INTERSTATE DISSONANCE, A DAMPER TO REGIONAL INTEGRATION; A CASE STUDY OF EAST AFRICAN COMMUNITY

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INTERSTATE DISSONANCE, A DAMPER TO REGIONAL INTEGRATION; A
CASE STUDY OF EAST AFRICAN COMMUNITY

BY

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644384

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SPRING 2017
DECLARATION

I, undersigned, declare that this is my original work and has not been submitted to any other college, or university other than the United States International University- Africa for academic credit.

Signed: _________________________________ Date: _____________________

DAVID OUMA (644384)

This thesis has been presented for examination with my approval as the appointed supervisor

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Supervisor.

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Dean, School of Humanities and Social Sciences.

Signed: _________________________________ Date: _____________________

Ambassador Prof. Ruthie Rono.

Deputy Vice Chancellor Academic Affairs
DEDICATION

This Thesis is dedicated to my late Mother, Dorcas Ouma. Also, by design it is attributed to the East African Community with an expectation that it will provide insight towards full integration of the community and at the same time foster regionalism as a requisite for peaceful coexistence among Nations.
ACKNOWLEDGEMENT

I would like to take this opportunity to thank the almighty God for His favours during my studies. Special tribute to Mr. Weldon Ngeno for being a great inspiration through my studies in USIU; he was my supervisor and tutor in number of courses. My sincere gratitude also goes to the entire USIU fraternity for making this a success, especially, Ms. Lynette Nzioka, Assistant to the Dean School of Humanities and Social Sciences for her humility and having the interest of students at heart.

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<td>ACP</td>
<td>African Caribbean and Pacific.</td>
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<td>AEC</td>
<td>African Economic Community.</td>
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<td>AFD</td>
<td>Alternative for Germany.</td>
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<td>CBP</td>
<td>Capacity Building Plan.</td>
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<td>CDP</td>
<td>Community Development Plan</td>
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<tr>
<td>CEDEAO</td>
<td>Communaute Economique des Etats de l’ Afrique de l’ Ouest</td>
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<td>CET</td>
<td>Central European Time</td>
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<td>CETs</td>
<td>Computing and Education Technology services</td>
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<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa.</td>
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<td>DFID</td>
<td>Department for International Development.</td>
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<td>DRC</td>
<td>Democratic Republic of Congo</td>
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<td>EAC</td>
<td>East Africa Community.</td>
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<td>EACSO</td>
<td>East African Common Services Organization.</td>
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<td>EALA</td>
<td>East African Legislative Assembly.</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>EAMU</td>
<td>Extension of Authorization for Minor Use.</td>
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<td>ECSC</td>
<td>European Coal and Steel Community.</td>
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<td>EDF</td>
<td>Environmental Defense Fund.</td>
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<td>EPAs</td>
<td>Economic Partnership Agreements.</td>
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<td>ETLS</td>
<td>ECOWAS Trade Liberalization Scheme.</td>
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<td>EU</td>
<td>European Union.</td>
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<td>FDLR</td>
<td>Forces for Liberation of Rwanda</td>
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<td>FTA</td>
<td>Free Trade Area.</td>
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<td>GDP</td>
<td>Growth Domestic Product.</td>
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<td>IMF</td>
<td>International Monetary Fund.</td>
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<td>ISO</td>
<td>International Organization for Standardization.</td>
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<td>NTBs</td>
<td>Non-Tariff Barriers.</td>
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<td>OAU</td>
<td>Organization of African Unity.</td>
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<td>ODA</td>
<td>Official Development Assistance.</td>
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<td>RECs</td>
<td>Renewable Energy Certificates.</td>
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<td>RIAs</td>
<td>Regional Integration Agreements.</td>
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<td>RIFF</td>
<td>Regional Integration Facilitation Forum.</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>RTAs</td>
<td>Regional Trade Agreements.</td>
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<td>SAARC</td>
<td>South Asia Association for Regional Cooperation.</td>
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<td>SACU</td>
<td>South African Custom Union.</td>
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<td>SADC</td>
<td>Southern African Development Community.</td>
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<td>SID</td>
<td>Society for International Development</td>
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<td>SPS</td>
<td>Sanitary and Phytosanitary</td>
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<td>UK</td>
<td>United Kingdom.</td>
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<td>UNECA</td>
<td>United Nations Economic Commission for Africa.</td>
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<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
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<td>VAT</td>
<td>Value Added Tax</td>
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<td>WAEMU</td>
<td>West African Economic and Monetary Union.</td>
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<td>WAMZ</td>
<td>West African Monetary Zone.</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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ABSTRACT

The study has five objectives which are to identify the political, economic, social, cultural and technological barriers to the East African Community Integration. The study constitutes a literature review of research conducted on interstate dissonance that are a damper to regional integration. The study also provides a synopsis of not only the findings made in the literature reviewed but also the methodology employed to unearth the respective findings. The study uses secondary data to answer the research questions in the analysis. Functionalism, neo-functionalism and realism have been used to consider the logic of integration. Each theoretical approach strains a diverse set of aspects in enlightening nation states ‘actions and the practices of integration. Some of the challenges to regional integration identified include: multiple memberships, non-trade barriers, challenge of online platforms which dealers use to report their grievances, challenge of making member states integrate regional treaties into national strategies, the issue of supranational entity, lack of support to the private sector, conflicts within states, poor infrastructure, corruption and poor governance, unharmonized presidential electro system, inefficient implementation of agreements and rapid increase in population. To curb these problems, the study recommends that, more effort is required in refining regional infrastructure, all the organs and foundations of the EAC will require to be transformed as set out in article 9 of the treaty, the EAC can see ways on how to harmonize the dominant domestic tax systems, laws and measures so as to decrease alterations and trafficking as well as presenting some level of expectedness in business transactions.
CHAPTER ONE: INTRODUCTION

1.0 Background to the Study

Since World War II, one of the main trends in world politics has been regional integration. States have had the urge to synchronize their economic and social policies, come up with mutual organizations and more so collaborate in issues regarding security (Jie, 2014).

Such harmonization has been important because it has led to benefits that are impossible otherwise. For example, regional integration is a means of peaceful advancement. Moreover, regionalism helps in reducing custom barriers especially in Africa which has so many small nations. Furthermore, regionalism smoothens the way for export trade especially to landlocked countries such as those in Africa. Regional integration also has the power of reassuring the advancement and the distribution of new technologies and goods and services among the collaborating states as well as generating regional economies of scale particularly in infrastructure. In general, regional integration results into improvements in wellbeing as well as reduction of poverty (Kiptoo, 2008).

The first regional integration was established between 1940s and 1960s. Several institutions were established in various parts of the world during this period (Cameron, 2010). Musonda (2006) argues that, regionalism in Western European countries begun in the 1950’s and it was from these countries that regionalism spread to the rest of the continents such as Asia, Latin America, and Africa among others.
Regionalism in East Africa dates back from a hundred years ago, where different types of integrations have been established in the region. In the colonial era, diverse efforts were made to bring the British colonies under one governance in this region. For instance, in 1947 to 1961, the British government created the East African High Commission and the East African Legislative Assembly for the management of the colonies. In 1961, as states began to gain their independence, these institutions were replaced by the East African Common Services Organization (EACSO) and the Central Legislative Assembly to offer mutual services and endorse laws (Ogola, Njenga, Mhando & Kiggundu, 2015).

The EACSO was given the responsibility of providing common services in transportation (East African Railways and Harbors; East African Airways), as well as provide postal and telecommunication services (East African Post and Telecommunications Corporation), higher education such as the East Africa University and central banking (the East African Currency Board). Even though these institutions were established by the colonialists for different agendas, they provided a ground for the modern regional integration in East Africa (Ellis, Lamanto, Reus & Fiafman, 2015).

The advancement and growth of the EAC was enhanced by the urge of East African gaining their independence as well as continental integration. In 1958, the first pan-African inter-governmental organization was established, with its headquarters in Addis Ababa, Ethiopia. Five years down the line, the Organization of African Unity (OAU) was formulated which brought together all states in Africa that had achieved their independent then. These two organizations were the building blocks for the establishment of regional
organizations in Africa including EAC. For instance, OAU approved numerous resolutions whose purpose was to promote integration. The most significant was the 1980 Lagos Plan of Action and the Final Act of Lagos, which created the basis for the 1991 Abuja Treaty. The purpose of the treaty was to establish the African Economic Community (AEC) through coordination, harmonization, and progressive integration of the activities of RECs such as the EAC (Puplampu, 2015).

The EAC first came into existence in 1967 after the heads of states of Kenya, Uganda and Tanzania, then Jomo Kenyatta, Milton Obote and Julius Nyerere respectively made an agreement to set aside their political differences and personal ambitions. The formulation of the EAC made it possible for inter-state trade activities between the three states where there was free movement of goods across the three regions (SID, 2012).

Preceding integration mechanisms enabled the treaty’s enactment such as the building of the Kenya Uganda Railway line, 1897–1901; the founding of the Customs Collection Centre, 1900; the East African Currency Board, 1905; the Postal Union, 1905; the Court of Appeal for Eastern Africa, 1909; the Customs Union, 1919; the East African Governors’ Conference, 1926; the East African Income Tax Board, 1940; and the Joint Economic Council, 1940 (EAC, 2015).

Regional integration of the three countries lasted for ten years after which in 1977, the EAC was disbanded. The termination of the integration was due to some reasons such as the unequal level of advancement, Tanzania’s disapproval of the zero-tariff rule where it argued that it would be unfair for the three states to be treated as equal yet they were not
alike economically. Other debates that contributed to the dissolution of the integration was that the integration favored Kenya at the expense of Uganda and Tanzania (Reith & Kiptoo, 2011).

