In quest for Regional Cooperation: A comparison between the East African Community (EAC) and the European Union (EU)

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The East Africa Community (EAC) is a regional economic block comprising of 6 member states. The EAC was originally established in 1967, resolved in 1977 and later revived in 1999 comprising of three founding members; Tanzania, Kenya and Uganda. It has since expanded to include Rwanda, Burundi and South Sudan. Currently, discussions are ongoing to admit Somalia into the block. A comparison of the EU and EAC shows that the two blocks have some similarities but also fundamental differences. Despite having the longest history, the EAC's to maturity has remained punctured and slow like a tortoise while its younger cousin towers in speed and form like a mighty colossus. What lessons can be learnt?

The European Union (EU) is a regional economic grouping of 27 member countries[1]. The history of the EU can be traced back to 1950 when the first proposal towards integration was made by the French Foreign Minister Robert Schuman towards integrating the Coal and Steel industries of Western Europe.

This culminated in the establishment of the European Coal and Steel community (ECSC) in 1951 comprising of six members: Belgium, West Germany, Luxembourg, France, Italy and the Netherlands. The next steps towards the EU advanced further with the signing of the treaty of Rome in 1957 and establishment of the European Economic Commission (EEC). Since its inception the EU has evolved through various stages into one of the most successful regional economic and political blocks.

Similarities between the EAC and EU regional economic blocks

Common economic theoretical motivation

All are economic regional blocks aimed at fostering trade amongst its members. By their nature, regional economic blocks aim at promoting the economic prosperity and development of its members.

[1] Excluding United Kingdom which voted to leave the European Union in 2016 will be effectively leaving the union in March 2019

The economic theoretical motivation of the blocks is informed by liberal and neo liberal school of thought that suggests the need for mutual cooperation and common collaboration by states to address global problems. According liberal economists such as Adam Smith who suggested that countries benefited from free trade and elimination of tariffs while Gottfried Haberler suggested that those excluded from the preference arrangements arising from economic integration should lose. There was value for states to cooperate for the sake of enjoying trade and economic benefits.

Economically just like any other regional blocs, the EAC and EU seek to benefit from economies of scale, trade creation, product differentiation and efficiency gains through regional trade policies created within the community blocs.

Geographical proximity is a major success factor for economic integration. In both the EU and the EAC, respective member states abide to the factor of geographical proximity by sharing common borders. Expansion to countries that are considered not sharing common borders has been largely opposed and remained a politically divisive issue. For example, EAC member states rejected Sudan's application to join the block because it did not share a close border. Some EU countries have used the same reason, among others, to deny Turkey's membership to the EU.

Common historical background is evident amongst both regional groups. The EAC is bound by a common historical background linking its members to a common African cultural and linguistic heritage embed in Bantu and Kiswahili as a language of the region. Although separated by artificial colonial borders the East African people are the same and related in many aspects. The EU is a diverse block of many countries with various linguistic backgrounds but common European heritage. In recent years, the EU has been gradually trying to build a European Culture, by allowing free movement and settlement of its citizens across EU member states.

Differences between EU and EAC

In order to make an informed differentiation of the two regional blocks, one has to look at the history, rationale, organization structure, operations and political economy of these organizations.

According to Njura, the fundamental difference between the EU and EAC lies in their respective rationale.

The EU was basically established to promote peace, economic prosperity, and the well-being of its peoples based on the constitutive act of the EU Article 3. While the rationale behind the establishment EAC as set out in Article 5 of the Treaty for the establishment of the EAC, was to develop policies aimed at widening and deepening cooperation among the Partner States in political, economic, social and cultural fields, research and technology, defense, security and legal and judicial affairs for the mutual benefit2.

[2] Njura, S, Odoyo (2016). A Comparative Analysis of the European Union (EU) and the East African Community (EAC) Economic Integration models: Lessons for Africa: A research project submitted in partial fulfillment of the

The EU was conceived as a tool for peace. Between 1954 and 1959 the cooperation amongst European states was set up with the aim of ending the frequent and bloody wars between neighbors, which culminated in the Second World War. As of 1950, the European Coal and Steel Community began to unite European Countries economically and politically in order to secure lasting peace[3].

