N'geno et. 2007). 4. Geographical proximity; partner states shares common borders, waterways such as Lake Victoria, Lake Tanganyika & River Nile, Rift Valley Railway that connects Kenya & Uganda (Adar, 2011 ;Braude, 2008). 5. Employment creation, poverty reduction & regional industrial development	1. Right of establishment & residence; partner states have to diverge on land matters, until land disputes in Kenya, Uganda and Rwanda are resolved. Also in Tanzania land has to be properly categorized; for example, areas for economic processing zones, special economic zones have to be demarcated. Additionally, all traditional land owners within the region should be given title deeds. 2. Employment policy; In the meantime partner states have to diverge from employing other nationals in their public sectors. 3. Employment prospects in partner states; public corporations & enterprises, most importantly, in the long term study has to be initiated	1. Nonfunctional regional structures; weak institutional arrangements & lack of mandate to monitor implementation. 2. Lack of political will amongst the partner states to enforce agreed decisions at the regional level to a national level. 3. The EAC Partner states have stringent labour regulations & laws (Ng'eno et al., 2007). 4. The EAC partner states economies are not fully liberalized. 5. High transport cost in the East African region. 6. Politically induced unequal chances for labour& capital to cross borders (Unger & van Waarden, 1995). 7. Varying trade regulations among the

residence status in Kenya, Tanzania & Uganda. Hence for those of who have stayed for 1 decade and above in Kenya, Tanzania & Uganda, legally have to be given citizenship. 4. Employment policy. That requires partner states to cancel work permit fees for workers moving across the region. 5. Education policy; partner states have to harmonize their national framework of accrediting higher learning institutions. In addition to mutual recognition of academic & professional qualifications as to facilitate the free movement of labour in the region. Further to avoid barriers arising from national system of equivalences (Ng'eno et al., 2007). 6. Transport policy. Partner states have to harmonize their transport procedures; such as simplification of documents &information flows.	6. Integrating the EAC economies into global economy mainstream. 7. Macroeconomic policy convergence	on how the EAC professional workers in the fields of; public health, engineering, & in academia can take up employment opportunity in the public sectors of partners. To mention but few; (a) public health, (b) public schools, colleges & universities, and (c) regulatory agencies. Meanwhile the EAC common market protocol restricts the EAC professional workers to take up employment in the public sector of partner states. 4.Transit cargo toll levy 5. Port traffic levy imposed on goods imported & exported.	partner states (Tindyebwa, 2011). 8. Growing disparities amongst the partner states in economic growth & development. 9. The principle of variable geometry; decisions are agreed on consensual basis. 10. Employing different ways of implementing the provisions of common market protocol among the partner states in the long term may lead to divergence. **7.** Incoherence in partner states public policies 8. Political instability spillover effect in a single market; massive inflow of refugees, internally displaced persons, bandits, illicit trade, among others (UNECA, AU, &AfDB, 2012). 9. Existing non- tariff barriers to trade

7. Uniform axle road limit. Therefore partner states have to harmonize their rules on maximum axle road weight for long distance vehicles across the region. The initiative will facilitate cargo clearance at the entry point and eventually the cost of doing business in the region will be reduced in the region. It is important to note that partner states have adopted a uniform 56 tonnes gross vehicle weight on seven standards axle, with no quadruple axle groups (Jumuiya News, 2011). 8. Competition policy. 9. Capital market regulations			

Appendix B: Transformation of the East African Community from Intergovernmental forms of Cooperation to Supranational Institutional Arrangements

1.1. Introduction

Ngeno et al., (2007) pointed out that the level of integration associated with common market and the admission of Rwanda and Burundi into the community provide an opportunity for institutional reforms. They argued that decisions making organs of the community have been unanimous. This has tended to slow progress towards effective policy formulation and implementation, in addition, they noted that the East African Legislative Assembly (EALA), the East African Court of Justice (EACJ) and the Secretariat are not adequately structured and mandated to service a deeper level of integration, such as common market. Thus reforms in the above organs are urgent and vital (Ng'eno et al., 2007). Therefore this research is contributing to the ongoing reflection on how the East African Community can be restructured and transformed. In the process of transforming the EAC, there is a need among the partner states to balance the degree of supranationalism and intergovernmentalism in its structures (Ayangafac & Mpyisi, 2010). . The rationale for transforming the EAC necessitates reforming and refining its existing structures, as a tool for accelerating regional cooperation and integration, additional to ensuring that the EAC attain a degree of independence in its own operation (Ayangafac & Mpyisi, 2010). The research suggests that the transformation of the EAC will set a foundation for partner states to progress to the next stage of monetary union and political federation. Hence its structures will be able to cope with the pace of integration in the region.

1.2. Supranationalism and Intergovernmentalism Approaches in the East African Community

West (2005) asserted that the supranational level is only essential in practice as part of multilevel systems of governance. He pointed out that supranational institutions in regional systems are usually understood as being synonymous with regional organs operating at a higher level, and which are supranational by virtue of their formal bases and power. However, West (2005) noted that there is no need to adopt supranationalism in all spheres of regional cooperation. According to West (2005), supranationalism means that sovereign states agree to abide by norms which are adopted at a higher level of organization. Therefore the forms of supranationalism that are needed to be employed in the East African Community organs are to have the capacity in decision making, monitoring and enforcement of laws and policies (Odhiambo, 2005; West, 2005).

There are two types of supranational arrangements that are crucial in restructuring and transforming the EAC organs. These are:

(a) Pooling of Sovereignty

The EAC partner states have to change means of taking decisions by unanimity and rather enforce the voting procedure (West, 2005). Similarly Ng'eno et al., (2007) argued that qualified majority voting is a more effective means of decision making. For instance, in the EAC meeting that was held on 2011, Tanzania defended the principle of viable geometry, which is based in consensus on the EAC decision making system. Therefore the principle requires no decisions to be made until every partner state agrees (Ng'eno et al., 2007; Mgwabati, 2011). More importantly, other partner states have observed that the consensual decision making approach is the stumbling block to fast track the integration process in the region (Mgwabati, 2011). Nevertheless it has been noted that Tanzania is among the countries that delay the integration process because of its stand on making sure that the process goes step by step as stipulated in the treaty establishing the East African Community (Mgwabati, 2011). Moreover the pooling of partner states

sovereignty may necessitate reviewing or amending the treaty establishing the EAC (Ng'eno et al., 2007).