In 2000, EAC was re-established after the treaty for establishment of the East African Community was signed on 30th November 1999 and came into action on 7th July 2000 following its approval by the original member states Kenya, Uganda, and Tanzania. The interest of the EAC to enable trade among its members is preserved in Article 5(2) of the treaty founding the East African Community which asserts that the first phase of EAC incorporation will be the establishment of a Customs Union, gamboling the previous phases of Preferential Trade Area and Free Trade Area (Makame, 2012).

The custom union procedure came into action in January 2005. Its main elements included; the formation of EAC Rules of Origin(RoO) principles which comprised of Certificates of origin and simplified certificates of origin, the internal abolishment of tariffs for goods meeting the EAC RoO standards and the abolishment of Non-Tariff Barriers (NTBs). The main objective of the protocol that formed the Customs Union is to enable inter and intra-regional trade in goods. The agreement that founded the EAC then established the phases of EAC integration which included the formation of a common market, then a Monetary Union and eventually a Political Federation (Makame, 2012).

The attempt taken by the EAC regionalism to adopt a Customs Union procedure and a community regulation (the Customs Management Act) brought attention to the Republic of Rwanda and the Republic of Burundi who consented to the EAC Treaty on 18th June
2007 and became full Members of the Community with effect from 1st July 2007. Recently on March 2016, the republic of South Sudan was officially made a member of the EAC at the ordinary EAC summit held in Arusha Tanzania. South Sudan had applied to join the integration in 2011 but the admission procedure delayed due to legal and institutional weaknesses, before being put on hold when a civil war broke out in 2013. The EAC integration now comprises of six-member states that is Burundi, Kenya, Rwanda, Tanzania, Uganda, and South Sudan. However, plans are underway for the EAC to comprise thirteen states which will comprise of Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Rwanda, Seychelles, Somalia, Sudan, and Uganda. (Sengati, 2016).

1.1 Statement of the Problem

Like any other integration, EAC integration has been going through some up and downs which are limiting effective and efficient performance of the regional integration (Mputhia, 2016). According to the second East African Community Common Market Scorecard which was launched on 28th October 2016, the EAC member states continue to trade as separate and in different markets hence, keeping their economies small and disengaged, despite a standing treaty that allows the states freedom of movement of goods, labour, services, and capital across the six-nation bloc (Mwaura, 2016).

To add salt to injury, an analysis (The Political Economy of Regional Integration in Africa: The East African Community Report) carried out in 2016 showed that, there were disagreements between member states over projected institutional arrangements which would offer more capacity and provide the EAC with more supranational authority. This
is something the EAC Secretariat has been trying to solve but some member states of the EAC seem to be against its decisions. This rules out the EAC Secretariat as a harmonization, support, execution and monitoring organ in the EAC (Mwaura, 2016).

Additionally, according to an article from The News Times by Mwaura (2016), member states governments are formulating new policies at the state level that are against the policies which have already been approved and signed. Moreover, intensifying debates has risen between the EALA and the EAC Secretariat over allegations of misconduct where the regional parliament has raised alarm on a cash predicament that is affecting operations, and the secretariat has been accused of ineffectiveness amongst concerns over transparency in the EAC’s employment procedures. Furthermore, alarms of continuing delay in payment of fees by member states, and the delay of some of the member states in commitment of arrangements which had initially been consented in principle by all the partners, has raised concern about their obligation to the EAC integration agenda (Mwaura, 2016).

Furthermore, the EAC member states have been having challenges in implementing the Customs Union. For example, customs evaluation tactics have been fluctuating hence resulting to dissimilar calculated values for taxation. Since 2005, Uganda has produced a list of industrial goods that are discharged from the CET. A comparable list of industrial goods is in place for Rwanda and Burundi (Makame, 2012).

Furthermore, the United Republic of Tanzania as a member of both Southern African Development Community(SADC) and the EAC and more so Kenya, Uganda and
Tanzania having memberships in both EAC and Common Market for Eastern and Southern Africa (COMESA) has caused conflict of interests due to the multiple commitments the states have taken of more than one incorporation program. The states must implement two CET for each of the integration that they have committed themselves to (Makame, 2012).

Additionally, most citizens in the six member states are less aware of the regional integration process and therefore they have no idea of the benefits that comes with these regionalisms. Besides, the infrastructure and energy of all the six member states are in poor conditions hence these makes intra and inter trade very expensive for the member states. Also, the current armed conflicts in South Sudan and Burundi, and political instability in Tanzania and Rwanda and the frequent al-shabab attacks in Kenya results to a fragile EAC integration today and in the near future if actions are not taken (Sengati, 2016).

While other scholars have emphasized on the factors shaping regional integration in Europe, Asia, and Africa (Jie, 2009), and the factors affecting economic integration in EAC in Arusha (Kamili, 2015) this piece endeavors to expound the inevitable hindrance conceived in the East Africa Community integration.

1.2 Research Questions

The study will be guided by the following research questions
1. What are the Political strands conceived in the East African Community Integration?
2. What are the Economic barriers to the East African Community Integration?
3. What is the Socio-cultural dimension in the East African Community Integration?
4. To what extent does Technology and Skills Transfer constitute to the constraint of the East African Community Integration?
5. What are the possible mitigating factors in addressing the Interstate dissonance as an impediment to the East African Integration?

1.3 Objectives of the study

1.3.1 General objective

To investigate the interstate dissonance conceived in the East Africa Community that hampers regional integration.

1.3.2 Specific Objective

1. Find out the Political factors that hinder the East African Community Integration.

2. Determine the Economic factors that hinder the East African Community Integration.

3. Investigate the Socio-cultural factors that hinder the East African Community Integration.
4. Identify the Technological and Skill Transfer factors that hinder the East African Community Integration.

1.4 Justification of the study

There are a number of theoretical studies that have addressed the problem of regional integration. These comprise those that have precisely addressed the significance of and/or need for regional integration, and many of them have focused on other regions other than Africa. Therefore, this research is very vital since investigation on this topic has mainly focused on East African region.

This study is relevant and timely given that the East African integration is trying to enlarge its regional integration process by admitting new member states. First and foremost, this study examines the problems that the region is encountering. Regional bodies such as EU, SAARC, SADC and COMESA are reviewed on how far they are efficient. The study also highlights areas in which EAC can learn from such regional bodies like EU which is regarded to be one of the most successful integration in the world.

The interstate factors affecting regional integration in EAC will clearly be shown throughout the analysis and mitigations to deal with such trials will also be discussed in this thesis. Schiff (2002) states that a new study has commenced and is now focusing on developing states. This is mostly because, most developing states are turning to integration as a way to development and the challenges affecting these integrations needs to be assessed. Additionally, regional integration is part of universal financial
environment and it affects developing states whether they partake in it. Hence understanding the factors that hinders such regionalism is important since states will be able to cope and maximize their benefits thereof.

1.5 Definition of terms

Terminologies: Region, Regionalism, and Integration

Before the examination of integration in other parts of the world, it is important to define three key terms that are frequently used in the study: region, integration and regionalism. Ever since world war two, several regions have been defined not only by geographical terms, but also by the growing regional organizations, financial linkages, cultures and regional policy entrepreneurs as catalysts for changes. Nonetheless, geographical proximity creates further possibility of linking states simultaneously and creating a region. Nevertheless, it is not the only defining aspect as advanced transportation and communication technologies are advanced and different financial, social and political ties increase. Joseph Nye (1971) provided a minimum classical definition for the concept of region that “A limited number of states linked together by a geographical relationship and by a degree of mutual interdependence” (Soderbaum, 2009).

In addition to the financial and political ties and institutions, a region can also be defined by comparable customs such as languages, religion etc, stages of economic growth, political systems and geographical lines. Regional distinctiveness gets clearer when the
ties and the height of homogeneity in those facets amplify. Homogeneity in those essentials might facilitate the progress of the integration and coordination of policies. On the other hand, they are not essential for defining and integrating a region. For instance, few of the EU’S associate states are culturally homogeneous and there is no such thing as a European race. In addition, inhabitants of the EU speak more than forty languages, which are fortified as signs of national identity and work as a continuous reminder of the disparities among Europeans. In this study, we define a region according to Clive Arvher’s (1992) citation of Karl Kaiser: a region is a limited international system whose associates exist in geographical proximity and have a particular degree level of promptness and power of relations as well as understanding of interdependence (Archer,1992).

Regional integration has more than one definition. Some definitions are as a result of European practice of integration and are hence not as applicable in other regions. Roy Ginsberg (2007) defined integration as “interstate reunion” a practice by which some states which might have been formerly been in war, connect with each other in order to come to terms with the past, work through their dissimilarities, negotiate based on structural peace and common respect (Ginsberg,2007). His definition portrays the progression towards the Franco- Germany Corporation and the foundation of the ECSC.

Hass (1958) defined integration as the process whereby political actors are sway their devotion, prospects and political actions toward a new center, whose institutions own or command authority over pre-existing national states. His definition center on the political
organizations and supranational growth which are currently in Europe rather than Asia and Africa. In this definition, self-governing nations may finally collaborate into an alliance, which is defined as an institution agreement that involves two or more levels of government with a formal partitioning of authority identifying the powers and foundation of revenue (Siaroff, 2009).

Based on Hass’s definition, this research defines regional integration as a multi-dimensional, multi-level and multi-stage method resulting to the strengthening of interstate associations, the enlargement of regional measures and the creation and evolvement of a region. It may be due to the implementation of force, the desire for security as a result of a mutual external danger, mutual principles and ambitions and the aspiration to uphold peace and progress their quality of life more rapidly by working together (Mc Cormick, 2005). It may also be pressed by the globalization of financial actions, the manufacture and promotion of goods and services and efforts to become accustomed to globalization. It involves both informal and formal reunion among states, government officials and private actors in advancing institutions, policies, day-by-day management and collaboration in a variety of issues which may be different from region to region. As a multi-level course, it could be top-down negotiations among nations leading to official projects and also could be bottom-up course initiating from economies and societies leading to developing interdependence (Coleman & Underhill, 2002).