The current EAC was revived after the collapse of the first East African Community in 1977, whose prime motivation had equally focused on building economic development of the region after the struggle for independence. The first EAC had collapsed largely because of political indifference. Building a new EAC fundamentally anchored on economic cooperation made sense.

A deeper analysis reveals further that there are significant differences between the EU and the EAC in terms of stages of its integration, organs and operations. Its pillars and structures have (leadership, decisions making and accountability

Different sequencing and stages of economic integration development

The sequencing of integration is an important feature in regional economic integration. The various stages provide room for partners to build consensus on the shared degree of ambition, the size and diversity, and convergence of economic block[4]

Classically, there are five major stages of economic integration. Free Trade Area, Preferential Trade Area, Customs Union, Common Market, Monetary Union and ultimately a political union.

The Free Trade Area (FTA) is the initial stage toward regional economic integration under which Countries agree to cooperate on selected areas. The Preferential Trade Area (PTA) is second stages where Countries agree to remove tariffs across member states while maintain independent tariff regimes on imports from outside countries. The third stage is the Customs Union where member states agree on all conditions in FTA and PTA and also establish a common external tariff (CET) on all imports from outside the block. The Common Market follows with features comprising of all the other stages including free movement of labour, capital goods and services across member states. The Monetary Union is the next stage where by member states agree to all the terms under the previous stages, including a common monetary policy and currency. The last stage is the Political Union, where the member states cooperate on political matters and cede considerable political power to a central authority.

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degree of Master of Arts in International Studies at the Institute of Diplomacy and International studies, University of Nairobi, October, 2016

[3] ibid

[4]Laursen, F. (2003). Comparing Regional Integration Schemes*: International Regimes or Would-be Polities? in Jean Monnet/Robert Schuman Paper Series, Vol.3, No.8*, Available at: http://miami.edu/eucenter (Accessed on 29th June 2018).

The European Union is currently of Monetary Union with also some characteristics of a political union. A close scrutiny of the EU shows that its stages of integration were not cleared distinct but inter-related in a reinforcing manner leading towards full economic integration.

Since the signing of the treaty of Rome in 1957 the European has developed into an internal single market through a standardized system of laws that apply in all member Countries and into a Monetary Union with a single Currency-the Euro.

EU policies aim to ensure the free movement of people, goods, services and capital within the market. It has enacted legislation concerning justice and home affairs, and maintained common policies on trade, agriculture, fisheries and regional development.

Has adopted a common external border control policy and within the Schengen Area, passport controls have been abolished allowing free movement across borders for all EU nationals and foreigners possessing a Schengen Visa. A monetary union was established in 1999 and came into full force in 2002. It is comprised of 19 EU member states which use the Euro as a common currency

On the contrary, the EAC has attempted to follow a chronological order of growth from one stage to another. The EAC was established in 1999 as a Customs Union. Because of its history and level of economic cooperation amongst its founding states, the EAC skipped the first stage of economic integration. It is currently a Common Market, which is the third stage of economic integration whereby there is supposed to be a common external tariff, free movement of labour, goods and services.

The EAC is still aspiring to achieve a monetary Union by 2024 and ultimately a political federation thereafter. Attempts to fast track to a political federation have not materialized because of a number of mitigating factors such as competing political interests and perceived leadership ambitions.