(b) Delegation of Powers

Secondly, the EAC partner states have to delegate powers and authority to the EAC organs to shape the form and content of regional projects and programmes, and to be more effective in enforcement and implementation (Odhiambo, 2005; West 2005; Tjønneland, 2005). Therefore, the process of delegating powers and authority to the organs of the community will require the treaty that established the East African Community to be reviewed. Hence the EAC organs, before enforcing normative decisions, will have to consult and agree with partner states based on revised treaty.

1.3. The Secretariat/ Commission

Ngeno et al., (2007) pointed out that the Secretariat needs to be restructured and transformed into a commission, and the president of the commission to be directly elected by the East African Legislative Assembly. Therefore this research recommends that the president and vice president of the commission to be elected by Heads of State and to include 7 commissioners in charge of:

- Political affairs, peace and security
- Planning and infrastructure
- Productive sectors and environment affairs
- Finance and administration
- Customs and trade
- Macroeconomic policy coordination
- Social developments

In addition to the above, the study recommends that the commission needs to be established as the agenda setting institution of the community. Nevertheless the mandate for decision making and policy formulation is vested within the Council of Ministers (EAC Report, 2011). Further the functional scope of the Secretariat is limited to facilitate the Council in its decision making process and policy formulation (EAC Report, 2011). However the Secretariat has no mandate to follow up on the implementation of the decisions without referring to the Council (EAC Report, 2011).Interestingly, the current structures of the Secretariat are weak and misaligned with unrelated functions clustered under same offices of the Deputy Secretary Generals and directorates (EAC Report, 2011). Thus the study recommends that there is a need to merger certain functions of Secretariat directorates (Tjønneland, 2005). According to the EAC report of 2011, the treaty establishing the EAC provides the Secretariat with administrative responsibilities, which have however not been fully exercised due to lack of clear demarcations between the Council's administrative role and the Secretariat.

As noted above the East African Community operates on the basis of consensus. Yet alone there are no institutionalized arrangements to deal with partner states failing to implement decisions and policies agreed at the regional level (Tjønneland, 2005). According to Braude (2008) the East African Community has proposed to partner states to establish the EAC national units to facilitate the coordination of community policies, projects and programmes at the national level. Nonetheless the study recommends that if the EAC national unity established in partner states have to perform the following duties:

- To provide input in the formulation of; regional polices and strategies as well as programmes.
- To coordinate and oversee the implementation of the EAC programmes.
- To Facilitate information flows and communication between partner states and the EAC Secretariat (Tjønneland, 2005)

- To coordinate the provision of input for the development of the East African Community development strategy, and to monitor its implementation (Tjønneland, 2005)
- To promote and broaden stakeholder's participation in the EAC affairs at the nationallevel (Tjønneland, 2005)

Moreover the transformation of the EAC Secretariat into a commission may reduce the transaction costs of partner states in regional and multilateral trade negotiations (West, 2005; Nge'no et al., 2007), simply by institutionalizing the integrative dynamic and negotiations procedure (West, 2005). Correspondingly, Article 5 (1) of the East African Trade Negotiations Act provides that there is established a commission to be known as the East African Joint Trade Negotiation Commission. Further, paragraph (2) states that the commission shall: (a) harmonize trade policies, (b) develop an East African Trade Regime, (c) conduct trade negotiations on behalf of the EAC partner states, (d) to harmonize negotiating positions for individual partner states in instances where other partner states are not present (Ibid). This is incompatible with Nge'eno et al., (2007)'s suggestions that the commission has to represent the community at major international economic forums such as World Trade Organization, and other international organizations, sometime together with the partner states.

Lastly, the pooling of national sovereignty and delegation of powers to the EAC organs may constitute an essential package for building trust and confidence among the partner states (West, 2005).

1.4 The Council of Ministers

Nge'eno et al., (2007) noted that under the proposed institutional reforms of the community, the Council of Ministers has to retain its central decision making authority in the community. Thus the Council shall take decisions, issues directives, and make regulations on proposals made by the commission. This necessitates that the EAC treaty needs to be revisited by partner states to empower both the Council of Ministers and East

African Legislative Assembly to co-decide on regional policy decisions (Ng'eno et al., 2007). Additionally, the Government of Tanzania has proposed to broaden the role of the EAC Council of Ministers as representatives of partner states in the community legislative process (Ihucha, 2012). The proposal suggests that the Council of Ministers initiate and submit bills to the East African Legislative Assembly (Ihucha, 2012).The Tanzanian stance is that the Council of Ministers be allowed to approve bills together with the East African Legislative Assembly (Ihucha, 2012). However, Rwanda and Burundi are against the proposal (Ihucha, 2012).

1.5. The East African Court of Justice

Most interestingly, the East African Court of Justice and East African Legislative Assembly are not structures to fully operate as automatous organs of the community. Hence the relationship between the two organs is not clearly defined and institutionalized in the system, and processes of the community (EAC Report, 2011). Ng'eno et al., (2007) suggested that the advent of the common market and the admission of Rwanda and Burundi provided an opportunity to expand court jurisdiction. In accordance with the provision of Article 27 (2) of the EAC treaty, spells out that the court shall have such other original, appellate, human rights and other jurisdictions as will be determined by the council at a suitable subsequent date. To this end the partner states shall conclude a protocol to operationalize the extended jurisdictions. As illustrated in the above provision, the study recommends that the court decisions are to be final and have to bind partner states (Ruhangisa, 2010).