Regionalism on the other hand is linked with geographical and political terms, and discloses a deeper degree of joint association within which states tries to establish
regional harmony in financial regulations, identity, markets and perhaps in diplomacy and security. Regionalism also refers to the establishment of a regional distinctiveness from the powerful relations among nations (Soderbaum, 2009).

1.6 Chapter Outline

This study consists of five chapters. The first chapter introduces the topic and the rationale behind it. Chapter two examines empirical literature from different scholars who have researched on the same and finally gives a theoretical approach that explains the main concepts of the study. Chapter three consists of the methodology of the study that gives detailed information of the methods that will be used to collect data for the research study. Chapter four will comprise of an analysis of the research where answers to the research questions are provided and the hypothesis is tested. Finally, Chapter five is the conclusion of the research and recommendations where the solutions to the research are identified.
CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter presents a review of literature on interstate dissonances that are a damper to regional integration. The study gives a comparable empirical review of regional integration from different parts of the world and further reviews theories which are applicable to this study.

2.1 Literature Review

Challenges and constraints in trade and regional integration in European Union.

A number of political and economic aspects are donating to the present doubt surrounding the forthcoming EU projects. To some extent, they are also challenging the legality and structure of the EU and its institutes (Archick, 2016).

Ongoing Economic Difficulties

The 2008-2009 universal depression and the Eurozone debt predicament considerably affected European economies, diminishing progress and aggregating redundancy in many EU states, and posing a threat to the European banking system. Some EU regimes executed detested austerity methods in an effort to rein in budget shortages and public debt. In order to stem the Eurozone crisis, Greece, Ireland, Portugal, and Cyprus required European and international financial aid. Regardless of some signs of retrieval, many EU states endure to fight with slow growth, high joblessness particularly among young adults, and discontented publics. Economic differences within the EU have also created
pressures and led to policy separations among member states. Greece, for instance, has stiffened at alleged “diktats” for more austerity from financially strong Germany. Some Central and Eastern European associates have protested to donating financial aid to Greece, as well as to doing extra to assist manage the migratory movements, in part because of their moderately less prosperous financial places within the EU. Several observers propose that additional vigorous financial progress could assist to ease some trials presently facing the EU (Archick, 2016).

Rise of Anti-EU or “Eurosceptic” Political Parties

Over the last several years, many EU states have seen an upsurge in support for democratic, nationalist, anti-establishment political parties. These parties are frequently referred to as “Eurosceptic” because most of them have also been driven by fear that too much national power has been surrendered to Brussels. Even though it’s not a totally new occurrence in the EU, the current uptick in support for such parties basically commenced in retort to Europe’s economic stagnation, strictness actions, and the Eurozone predicament. For some voters, how the Eurozone predicament was controlled rehabilitated long-standing worries about the EU’s “democratic deficit” a logic that normal citizens have little say in decisions taken in faraway Brussels (Erlanger, 2015).

Progressively, nevertheless, intensified worries about immigration and the large migrant and refugee movements seem to be motivating increasing poll numbers for democratic and/or Eurosceptic parties, particularly those that harbor anti-immigrant ideas. Qualms about globalization and a loss of European distinctiveness have also been issues in the
development and support for such parties. Populist and Eurosceptic parties, nonetheless, are not monolithic. Although most are on the far right of the political range, a number are on the left or far left. The degree of Euroscepticism also differs extensively among them, and they have a variety of opinions on the future of the EU (Erlanger, 2015).

While some campaign for EU restructurings and a looser EU in which member states would maintain more dominion, others call for an end to the Eurozone or even to the EU itself. Austria, Denmark, Finland, France, Germany, Greece, Hungary, Italy, the Netherlands, Poland, Spain, Sweden, and the UK are among those EU states with progressively prosperous populist, and to at least some degree, Eurosceptic parties. A variety of Eurosceptic parties did well in the 2014 European Parliament selections, winning up to 25% of the 751 seats. Some Eurosceptic parties have made noteworthy advances in national and local elections. For instance, in Finland, a comparatively reasonable Eurosceptic party is part of the union government, while in Denmark, a minority regime depends on a Eurosceptic party to offer parliamentary sustenance. In Poland, a nationalist party with a comparatively Eurosceptic tactic won a majority in parliamentary elections in October 2015 and now heads the government (Archick, 2016).

Eurosceptic parties could bring trials to the normally pro-European founding parties in a number of EU states and have emphasized on ordinary leaders to embrace some of their positions (such as limiting EU integration or constriction of the immigration rules). Many analysts argue that Eurosceptic parties and factions in the UK were main advocates of holding the future vote on whether the UK should leave the EU. Some experts are
concerned that should more Eurosceptic parties particularly hardline ones in main EU member countries such as France, get enough funding to enter or even lead their national regimes, they could hypothetically stop or reverse at least some features of European integration. EU officials and analysts are also worried that some policies pursued by some of these political parties in states such as Hungary or Poland appear to clash with basic EU morals and democratic rules. Many specialists recommend that the tenor of the arguments over the future of the EU and problems such as immigration in some EU states is progressively spiteful. Some worry that it is encouraging societal turbulence and could lead to violence. They point to the June 16, 2016, assassination of UK Member of Parliament Jo Cox, apparently by a far-right anti-immigrant fanatical who some have labeled as an “essential Eurosceptic “as tremendously troublesome (Archick, 2016).

**Lack of Strong Leadership and Strategic Vision**

Traditionally, the advancement of the EU has mostly been compelled by some strategic states acting as an “engine.” French and German governance was vital to founding the common currency, and France and the UK were helpful in falsifying EU common foreign and security rules. Many experts propose, conversely, that a robust EU “engine” has been missing over the last few years. Although German Chancellor Angela Merkel has played a dominant role in answer back to the Eurozone calamity, Russian hostility in Ukraine, and the migrant and refugee movements, critics view her as being too timid and strategic in many occasions, rather than acting as a leader of Europe writ large. In the meantime, others contend that too much authority in the EU now belong to Germany alone,
especially because both French President François Hollande and UK Prime Minister David Cameron have been forced by national politics and economic obsessions. Some viewers state that European leaders do not have a strong or common strategic vision for the EU. Those of these sentiments to what they consider to be ad hoc, piecemeal replies that avoid hard choices about more integration or fail to address matters with an eye to guaranteeing a strong, steady, unified, economically vivacious EU in the long term. Many experts have upraised certain uncertainties about the ostensible deviation between Germany and France over how to manage the Greece calamity and what this could mean for the future of the EU more roughly (Heisbourg, 2015).

**Increased Acrimony and Decreased Solidarity**

Observers contend that the crises over Greece and migration, in particular, have produced a high degree of acrimony and a lack of trust among EU member states. Moreover, these crises threaten the core EU principle of solidarity. While horse-trading and protecting national interests have always been part of EU politicking, analysts assert that narrow national agendas are increasingly taking priority over European-wide solutions. Some commentators have also begun to question the commitment of some European leaders and publics to the EU project in light of demographic and generational changes; for younger Europeans, World War II and even the Cold War are the stuff of history, and some may not share the same conviction as previous generations about the need for a strong and united EU (Adler, 2015).
The Greece Crisis

The beginning of the Greek debt crisis in late 2009 and its succeeding infection to other Eurozone associates generated anxieties about the ultimate structure and feasibility of the Eurozone, the EU’s flagship integration mission. Over the last six years, the condition in most Eurozone states has generally calmed, and the EU has taken steps to reinforce the Eurozone’s architecture and advance economic discipline among fellow states. Greece’s economy and banking system, nonetheless, continue to be in misery. In the first half of 2015, predictions cultivated that Greece might leave the Eurozone (dubbed “Grexit”) as the Greek administration, headed by the leftist, anti-austerity Syriza party, wanted additional fiscal aid from Greece’s Eurozone creditors. While Greece declared a yearning to endure in the Eurozone, it also strained the necessity for debt relief and an easing of strictness. For months, negotiations wallowed. In late June, the Greek administration shutdown the banks and enacted capital controls. On July 5, Greek voters precluded Eurozone calls for additional austerity in a public vote, apparently aggregating the likelihood of “Grexit.” A contract was eventually grasped a week later in which the Syriza-led administration consented to Eurozone demands for more austerity and financial modifications in exchange for a new monetary aid package, hence permitting Greece to stay in the Eurozone (Archick, 2016).

All the same, Greece endures to face a long way toward economic retrieval, and the danger of “Grexit” may still appear in the longer term. From the beginning in late 2009, the Eurozone catastrophe created pressures among associate states over the appropriate
balance between striking austerity actions against inspiring development, and whether greater EU monetary integration was essential. The apprehensive dialogues with Greece in 2015, nevertheless, shaped an even higher degree of bitterness within the EU and elevated grim queries about EU unity. While France (and Italy) stressed the political significance of upholding the honor of the Eurozone, Germany (and others such as the Netherlands, Finland, Slovakia, and Slovenia) emphasized the necessity to obey to Eurozone monetary rules. Several states that supported Germany’s hardline point of view during the discussions with Greece also did so since they did not want to encourage other hostile Eurozone regimes or anti-austerity, Eurosceptic antagonism parties by making concessions to Greek demands (Archick, 2016).