Major Timelines for EU and EAC Regional Integration

EU Timeline		**EAC Timeline**	
Event	**Year**	**Event**	**Year**
European Coal and Steel Cooperation (ECSC)	1951	Tripartite Commission for Cooperation signed	1993
Treaty of Rome –European Economic Cooperation (EEC)	1957	Treaty for EAC signed by Tanzania, Kenya and Uganda	1999
Single European Act (SEA)-Single Union	1986	Customs Union Protocol	2004
Maastricht treaty-European Union (EU) established**-EU as Common Market**	1992	Expansion of EAC by admission of Rwanda and Burundi	2007

Treaty of Amsterdam and Nice- Monetary Union and Euro as a Currency	2001/2	Common Market	2010
Treaty of Lisbon-Political aspects of the Union, including Constitutional issues and leadership	2007	Protocol for establishment of Monetary Union signed not yet implemented	2013

Organs of the EU and the EAC

The EU operates through a hybrid system of supra-national and intergovernmental decision making. Under this arrangement some of the member state powers have been delegated to be exercised by the EU Headquarters in Brussels on behalf and interest of its member states.

It has got seven principle institutions governing its operations. These are also known as Institutions of the European Union[5]. These institutions do not actually directly represent the government members of the EU but actually operate within the dual supranational and intergovernmental structure[6]. Based on the institutional provision, organization structures of the EU are:

The **European Council** which defines the general political direction of the EU. This is composed heads of state or government of the member states plus the **president of the European Commission**. The high representative of Foreign Affairs and security policy is also a member. This body forms the **EU summit;**

The **European commission**: Established in 1958, this is the EU executive body. It is the organ entitled with the management of the EU decisions, common policies and budget. It is composed of **28 members as commissioners, one from each member country;**

The **European Council or Council of the European Union**: This is also known as the council of Ministers which was composed of 28 (27 after the exit of the United Kingdom) members. These are tasked with the responsibility of adopting EU laws and coordinating policy implementation. It is comprised of Ministers from members from all member states and convenes regularly depending on the policy areas under discussion. The Presidency to this is held for 6 months on a rotational basis

The **European Parliament**: This is comprised of 751 members directly elected by the European Union member state citizens through direct adult suffrage for a five year term. They bear the responsibility of representing the citizens of the EU.

The Court **of Justice of the European Union (CJEU)** established in 1952 comprising of 1 judge from each country and 11 advocates**.** This plays a significant role in interpreting the laws for the Union and its decisions and rulings have de jure binding powers on all its members.

[5] https://europa.eu/european-union/about-eu/institutions-bodies_en

[6] Ibid: in Njura

The EU has other bodies such as the **European Central Bank (ECB)** and the **European Investment Bank (EIB).** The ECB conducts Economic and monetary policy and manages the Euro. The EIB provides funding for EU projects.

The **European Court of Auditors** and Office of the **Ombudsman i**nvestigates all complaints against the EU institutions and bodies.

The EAC Organisation and Institutional Structure

There are **seven**[7] main organs through which the EAC works, however in contrast to the EU, there are slight differences in how some of these organs operate and exercise their powers. These organs include:

The summit of heads of states which provides strategic direction towards realization of the goals of the EAC: it is composed of the Presidents of the member states with the authority to make final decisions on the direction the community needs to take in terms of economic developments and political cooperation;

The council of ministers: it composes of the various ministers of member state governments in charge of the EAC affairs in their respective governments. Its major responsibility is policy direction but also keeps constant review and monitoring of the EAC programs. These are major custodians of the decisions taken by the summit.

The coordination committee whose primary responsibility is to foster regional cooperation and supervision of **sectoral committees**: it is composed of the permanent secretaries in various member governments‟ ministries responsible for the affairs of the EAC. The responsibility of the body is to prepare reports, submit and give recommendations on the implementation of the treaty

The Sectoral committees are composed of senior officials established by the council ministers with the major responsibility of conceptualizing programs, preparing comprehensive implementation and monitoring of programs. These meet on a regularly depending on the issues

The Secretariat: this is the administrative organ of the EAC. It is the one responsible for managing the everyday affairs of the EAC but has no powers to decide the direction on which the EAC need to go; this power is reserved for presidents. It is the guardian of the EAC treaty, ensuring that the treaty and decisions made by the other organs are implemented.