1.6. The East African Legislative Assembly

Ng'eno et al., (2007) asserted that the EALA mandate is restricted to approve the budget of the community and has limited role in policy making. At the present, the mode of electing members of East African Legislative Assembly does not achieve the fundamental objectives of the treaty, which emphasize people centered and private sector

driven integration. It is for this reason that reforms in the competence and elections to EALA are considered vital, especially as the community moves to a deeper level of integration (Ng'eno et al., 2007). Therefore this study recommends that the East African citizens elect their representatives to EALA directly. Thus the supranational arrangements requires the citizens directly to elect their representatives in regional parliament, and to have the capacity to propose private motions, bills and drafting of bills. Most importantly, there is a need for partner states to allocate 5 seats for the private sector across the region. Additional 5 seats to civil society organization; in five categories namely: (a) youth, (b) academia, (c) churches, (d) nongovernmental organization, and (e) interest groups. Nevertheless to operationalize the above proposals, partner states have to establish the East African Electoral Commission and its sub unites in partner states for proper procedures to be followed while electing the EALA representatives.

In addition, the East African Legislative Assembly needs to be strengthened and empowered to scrutinize both the Secretariat and Council of Ministers work programmes. In light of that to co-decide with the Council, and the EALA speaker, including head parliamentary portfolio committees legally have to attend meetings of the Council of Ministers. In support of the above the EALA has to institute the public administration committee to act as the key scrutiny committee for the Secretariat. Consequently the national parliaments have to form the EAC portfolio committees at the national level. In light of that there is a need to set up joint parliamentary committees, thus the national parliaments have to be given the right to submit opinions to be considered by the regional parliament when voting or deciding on proposed legislation.

1.7. The EAC Operational, Project and Programmes Funding Mechanisms

According to West (2005) one of the nightmares of most integration schemes has been lacking of funding even for basic institutions. There is a need for EAC partner states to establish a system of own resources, that is to pool customs revenue in a customs union, and to levy certain kinds of regional transactions or to share indirect taxation (West,

2005).Nge'no et al., (2007) cited the report on fast tracking of the East African Federation; the so called Wako Report, which recommended that a 0.0025 percent charge on total import from third countries to fund the community. Moreover the EAC Development Strategy, of 2006-2010 recommended 1.5 percent on charge on customs revenue. This research concurs with Ng'eno et al., (2007) that the customs revenue collection to be centralized and become the responsibility of the EAC customs directorate. In addition the study recommends that in funding the EAC operational costs, partner states have to impose taxes on EAC staff salaries (EU, 2012). It has to be agreed for the interest of the community. Lastly the study recommends policy areas that require qualified majority voting and unanimity decision making in the process of transforming the East African Community.

Table 5: Policy Areas that Require Qualified Majority Voting & Unanimity Decision Making in the East African Community

Supranational Policy Pillar	**Intergovernmental Policy Pillar**
1. Policy areas that requires qualified majority voting in the Council and the Summit. Hence the policy areas will not threaten partner states sovereignty. ▪ Industrial policy ▪ Trade policy ▪ Competition policy ▪ Public health policies ▪ Transport policies ▪ Agriculture policy	1. sensitive policy areas that requires unanimity decision making; ▪ Foreign policy ▪ Immigration policy ▪ Land policy ▪ Defence policy ▪ Maritime policy ▪ Investment policy ▪ Employment policy ▪ Tax policy 2. The regional structures have no exclusive right to policy initiation. Nevertheless, policies have to be initiated under the direction and guidance of the Council of Ministers.

Source: own draft.

Appendix C: Case Study One: Transformative Lessons & experience from Economic Community of West African States

1.1. Introduction

According to Draper (2012), regional integration has a strong roots in the European Union; therefore there is a need for the East African Community to draw integration lessons and experiences from other sub regional integration schemes across the globe. More importantly the East African Community needs to think out of the European Union dominance model (Draper, 2012). First, the case studies selection criteria is based on; (a)strength and weakness of particular regionalism, (b) institutional set up, (c) integration projects and programmes funding mechanisms, and (d) if there are possibilities that the institutional arrangements from Caribbean Community & Common Market (CARICOM) and Economic Community of West African States (ECOWAS) can be replicated to the East African Community. The second criterion is characteristics of a particular regionalism; there is an assumption that less developed regionalisms have symmetrical features in terms of poor economic growth and development. The third criteria is the ECOWAS regionalism is prone to conflicts while the CARICOM is weak in terms of its bargaining position in regional and multilateral trade negotiations as is the case in the East African Community (Braude, 2008; Tindyebwa, 2011).

1.2. Introduction and Background to Economic Community of West African States

The Economic Community of West African States (ECOWAS) was established on the basis of treaty of Lagos, signed on May 28th 1975. The ECOWAS has 16 member states, these are; Benin, Burkina Faso, Cape Verde, Ivory Coast, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Sierra Leone and lastly Togo (Ogwu & Alli, 2009). In addition, the ECOWAS was born out of the experiences of Union Douaniere des Etats de l' Afrique et l' Ouest (UDEAO) and West African Examination Council (WAEC), 1972. On its creation, it was entrusted with the task of

promoting cooperation and development in all areas of economic activities; (a) abolishing trade restrictions, (b) removing obstacles to free movement of persons, goods and services, and (c) to harmonize regional sectorial policies (ECOWAS, 2007). The ECOWAS covers a territory of about 5 million square kilometers with a total population of 260 million (ECOWAS, 2012). Therefore in 1991 and 1994, the ECOWAS member states signed protocols for establishing the ECOWAS Court of Justice and Community Parliament (Ogwu & Alli, 2009, pp. 9-10). Subsequently after member states operating the ECOWAS treaty for almost a period of 2 decades, the treaty was critiqued as not paying adequate attention to issues, such as political cooperation, regional peace and security, the binding effect of the decisions of the Authority, Council and the supra-nationality of the ECOWAS.

