Rethinking Development Governance in Africa: Limitations of Regional Integration Alternatives (The East Africa Community)

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Introduction

Background Information

The appalling living conditions in Africa and other countries of the South (LDCs) is a cause of worry. The people in these countries need to constantly adapt to change the terrible situation for purposes of human survival. Our creativity enables us to search for the means of attaining economic growth and sustainable development. Sustainable economic development is a complex reality. Sustainability in development is an endeavour that leads to good conditions of living both now and in the future (Neil 2000, p 99). Sustainable development may generally refer to the ability the society or a country has to continue to use and maintain an idea or natural resources without depletion. Emphasis is laid on maintaining resources for as long as may be possible and the potential to adapt to new changes (Sahyoun, Footsteps No.64). Sustainability in development has not been easy in Africa and other LDCs working independently because of the many bottlenecks at the national levels. For the reason of failed national economic growth policies and initiatives like Parastatal formation, Privatisation and providing agricultural incentives, fiscal policies of IMF and World Banks' Structural Adjustment Programmes, regional integration becomes a possible alternative.

It is easy to justify that the EAC is an answer to economic and political development challenges, but caution should be taken before making such an assertion. A system of political and economic governance devoid of elaborate mechanisms and structures that allow wide participation and adequate representation of ideas undermines consistent legitimacy and long term political – economic commitment the EAC urgently demands. The political economists' classical answer "more research is needed" about the stability and actual performance of the EAC perfectly fits here.

The urgent political and economic freedom that is wanting in the EAC prods us to accept Regional Economic Integration (RTI) as the basis of macro-economic transformation at the present day. This position, however, holds little water due to the myriad bottlenecks hindering the process of reconstructing the East African Community. Institutional malfunctions, multiple membership, escalating levels of poverty, education and brain drain crisis, the democratic gap, population surge, bad culture of relations and an infrastructure walking on its knees among others culminate in an unstable economic base to encourage the process of regional integration. Regional Economic Integration often stagnates because this key aspect is weak. A stable economic base is one that can be relied upon to generate the production of resources necessary for the satisfaction of human wants.

Democratic governance in political and economic issues is a decisive test in the whole process of harmonization of the many forms of disparity that exist within the East African Region. Restructuring institutional economic policies and infrastructural set-ups is fundamental in trying to attain the relevance of building a viable EAC. This paper also suggests optimal recommendations as a strategy for the future like rolling back to fair trade negotiations, wide consultations and rethinking of a more practical and equitable regional integration for the majority of East Africans not the minority elite. A sound economic base refers to the capacity major sectors of the economy like agriculture, industrial manufacture, revenue, tourism, commercial services and infrastructure should have to streamline their performance both at sectoral and national levels in member states in the region. The economy is sound when it can be relied on and has a high probability of giving positive out-put or it allows participation of people in creating its stability.

Understanding regional integration is like trying to hit a moving target. Each time we think the process is in our sights, it moves on, it changes and the mark is missed again (Bromley 2001, p 144). Regional integration is “thinking of relationships that go beyond normal diplomatic, treaty, trade, or alliance relations and involve some intermeshing of governments, institutions, or societies” (Plattner and Smolar 2000, p 31). Common norms are set up like those of the EU and NATO’s standing political institutions, shared law making, executive institutions and the joint planning force.

African development needs close integration of economies to withstand unstable but infused capitalist systems of dependency. Self - reliance and sustainable development are possible through the strengthening of integration both at national and regional levels. Regionalism posits a collective action plan to “ameliorate the effects of the national disengagement process by replacing North-South vertical relations with South-South horizontal relations among underdeveloped countries” (Adetula 2004, p 4). Collective self-reliance is a strategy against dependence on external aid aimed at promoting the principle of autonomous development. With renewed pressure from globalisation and free global trade characterised by oligopolistic competition, regional groupings primarily co-operate in order to “strengthen their autonomy; increase their bargaining position in disputes about distributive issues, and to promote other political or economic objectives” (Gilpin 2001, p 357). Regional integration is then seen as a means of replacing failed national initiatives of development.

The track record of forming regional groupings has been slow. Sadly, regionalism in Africa has failed to upgrade development. It needs a Herculean effort to streamline political and economic policies. The first EAC between 1967 and 1977 was an experience of failure. The idea of an immediate formation of common projects was impractical. It faced an ideological obstacle between the members of the EAC Summit, Julius Nyerere, Jomo Kenyatta and Idi Amin. The three had differing ideologies about the course of integration. Much political instability in the region especially in Uganda was unfavourable to regional co-operation. The emergence of the erratic Idi Amin after the 1971 coup in Uganda widened the gap between Uganda and Tanzania where the late Milton Obote sought political asylum. Economic bottlenecks to the community like low economic growth, peasant agricultural production, unsteady investment and trade among others also contributed to its collapse. Disparities between the Kenyan capitalist economy and Tanzania’s socialist were not easy to harmonise. Uganda had elements of both capitalism and socialism. The other stumbling block was the financial basis to support community projects. The 1977 EAC budget was not approved by the Summit, a factor that further exacerbated the running of community affairs. The economic organization of the EAC served diverse external interests more than the domestic ones through the principle of concentration, which favoured investment in Kenya. Thus differences in the level of wealth, economic growth and industrial expansion among members did not augur well with economic development based on parity as put by Kinfe (2005). Unworkable policies and the community programmes were largely inefficient in stimulating free interaction between the majority of East Africans. The EAC was more of a personal affair, which only involved a few privileged elites and so public participation in the community was almost non – existent. These plus many other reasons led to the collapse of the EAC in 1977.