Specialists propose the opposing opinions between France and Germany in particular replicated divisions that date back to the establishment of the Eurozone. While Germany had always maintained that the Eurozone be secured in a culture of tight financial policy and economic discipline, France had long pushed for more elasticity and more political discretion over its management. At the same time, German and French leaders were intensely unified behind the impression that “the single currency should first and foremost function as a means headed for the better purpose of European political integration” (Vallée, 2015).

Several experts are now inquiring whether France and Germany endure to share this idea, and some point to the calamity as a sign that EU associates, together with Germany, are ranking national interests over the European project to a superior degree than in the
past. During the course of the catastrophe, most EU leaders constantly upheld that they desired to keep Greece in the Eurozone. German Chancellor Merkel stated “if the euro fails, Europe fails,” replicating anxieties shared by many EU regimes that “Grexit” could have broader insinuations for the reliability of the whole EU project. Other European officials and specialists, nevertheless, claimed that “Grexit” would have been (and may still be) the healthier choice for Greece in relations to reviving its economy, and that a Greek withdrawal would have allowed deeper incorporation amongst the enduring Eurozone associates (Higgins & Smale, 2015).

In early July 2015, German Finance Minister Wolfgang Schäuble projected a provisional Greek withdrawal from the Eurozone for a five-year period, but this was tremendously debatable because fellow states saw it as hypothetically setting a hazardous example by hovering queries about the Eurozone’s irretrievable nature; some Eurozone leaders were likely worried that a comparable outcome could transpire other nations in monetary suffering in the future Greece endures to struggle financially as it strives to implement the throbbing changes essential as part of the July 2015 contract (Kanter, 2016).

Debt relief for Greece remains an argumentative subject among Eurozone associates and between states such as Germany, which mostly opposes it and the International Monetary Fund (IMF), which asserts that Greece’s debit load is unmaintainable. In spring 2016, some apprehensions rose about the prospective for a new catastrophe in Greece. In late May 2016, the Eurozone reached a concession contract in which it promised a bundle of advanced debt relief actions, though the greatest considerable actions would not
commence until 2018 and will take effect only if Greece finalizes its economic modification program (Barbiere, 2016).

Some propose that given how adjacent the EU came to “Grexit,” the catastrophe has destabilized the honor of the Eurozone. Others argue that EU leaders continue to be strongly dedicated to the euro and the larger EU project. Many notes that the EU has repeatedly grew out of predicament and that Eurozone regimes may now be extra inspired to pursue superior integration. In the outcome of the 2015 Grexit disaster, both France and Germany called for solidifying of the Eurozone’s financial domination (perhaps comprising the founding of a Eurozone congress and a mutual budget). Specialists’ note, nonetheless, that this inventiveness has not advanced much over the last year, especially because EU devotion has been absorbed somewhere else, on the migration crisis and the UK’s forthcoming poll on EU affiliation. Some press news proposes that France and Germany anticipate presenting a mutual position on closer Eurozone integration by the expiration of 2016 (Archick, 2016).

**Migratory Pressures**

Over the last year and a half, Europe has undergone a momentous immigration and refugee catastrophe as aggregating numbers of people have escaped conflict and poverty in Syria, Iraq, Afghanistan, Africa, South Asia, and other places. According to the United Nations, more than 1 million immigrants and refugees wanted to come into the EU in 2015, and over 90% were from the world’s top 10 expatriate generating states. Greece was the main influx and transportation point for people crossing the Mediterranean Sea,
even though Italy also saw a substantial figure of migrant and refugee influxes. Many people arriving in Greece consequently endeavored to cross the Western Balkans in determination to grasp Schengen “gateway” states, such as Hungary and Slovenia. From there, they wanted to travel ahead to northern EU members, such as Germany and Sweden, where they supposed they were more likely to obtain safe haven and healthier welfare aids (U.N. High Commissioner for Refugees, 2015).

During the course of 2015, numerous EU inventiveness to control the crisis showed mostly futile. The EU came under condemnation for missing articulate and actual migration and asylum rules, which have long been problematic to fake due to national sovereignty anxieties and compassions about minorities, incorporation, and identity. The crisis formed deep partitions within the EU. Frontline nations, Greece and Italy and main destination states beyond north expressed disappointment at an absence of European unity, while others accused that usually substantial asylum rules in states such as Germany and Sweden were acting as “pull” factors and worsening the flows. Some EU administrations allegedly observed Germany’s statement in August 2015 that it would no longer relate to the EU’s “Dublin regulation” as individually overturning agreed EU asylum techniques and failing to contemplate the allegations for the wider EU (U.N. High Commissioner for Refugees, 2015).

Determinations to inaugurate EU relocation and immigration programs, in which each EU associate nation would consent a definite number of asylum-seekers and refugees were exceptionally provocative. States in Central and Eastern Europe were mainly vocal
enemies, dreading that the freshly arrived migrants and refugees, many of whom are Muslim, could change the predominantly Christian personalities of their states and of Europe. Though the EU accepted a partial but compulsory plan to move some asylum-seekers from Greece and Italy in September 2015, this result was attained using the EU’s capable majority polling system instead of consensus (Hungary, the Czech Republic, Slovakia, and Romania voted against the plan, and Finland refrained). Approving a proposal on such a subtle matter directly connected to a state’s dominance and regional integrity by skilled majority is basically extraordinary in the EU, and numerous spectators observed the need to hold the vote as additional suggestion of the deep cleavages within the coalition (Erlanger & Kanter, 2015).

As the uptick in refugees and migrants incoming in Europe persisted undiminished in early 2016 (approximately 150,000 people traversed the Mediterranean, generally to Greece, in the first three months), the EU started to focus on disheartening individuals from undertaking the journey in an effort to stem the movements. In March 2016, EU leaders decided to end the “wave-through tactic” that was permitting people to travel the Western Balkans to pursue asylum in other EU states and pronounced a novel agreement with Turkey. The key requirements of the EU’s agreement with Turkey focused on Turkey taking back all new “uneven migrants” voyaging from Turkey to the Greek islands in exchange for EU relocation of one Syrian refugee from Turkey for every Syrian reimbursed (Erlanger & Kanter, 2015).
The EU also promised to speed up the payment of a formerly assigned €3 billion in support to Turkey and to offer an extra €3 billion in aid for Syrian refugees in Turkey. Since these actions took effect, the sum of migrants and refugees reaching Europe has reduced considerably. Nonetheless, the EU’s agreement with Turkey rests debatable and hypothetically delicate. While most EU leaders uphold that the profit measures established upon with Turkey are vital to breaking the business model of migrant trafficking and saving lives. Some Members of the European Parliament and many human rights supporters are worried that the contract disrupts international law and the rights of refugees. They also fear that other parts of the agreement in which the EU promised to lift EU visa necessities for Turkish citizens and to reactivate Turkish accord negotiations could be seen as gratifying a Turkish government that they vision as gradually dictatorial. The crisis endures to have noteworthy consequences for European governments and the EU. Maybe most remarkably, it has ruthlessly stressed the Schengen system, which mainly depends on confidence in the security of the coalition’s external borders. This idea has been verified not only by the degree of the migration and refugee movements but also by anxieties that some extremists may have been able to abuse the disarray to slip into Europe (Erlanger & Kanter, 2015).

Some Schengen states (comprising Germany, Austria, Denmark, and Sweden) have introduced provisional border controls in reaction to the migratory stresses. Some specialists fear these actions could become long-lasting, at least on a de facto origin. EU officials declare that they continue to be dedicated to Schengen and are working to
reinforce EU border controls. In December 2015, the European Commission recommended actions intended at tightening the rules for compulsory checks at the EU’s exterior borders and founding a new united European Border and Coast Guard to strengthen national border control abilities, though this measure must still be accepted by member states and the European Parliament. The Commission has also been working with Greece to advance the country’s border control management and remedy difficulties in its asylum registration techniques. The Commission purposes for all temporary border controls within the Schengen zone to be elevated by the end of 2016 (European Commission Press Release, 2016).

The migration and refugee movements have renewed queries about the capability of European states to assimilate minorities into European beliefs and the social order. Such concerns have become more obvious amongst news of criminal actions and sexual attacks supposedly committed by some migrants and asylum-seekers and by revelations that many of the new extremist assaults in Europe were carried out by radicals of Muslim origins, born and/or brought up in Europe. At the same time, anxieties occur about aggregating social pressures and prejudice in Europe. Germany, Sweden, and other EU states have seen a growth in the sum of vicious events alongside migrants and refugees over the past few months (Yardley, 2016).

Discussion has also risen over the financial effect of the migration and refugee movements. Some leaders and experts argue that the arrivals could be financially helpful to counterpoise disapproving demographic growths, such as aging populations and
decreasing workforces, hence solidifying EU economic sustainability in the long run. Several specialists’ state that, nevertheless, that much will be contingent on how well migrants and refugees are unified into the labor market. Others fear that the strangers could take occupations away or decrease salaries, particularly in the short term. Some propose that such worries have aided to additionally intensify support in many EU states for far-right, anti-immigrant, and Eurosceptic political parties (European Commission Press Release, 2016).

**Challenges and constraints in trade and regional integration in South-East Asia**

SAARC region has possibility of being strong economic force, nonetheless, high level defense in the trade front and investment climate hinder its development projections. South Asia is the most protected section of the world. Although, tariff levels in South Asia are streamlined, still the region has one of the main tariff levels globally. Non-tariff barriers and discrete protection levels are accountable for the low level of regionalism in South Asia. Acute behind-the-border limitations, limited private action in substructure, feeble governance, frail institutional funding, incompetent financial sector, and poor trade logistics hinder output development and hurt export competitiveness in all South Asian countries and above all hamper this region from profit by misusing all the potentialities at fuller degree (Saman, 2000).
Non-tariff Barriers

Non-tariff barriers are considerably high among South Asian countries, and endure to pose key hurdles to both intra-regional and inter-regional trade. The South Asian states have a number of restrictions over rules, secure standards, other safeguards, entry point restrictions, bureaucratic processes, customs procedures, suspensions in transit due to border issues, and no instruments to decrease NTBs etc which decrease and complicate trading events or shift formal trade into informal networks. In the early 1990s, India and Bangladesh had the uppermost non-tariff barrier coverage ratio for primary and manufactured properties. Furthermore, India has become a high profile user of anti-dumping duties (Taneja, 1999).