The Committee of Eminent of Persons for the review of the ECOWAS Treaty was set up to consider the legislative powers of the Authority of Heads of State & Government (Adetula, 2009). The revision arises from the need of the community to adopt changes on the international stage and that drove the ECOWAS to redesign its strategies in order to accelerate economic integration in the West African region (Adetula, 2009). According to Agwu & Alli (2009) ECOWAS member states were compelled to review the treaty of Lagos. The goal of the revision was at least to successfully imbue the organization with the appropriate supranational status that would be consistent with organizational philosophy of pooling the national sovereignties through measures that would strengthen the community's institutions and make its decisions enforceable in its member states. Nevertheless the committee identified four areas for possible reforms:

- Institutional arrangements
- Regional peace and security
- Financing of regional integration efforts
- Available options for cooperation and regional economic integration

1.3. The Institutional Arrangements of Economic Community of West African States

The institutional policy organs of the Economic Community of West African States (ECOWAS) are:

- Conference of Heads of State & Government
- Council of Ministers
- Community Parliament
- The Community Court of Justice
- Specialized Technical Committees
- ECOWAS Commission
- Specialized Institutions; ECOWAS Bank of Investment & Development, the West African Health Organization, West African Monetary Institute (WAMI), and West African Monetary Agency (WAMA)

1.3.1The ECOWAS Commission

In transforming the ECOWAS, member states established a commission entrusted with its political guidance headed by a president appointed by the Conference of Heads of State and Government (ECOWAS, 2007). The president of the commission is the chief executive officer of the community. He is aided by a vice president and seven commissioners. The president of the commission is responsible for the preparation and implementation of the decisions of the Conference of Heads of State and Government, in addition to rules of the Council of Ministers (ECOWAS, 2007). Consequently the process of restructuring the ECOWAS required:

- Consolidation of the community spirit
- Enhancement of the power of the community
- Strengthening of supra-nationality

- Adoption of a new legal regime directly applicable in member states and by the institutions.

Hence the process of transforming ECOWAS Secretariat incorporated the adoption of a new legal regime for community Acts. The community Acts are supplementary Acts, Regulations, Directives, Decisions, Recommendations and opinions. Furthermore the Authority passes the supplementary Acts to complete the treaty, thus the supplementary Acts are binding on member states and institutions of the community.

- Office of the President of the Commission

The president is the Chief Executive Officer of the commission; coordinates the activities of all the institutions of the community and legal representative of the institutions of the community. Additionally, he represents the community in its external and international relations. The president is responsible for strategic planning and policy analysis (ECOWAS, 2012). In the office of president there are departments such as -(a) Cabinet of the president, (b) Audit directorate, (c) Legal directorate, (d) Communications directorate, and (e) Department of external relations.

- Office of the Vice President of the Commission

The vice president of the ECOWAS commission is appointed for a period of 4 years. The vice president ensures the organizational continuity of the community in the absence of the president. He assists and supports the president in the discharge of duties related to the discharge of mandate of the ECOWAS (ECOWAS, 2012). The vice president is in charge of coordination, monitoring and evaluation of programmes, including the relations between the commission and ECOWAS institutions He assumes any other responsibilities delegated by the president of the commission. The vice president supervises 4 units which are essential for the sound management of ECOWAS, these are; (a) Monitoring and evaluation unit, (b) The strategic planning unit, (c) The unit on

relations of other ECOWAS institutions, (d) The community computer center of the ECOWAS.

The commission has seven commissioners, namely:

- The commissioner for administration and finance
- The commissioner for agriculture, environment and water resources
- The commissioner for human developments and gender
- The commissioner for infrastructure
- The commissioner for macroeconomic policy
- The commissioner for political affairs, peace and security
- The commissioner for trade, customs, industry and free movement

1.3.2 The Community Court of Justice

The protocol which established the court was signed on July 6 1991, in Abuja, Nigeria, and entered into force on November 5, 1996, having been ratified by 11 member states (ECOWAS, 2012). The composition of the court of justice is composed of 7 independent judges appointed by the Conference of Heads of State and Government. It is the principal judicial organ of the community. Thus it ensures the respect of law and principles of equity in the interpretation and application of the treaty, in that regard, it is aware of the disputes that may involve the member states, community institutions, natural and legal persons residing within the community (ECOWAS, 2012). The court jurisdiction first is to provide legal opinion on any matter that requires interpretation of the community text. Second, the court examines cases of failure by member states to honour their obligations under the community law. On top of that the court has competence to adjudicate on any dispute relating to the interpretation and application of the acts of the community. Third the court adjudicates disputes between institution of the community and their officials. Fourth the court has jurisdiction to determine cases of violation of human rights that occur in any member states. Lastly the court adjudges and makes declarations on the legality of regulations, directives, decisions, and other subsidiary legal instruments

adopted by ECOWAS. Nevertheless the decisions of the court are not subject to appeal, except in cases of application for revision by the court. That the decisions of the court are binding and each member state shall indicate the competent national authority responsible for the enforcement of the decisions of the court (ECOWAS, 2012).

1.3.3 The Community Parliament

The ECOWAS parliament is a forum for dialogue, consultation and consensus for representatives of the peoples of West Africa. In order to promote integration, the community parliament has been established in accordance with Article 6 & 13 of the ECOWAS treaty. The protocol established the community parliament was signed in Abuja on August 6, 1994 and entered into force on March 14, 2012 (ECOWAS, 2012).

- The composition of the parliament

The community parliament consists of 115 seats; elected from national assemblies of member states. Most importantly, each of the 15 member states has 5 seats. The remaining seats are shared in proportion to the population. As a result Nigeria has 35 seats; Ghana and Ivory Coast have 7, while Burkina Faso, Guinea, Mali, Niger, and Senegal have 6 seats each and other countries such as Benin, Cape Verde, Gambia, Guinea, Liberia, Sierra Leone and Togo have 5 seats each (ECOWAS, 2012).

- Competence of the parliament

The parliament may consider any matter concerning the community in particular issues, relating to human rights and fundamental freedoms, and make recommendations to the institutions and organs of the community. Moreover the parliament may be consulted for its opinion on matters concerning the community. The opinion of the parliament shall be sought in the following areas:

(i) Inter-connection of the communications links between member states as to facilitate the free movement of persons and goods effectively
(ii) Inter-connection of the telecommunications system
(iii) Inter-connection of energy network
(iv) Public health policies for the community
(v) Common education policy
(vi) Youth and sports
(vii) Scientific and technological research
(viii) Community policy on environment
(ix) Treaty review
(x) Community citizenship, and social integration, among other

At the inception, ECOWAS was mandated to serve only as a consultative and advisory body. In 2006, the Authority of Heads of State and Government expressed a desire to have an ECOWAS directly elected members and to exercise full legislative powers. However, to date the community parliament has remained unchanged (Ekweremadu, 2012).The community parliament is still in transition and has no capacity to make laws (Ekweremadu, 2012).