The **East Africa Legislative Assembly:** it is the legislative arm of the EAC; it debates and approves the community budget. It is composed of 45 members (nine from each member states) and 7 ex-officio members comprising of Ministers or Cabinet officials responsible for EAC affairs from the member states. These are elected by the members of the national parliaments of member states

The **East African Court of Justice**: this is the court of the EAC which has the responsibility of interpreting the laws, the treaties and hears the disputes among the party states members. It is the principle judicial body of the EAC. It is comprised of judges appointed from member states. It has

[7] https://www.eac.int/eac-organs

jurisdiction to entertain all matters related to the implementation of the EAC treaty and its associated legislations.

According to the EU regulations, its organs appear to have more independent mandate to exercise their powers and take binding decisions while the EAC organs are still subject to approval by the Summit of Head of states of the member countries. The summit is chaired one of the head of state of the member countries on a rotational basis.

Differences in EU and EAC operations

The EU is largely a treaty-based organization[8]. The treaties are the major binding agreements between EU member states. Every major decision and step is taken and effected by treaty. No major decision can be taken and applicable to all member states without a treaty. Examples of the various treaties and their application include;

Treaty	**Significant decision or changes made**
Treaty of Rome (1957)	Establishment of European Economic Community (EEC)
Single European Act (SEA) 1986	Deadline for single full market
Treaty of Maastricht (1992)	Widening of the EEA and establishment of the European Union
The treaty of Amsterdam (1997)	Expansion of the EU, admission of 10 members from former communist countries, absorption of Schengen Convention into EU Law, expansion of Common Foreign Security Policy
The treaty of Maastricht –Nice (2001)	Reformed decision making, changed procedures for election of Commission President, defined role of EU institutions
The treaty of Lisbon (2007)	Major amendments to the Constitutional basis of the EU
The Paris Treaty (2015)	Climate Change

[8] https://europa.eu/european-union/law/treaties_en

The EU decisions are also made and transmitted to the members through Regulations, directives / guidelines, decisions and recommendations[9]. Regulations are legally binding to all member states and must be implemented in their entirety. For example the EU regulations on Common safeguards on goods imported from outside the EU. Directives are EU legislative acts setting out goals that all EU member states should achieve and member states left to devise mechanisms for domestic application (eg directive on elimination of hidden costs on the internet). EU decisions are applicable to those to whom they are addressed such as Countries or specific companies (For example participation in Counter terrorism and humanitarian measures) while recommendations remain largely recommendations for best practice such as best practices in use of e-commerce

The EAC operates based on treaties and protocols. The treaty to establish the EAC was signed in 1999. Thereafter subsequent decisions have been taken through protocols. Examples of such protocols include the protocol to establish the Customs Union (2004), Protocol establishing the Common Market (2010), the EAC Monetary Union Protocol (2013) and the protocol establishing the East African Kiswahili Commission (2012)[10]. The EAC also issues guidelines to member states and has passed various legislation in line with the EAC treaty.

Difference in EU and EAC membership and benefits

The EU allows none members to enjoy some of its benefits. The members of the European Free Trade Association (EFTA) are not part of the EU but are subjected to EU economic regulations. Countries such as Liechtenstein, Norway, Iceland and Switzerland which are members of the Single market through the EEA are none EU members but enjoy trade benefits from the EU. Switzerland and Norway for example are also part of the Schengen area. Some member states of the EU such as the United Kingdom opted to keep their own currency, the Pound. The EURO is only used in only 19 member Countries of the 28 member block.

In the EAC, none members are restricted from enjoying benefits from the block. Countries such as Somalia have been given observer status since 2012 and may enjoy some economic privileges and benefits from the EAC. Discussions to have Somalia formally admitted has stalled since 2015

Differences in political development, roles and global influence

The European Union has advanced into a political organization with a formidable force on both economic, political security matters -while the EAC is still aspiring to achieve a monetary union and ultimately a political union. Through the Common Foreign and Security Policy, the EU has developed a role in external relations and defence. The EU has permanent diplomatic missions (EU delegations) and represents itself at the United Nations, the WTO, the G8 and the G20. Because of its financial and political global influence, the EU has been described as a current and potential super power.