In Bangladesh, certain merchandises, such as yarn and textile, are not permitted to be imported across the land border with India and have to be shipped to Chittagong. This intensifies significantly the import time and cost for imports from India as all containers have to be sent via a hub port such as Singapore. The rule was intended to guard Bangladesh yarn and textile producers. With the expansion of a direct container shipping service between India and Bangladesh, the time and cost prices will have reduced quite significantly but the road route would offer the fastest and least cost routing for much of this traffic. Hence, the trade barrier remains, though it may have been slightly dropped (Henry, 2006).

In Pakistan, the positive list tactic to trade with India leads to a substantial level of misattributed trade. Exports from India are sent to Dubai where the good are relabeled
and then shipped to Pakistan under a changed certificate of origin. On the other hand, the bill of lading may be swapped once the goods are on the container and are then transported right to Pakistan. Such switch ‘bills of lading are prohibited but can be gotten at a comparatively fair cost. The misattributed trade arrives into Pakistan as authorized trade but from an inappropriate origin. This trade is dissimilar to the exports from India, which is sent via Dubai, Iran and Afghanistan and then crosses the border into Pakistan by camel or donkey. Such routing is intended to evade high Pakistan import linked taxes and the importers are ready to compensate significantly higher transport prices as well as Afghan taxes in order to dodge Pakistan’s taxation. While still substantial, the movement of informal trade from India into Pakistan is described to have reduced slightly in recent years (Saman, 2000).

**Sanitary and Phyto-sanitary Standards**

In South Asian states, the SPS values are way lesser than the developed countries values and thus, the products, particularly agriculture products from South Asia, are not suitable in developed nations. Consequently, to compete with the international standards the level of technical rules or SPS measures executed are far advanced than the danger involved which offers a trade obstructing result in South Asia. Exporters face difficulties and therefore focus on other markets. To uphold or enlarge trade to developed nations, it will be essential to advance farming and processing to meet SPS standards and offer the traceability and documentation that is vital (Jayanta, 2005).
Entrepreneurs/organizations in South Asia account for standards and technical rules that are critical for their export performance. Nepal’s carpet and wool industry and numerous other export businesses grieve as they are unable to uphold their product value as par with the international market standards. Nepalese exporters frequently are unable to present solitary confinement and health standard certificate at the border with India. Another example in this case is Indian coffee industry. Hence, businesses in the South Asian region must conform to sanitary and Phyto-sanitary actions. Firms also must focus on growing compressions to conform to national pollution regulations to secure biodiversity (Henry, 2006).

To advance export performance of SAARC states, coordination of values is required through formulation and employment of regional morals by assimilating national values, and then acceptance of international values. South Asian countries are familiar with the importance of synchronization of values in the situation of trade enablement. In 1999, SAARC and the European Union contracted a Memorandum of Understanding to improve collaboration and to promote the coordination of SAARC values (EUROPA, 2004).

South Asian states have started to address the problems of values in bilateral dialogue within the region (eg. India and Nepal). The Nepal Bureau of Standards and Metrology attempts to match national values with international values such as ISO, and offers Nepalese businesses with class guarantee services, shipment inspections, and agendas of environmental cataloging for export businesses. Extra efforts are mandatory in Nepal and
other states, many of which can be buoyed through regional collaboration platforms in standards (World Bank 2007).

The expansion and common acknowledgement of each other’s values among the SAARC states has become vital because China has lately become a key trade contestant to all SAARC states. It is seizing neighboring markets through selling incalculable products on a mass scale at low costs. With comparable competitive advantages of huge domestic markets and low-cost labour stock, South Asian states could revive their own industries and values to efficiently appear as identical as China’s markets (Taneja, 1999).

**Trade and Transport Logistic.**

Trade and transport logistic services in South Asian are deprived and are a vital worry for policymakers. Discrete transport systems all over the region have made trade facilitation a problematic issue. The region requires serious attention for coordination of transport systems. The trucks of one state must reload regularly to cross the border of other states in the region. This intensifies the danger of robbery and breakage (Saman, 2000).

Roads in South Asia are poorly sustained and of inadequate capacity and therefore insufficient for high traffic volumes. This makes trade enablement more problematic as roads are the foremost approach of trade in South Asia. Other road related alarms are absence of direct road networks to state capitals, manufacturing centers, markets, and ports. Occasionally, states also execute load confines. Therefore, it is suggested to intensify funds in transport schemes and regional passages. Furthermore, states should
present and permit regional vehicles with singular registration number all over the region. A coordinated governing transport context is key to generating a level playing ground for transport companies (Henry, 2006).

All the ports of the region grieve from high reversal time for ships and prices because of overcrowding, long lines, and absence of unrestricted admission to the sea. Complex and nontransparent taxes actions, and high necessities of paperwork and signatures have deteriorated the condition. Nevertheless, the taxes environment is cultivating and, in some vital respects, South Asia appears to be catching up and even occasionally moving ahead of East Asia. Nevertheless, these developments are not at comparable degree for all the states in SAARC. This shows singular consideration required for some states like Bangladesh and Afghanistan (World Bank 2007).

Challenges and constraints in trade and regional integration in Africa

ECOWAS

Since it was established, ECOWAS states have made momentous development in the course of regional integration through its diverse constituents. However, it still undergoes major trials but there is an extensive possibility for its advancement and union. The Revised Treaty (1993) aimed to rejuvenate the integration course. Since then, all regional integration strategies and agendas have been geared to a political and economic conjunction, constant typically on the free movement of people and goods, a Common Market, infrastructure expansion, the implementation of common indispensable policies
and developments on peace, democracy and good governance (GEA-African Study Groups, 2014).

One of the challenges that ECOWAS has been experiencing is the application of the strategies and procedures that have been accepted, that is inserting the regional policies and approaches into the national agendas and aligning them and more so accepting a regional reference framework that directs the harmonization and execution of the national development plans. This problem has been addressed through the ECOWAS’ “Vision 2020” that came up with a Community Development Plan (CDP) whose purpose is the expansion of common agriculture and industry plans, the inter-connection of transport, communications and energy substructures and the enactment of mutual natural resources and environmental strategies. This Plan is the bedrock upon which a crucial part of the regional integration course and its diverse authenticities are to be sustained, hence, increasing the contribution of the citizens and the private sectors in the integration. To that end, the ECOWAS also established a 2011-2015 Regional Strategic Plan which anticipates to be “a proactive mechanism for change”, and a Mid-term Regional Action Plan which creates the programs to be established for each action area and their outcomes and indicators (CEDEAO, 2010)

Another challenge for the west African integration is the new situation in Sub-Saharan Africa that has occurred from the year 2000 after the influx of China and other evolving powers such as India and Brazil, whose foreign policy in the region is grounded on acquiring commodities, and whose bilateral plans with the ECOWAS member regimes
completely has no regional tactic, at the meantime. This problem has expressively altered the geopolitical orientations in some sub-regions such as West Africa and has its replication on the EU’s policy, whose ability to negotiate and political clout have been meaningfully decreased, especially to those ECOWAS states that are rich in natural resources and whose GDP has been rising exponentially over the last few years (GEA-African Study Groups, 2014).

Moreover, the conflicts and volatility that have affected large parts of the area for a long time, have been a defining interruption to the development of regional integration. In 1999, ECOWAS applied the Mechanism for Conflict Prevention, Management, and Resolution, Peace-keeping and Security. The peace and security part has led to the sending of troops to diverse war situations as well as arbitrating to avert conflict, with optimistic outcomes in some cases. The security threats that initiate in the regional and state governance deficits are hence one of the main trials that the region encounters (GEA-African Study Groups, 2014).

At the political level and as customary in any integration procedure, one of the foremost interferences has been the member states resistance to surrender their sovereignty in some areas. The ECOWAS has revealed clear shortages in regards to institutional and organizational ability and the distribution of information both internally and externally, which has restricted its accomplishments in the integration course and the organization and execution of the Official Development Assistance (ODA). The absence of technical ability, the inadequate human resources, the sluggishness and insufficiency of internal
actions make it difficult and leads to postponement of choice enactment and, hence, hamper the growth of diverse regional policies (Bach, 2009).

Additionally, in 2012, the ECOWAS Commission thought it essential to carry out a study on its organization, structure, actions, policies, and practices in order to spot the needs from which an institutional reform plan could be conscripted. The study should have been complete by, but there is no existing material about it yet. These shortcomings were obviously proved on the time of the duplication of the aid funds aimed at regional integration between the 9th and 10th EDF. Given the prevailing management indiscretions (with only 3% of the funds used by the ECOWAS in 2011-2012), the EU bespoke an audit in order to assess ECOWAS in terms of transparency, management and liability. Due to its negative results, ECOWAS stopped being a direct beneficiary of EDF funding. Even if it stills seems to be a participant to many contracts, the execution is done through international agencies and entities or through the ECOWAS member States (UNECA, 2013).