1.4. Funding Mechanisms for ECOWAS Projects and Programmes

Adetula (2009) argued that the implementation of the objectives and programmes of ECOWAS depends on adequate finance. He asserted that there are persistent problems of inadequate finance to run the affairs of the organization, due to the fact that member states failed to contribute to the community budget on time, in addition, the amount that has been contributed by member states is limited. In line with the above, Adetula (2009) stated that since the ECOWAS was formed, it has experienced financial problems resulting in substantial accumulated arrears of contributions by member states. Adetula (2009) argued that it was in a bid to tackle this problem of accumulating, the community levy protocol was adopted in July, 1996, meant to generate resources that member states

can use to offset accumulated arrears of contributions. Thus each member states apply an ECOWAS levy of 0.5 percent on imports from non ECOWAS member states. Nevertheless there are efforts being made to encourage member states to implement and remit resources generated from the levy for the purpose of an independent and sustainable funding of the ECOWAS projects and programmes. Adetula (2009) pointed out that over the years ECOWAS had relied on institutional and financial support from major Western donor agencies.

Appendix D: Case Study Two: The External Dimension Lessons and Experience from Caribbean Community and Common Market

1.1. Introduction and Background

In 1962, the government of Trinidad and Tobago proposed the creation of Caribbean Community. That comprises the members of the British West Indies federation and also the three Guyana's, and all the Island of the Caribbean Sea. Subsequently in 1965, the Heads of Government of Antigua, Barbados, and British Guyana signed an agreement in Antigua to establish the Caribbean Free Trade Association (CARIFTA). Thus the CARIFTA agreement was signed and entered into effect in 1968 (CARICOM, 2012). In October 1972, at the conference of Heads of Government of Caribbean Free Trade Association (CARIFTA) member states, they decided to transform the CARIFTA into a common market and established the Caribbean Community of which the common market was an integral part (CARICOM, 2012). Consequently the Caribbean Community and Common Market treaty was signed on July 4th 1973 and came into effect in August 1973. Hence, the Caribbean Community and Common Market (CARICOM) was established by treaty known as Chaguaramas, which was signed by Barbados, Jamaica, Guyana, Trinidad and Tobago (CARICOM, 2012). The CARICOM member states are; Antigua & Barbuda, Bahamas, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St Lucia, St Kitts & Nevis, St Vincent & Grenadines, Suriname, Trinidad & Tobago. Lastly the associate members are; Anguilla, Bermuda, British Virgin Island, Cayman Islands, Turks & Caicos Islands (CARICOM, 2012).

1.2. Caribbean Community and Common Market External Relations

In Caribbean Community and Common Market (**C**ARICOM) foreign policy coordination has played a crucial role in integrating the region. The foreign policy coordination is regarded as the second pillar of integration after (CSME) (CARICOM, 2005). Therefore the revised treaty of Chaguaramas that established the CARICOM has three objectives, which focuses on external elements of integration process: (i) to enhance coordination of

member states foreign and foreign economic policies, (ii) expansion of trade and economic relations with third countries, and (iii) greater economic leverage and effectiveness of member states in dealing with third parties (CARICOM, 2005). Most importantly there are three provisions in the Chaguaramas treaty which provides that:

- The Council for Foreign & Community Relations (COFCOR)

The COFCOR is tasked to determine relations between the community and international organizations, and third countries. And, to establish measures to coordinate the foreign policies of the member states of the community, and to adopt a community position on international affairs (CARICOM, 2005).

- The Council for Trade & Economic Development (COTED)

The COTED in collaboration with the Council for Foreign & Community Relations (COFCOR) is mandated to promote and develop coordinated policies to enhance external economic and trade relations of the community. Lastly, the treaty provides the coordination of external trade policies versus third countries or groups of countries, and encourages the community to pursue the negotiations of external trade and economic agreements on a joint basis in accordance with principles and mechanisms established by the Conference of Heads of Government (CARICOM, 2005).

1.3. The Caribbean Community & Common Market Foreign Policy Strategies

Foreign policy coordination among the CARICOM member states is guided by a foreign policy strategy designed and endorsed by the Council for Foreign & Community Relations (COFCOR) and the Conference of Heads of Government (CARICOM, 2005). According to the strategy, the community foreign policy strategy is guided by six fundamental principles namely; (a) the development and preservation of the Caribbean identity, democratic system and economic space, (b) the sustainability of small states

within the international community, (c) adherence to principles of good governance, (d) to maintain peace, security and territorial integrity of the community, (e) adherence to the purposes and principles of the United Nations, and (f) adherence to international treaty commitments. It is worth noting that the above principles guides the CARICOM Secretariat's Directorate of Foreign Policy and Community Relations working programs (CARICOM, 2005).

1.4. Coordination of External Economic Policies

The mechanism for foreign economic policy coordination is more advanced than the affected non-economic areas. Thus the CARICOM foreign economic policy coordination is mainly focused on trade related issues. Therefore the CARICOM Secretariat Directorate for Foreign Policy and Community Relations (FPCR) coordinate external trade negotiations concurrently with the Regional Negotiating Machinery, and the Regional Negotiating Machinery is mandated by the Heads of Government to develop cohesive and effective frameworks for coordination and management of the Caribbean regions negotiating resources and expertise. Additionally, the Regional Negotiating Machinery Director General is in charge of negotiations and acts as the CARICOM chief negotiator and chief technical adviser. Further, in carrying out his broad mandate he is assisted by Senior Directors, namely; the Director for Technical Cooperation and Partnerships, and a Director for Administration. Therefore the senior directors oversee various technical units, divided by negotiating theaters, such as the World Trade Organization, European Union, and Free Trade Area of the Americas (FTAA) (CARICOM, 2005).