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[9] https://europa.eu/european-union/eu-law/legal-acts_en

[10] https://www.eac.int/documents/category/protocols

The EU has succeeded in building common democratic values and standards that must be demonstrated and respected by the member states.[11] The different values of democracy are reflected in the manner in which the EU is administered, how its representatives are elected and participatory nature in which major decisions, such as to join, expand or changes to key treaty provisions are made. For example, countries only the EU after express approval of their citizens through a vote or referendum. Votes of this kind have failed in countries such as Norway.

While in the EAC there are significant political challenges, such as lack of respect to constitutionalism, peaceful transition of power through democratic means such as elections. Political, ethnic and resource based conflicts are prevalent and these have been a major hindrance toward the fast progress of the EAC. [12] To date, the EAC has not garnered converging common political momentum towards a political union.

Differences in geographical, population and economic size

There are significant differences in terms of **Geographical and Economic size** between the two bodies. The EU comprises of 508.2 million people accounting for 7.3 of the world population and 4,324,782 Square kilometers. In 2014 the total GDP of the EU was estimated at 18.495 trln USD. This constituted approximately 24% of global nominal GDP and 17% if measured terms of purchasing power parity. The GDP per capita of its residents measured at PPP was estimated at 40.486 USD. The level of industrial growth and advancement is higher compared to its EAC counterpart.

The EAC's size is 2.5 million square kilometers. Its population and GDP were estimated at 168.5 Million and 159.5 bln respectively[13]. The GDP per capita was USD918 and its economy was largely driven by agricultural and semi processed goods. The total export from the EAC was USD13.6 bln while it imported 40.2bln. The total trade volume between the EU and the EAC was 6,008 million Euros[14]. The exports to the EU from EAC were mainly coffee, cut flowers, tea, tobacco, fish and vegetables. The imports from the EU into the EAC were dominated by machinery, mechanical appliances, equipment and parts, vehicles and pharmaceutical products[15]. The EAC exported goods worth 2,415 Million Euros and Imported goods worth 3,593 Million Euros creating a trade balance

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[11] Jeffrey, A. (1990) "The European Community in the 1990s: Perspectives on Integration and Institutions

J, Monnet, and R, Schuman. (2005). Paper series Vol. 5 No. 37. Dec. 2005

[12] Key Address of EAC Secretary General Dr. Sezibera: East African integration is challenged by the fears of peoples. In Tanzania two dominant fears are the worries about land-grabbing and Kenya‟s trade dominance

[13] https://www.uneca.org/oria/pages/eac-—-east-african-community

[14] http://trade.ec.europa.eu/doclib/docs/2013/november/tradoc_151901.pdf

[15] http://ec.europa.eu/trade/policy/countries-and-regions/regions/eac/

of 1,178 million Euros in favour of the EU. From the statistics clearly, the trade balance and terms of trade between the EU and EAC was heavily biased in favor of the EU. Perhaps this explains why the EU has been keen on establishing strong trade relations with the EAC through the Economic Partnership Agreements (EPAs)

In conclusion therefore, despite the fact that these two bodies are both regional economic integration blocks formed to achieve a common purpose of economic prosperity. A careful scrutiny of the two reveals some subtle differences, their history, operation and structure, economic size and interest. Comparatively, the EU is far advanced as an economic regional block compared to its East African counterpart. Perhaps these differences explain why the relationship between the EU and EAC has been a subject of significant divergence and discussions in recent times.

The following lessons can therefore be learnt

- Collective will and desire to unite is essential for a successful integration
- People centeredness rather than state centeredness regional economic integration succeed
- Elimination of personal ego and 'big-man syndrome' amongst the members and their leadership increases chance for success
- Essence of having an anchor state rallying all the other member states together for the common cause and standing for and in bail of other member states whenever political and economic catastrophe strikes such as the economic meltdown and Euro financial turbulence in 2008 and indebtedness of Greece and Portugal.
- Economic size is not a factor as both small and big member states stand chance to benefit if necessary, measures and structures are put in place and operational.

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