The new initiative for the establishment of the EAC was ratified in the Treaty for the Establishment of the EAC and the Development Strategy major objectives. On January 15th 2001, the New EAC was formerly launched in Arusha and on the 24th April 2001 the Second EAC Development Strategy was initiated by the Summit in Arusha. Key areas that were identified as the focus for Co-operation include economic cooperation in: trade and industry, transport and communication, energy, agriculture and animal husbandry, environment and natural resources, tourism and wildlife conservation, harmonisation of fiscal and monetary policies and social and cultural activities; immigration; political Co-operation; legal and judicial Co-operation and finally Co-operation on security matters (EAC/DS/4/97, p 3 – 4).

Addressing the relationship between the regional integration project and the lack of stable economic institutions that impede a good integration is the significance of this study. Otherwise it may again turn out to be another case of failure given that there is little strategic government intervention on stabilization policies. The concept of regional integration is rather complex and multifaceted. Regional integrations are difficult to grasp because:

> The diversity of regional arrangements makes broad generalizations and overarching theories or explanations of regionalism impossible. One cannot confidently assess those regional efforts or predict their effects upon the world economy (Gilpin 2001, p 344).

There are many aspects to be patched together for the possibility of an optimum integration. These include defence, legal, security, Social Integration, Cultural Integration, Educational

Integration, constitutionalism, political integration, Monetary Integration, and the Legislature, among others. These are interesting topics to study but they do not fall under the scope of this research.

Many authors have written much about Regional Integration Agreements (RIAs) during this era of global political economic competitions, indicating different reasons behind their success and failure. A constructive regional integration can be a very powerful institution for sustainable regional development. Many regional integrations have been set up in the LDCs of the world in the last five decades without much success. Gilpin (2001) suggests theories for regional groupings but fails to incorporate the limitations that past and present integrations are faced with. There are various over-views about regional groupings in Africa and the stagnating problems they face (Adetula 2004: Anang and Seidaman 1992: Hansen 1987). The EAC Secretariat (Occasional Papers No.1, 2001) proposes cloudy answers to the challenges of development the region is facing. Cheru (2002) on the other hand, pays much attention to the various cases of African Integration and further outlines appealing contending recommendations that can support an African Renaissance. Regionalism is seen as a response to the wrong and poor individual national approaches to the problems of development. Thus the Herculean task of raising the masses from poverty to acceptable levels of economic welfare is a matter of urgency in the new political economy of regionalism (Gilpin 2001). The formation of new supranational institutions where common policies are made and implemented is an indication of a viable integration like the EU. Regional economic integration refers to the "agreements between groups of countries in a geographic region to reduce, and ultimately remove, tariff and non-tariff barriers to the free flow of goods, services, and factors of production between each other" (Hill 1998, p 222). This far, it is important to understand the possible competing paradigms that explain the mechanisms of integration.

Competing Paradigms on Regional Integration

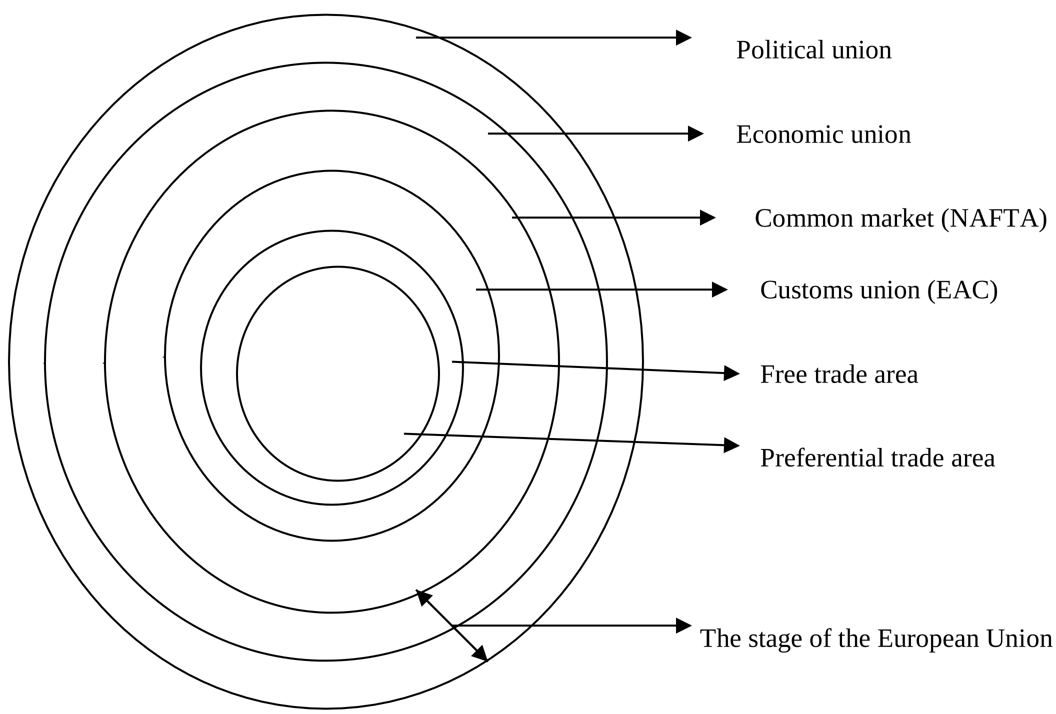
Initial stages in the formation of the EU influenced the beginning of making theoretical explanations of regional integration by political scientists and economists around the world (Gilpin 2001). There are many economic and political integration theories that have influenced the formation, modification and running of different regional set-ups. In this section I will explore a number of them.