1.5. Coordination of External Trade Negotiations Takes Place through Various Processes

- A Coordinating Committees is comprised of the Regional Negotiating Machinery Director General, the CARICOM Secretary General, and Organization of Eastern Caribbean States (OECS) Secretariat Director General; most importantly they collaborate to take note of the special and differential needs of member states in the region before engaging in the negotiations (CARICOM, 2005).

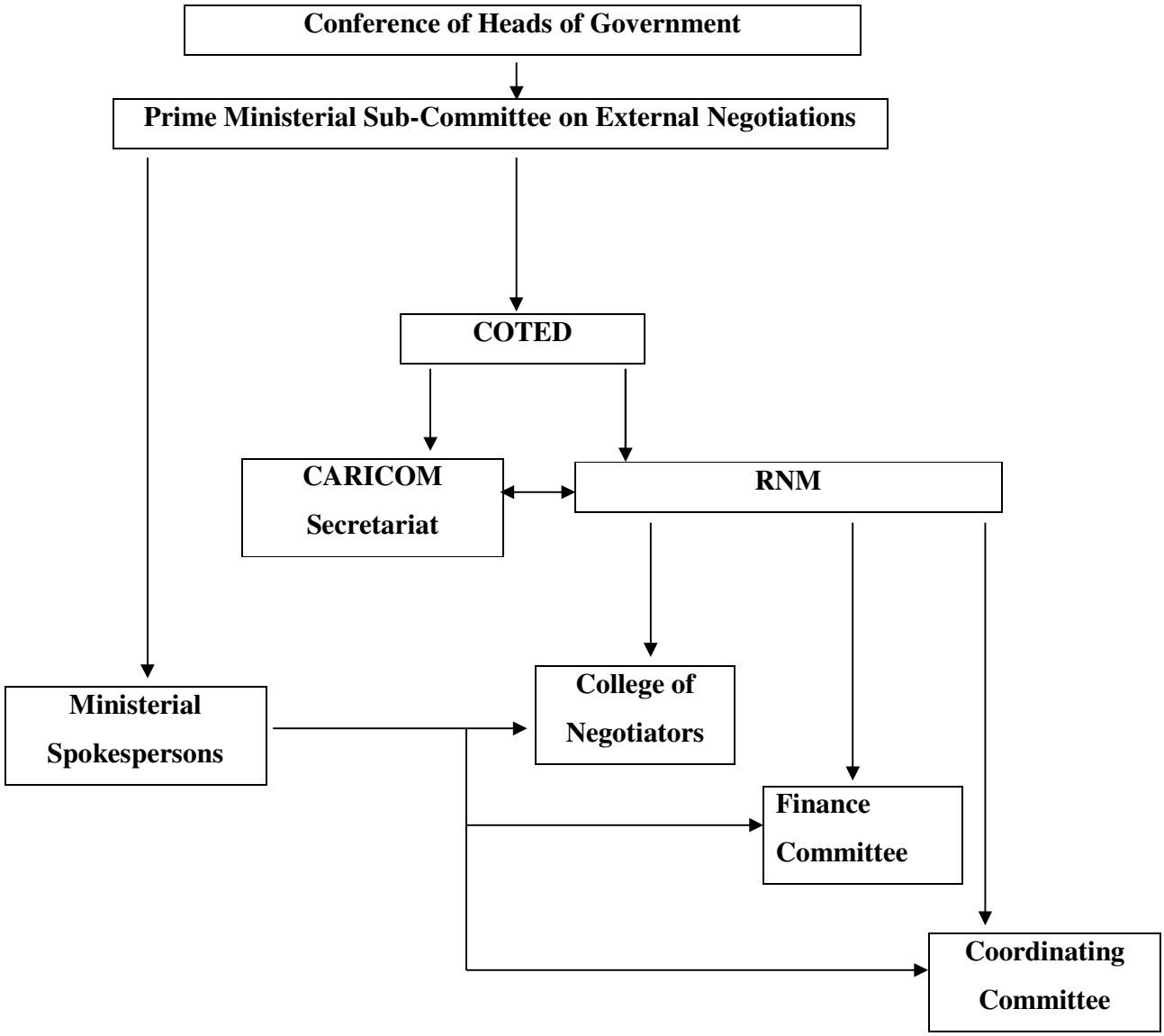
- Collaboration between the CARICOM Secretariat Directorate for Foreign Policy and Community Relations and Regional Negotiating Machinery is guided by their respective working programmes, for which both put an emphasis on inter agency cooperation. The Directorate Foreign Policy and Community Relations have declared explicitly that the intensification of trade negotiations will warrant priority attention and collaboration with the Regional Negotiating Machinery (RNM). Similarly the Regional Negotiating working programmes emphasize the need for collaboration with the Secretariat, especially in the implications of the CARICOM Single Market and Economy (CSME) on external negotiations, implementation of existing agreements, and building national capacity to facilitate formulation of regional negotiating positions (CARICOM, 2005).

- The Regional Negotiating Machinery and the Secretariat are required to consult the Council for Trade & Economic Development (COTED) before presenting recommendations to the prime ministerial sub-committee. In the process of consultations, member states economic and trade officials have the opportunity to contribute in designing negotiating positions (CARICOM, 2005).

- The ministerial spokespersons appointed by member states to act as regional advocates in the respective negotiating theaters are invited to the meetings of the prime ministerial sub-committee to participate meaningfully in discussions of their respective negotiating theaters (CARICOM, 2005).

- A College of Negotiators led by the Regional Negotiating Machinery acts as an umbrella mechanism to oversee all technical areas. Thus it holds consultations on the various negotiating theaters and areas to coordinate regional positions (CARICOM, 2005).

Figure 8: Coordination of External Trade Negotiations



Source: adapted from Caribbean Community & Common Market Report No. 2 of 2005.