Another deterrent of the regional integration course is the presence of numerous regional organizations that have the same mandate and capabilities. The case of the WAEMU/UEMOA (with an ancient and cultural French effect) and the ECOWAS (led by Nigeria, an English-speaking state) is a classic one. The pressures overlays, and issues of absence of conjunction between both organizations have been abundant and they continue to this day, in spite of momentous advancement. This is the case of the current WAEMU’s strategy to set up its own safety and conflict prevention apparatus, even
though there was an initial contract between the two organizations to address these problems together within the prevailing ECOWAS Mechanism. The geopolitical and economic benefits of the two European powers that are connected to each of the organizations (France and the UK) do not substitute univocal progressions of regional integration and nothing designates that this condition is going to change any time soon (CEDEAO, 2010).

Another hindrance to regional integration is the restrictions of movement of people and distribution of goods. Free movement of people is being delayed by the presence of abundant check-points of dissimilar types (immigration, customs, and security), the supervisory agents 'lack of data, the lack of political determination on the part of the member states and the biased actions that some countries apply to citizens of other member states, among other issues. In terms of the distribution of goods, the condition is very alike. Some member states have no commands or refuse to apply the ETLS, and increase illegitimate tariff barriers (illegal duties at the border or along the routes) or non-tariff barriers (rejection to receive valid documents, prevention to import certain goods, threatening or cheating conduct by certain control agents) (Bach, 2009).

The Monetary Cooperation Program whose determination is to achieve a single currency by 2020 (which will be led by the establishment of an extra monetary zone, the West African Monetary Zone (WAMZ) which would involve those states which are not members of the WAEMU), the financial amalgamation and free movement of money in the area, have not made any achievements so far. Furthermore, the enactment of a solitary
currency and a common monetary region will need not only the consent of a shared macroeconomic approach, but the foundation of risk-sharing structure and a very solid institutional support at a regional level, with appropriate capabilities. To that end, the current experience at the EU should be taken as a lesson learned. Nevertheless, the absence of a regional coordinated joint legal, accounting and statistical context makes the mission significantly more problematic. At an internal level, both the WAEMU and the WAMZ have taken action, but they have not yet reached coordination for all the ECOWAS. Besides, the member States present a high degree of economic heterogeneity, with a very high degree of shock irregularity (UNECA, 2013).

Different problems such as a poor harmonization of the actors involved, multifaceted procedures, economic and geopolitical interests unsuited with development cooperation policy coherence, have a negative effect on different facets of regional integration. The donors use their own actions which, on the other hand, need a significant extra effort on the part of the ECOWAS. Along this line, it is worth stating the experience of the Pool Fund, which was created in 2006 by Canada, DFID and the AFD to fund the ECOWAS Capacity Building Plan (CBP), generating one single Fund which would capture all donors’ aids, managed by the ECOWAS according to its own measures. Spain joined in 2010, with a contribution of 1 Mio Euros. The Fund was finally deferred in 2011 due to liability weaknesses on the part of the ECOWAS (Bach, 2009).

In addition, there is no harmonization at all among the big external actors existing in the region (the apparent case is that of China and the EU) so that what, in code, could be a
great opening to foster sustainable development and regionalism, turns out to be in many cases a situation of damaging effect risk, brought by the competition between those powers and their lack of co-operation (UNECA, 2013).

The expansion of the infrastructure sector is another foremost regional trial. A significant part of the ECOWAS inhabitants has no entree to basic infrastructure, with logical costs on their living situations. Intra-regional trade is strictly limited for this reason. The key aspects that hamper the advancement of infrastructure are the discrepancies in Government funding, the absence of monitoring and legal frameworks both at national and regional levels, the rare professional funds of the ECOWAS states and the profusion of all kinds of red tape and administrative necessities, apart from significant glitches in terms of institutional management. On the other hand, there is no regional opinion on this matter, at the member state level (expect for a few countries, mostly the most remote) nor is it decoded to the national strategies. The participation of the private sector in infrastructure growth is also very frail (GEA-African Study Groups, 2014).

SADC

Since the establishment of SADC in 1992, there have been many accomplishments. However, the successes have been overshadowed by challenges that SADC has continued to encounter. Some of the challenges that are hindering regionalism in the region have been discussed below.
**Overambitious goals**

It has come to conclusion that, most of the African regimes have come up with a very huge figure. While described by determined goals, they have a miserably poor execution reputations. Part of the issue may be in the model of linear market integration, manifested by stepwise integration of goods, labor and capital markets and finally monetary and fiscal incorporation (Hartzenberg, 2011). Some goals that SADC has purposed to achieve in a certain timeframe have not yet been attained. This is ascertained by Hancock who states that SADC has gone ahead with setting goals but has rarely made an attempt in achieving this goals (Hancock, 2010).

In the SADC Trade Protocol signed by 11 out of the 15 member states in 2000, the countries wanted to liberalize 85% of intra-regional trade by 2008, liberalize 100% of trade by 2012, and establish a customs union for the region by 2010. All these goals have since been missed. Furthermore, the region had purposed to create a joint market by 2012 and a monetary union by 2016, both of which have not been attained, with hindrance being obvious among SADC leaders who have progressively unveiled distrust towards the achievement of some of the goals. Admitting failure to meet these goals, the SADC has suspended these goals “due to the necessity for additional studies on the influence on integration of the economies of member states”. It can be contended that, lack of meeting the set goals has been one of the clearest indication of the enormous task that is related with regional economic integration. Failure to achieve the goals has also set a bad
example for the region’s activities, most of which would most likely end up a miserable failure (Southern Africa: Leaders of SADC postpone launch of customs union, 2012).

**Overlapping and multiple memberships**

Multiple and concurrent memberships of numerous RECs have presented the most daunting challenge to economic regional integration within the SADC. Overlapping membership of diverse RECs has not only created misperception, rivalry and replication, but also establishes a burden on the taxpayer. (Chigono & Nakana, 2008). South Africa, Botswana, Lesotho and Swaziland are affiliates of both the SACU and the SADC, while Namibia and Swaziland both hold affiliations of three regional integration contract (including the COMESA) and are part of the Common Monetary Area (which include South Africa and Lesotho) and also contribute in the Regional Integration Facilitation Forum (RIFF) (Mutai, 2012).

Furthermore, a mainstream of the SADC member states are also affiliates of the COMESA. This causes hitches in the event that each region chooses to form a customs union, with the knowledge that no one state can concurrently belong to two RECs at any one time. It has also been noted that variances in tactics to integration add to the misperception, discrepancy and confusedness in strategies. For instance, in this case is that of the COMESA which is informed by traditional Vinerian intellectual and stresses the welfares of integration resulting from the elimination of trade and non-tariff barriers? On the other hand, the SADC, whose past is entrenched in the wish to endorse economic
liberation and political security requirements, favors a developmental tactic to integration, which emphasizes on sectoral co-operation (Chigono & Nakana, 2008).

Subsequently multiple memberships are not only expensive but incompetent and are partially accountable for the inadequate capacity and achievement of the SADC and other RECs. Closely linked with the disappointment of member states to conform to the necessities of the SADC Treaty to obligate themselves to regional integration by “synchronizing and agreeing to their activities”, there has been indication of overlapping and concurrent membership as different SADC nations and SACU members have gone out of their comfort zones to explore other economic prospects within other regional groupings. Ahmed notes that the “presence of multiple integration arrangements and overlapping membership and the ongoing dialogs with countries outside the SADC region could expressively change the nature of integration in Southern Africa” (Ahmed, 2008).

McLeod has also agreed that overlapping agreements can have effects as countries have to negotiate in a number of settings and approve to execute a variety of strategies which may be contradictory or extraneous (Braude, 2012). Overlapping affiliation also has the tendency to indirectly pull other member states into an arrangement even contrary to their will. An example is that of the SACU where South Africa is a fellow alongside Botswana, Namibia, Lesotho and Swaziland. Given that South Africa has previously negotiated the Trade and Development Cooperation Agreement with the EU, and with the
SACU, any contract that South Africa completes comprises other SACU members (Vickers, 2011).

Overlapping membership has also weakened regional integration hard work among diverse SADC member states. Hancock contends that when integration is narrow, a state can sign abundant bilateral or even multilateral contracts but when integration excavates to the level of a monetary union or customs union, states must select one integration contract (Hancock, 2010). Covertly holding concurrent membership fades regional integration. This exercise is different to what has happened among SADC member states which have found themselves validating abundant contracts with diverse regional trading alliances, thereby bestowing a challenge to deeper regional integration. Having multiple and concurrent affiliations has also created trade discrepancies among regional alliances. For instance, countries hold association of both the COMESA and the SADC. Of the 15 SADC member nations, nine states also belong to the COMESA whose overall membership is 20. While the schema vision for the SADC has designated that it would be a free trade area (FTA) by 2012, the COMESA on the other hand, had long prearranged that it would have accomplished customs union status by 2004 (Bhagwati, 2008).

An illustration of a state which was caught up in this marsh is Zambia which has been an affiliate of both the SADC and the COMESA. Under the SADC Trade Protocol Zambia had approved to get rid of tariffs for SADC associates to zero. Subsequently, since South Africa is a member of SADC, Zambia had approved to eradicate tariffs to South Africa to zero. On the other hand, Zambia being an affiliate of the COMESA Customs Union had
approved to a mutual external tariff regime for states that are not followers of the COMESA. Since South Africa is not an adherent of the COMESA, this did not apply to South Africa. This would interpret into the fact that Zambia had settled to decrease tariffs for South Africa (under the SADC conditions) but to sustain tariffs for South Africa (under the COMESA provisions). This situation leaves Zambia in a dilemma. Correspondingly, other regional groups, such as, the SACU, which already have contracts with the EU, would have to look for ways to negotiate with non-SACU states that are affiliates of both the SADC and the COMESA and to categorize with which group they will have to negotiate. Overlapping and multiple memberships have revealed diverse economic interests among SADC and SACU associate countries (McLeod, 2011).