Neo – Classical Paradigm

Open competition in global trade is detrimental to the LDCs that are economically backward. Neo-classical economists contend that the major cause of economic underdevelopment is the absence and distorted functioning of markets. This is typical of a structuralist economic theory. According to Cheru (2002), neo-classical economists conventionally approach the issue of integration through the theory of customs union, which is also known as market or trade integration. Regional integration in this paradigm is viewed as "a process in which tariff and non-tariff barriers between co-operating partners are progressively removed and external trade and eventually fiscal and monetary policies harmonized" (Cheru2002: 123-4). Removing the barriers of trade in this theory takes a linear progressive format. The shift from one stage to the next indicates forward movement in the ladder of integration at different levels of institutional arrangement.

The stages of regional economic integration have key elements that apply differently from one region to another due to the intricacies of the particular economic policies used.

The levels of re integration are shown in the figure below.



(Adapted from Hill, p 223 and Cheru, p 224).

Contextualizing the neo-classical theory in the EAC, indicates that development is an internally induced phenomenon. Stability in economic maturity can be attained as a foundation of regional integration.The core argument of neo-classical theory is that underdevelopment results from poor allocation of resources due to incorrect price policies. The other major impediment is little government involvement in trade issues in the developing countries. When there is limited strategic government intervention in promoting economic development through the improvement of infrastructure and agricultural modernization, little progress is achieved. In this approach, to develop is to increase the society's ability to satisfy wants by production. Development is ideally identified with economic growth thus reducing it to the mode of measuring economic growth. Development and economic growth are measured by increases in per-capita income and the gross domestic product (GDP). This is not an inclusive criterion of measuring the level of economic development.

The neo-classical perspective has been criticised for "presenting an unrealistic vision of mechanisms of power relations in contemporary international trade" (Cheru, p 125). Conclusions on economic and trade mechanisms are drawn in black and white while in reality they are quite dynamic. Whether the trade creating effects or trade diverting effects of a customs union would ultimately dominate is an empirical question that needs answering. Gilpin (2001) argues that production and welfare consequences for non-members cannot be theoretically determined except through the observation of specific actions and policies of different regional integrations. Under the conditions of much disparity between underdeveloped and developed countries, this paradigm disproportionately tends to benefit the stronger partners that have the power to gain from global trade. Competition is neither good nor bad but it may ultimately lead to division damaging to the whole process of regional integration in EAC. Economic regionalism is very dynamic in operations thus:

> Neither economic theory nor empirical evidence can inform us whether or not a specific regional agreement will harm non-members. No general conclusions can be drawn because of the very different and specific effects of each regional arrangement. Indeed, economists answer the question of whether regional arrangements will lead to trade diversion or to trade creation with the classic answer...more research is needed (Gilpin, p 347 - 348).

Further, economic regionalism cannot be limited to perfect competition but rather it should be based on a wide range of economies of scale with favourable effects in regional integration. Cross-regional competition can create optimum chances to utilize strategic advantages of economic regionalism that accrue from both trade creation and trade diversion. This calls for a move towards open regionalism that is not embedded in a protective neo-classical theory and for this reason LDCs have for so long failed to participate favourably in global trade.

Intergovernmentalism

The role of institutions is at the heart of regionalism in helping to soften market failures and resolve action problems both in economic and political integration. According to Gilpin (2001), institutions, be they regional or international assist poor countries to promote co-operation through the facilitation of reciprocity which links different issue areas together.Institutions like the UNO, IMF, WB, EU, NAFTA, EAC and ASEAN among others have the capacity to increase incentives for countries to solve their disputes and so co-operate with one another.A regional integration arrangement in this approach is based on the maintenance of national sovereignty. Member states dominate over the undertakings of the regional institutions. This is an interstate paradigm to regionalism. This model signifies that national governments retain direct control in decision-making. It is also referred to as “intergovernmentalism” in the politics of regional integration. Emphasis put on this theory is based on other earlier perspectives of integration like neo-functionalism and neo-institutionalism.

