

ODUOR ONG'WEN

EAST AFRICAN COMMON MARKET: PROMISE AND PITFALLS AHEAD

With East Africa experiencing a new integration wave, Oduor Ong'wen looks back at the history of regionalisation across the area and at the prospects for the East African Common Market (EACM). In the face of governments' dwindling control over «the institutional levers of sovereignty», what hope does the EACM offer for the promotion of national and sub-national interests?

The actualisation of the East African Community (EAC) Common Market on 1 July 2010 is arguably the most critical step in our regional integration efforts in East Africa. The steady, albeit grudging recourse towards regionalist thinking among the ruling elite in the Uganda, Tanzania and Kenya – with Burundi and Rwanda as the latest entrants – is without doubt a welcome strut in the wake of contemporary international relations. On a global level it rides on the crest of a wave increasingly being referred to as the «new regionalism». This wave is mainly, if not exclusively, typified by an ever-increasing geographic scope, demographic diversity, historical fluidity and a cocktail of driving forces and actors.

Both as a critical response to and a possible principle of order in a world perilously globalising under the impetus of a hegemonic bend of the Washington consensus, appreciating the historical import of East African re-integration requires that we take a fresh but tentative look beyond simple state-centric notions of regional integration to a more innovative analysis. We bear in mind a range of heterogeneous relationships and interactions among entrepreneurial and sub-national actors. The contemporary wave of regionalisation need no longer be understood as distinct and peremptory alternatives to national projects. To be sure, it is better explained as an instrument enhancing or protecting the role of the nation-state and the attendant governmental capacity in a world of unequal interdependence rather than supplanting or negating the spirit of national sovereignty.

The conceptual toolbox for understanding regional integration is replete with a wide range of notions and analytical instruments; each capturing the different nuances of the process and thereby raising some of the most nagging questions,

such as: As nation states, in their prototypic characterisation, continue to experience a strategic deficit in the capacity to effectively engage the forces of corporate-led globalisation, are they, at the same time, being called upon to «pool sovereignty» or are they being required to expand their jurisdictional limits in order to accommodate and possibly neutralise the adverse effects of globalisation? Whatever the case might be it is important to interrogate the social forces driving either of the tendencies. Is regionalism supplanting, supplementing or substituting multilateralism?

Integration means different things to different people. For some, it is an all-embracing union of contiguous countries and includes both economic and political areas. For others, it is agreement among a group of countries to remove various kinds of trade barriers. In between these two extremes lie numerous types of arrangements. In all these arrangements, the overarching concern is the formation of a body with a common purpose, usually to increase human welfare.

Integration is therefore not an end in itself, or, it should not be. It should be a means to further economic and social progress and enhance the welfare of the people of integrating partner countries.

Needless to state, integration in Africa has been driven by two competing forces – one internal and the other external. Internal impulsion to integration of African economies has been provided by the realisation that the continent has over the centuries suffered wanton exploitation of its natural, material and financial resources at the hands of imperialist forces. The global economic arrangement since the 15th century has defined for Africa its place in the international economic division of labour – to produce and export primary commodities in line with its perceived comparative advantage. Value adding by way of processing, manufacturing, packaging and branding is left to industrialised countries.

We aver that the motivation for internally driven integration should derive from the following expected benefits: more efficient use of the region's capital, labour and natural resources, which are often less than optimally utilised nationally and have been exploited extensively by the industrialised coun-

tries; developing the market, so that instead of fighting and bending backward to be «granted» access to the markets of the North, Africa can begin producing first and foremost for its own markets; and reduced costs of transaction within the region, as a result of reductions in tariff and non-tariff barriers. This reduces monopolistic profits and leads to efficiency gain within the market. This is what we need to aspire to in the EAC Common Market.