Equally importantly, the Regional Negotiating Machinery normally conducts studies on trade issues and areas affecting the region. That includes; market access in agriculture

and services, intellectual property rights, special and differential treatment. In fact studies provide crucial background information for the production of negotiation briefs and positions. The Regional Negotiating Machinery has represented CARICOM in many negotiating forums, both in the Free Trade Area of the Americas (FTAA) and European Union. The participation of the Regional Negotiating Machinery in multilateral trade negotiations has reduced the financial burdens of other member states, who do not have sufficient funds for trade negotiations or human resources that has to be engaged in all meetings. More importantly the Regional Negotiating Machinery has been instrumental in boosting the capacity of member states preparation for, and engagement in external negotiations by providing technical assistance in a number of trade related areas, and by attracting new donor funding for trade related capacity building in CARICOM.

However, there are challenges CARICOM has encountered in coordinating trade negotiation positions. First, member states have been reluctant to cede sovereignty in the national policy making to a centralized regional institution. Furthermore, there is an overlap of mandates between the Regional Negotiating Machinery and CARICOM Secretariat. It is evident that the Regional Negotiating Machinery is limited to negotiate trade agreements, whereas the Secretariat support member states in the process of implementing agreements but also the implementation requires further negotiations among the member states. Second, the process of crafting a common negotiating agenda among multiple member states with disparate interests, on a timely basis and as dictated by a negotiation schedule, is extremely challenging (CARICOM, 2005). To arrive at a regional position, member states must first adopt a national strategy for external trade negotiations (CARICOM, 2005).

1.6. The Regional Negotiating Machinery Strategic Objectives

The Regional Negotiating Machinery (RNM) has two strategic objectives on its working programme; (a) to establish an effective program for developing and sustaining technical capacity, and negotiating skills within the region, (b) to develop a framework that will increase the effectiveness of the process of formulating negotiating strategies. In light of the above strategies the role of Regional Negotiating Machinery in coordinating, facilitating and defending regional positions in international trade negotiations has been constrained by a lack of sufficient funding (CARICOM, 2005).

Appendix E: Association of South East Asia Nations (ASEAN) Single Window System Processes.



Source: adapted from Association of South East Asia Nations (ASEAN), 2013.

Appendix F: Documentary Analysis

TYPE OF THE DOCUMENT	THEMES	QUESTIONS	ANALYSIS	ACCESS
The Treaty Establishing the East African Community, as amended on 14th December, 2006 & 20th August , 2007	1. Fundamentals principles of the community. 2. Principal policy organs of the community. 3. Scope of cooperation in customs union, political & foreign affairs, and common market. 4. Expansion of the community.	1. What are fundamental principles of the EAC? 2. Are the EAC partner state adhered to fundamental principles of the community in honoring their commitments in regional cooperation & integration? 3. At what level the civil society & business community participate in community public policy processes? 4. What are the pre-requisites for EAC admission?	1. Transformation of the EAC Secretariat & community expansion. 2. The role of EALA in regional integration. 3. The jurisdictions of the EACJ in arbitrating customs union, community external relations, & common market disputes.	The East African Community, headquarters, Arusha, Tanzania

TYPE OF THE DOCUMENT	THEMES	QUESTIONS	ANALYSIS	ACCESS
The East African Community Customs Union Protocol, 2005	1. Scope of cooperation in customs union. 2. EAC trade & customs arrangements with third countries & other regional integration schemes. 3. Dispute settlements. 4. Policy areas of convergence & divergence in customs union.	1. Is it possible for the EAC partners to establish a single customs territory? 2. To what extent the tripartite customs union can be forged between COMESA-EAC - SADC? 3. What areas in the customs union can be converged and diverged in the process of deep integration?	1.Internal tariffs 2. Tariff barriers to trade. 3. Customs administration & non tariffs barriers to trade 4. Harmonisation of policies & laws in Taxation.	www.eac.int

TYPE OF THE DOCUMENT	THEMES	QUESTIONS	ANALYSIS	ACCESS
The East African Community Common Market Protocol, 2010	1. Obstacles to free movement of persons & labour within the region. 2. Right of establishment & residence. 3. The role of transport infrastructure in trade creation and expansion beyond the community. 4. Policy areas of convergence and divergence in common market. 5. Dispute settlements	1. What is the rationale of EAC common market protocol? 2. Are partner states workers eligible to move freely in the region? 3. What are the pre-requisites for EAC citizens to acquire a residence permit? 4. What areas of laws and policies needs to be harmonized as to effect the common market protocol	1. Transport policies; roads & rail networks expansion. 2. Immigration laws & labour policies. 3. Mutual recognition of regional qualifications.	Ministry of Industry & Trade, Tanzania.

TYPE OF THE DOCUMENT	THEMES	QUESTIONS	ANALYSIS	ACCESS
EAC Foreign Policy Coordination Protocol,2010	1.Collaboration in multilateral diplomacy; a. Economic partnership agreements, b. Doha development agenda, Tripartite negotiations between COMESA, EAC & SADC. 5. Collaboration in capacity building 6. External negotiations dispute settlements	1. How a common position is forged and harmonized in regional & multilateral trade negotiations? 2. To what extent the partner states centre's of excellence can provide trade related negotiations capacity building	1. WTO; Doha development agenda in trade facilitation and market access. 2. Economic partnership agreements; free trade area formation, revenue implications, 3. EAC political & economic relations with external partners & other regional economic communities	www.eac.int

TYPE OF THE DOCUMENT	THEMES	QUESTIONS	ANALYSIS	ACCESS
Vienna Convention on Diplomatic Relations, 1961	1.EAC permanent missions establishment to the WTO & European Union	1. Is Vienna Convention on Diplomatic Relations of 1961 an appropriate legal framework for the EAC to rely on, while getting in the process to establish its own permanent diplomatic missions in Brussels and Geneva?	1.Article 2 of the Vienna Convention on Diplomatic Relations 2.Article 3&4	Wits University, online resources

Appendix G: Respondents

Respondents	Capacity
EAC I	**Trade & Customs Director, East African Community**
EAC II	**Monitoring& Evaluation Officer, East African Community**
EAC III	**Finance Officer, East African Community**
EAC IV	**Training Officer, East African Community**
UGMOF	**Uganda Embassy Official** **First Secretary in charge for EAC Affairs**
EAC V	**Principal International Relations Officer, East African Community**
TZMEAC	**Tanzania Ministry of East African Cooperation, Trade & Investment Officer**
BU	**Embassy of the Republic of Burundi in South Africa, First Counselor.**

Appendix H: Master Questionnaire/ Semi Structured Interviews

Component 1: Customs Union

1. What are the successes for partner states in customs union formation since 2005 up to date?.....
   .....
2. Why partner states have not harmonised their domestic revenue policies and laws up to date?.....
   .....
   .....…
3. What challenges partner states have experienced in an attempt to initiate a single customs territory in the region?.....
   .....
   .....