This theory uses consensus rule in the process of developing, adopting and arriving at community decisions. Power is vested in the Summit, which is composed of the Heads of State of the partner states. Chapter 4 of the Treaty for the Establishment of the EAC 1999, Articles 11 and 12, illustrate the central task of the Summit. It (the Summit) “gives general directions and impetus as to the development and achievement of the objectives of the community” (p 14). In this case, integration stems from the positions hierarchically occupied by the bodies composed of government representatives. This forms the core point of the paradigm. The Summit is regarded as the sovereign institution where power is concentrated. Sitting at the top of the institutional pyramid, it is responsible for governing the Community and defining broad policy issues. It also oversees planning, guides and controls the functions of other institutions under it. Most importantly, the Summit makes all decisions, acts as the Court of last appeal and supervises the operations of the Community (The Treaty for the Establishment of the EAC 1999, P 14 – 15).

The theory emphasizes the role of government in setting up economic institutions. Economic interests are central in the process of regional integration for example the establishment of NAFTA had a high level of economic reasons to integrate. Both the geo–economic and political contexts of different groupings must be considered to avoid errors in generalizations because the frameworks of integration are constantly changing. Therefore, one cannot master the courage to claim an absolute grasp of a fixed theory on which to ground regional integration.

Regional integration institutions are meant to promote co-operation between their sovereign members. This is explicit in the case of the EU. The applicability of any given theory has to do with its flexibility in explaining a basic requirement in a community. That is, the responsiveness of the member countries and their priorities. The intergovernmental paradigm fits the EAC because it offers the need for strategic government involvement in the formation of institutions for regional integration. Regional integration can be seen as the right strategy LDCs of the South can use to improve their economic and political strength for purposes of conveniency in the highly volatile world economy (Gilpin, p 361).

Forming a stable regional integration requires a background of relative peace, political stability, efficiency in education and more importantly economic stability. Creating larger markets is the salient feature of regionalism that needs the attention of member countries to share equally in the process of constructing the EAC. Sufficient involvement in regional trade calls for enthusiasm to present a strong ground to negotiate the way forward on trade issues. According to neo-classical theory, the artificial barriers to the flows of goods, finance, productive investment, services, knowledge and movement of people across borders are eliminated. This opens up large trading markets beneficial in regional trade although it poses a threat to closed economies with peasant produce to be traded on. Opening up the East African market to un-restricted global competition is not protective enough to the fragile domestic economic growth.

The formation of a strong Regional Economic Integration (REI) in the EAC is a prerequisite towards its long-term survival. But there are many hindrances facing the building of a suitable regional body in East Africa. The gap between the theoretical framework and practice is so huge, and so the question of reconstructing the EAC based on dull economies offers a blurred vision for the future.

3.2. Economic Interests

The talk whether or not the EAC will ultimately succeed heavily depends on the economic developments that hold the fabric of regional integration together. There is need to make common economic policies that can be used as a building block in establishing Regional Integration Agreements (RIAs). Different interests and decisions largely affect the nature of economic problems of development, which call for government priority in reorganizing the dominant ideology. Forming RIAs is a call to formulate the EAC bloc with constructive institutions that can spur economic growth systems for the common good expected to benefit people. It is essential to note that:

> Regional groupings are primarily concerned with promoting economic co-operation and eventually economic integration between their members. Or, when the main objective is political rapprochement and the elimination of the recurrence of military conflict, the creation of close economic relations is the principle means to that end (Baudot 2001, p 140).

There are three main areas of concern in the EAC about development. First, is political underdevelopment characterised by poor public policy, differentiated government institutions that effectively carry out popular functions like raising revenue, maintaining political stability in areas like Northern Uganda is still a problem and vulnerable dependency on international aid. The second issue is social underdevelopment, which refers to sub-standard housing among the rural poor, shorter life expectations, high rates of infant mortality and malnutrition, lower levels of education attainment for the majority, lack of social equity, depleting the environment and the HIV/AIDS epidemic. The third area is broad based economic development problems.

Main indicators of Economic Stagnation

Put together, the complex designs of the East African economies have good revenue base that should be systematically controlled. The rate of economic growth is very slow. Therefore, more time is required for them to be at a level of development that can sustain regional economic integration and thus be seen as a solution to the problems of impoverishment. Acknowledging the positive aspects and achievements of the EAC such as elimination of trade barriers, tariffs, quotas, easy movement of goods and people across borders among others is important. The barriers to economic growth of East Africa are many and they are mainly reflected on the way people develop their welfare.

- **Industrialization**

Is the process of establishing manufacturing industries to convert raw materials both mineral and agricultural produce to consumable goods or finished manufactured products for the market. Some of the factors that favour the establishment of industries are inadequate in East Africa while others are available. East Africa is scarcely endowed with resources for industrial production. The availability of a variety of raw materials for mineral and agricultural products is a problem. Abundant power resources like petroleum, natural gas and hydroelectric power that are necessary for industrialization are limited. There is serious shortage of hydroelectric power supply in Uganda; a factor that affects the running of already established industries and further reduces the possibility of investing in heavy industries that need large amounts of power. Tanzania also faces similar problems of load shedding. There is a shortage of skilled labour, experienced management and technical know-how required to run industries. Poor infrastructure and shortage of large capital for building factories and buying modern machines also affect the rate of industrial growth. These are factors that hold back the level of industrial economic growth an important contributor to the process of building a good foundation for regional integration.