The heterogeneity of SADC economies

Debates of regionalism and regional integration in Southern African cannot be fully vindicated without emphasizing the fact that serious economic disparities and variations typify the SADC region. The most vital of these inequities has been in terms of the diverse nature and levels of financial status. The heterogeneity of SADC financial prudence has been regarded as a test to regional integration because such frugalities cannot be joined, particularly given that stronger frugalities, like South Africa, end up dictating the terms of reference and action to inferior and weaker followers of the regional grouping. For example, in the SACU South Africa plays a central part and its voice controls the proceedings, leading into it partaking to play a bossy role and inhabit a
conclusive place in the verdict making procedures within the assembly. Correspondingly, within the SADC South Africa has always obtained a dominant voice (Nyirabu, 2004).

Moreover, seeing that South Africa has been the leading economic boss of the regional body, the state has not revealed much obligation to regional integration, given that its economy has been able to entice trading associates outside of the SADC more than other SADC associate states. Therefore, for South Africa, a fragmented regional body would profit it more than if the SADC were economically united with all fellow states accumulating common benefit from the proceedings of the regional alliance. Hancock coincides with this argument by declaring that given that South Africa has gained substantial long-term economic welfares that often came at the outlay of both SACU and SADC associate states, its devotion to regional integration has been unfocussed (Hancock, 2010).

Gibb further contends that the presence of diverse frugalities in the SADC and the SACU has led to rising disparities among associate states, approving the customs union philosophy which envisages that in such a state the more advanced economies benefit more of the savings and thus develop meaningfully quicker than the others, aggravating disparity. Both Hancock and Gibb have binding points on the effect of the heterogeneity of SADC economies on regional financial integration since regional incorporation would be problematic to attain in such a condition of disparity among member states. From the argument above it can be concluded that the heterogeneity of SADC economies not only
aggravates disparities among affiliates of the same regional grouping, but permits larger economies to flourish at the cost of their minor counterparts (Gibb, 2006).

In addition, trade inequities will continue and this would lead to broader economic breaches among fellow states and bigger frugalities like South Africa will endure to decree the pace of economic growth and the level of intra- and extra-regional trade. Nevertheless, it should be noted that heterogeneity has its own constructive side especially that the heterogeneity of Southern African states is a test to amalgamation, and has to be seen from other viewpoints that might propose that it is indeed the variances in the economies of the region that offer opportunity for developing dissimilar kinds of relative advantage. Additionally, it has been contended that African Regional Trade Agreements (RTAs) are flexible legal governments and as such offer a medium for collaboration on a whole variety of objectives, together with trade liberalization (Gathii, 2010).

**The co-existence of SACU and the SADC**

The presence of the SADC and the SACU in conjunction with one another and on the lookout for attaining comparable objectives has led to challenges for the SADC regional integration scheme as nations within the Southern African catchment physical area find themselves at odds between the two societies. Even though SACU associates are forbidden from entering into new better trade treaties with third parties, this rule has been disobeyed on several junctures (Mapuva & Muyengwa, 2014).
Furthermore, powerful economic alliances, such as, the EU have pursued to split SADC and SACU by conveying with them discretely in spite of the fact that SACU affiliation is captured in the SADC. The idea that SACU associates have taken the initiative to negotiate Economic Partnership Agreements (EPAs) with the EU without having to apply SADC as a superior economic alliance has inclined to similarly split SADC region by generating gaps within the SADC affiliation. Nevertheless, Hancock blames the EU of being behind this change of wanting to create a gap between SACU and SADC (Hancock, 2010). Vickers also shares the same sentiments and contends that because of the massive power disproportionateness between the EU and African Caribbean and Pacific (ACP) countries, minor countries find themselves with minimal negotiating power to form the bargaining procedure and the outcome of the negotiations, which in the end, has “divided SADC into four groups of distinct trade governments with the EU” (Vickers, 2011).

The general result of this change is the deflation of the SADC region presently where there are diverse external tariffs, therefore discouraging any forecasts of deeper regional regionalism that can originate from generating a joint market, a fiscal union or a more solid customs union. In addition, there has been disagreements about whether SADC or SACU should be authorized to deal with regional economic integration matters. Van de Merwe has contended that SACU leaders have brought propositions to SADC leaders that SACU should convert into an economic basis for the broader SADC body. Due to this tug-of-war for power between SACU and SADC, there has been further delay of regional
integration efforts, particularly given that the states cannot coincide on issues of policy, such as, which of the two should deal with economic affairs or lead regional integration (Van der Merwe, 2010).

**Different levels of economic development**

The diverse political circumstances as well as the nature of resources found in diverse states has resulted in differences in levels of economic growth. It is acknowledged that South Africa is the major economy in the SADC region accounting for over 60% of all intra-SADC trade and about 70% of the SADC GDP. Having these huge economic power irregularities between South Africa and other associates of SADC and SACU, the state cannot be treated as an equal partner (Vickers, 2011). This has led to South Africa being a leading power and being able to disobey rules without much complaint from other member states. Moreover, South Africa has been able to take its time in negotiating EPAs with the EU, unlike minor states where South Africa can negotiate on their behalf since they are associates of SACU. Additionally, the regional body’s main economic problem has been to establish an environment that is favorable for the achievement of high and maintainable rates of equal economic development which, if attained, would encourage economic regional integration. With most SADC associates still undergoing through low and declining levels of per capita Gross National Product, low growth rates of GDP, comparatively high scarce and interest rates, and moderately low savings and savings rates, the economic growths of the region has become progressively unequal, a condition
which have a tendency to hinder economic growth as well as regional economic integration (SADC, 2012).

**Failure of a Collective Justice System: Case of the SADC Tribunal**

The idea behind the foundation of SADC Tribunal (the Tribunal) was an optimistic growth and a big step on the road to regional collaboration and integration. However, differences over its structure and purposes have inclined to present gaps within the regional grouping. The Zimbabwean commercial farmers’ situation at the SADC Tribunal in Windhoek detained high prospects for the SADC Tribunal as a uniting regional organization within the SADC. Given that the Tribunal was a first shot in the quest of mutual deal with cases of human rights defilement at the regional level, and permitting individuals within SADC affiliates an alternative to justice against their individual states, angry individuals detained high hopes for tapping to an end to the impunity with which the state had crushed on civil rights. Nevertheless, the denial by Zimbabwe to conform to the human rights defilements verdict and the consequent withdrawal of the country from the Tribunal developed a challenge for SADC regional integration (Nathan, 2011).

The idea that the regional alliance was unable to rein in a tyrannical associate state which had deliberately declined to obey with a decision to reimburse the commercial farmers shows that the SADC is not capable to impose some of the requirements of its organizations, in this case the ruling given by the SADC Tribunal. Zimbabwe which had been found guilty of the defilement of human and property rights by the SADC Tribunal,
got away with it and even led to an assessment of the decree of the Tribunal. The assessment led to further restriction of access to justice by SADC citizens by an approach to the Tribunal. The appraisal of the provisions of the Tribunal that was introduced by Zimbabwe led to the weakening and decrease of the powers of the Tribunal by restraining the Tribunal of handling inter-state clashes or grievances from individuals. The failure of the Tribunal to rally SADC member states against a traitor member state (Zimbabwe) has shown that some strong associate states can disobey standing rules and decisions with exemption and without admonishment (Nathan, 2011).

The case of Zimbabwe’s rejection to obey the Tribunal’s decision has also led to the front view that some associate states are superior and this violates the establishment of equality within the regional alliance. Due to this, it can be contended that regional integration is at the pity of, and is dictated by authoritative member states and political events and likings. As emphasized in the SADC Treaty, the SADC does not only inspire peaceful settlement of clashes, but reassures economic integration which can best be fulfilled in a steady political environment (SADC Treaty Principles).

**Rules of origin**

The application of rules of origin in the SADC economic coalition has bump into contradictions. SADC has been advertised as the utmost prominent regional bloc in the Southern African region and the only regional federation of which all states within the region are affiliates (Ahmed, 2008). This depicts a picture of harmony of drive among the SADC associate states, at least hypothetically. Though, the state on the ground has
revealed that there is deviation in the process of the regional grouping as each SADC affiliate state has revealed the tendency to encourage its own economic and political benefits, opposing to the idea of the regional grouping captured in the grouping’s ramification of Protocols in which each associate state has dedicated itself to “operate, coordinate, harmonies and assimilate policies and strategies in one or more sectors”. The approval of Protocols by nine out of twenty SADC fellow states has additionally established that regional integration is in danger since not all associate states have revealed the same amount of pledge to regional integration (Naidu & Roberts, 2008).

Furthermore, numerous and simultaneous affiliations have led to the enactment of economic rules. For instance, the SADC regulations of origin on several products are more preventive than those of the COMESA. This means that corporations trading in states which are associates of both Regional Integration Agreements (RIAs) may put such corporations in a risky position since the operation costs of negotiating and appearing in meetings of the SADC, the COMESA, SACU and World Trade Organization (WTO) for small nations such as Namibia, are very high (McLoed, 2011).

It has also been noted that such contracts may decrease states flexibility with states creating effective cooperative engagement with those within the same alliance. Moreover, the regulations of origin have been held responsible for the absence of trade retort to tariff decreases in SACU states (Ahmed, 2008). In some instances, the regulations of origin are opposed by some associate states as inadequate to confer origin. Draper and Kalaba have also agreed that limiting regulations of origin are not only a blockade to
international competitiveness and regional integration but are also pricey in terms of guaranteeing orthodoxy. It can thus be settled that the rules of origin in the SADC establish a challenge to regionalism because they are regarded not only to be moderately complicated but high-priced as well (Draper & Kalaba, 2006).