External interests also push for regional integration in Africa but for different reasons. The overarching motivation for externally induced regional integration is to maintain the historical division of labour that assigns Africa the role of green field that feeds Northern industry with raw materials. External forces of integration see the countries of the region as high-tech, low-value ghettos; raw material reservoirs; entry points for multilateral negotiations (as is the case for EAC–EU Economic Partnership Agreement); and captive markets.

The EAC Common Market, as so far crafted, will be a state-driven market-propelled project tendentiously designed to reorganise the East African regional space along agreed-upon economic and political interests. Colonialism, neo-colonialism and now neo-liberal globalisation have subjected the region to the usual unequal economic underdevelopment, concentrating powerful economic institutions and production and distributive activities in such sectors as agriculture, manufacturing, trade, transport and communication in national economies enjoying the most favourable conditions for extractive-capitalist exploitation and important to geopolitical interests of the empire. History presents us with this reality.

The first phase of East African Community was a colonial project. Whereas it was constructed on a terra firma of linguistic, ethnic and sub-ethnic cross-boarder relationships and the singularity of a colonial agenda, it leaned, at the same time and with a precarious weight, on a hollow reed marked by the underlying pre-colonial social formations around proto-nationalist tendencies. The post-First World War dispensation that ushered in and provided for unified British control of the regional (colonial, territorial and mandatory) entities gave the region a foretaste of an externally driven experimentation with regional integration. A host of common services provided the relatively solid ground on which the regional body built its fledgling political and economic institutions. Built on unequal sovereignty and subjected to unequal colonial–capitalist underdevelopment, the regional economy gravitated around Kenya’s one-upmanship in the institutional consolidation of market forces and substitutive industrial development.

If colonial interests had been the political–economic site for the institutional organisation of British East Africa, the same interests, though purposefully morphed into a new imperialist instrument would, later on, turn into a principal site for the reorganisation of the balance of social forces required to sustain and, if possible, outlast the historical limitations of the colonial project. Thus the post-colonial efforts aimed at a deepening of the East African community agenda became a strategic victim of social class formation manoeuvres by the sub-national elites, cutting their milk teeth in the primitive accumulation of resources. Wrestling with the unique character of the challenges of national ruling class formation necessitated the need to operate within the narrow framework of a sheltered home turf under the sovereignty of a nation-state.

In Kenya, where a powerful comprador class was fledgling, consolidating tribal hegemony around Jomo Kenyatta’s imperial presidency, the fear of a deeper integration gained in reality and imminence. Later, the post-colonial dynamics of East African integration would be determined by a host of factors, ranging from the institutional crystallisation of the hegemonic authority of the neo-colonial agents as an emerging social class propped up to reorganise the post-colonial political economy for continued dependency on metropolitan interests and domestication of ideological reflexes of the Cold War to the emergence of neo-patrimonial states in the region as internal cleavages began to threaten, with considerable seriousness, the status quo built on the proto-hegemonic rule of the first generation leadership. Together, these factors produced the historical conditions under which EAC mark I found its provenance.

Over-politicisation of the integration agenda and unrealistic reliance on Westphalian anachronism predisposed individual state elites towards an obsession with the politics of absolute sovereignty, a politics which detracted from a strategic appreciation of synergy that would drive the regional economy under its own flag of interdependence. The left-leaning governments of Tanzania and Uganda under Julius Nyerere and Milton Obote respectively provided a convenient handle for the Kenya-based rightwing cabal to scuttle the project before it could claim popular ownership.

For Kenya to play its strategic role for Western monopoly capital, seeking to extend and consolidate a stranglehold over a wider market from a safe ideological distance, it was strategically necessary to isolate it from the ideologically unwieldy, if not potentially hostile, East African Community by dismantling the cooperation and having an easy time controlling member states individually, using Kenya as a base. The upshot was that the East African Community was condemned to die in the hands Kenya’s rightwing elements.