- **Informal Agriculture and Petty Services**

Even though it is informal, agriculture is the backbone of the East African economies and the major employing sector. Archaic modes of production still fill this sector of the economy. Agricultural underdevelopment rests on the reality that 90% of the produce is peasant based. This backwardness is further exacerbated by bad weather, as has been the case in Tanzania and Kenya for the last few years.

Government delays in reforming the ministries of agriculture, animal husbandry and fisheries, lands and natural resources, water and the environment remain constraints to the development of the agricultural sector and the services that accompany it. The endless exportation of cheap raw materials at the expense of importing expensive processed goods impede the local industry from flourishing thus creating high dependency on consumption goods.

The absence of government subsidies and provision of irrigation projects marginalizes the efforts of peasants. The Ahero Rice Irrigation Board in Nyanza Province – Kenya was closed down during 1990s due to lack of government assistance. The modernization of the agricultural sector can help to lessen the problem of exporting materials that is dominated by primary commodities. High rates of taxes on local industries and insecticides send this sector into deeper crisis. The example in case is the recent closure of British American Tobacco Industry in Jinja Uganda due to high and unnecessary government taxation affecting tobacco farmers as far as Arua.

- **Rapid Population Growth**

It is shocking to compare the economic and population growth rates in East Africa. The latter's rate cannot be matched with the former. Economic and natural resources do not simultaneously increase at the same rate with the population. Therefore, more land and other necessary resources are needed for the survival of the people but regrettably the resources are scarce. Taking the example of Kwale district and other parts of Coast, Rift Valley and Nyanza Provinces in Kenya, there are many families with ten wives and more than sixty children with no schooling. A typical case mentioned is Mzee Kazungu of Kwale district who does not even know the names of his sixty-seven children (Daily Nation, 27th October 2004). This is a general trend in many cultures across East Africa.

Providing sufficiently for such huge families is a big burden. In this perspective, patriarchy is used as a symbol of power that creates and perpetuates problems in the society.

The current economic growth rates are low to have any substantial impact on the rural poor. Rapid population growth is a barrier to social and economic progress because expenditure is incurred on a large number of unproductive populations and on non-income generating social amenities. Again, it results into under-employment in rural areas and unemployment in urban centres. It also leads to low standard of living where overcrowded housing conditions are poor in slums and rural villages. Due to lack of enough capital to exploit resources, there is a general prevalence of unskilled labour that hampers the growth of industries across East Africa. In relating the population and resources, the number of people a country can support at an acceptable standard of living depends not only on the amount of resources which it possess but also upon the extent to which technology is used to develop those resources. Therefore, high incidences of limited technological know-how in East Africa still affect the rate of improving livelihoods of many people.

- **Escalating Levels of Poverty and Inequality**

There is a big gap between the rich and the poor in East Africa, which makes the possibility of those who are poor to contribute sufficiently in activities that promote economic production difficult. Kenya is one of the most unequal countries in the world where 10% of the population control 42% of wealth and for every 1 shilling earned by the poor, the rich get 56 shillings (Daily Nation, 27/10/2004). The gap between the 'haves' and 'have-nots' is expanding on a daily basis. No wonder, only 3 million people control the country's wealth out of 30 million, leading the rest to live either in poverty or just above the poverty line. The economic welfare and the publics' ability to provide for themselves effectively are low across East Africa.

In principle, diversity should strengthen integration but with high imbalances in socio-economic welfare the majority who are poor in rural villages are at the loosing end. Therefore, people cannot participate closely in the integration process hence unequal distribution of the costs and the benefits of regional integration. All forms of inequality that create social injustice and poverty push us to become aware of the differences it causes in life expectancy, the differing rates of HIV/AIDS according to where one lives, about jobs, schools, gender roles, decent housing and access to clean running water are very much within the fabric of East African governmental institutions.

- **Poor Infrastructure**

EAC national governments struggle with their meagre expenditures to provide basic systems and services for the citizens' well-being. A lot more has to be done to make available constant power supply, clean water, good transport services, communication networks and general administrative programmes. General infrastructure is inadequate in East Africa as limited technology, poor co-ordination of projects and corruption surge are some of the restrictions towards the expansion of the physical infrastructure. Setting up sustainable transport and working telecommunication networks with considerable efficiency in the EAC requires reform not fantasy. Leaving the modernization of infrastructural development disastrously behind is wrong. Partly, government delays in privatising state owned transport and telecommunication corporations are deliberate because they are good money making machines. Corrupt government officials are so allergic to free information and services they are not willing to pay for (The Standard, 5/12/2004). On the other hand, impressions of progress are crippling because mobile networks and intermittent Internet access are completely out of reach for millions in the rural poor. This situation does not constitute large-scale change in the name of integration. It points to a highly unbalanced project of regional integration.