Component 2: Community External Relations

The Consolidation of Diplomatic and Trade Missions in Brussels and Geneva

1. What are the prerequisites for establishing EAC permanent missions in World Trade Organisation and the European Union?.....
   .....
   .....

2. What are the functional roles of the EAC international relations and international trade department with regard to partner states in formulating a unified position in multilateral trade arrangement?.....
.....
.....

3. Basing on foreign policy literature, it is argued that foreign policy is an expression of the identity and interest of a particular community. What is your opinion on the statement in relation to East African community foreign policy coordination?.....
.....
.....

4. What anticipated challenges partner states are likely to face for establishing the EAC permanent missions in WTO, and in the European Union?.....
.....
.....

Community External Cooperation

1. Which directorate under the EAC secretariat oversee the EAC-SADC-COMESA Tripartite negotiations and facilitate coordination with national structures?.....
.....
.....

2. Why is there a delay for partner states to ratify the protocol on foreign policy coordination and to have a common trade policy in place?.....

.....

.....

3. The staffs of the EAC Secretariat and partner states' Foreign Service and Trade Representatives are they attracted to national diplomatic training institutes for capacity building in trade related negotiations?.....

.....

.....

4. What lessons and experience have been drawn from the EAC partner states on external cooperation since 1999 up to 2010?.....

.....

.....

5. How is a common understanding instigated among the partner states in dealing with external and development partners?.....

.....

.....

6. As matter of fact the EAC partner states cannot cope with the complications of multilateralism. Is there a possibility for partner states to converge their national interests to confront the external environment with a common voice?.....

.....

.....

Popular Participation of the Civil Society Organizations and Private Sector in the EAC Integration Process

7. How do partner states accommodate civil society organizations and the business community in the regional integration

process?.....
.....
.....

8. Are the East African business communities participating in multilateral trading negotiations
   direct/indirect?.....
   .....
   .....

9. At what level does the CSO and private sector participate in the EAC-COMESA-SADC tripartite
   negotiations?.....
   .....
   .....

Foreign Service Institute of Kenya/ Centre for Foreign Relations, Tanzania

The Relevance of Foreign Service Institute of Kenya In Diplomatic Training & Trade Related Capacity Building Programmes for the EAC staff and Partner States Foreign & Trade Representatives

1. Is the Foreign Service Institute of Kenya and CFR ready to offer diplomatic and trade related capacity building for EAC staff and partner states' foreign & trade representatives engaged in multilateral forums?.....
   .....
   .....

2. What kind of training does the institute offer for Foreign Service and Trade officials engaged in multilateral

negotiations?.....
.....
.....

3. The draft EAC Foreign Policy coordination Protocol, Article 8 provides for collaboration in capacity building and utilisation of the centres of excellence of the partner states. What is the view of the Institute on the above proposed initiative by the East African Community partner states?.....
.....
.....

4. Which aspects of training will the institute be ready to offer for capacity building?.....
.....
.....

5. To ensure the EAC staff and partner states Foreign Service and Trade representatives in multilateral negotiations are equipped with relevant skills and techniques, to successfully managing the negotiation process and outcomes?.....
.....
.....

Component 3: Common Market

6. Why is there poor implementation of agreed regional policies at the national level with regards to common market on free movement of persons and labour, and in enforcing the right of establishment and residence among the East Africans?.....
   .....
   .....

a) Trade Creation

7. Is trade creation largely attributed to fail in the EAC due to the unreliable railway services and poor roads across the region?.....
   .....
   .....

b) Trade Expansion

8. Are poor port facilities and customs delay in Mombasa and Dar es Salaam impede trade expansion among the partner states and beyond?.....
   .....
   .....

9. And what are your suggestions to enhance Mombasa and Dar-es-Salaam ports productivity?.....
   .....
   .....

Institutional Arrangements & Reforms

1. What are the challenges for the secretariat and its partner states on East African Community
   enlargement?.....

.....

.....

2. Is there a need for partner states to reform the EAC secretariat based on the fact the current structures are not able to cope with the pace of deep integration and community expansion?.....

.....

.....

Community Challenges & Successes

1. What are challenges has the community encountered in the East African regional integration process since 1999?.....

.....

.....

.....

2. What has been achieved in the East African regional integration since 1999?.....

.....

.....

3. Which functional area of cooperation needs to be strengthened as to realize the goals of regional integration?.....

.....

.....

4. How can the partner states advance the integration agenda at the national level?.....

.....

.....

Dispute Resolution Mechanism

1. Is the East African Court Justice empowered enough by partner states to handle integration disputes that might arise in customs union and common market protocol

implementation, in addition to multilateral trade negotiations?.....
.....
.....

Funds for community programs & projects

2. Do the partner states equally contribute to the budget of the community?.....
.....
.....

3. What challenges have the East African Community partner states experienced in funding community projects and programmes?.....
.....
.....

4. What are multiple sources of funding the EAC-COMESA-SADC tripartite arrangements?.....
.....
.....

5. Who funds the East African civil society groups to participate in the regional integration agenda and forums?.....
.....
.....

6. What could be other reliable sources for funding secretariat operational costs, community programmes and projects without heavily relying on the development partners?.....
.....
.....

7. In one way or the other, do donor funds obstruct regional integration agenda in the East African

Community?.....
.....
.....

Monitoring & Evaluation Institutional Arrangements

10. What are the institutional arrangements in place for monitoring and evaluation of community programmes and policies implementation at the national level?.....
.....
.....

11. Will it be useful to enlarge and empower the policy planning, research, monitoring & evaluation department under the directorate of planning and infrastructure to facilitate programs and policies coordination with national structures?.....
.....
.....