The East Africa Community mark II has been materialising under a slightly different international dispensation. For many observers, it hit the ground with deliberate pace that, for all practical purposes, reflected a powerful unity around a widely shared commitment to and justifiable nostalgia for a worthwhile project, previously undermined in its infancy by imperialist machinations and now pressing for a final round of historical legitimisation. Yet deep in the recess of popular memory of the East African people, EAC I had bequeathed member countries a seriously anaemic legacy: mistrust, asymmetric development and a new configuration of strategic interests of a unipolar world around US hegemony.

Tanzania’s role as a frontline state, in the interim, had already drawn it away from its erstwhile neighbours and launched it on the orbit of South Africa as an emerging sub-imperial entity. As a SADC (Southern African Development Community) member, Tanzania returned to the EAC wearing a tentative phase and with an understandable schizophrenic bearing; on the one hand it seems to relish the prospects of benefiting from updated historical ties with its neighbours, yet the legacy of a frontline state role, born of heroic engagement with liberation struggles behind its southern borders, beguilingly draws it into the SADC arrangement; yet not necessarily away from her East African neighbours. To be sure, it has been a relationship dogged more by strategic neglect rather than rancour.

It is important to note that during EAC I, the level of integration was unevenly high in a limited number of areas, particularly in transport, communication, migrant labour, trade and education. In these and other areas critical to the regional political economy, Kenyan actors in most of the above areas were dominant and therefore the region could best be analysed along centre-periphery lines.

The fundamental objectives driving the new process of regionalisation are as sound as they are aimed at addressing some of the problems which caused the demise of East African Common Services Organisation (1961–66) and the East African Community Mark I (1967–77). The areas targeted include trade liberalisation; investment and industrial development; standardisation, quality assurance; metrology and testing; monetary and financial cooperation; infrastructure and services; development of human resources, science and technology; agriculture and food security; environment and natural resources management; tourism and wildlife management; the private sector and civil society; legal and judicial affairs; enhancing the role of women in socio-economic activities; free movement of persons, labour, services, right of establishment and residence; common external tariff; and monetary union. Eventually, a political federation is envisaged.

These lend themselves to easy implementation provided that the organisation of the community and the functional distribution of its organs are brought to proper alignment with the historic challenges facing the peoples of the region. Intractable challenges face the community however. These include: *One*, the need to overcome the temptation to over-bureaucra-

tise the re-integration effort at the expense of the imperative and principle of subsidiarity.

Two, multiple membership of the regional economic communities (RECs) will soon shake out into an unpredictable realignment of regional and sub-regional forces, rendering their coexistence a precarious eventuality.

Three, appreciation of the fact that a high economic growth scenario is a necessary but not sufficient condition for a sustainable regional development. If this condition was to be met, it would be necessary that the results of such high economic growth be available for the majority of the people of the region. The alternative would be marked by an increasing polarisation, not only between intra-state sections of society but also between the partner states.

With the broad masses of the people getting bored with the antics of the democracy discourse and their national governments increasingly losing control of the institutional levers of sovereignty, their only hope for dignified citizenship may seem to be tantalisingly embedded in the ambiguous folds of a regional concertation of national and sub-national interests. This is where the promise of the EAC lies. Will we realise it?

Oduor Ong'wen is the country director of the Southern & Eastern African Trade, Information & Negotiations Institute (SEATINI) in Kenya; a partner organisation of the Rosa Luxemburg Foundation. [First published in AwaaZ Magazine and PAMBAZUKA NEWS; 2010-10-20, Issue 501 <http://pambazuka.org/en/category/features/67946>]

IMPRESSUM

STANDPUNKTE wird herausgegeben von der Rosa-Luxemburg-Stiftung und erscheint unregelmäßig
Redaktion: Marion Schütrumpf-Kunze
Franz-Mehring-Platz 1 · 10243 Berlin · Tel. 030 44310-127
Fax -122 · m.schuetrumpf@rosalux.de · www.rosalux.de

ISSN 1867-3163 (PRINT), ISSN 1867-3171 (INTERNET)