- **Poor Nutrition and Famine**

Regionalism cannot at any given moment be a good substitute for poor national economic policy management. Little is to be expected at the regional level until member states adequately root out and effectively deal with their own social, political and economic problems. The public cannot afford to support governments that blame poverty, poor nutrition and starvation on bad weather. It is clear that our governments are not competent in feeding their people. Instead they hide behind bad weather. Four million Kenyans and many people who occupy the northern regions of Tanzania and Uganda's Internally Displaced People (IDP) camps are suffering from starvation. The government of Kenya depends on external food aid to feed its people who are trapped by food shortage. A population that cannot generate food for its own consumption logically represents or does not even participate in the building of regional institutions. There is a dire need to restructure human resource development to diminish the levels of widespread poverty and malnutrition particularly through strategic government involvement in promoting the small-scale holdings of the rural poor. Government officials should take their responsibilities seriously instead of constantly meddling in endless politics and party wrangles without assessing any home-grown possibility of increasing growth rates that can sustain food production. In terms of food security, East African states are headed for disaster more especially in Kenya where food crisis is getting worse by the day and unless the donor community bridges the gap even learning in schools will be very difficult.

- **Education Crisis and Brain Drain**

The scope of crisis in education and unemployment is shocking. This predicament started in the mid-1980s when governments sought to reform the education system from the legacies of colonialism to something "African" that they had not envisaged concretely.
Little attention was paid to the socio-economic and political needs and a workable manner of addressing such needs. Constraints that accompanied the IMF and World Bank's structural adjustment programmes adversely affected the social services sector.

Blind implementation of the bad IMF and World Bank conditionality programmes like cost-sharing and reducing government expenditure in the social services sector further led to grave catastrophes in the education sector like poor and limited access to education, most especially among women and girls, high dropout rates from schools, a remarkable drop in adult literacy classes particularly among the pastoral and nomadic communities. Currently Universal Primary Education is no better. It is too theoretical with the wrong teacher – pupil ratio and so not conducive to proper learning. Tertiary education is very expensive for many poor and middle class families to afford, something that further encourages ignorance.

These problems in education and unemployment crisis are reflected in the reality of widespread shortage of skilled Africans who can provide human capital. High levels of illiteracy result in an excessive supply of human labour. Rural closed economic generation and poor economic growth openly turn into economic capital crises that face uncontrolled growth of brain drain of the most productive and highly skilled human power. Kenya and Uganda are the worst hit countries in East Africa. Their most qualified medical doctors, nurses, engineers and teachers, among other professionals are in Britain, Unite States or other foreign countries looking for better employment opportunities. The problem of brain drain also extends to human capital crisis partly because of fragile political and unwelcoming hostile domestic socio-economic environment. The logjam caused by wrong entrenched policies make it more difficult to formulate a sound path of integrating.A lot of effort, courage and more importantly willingness from all stakeholders is required to stabilize both the economic and political impasse in the EAC as a requisite toward creating a viable regional integration.

- **Membership and Equitable Distribution of Resources**

Undoubtedly, dual membership of the EAC member states in other regional bodies slows down the whole process of economic integration and harmonization of the controversial customs union ahead of major political federation issues. The duplication of agendas in multiple memberships cause undue complications in the integration efforts because diverse rules and protocols that arise from dual memberships do not augur well with the whole process of focused community building (Koech, The East African, June 13th – 19th 2005).

Kenya, Uganda and Tanzania were all members of Common Market for Eastern and Southern Africa (COMESA) until February 2001 when Tanzania dropped out to join the Southern African Development Community (SADC). Kenya and Uganda are members of Inter-governmental Authority on Development (IGAD) while Tanzania is not. They are all members of African Union and NEPAD among others. There are many complications because of the phenomenon of multiple membership. First these countries violate WTO rules that prohibit countries from belonging to more than one customs union. Tanzania's case of being a channel of South African goods in the SADC region creates a serious snag given that SADC is envisaging the creation of a Free Trade Area by 2008, while COMESA member states intend to set up a customs union by 2010. Multiplicity of sub-regional economic groupings and Inter-governmental Organizations in Africa has been largely disappointing because these bodies are usually overlapping and their closely similar arrangements truly waste effort and energy (Cheru, P 128). Unnecessary competition crops into regional integration projects because different bodies seek to preserve their political and socio-economic clout in bargaining with the rest of the world on optimal trade deals. In this way the operations of one body hamper those of another regional body.

When restrictive policies are not enacted, problems concerning equitable distribution of the benefits of economic integration arise. Generalizations about development are to be avoided by refraining from obscure trends, which do not specify that development is area or country specific. The three EAC member states have different rates of economic growth and particular development targets in the view of achieving the by and large desired goal of regional development. Strictly speaking, economic integration yields uneven gains to member states because they greatly differ in size and economic capabilities thus:

> They will demonstrate dissimilar abilities to take advantage of specialization, economies of scale, augmentation of factor input and opportunities to improve market structures. Economic integration then tends to yield unequal benefits. Consequently, deliberate policies designed to distribute more evenly whatever net benefits might accrue to partner states must be devised (Hansen, p 174).

This has not been done in the EAC.

Few local political and economic elite groups merge with foreign investment agendas at the expense of the bulk of the population in the EAC in whose name and to whose benefit the integration project is supposed to be consolidated and realised (Ibid, p 175). These factors collectively widen the economic gap between the peoples of a country and among the integrating states leading to weak institutions and low levels of capital accumulation in the EAC and so poor economic performance and instability. MTCs largely have a higher impact in the running of the EAC integration institutions compared to the local population. For example, transnational oil companies like Shell, Caltex, Mobil and Total are owned by foreigners who have monopolised oil business in East Africa.

- **The Struggle for Equitable Economic Growth**

The crucial task of building a democratic society cannot be dissociated from the renewal of economic prosperity and social justice. In the EAC member states, the core element of the contemporary challenge of building democracy is tied to the task of eradicating poverty and many related social injustices. This is not an easy task to merge, but it is equally important to note that:

> While poverty on its own may not be sufficient to wreck a democratic project, its persistence or even intensification certainly does contribute to the creation of conditions that could stultify the basis for democratic politics. Tackling poverty and related social injustices is, therefore, simultaneously an investment in democratic governance and in the prospects for its consolidation (Cheru, P 62).

In the EAC, the transformation and significant reform agendas of economic and political renewal entails the awareness that it is costly to design and implement any radical strategy.

The complex issue of reviving economic growth supported by coherent policies and an enabling domestic environment should be taken seriously by all stakeholders. Proper planning has to be developed in small communities to meet the most urgent needs of the people particularly at constituency levels. Broad based planned activities can also help in attracting and retaining investment in business, mobilize and encourage a greater presence and participation of Non-Governmental Organizations. Participation, sound economic policies, predictable political atmosphere, adequate infrastructural facilities, transparency and accountability, the protection of property rights and due legal procedures are conditions necessary in empowering the potential of democracy in EAC and at the same time encourage the creation of equitable economic growth (Ibid). These aspects are largely eroded in East Africa.

Regional integration is an appropriate vehicle that can be used to haul myriads from the problem of want, poverty and underdevelopment. However, caution must be taken not to misconstrue regionalism as a scapegoat for failed national economic growth strategies. If the national economic development agenda is off track then the EAC should expect little or nothing at all in terms of gains. Expanding capitalist market systems in the region may superficially be seen as a way of leading to greater production but the local majority have almost no produce to trade on or worse they are in a situation of austerity.

Setting up viable institutions that do not just duplicate designs of other regional integrations is important and the Summit, the Secretariat and the council of ministers should be cognizant if this. The EAC controversial customs union should be well elaborated to reduce people's fears and enable them to look at economic growth beyond the traditional yardstick of GDP and GNP measurement. Ambitious approaches on economic and political integration can primarily make meaning by initiating reforms that lead to socio-economic transformations aimed at improving peoples' life sustenance, self–esteem, and freedom to determine their destiny instead of circumstances (Amartya 1999 and Thirlwall 1999). As long as the unbalanced economic order, wrong market mechanisms, and self-pity perpetuating chain links that readily accommodate poverty as the peoples' lot are still intact, we should not expect to reconstruct a heavenly EAC that cannot provide food, security, proper infrastructure, agricultural modernization, standard energy production, creation of jobs and good education with elaborate research works for the common good and welfare of East Africans. These limitations point at an unstable economic background as the main hindrance in the reconstruction of the East African Integration. It is clear that we need to re-address these hindrances specifically as a means of constructing a stable national economic set up founded on good economic governance before they are exposed to the open market to compete with highly technological MNCs in the free trade system of regional integration.

CONCLUSION

A system of political and economic governance, which is devoid of well-defined structures that allow wide participation and adequate representation, undermines authority and political commitment that the EAC urgently demands. The limitations created by the lacking stable economic base continue to hold back the EAC integration project. Unbalanced capitalist market systems, rapid population growth rate, hunger and poor infrastructure among others must be addressed. The goals of the EAC regional integration can be pursued viably thereafter enabling all to enjoy its benefits but the concentration of power in the Summit to decide the projects make it difficult to promote healthy intergovernmental relations at the lower levels. In principle, the already achieved progress in the EAC is worth credit. However, the objectives of the EAC Development Strategy, Economic Structure and Performance outlined in the EAC Development Strategy 1997-2000 face a blow that constrains a powerful propeller. All the indicators of stagnation toward a holistic growth are challenges that beg for sectoral and national economic reform.

The interconnectedness of economic and political agenda in integration should not be confused. Rebounding a realistic infrastructural economic structure that recognizes EAC's high rates of HIV/AIDS infection, hunger, wide spread poverty, persistent capital flight in the form of brain drain, and bad governance tainted with endemic corruption, among other factors that hinder economic growth and development is absolutely necessary. Efficient economic reform and transition has to be seen both in terms of quantity and quality.

Government policies on retrenchment, public social welfare fund, providing agricultural subsidies like setting up irrigation projects and transparently helping farmers to run other agricultural based enterprises like funding extensive research on livestock and fisheries sector can be helpful. Other strategies that may be used to attract professionals at home such as security and job assurance can be put in place to reduce brain drain. Certainly, this is a difficult task that calls for "second generation" reforms following those already started under the IMF and World Bank led Structural Adjustment Programmes (SAPs) in the 1980s.

The much-desired structural economic reforms in the EAC should essentially target the creation of a functioning model of the EAC to address basic economic problems attributed to sociology and politics (low growth in productivity, excessive unequal income distribution and unemployment) (Self 2000, p 23). Attention should be paid on poverty alleviation, promotion of economic social equality, creating effective market conflict resolution mechanisms, promoting business consensus and the participation of all stakeholders, regulating the already liberalised individual economic sectors and making consideration policies that can enhance proper development of people's quality of living through community based projects. These have to include the active participation of women in all the activities of community building otherwise pushing gender equality to the periphery is side-lining holistic progress in the EAC.

Restructuring Economic Policies

Economic strategies can be meaningful when interested stakeholders are willing to participate in the principles of operation of the community like mutual trust and political will, establishing an export oriented economy and undertaking to abide by the principles of good governance, among others, that fit the context of the East African regional integration. This is largely possible when it is backed with elaborate scientific research findings.

Rolling Back to Fair Negotiations

The cheap talk about ending poverty in Africa through REI is propaganda. As long as the WTO rules regulating REIs are of a straitjacket nature, REI in African economies cannot favourably achieve significant improvements. The EAC member states need to recognize that there is a need to move away from the wrong economic order that encourages dependency on aid to one that promotes wide representation in economic activities. Dominant local participation has a high probability of pushing for the creation of economic justice. Economic justice is about offering a better forum for fair trade negotiations, terms of trade, and the attraction of FDI. Potential institutional investors need to promote, design and encourage home grown development strategies like creating private equity and venture capital investment to diversify the domestic financial market system (Anyang' Nyong'o The East African, November 14-20 2005) that encourages economic growth.

Re-Think of a Pragmatic Integration

Government dedication to negotiations oriented toward establishing strengthened South-South bilateral trade links have to be given priority. Many development challenges can be solved in the Economic Partnership Agreements (EPAs) forum to help inaugurate viable Regional Co-operation instead of mushrooming integrations and inter-governmental organisations without strong coordinating bodies. Proper foundations of EAC must cut the erroneous colonial trade links by evaluating specific economic policy targets and the proper means of achieving them such as modernizing the agricultural sector, manufacturing food products for local consumption instead of relying on the importation of expensive goods, improving infrastructure and controlling the exportation of primary agricultural raw materials. A practical dimension points towards a regional integration that concentrates on equitable gains and is necessarily supported by the public rather than forming a fragmented integration based on fragile institutions.

Extensive scientific research should be encouraged to continuously generate new ideas based on the analysis of the EAC progress for further sustainability. Wide research work should find out the right free market philosophy and practice that is compatible with the EAC economic integration network. Producing high quality goods oriented for the local market and getting access to policy based information, which improves the building of service sector, transport and telecommunication infrastructure is essential. The functional and neo-functional paradigms that pick on specific areas of specialization have to be emphasized in a realistic way. More importantly the renewal efforts to industrialize and modernize agriculture and other key sectors of the economy like revenue collection, transport, tourism, fishing, forestry, mining, communication and industrial services are essential.

Institutional dynamism that addresses development issues, attraction of FDI and decentralises power from the Summit can create a more appropriate and enabling atmosphere for regional integration. The people of East Africa must wake-up to pursue regional integration cohesively instead of complaining about being side-lined by the elite class. This should be accompanied by the decolonisation of the African mind-set, which is largely of victim mentality. Pursuing reform is difficult. But it is required to deconstruct the myth that Africa is a hopeless, marginalized, Dark Continent of need and want.

Mutual liberalization of the factors of production and the market should be increased to implement projects in phases. Critical analysis through rationalization and sound harmonization of policies that seek to consolidate and improve efficient institutional infrastructure is important. More consultations that involve civil servants, professional associations and the public opinion should be broadened to support the integration process. This ultimately leads to the possibility of eliminating most forms of limitations that deregulate the regional integration process. Formulations of proper perspectives that can help to strengthen South-South horizontal relations are to be sought with scholarly work rather than sticking to the vertical North-South relations that endlessly uphold dependency.

The formation of a single EAC constitution is a difficult task. Member states should slow down the excessive desires of moving towards federating politically to streamline their own national capabilities first. You cannot give what you do not have – Kenyans cannot offer other East Africans a better constitution. Building proper roadmaps towards federating requires a lot of patience, tolerance and sacrifice, which have to be practiced in building a workable economic integration.

The EAC bloc should harmonize different economic, social and political policies at the national level to strategically create smooth linkage at the regional level. Pursuing closer and meaningful integration should pay attention to comparative advantage so as to pull together weaker economies through specialization. Institutional development that stems from intergovernmentalism is critical in addressing economic stagnation and high incidence of poverty in East Africa, which is largely attributed to failure of public institutions. Formulating and executing realistic growth measures an optimal option. Economic and political institutions should seek to promote the common good philosophy.

The realistic manner of setting workable and incremental strategies that can be achieved in a linear progressive model makes sense if the EAC is to move away from the traditional straitjacket plans of regional integration to a more open and heterogeneous one. All forms of regional policy harmonization have to be contextualized among the citizens of member states. At the centre of this process is a sound economic policy coordination to take significant reforms fundamental for the future.

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