EAC

Even if the East African Community has been constantly working to attain its goals of greater economic integration and cooperation, there remain significant issues to overcome in order to achieve the more dramatic and patronizing objectives of the community. Furthermore, some fears to economic growth may continue even if EAC plans are satisfied and additional worries may ascend as integration rules being ratified harvest unintentional penalties. Matters that may hamper development include poor substructure, extensive corruption, low degree of education and immature healthcare systems, political unsteadiness and security, trouble of doing business in the EAC and the absence of a positive asset climate (Mwaura, 2016).

One of the matters most problematic to resolve is that of the question of power, as moving near full political coalition will inescapably generate tension within the East African Community in respects to power allotment, authority and execution power of the EAC over the individual associate states. Another problem that is expected to appear gradually is the one that aided the death of the original EAC, unsuited political and economic positions and views. Additionally, the people of the EAC may be suspicious of
integration leading to political coalition with those in poorer zones dreading that their lands will be taken over by wealthier migrants and those in wealthier regions fearing that they will have to foot the bill for growth in struggling regions. Fears already exist among EAC citizens concerning the possibility for damaging effects to their communities through the execution of integration plans (Sengati, 2016).

With a detailed understanding of the East African Community and its plans for future integration, it is vital to contemplate steps which may help support the community attain its objectives of becoming a successful economic union (Mwaura, 2016). It is hence within this backdrop that this thesis aims at examining the interstate dissonance that are a damper to regional integration in the East African community and hence suggest probable solution to the predicament that will aid EAC in achieving their goals.

2.2 Theoretical Framework

Functionalism and neo-functionalism are both established from the European understanding of integration, they may only be appropriate in the typical situations of Europe. To make a sounder examination on integration in Africa and other parts of the world discussed above, this investigation selects realism, the widely-applied, yet not perfect, model in international relations, as one of the theoretic methodologies. Hence, three lenses, realism, functionalism and neo-functionalism, are preferred to look into the logic of integration. Each theoretical approach strains a diverse set of aspects in enlightening nation states ‘actions and the practices of integration.
**Functionalism**

Functionalism and Neo-functionalism are two distinct views. They do not fit in the idealist school or the realist school of thought, but they hold the idealist aims and practical and sensible ideas. They were established out of the European understanding of integration. Functionalism was established mainly as an approach to build peace. It suggests that mutual desires can bring people across state borders (Soderbaum, 2009).

Functionalists undertake that states function for human wants without their own preferences. After a number of utilities are put into use, each is left to create others slowly. In every case the suitable power is left to mature and advance out of real performance. Power is thus shifted through the developing roles piece by piece. The partitions that cause war can be surpassed steadily by looking for a web of global practical organizations managed by technical elites, and regions of practical collaboration are expected to originate in the regions of economic and social life (Mattli, 1999).

The extent to which nation states transmits powers to international organizations is not only determined by human wants, but also by the sense of unity. Schuman maintained from the beginning that Europe had to be constructed by hands-on activities whose first outcome would be to generate a de facto solidarity. There are two types of solidarity. A sense of affirmative solidarity which originates from different connections and relationships among nation states and societies, such as geographical closeness, some social and historical links, growing economic connections, mutual languages and religions, comparable levels of economic growth, comparable political structures, and
political friendship among nation states. A sense of negative solidarity comes from mutual threats and trials which nation states and societies encounter (Schuman, 1999).

One assertion about the significance of functionalism is that it is a groundbreaking methodology to the learning of international relations, mainly in relation to integration, and it set the bases for neo-functionalism. Nevertheless, Mitrany protested to the link between neo-functionalism and the creation of new political societies. His notion is Darwinian, asserting on flexible systems adjusting to the fluctuating desires, rather than a fixed model system of governance such as a new political community. While neo-functionalism is a method of integration, functionalism is a tactic of functions. Due to its flexible opinion, functionalism does not give many estimates about the fluctuations of regionalism in the international system (Rosamond, 2000).

The notion of its rational philosophy writhes from the same reproach as realism. Functionalism shoulders that determination of wants is an impartial implementation, but it oversees that some self-interested actors, though controlled by regimes, may make verdicts not according to human needs of the society, but to please their professed interests. Moreover, dispute that procedure follows functions is condemned by realists. In reality, nation states and their likings should dominate the needs of some national groups, according to realists. Some regional activities, particularly those integrating defense and foreign policies, may meet the need for collective security according to functionalists. Nonetheless, in the anarchic system, terror and mistrust usually inhibit
nation states from conjoining in high politics and establishing multinational measures (Rosamond, 2000).

Functionalism holds the idea that states join regional integration due to their desire of unity with other states that are close to them or share a common history or have mutual problems. This is clearly illustrated in some of the integrations such as EAC but this theory does not explain why some states have joined more than one regional integration that comprises of states of diverse history and geographical areas. Hence, this theory is not ideally essential to explain regional integration in this context.

**Neo-Functionalism**

It contends that states should commence integration discreetly in areas of low politics, and a high power should be set up as a guarantor of additional integration. The first phases will generate functional stresses for integration of linked areas and the drive would slowly entangle national economies and social interests. Developing economic integration will generate the necessity for additional institutionalization, making political integration and a long-term structure of peace unavoidable. According to neo-functionalists, the procedures of integration will eventually encourage a central unity; hence, state functionalism is sporadically used as an alternative heading for neo-functionalism (Rosamond, 2000).

Spillover is a method of unfolding the vital dynamic of that procedure where prosperous integration in an area of minor salience leads to a sequence of additional integrative
actions in related zones so that the procedure develops to be progressively involved with matters of superior political significance. Integration would be led nearer to sovereignty and to participation with such high political questions as the defense policy and foreign policy. As integrated manufacture and distributing networks cultivate in diverse zones, involved states have more and more mutual interests, which add to additional integration (Taylor, 1983).

In this argument, regions of low politics refer to economic and social life, such as coal and steel industry and agricultural policies. Because of the growth of international trade and correlated technologies, states set up trading associations in those sectors. Since collaboration in those segments does not impact the security and endurance significantly, it is less debatable. On the contrary, regions of high politics refer to those regarding national defense and governmental structures, and are extremely linked to the security and sustenance of a nation state. Hence, integration in those regions is debatable and extremely sensitive. Realists consider that supranationalism in high politics will be a danger national security and harm national interest greatly; hence it is not possible. Nevertheless, according to neo-functionalists, nation states ‘opinion on national interest in high or low politics can change over time (Mattli, 1999).

Besides functional spillover, there are other two kinds of spillovers. Cultivated spillover refers to the state that the attainment of new policies is not due to functional pressure or package deals, but cultivated by leaders representing the international organizations (Cini, 2003). The expansion of member states ‘mutual interests depend on the amenities
of an institutionalized independent mediator (Mattli, 1999). Political spillover is not fundamentally about political integration, but comprises of political linking of package deals that can be extremely multifaceted. The strain is on actors and their (frequently haphazard) interaction. The procedure arises from a multifaceted network of actors following their interests within a pluralist political environment. Hence, the ideas of cultivated spillover and political spillover convey in new aspects that shape the progression of integration: the institutionalized independent mediator (EU elites) and a multifaceted network of interest groups (Rosamond, 2000).

Walter Mattli (1999) demonstrated the neo-functionalist version further by linking political science and economics. He examined the relations between political leaders and market players, and hence clarified how the interest groups instead of government or nation state could shape national interests and policy results. He has also resolved the problem about legitimacy by stressing the role of national leaders (rather than EU elites). He identified two types of essential situations for fruitful integration. First, the prospective for economic gains from market exchange within a region must be significant. When regional economies are harmonizing and of large sizes, the advantages from significant economies of scale will be substantial. When the gains are substantial, the market players have a robust reason to form interest groups to lobby for regional institutional arrangements.

Second, there should be significant remuneration for political leaders so that they are eager to deepen integration. For instance, they are enthusiastic to deepen integration if
such a move is likely to progress their probabilities of retaining power. If these leaders value political independence and political power, they are not likely to pursue deep heights of integration as long as their economies are moderately successful. Financially prosperous leaders are not likely to pursue deeper integration since they anticipate for marginal profit from integration. Political leaders value comparative independence and support from organized groups that are in contrast to integration. Nevertheless, in times of economic hitches, the leaders are expected to pursue to increase the general efficacy of the economy. Economic problems therefore become a state of integration. Another supply situation is the existence of a generous leading state pursuing integration. Such a state functions as a pivotal point in the management of rules, regulations, and policies (Mattli, 1999).

In another book, Mattli and Ngaire Woods (2009) conferred the responsibilities of interest groups and elites in determining policy results. It should be renowned that interest groups do not only comprise of commercial groups, but also civil society groups within Non-Governmental Organizations (NGOs). The industrial groups are powerful ones, while the civil society groups often have no capital and formal authority of public officials. Political elites do not only include political leaders, but also public officials. Some public officials have the capital, capability and power to impact policy changes. National judges have often been operational actors swaying policy changes. They may be inert actors as oversight mechanisms, or activist. The public officials of the Appellate Body of the World Trade Organization (WTO) Dispute Settlement Mechanism have
molded trade procedures by deducing uncertainties in official contracts such as in broadening the regional zone over which states can claim action to preserve exhaustible natural resources (Mattli & Woods, 2009).

Even though neo-functionalism offers a more foreseeable method than functionalism and it examines the definite policy-making procedure, realists condemn that it undervalues the significance of nation states and, to a definite level, the legality of policies. It appears to strain too much on the sub-national and international actors. The impact of interest groups is apparent in the practice of many European and North American states, but in nations where interest groups play a very imperfect role in policy making, Mattli’s argument is less binding. The legality and influence of international actors or the institutional intermediaries are uncertain, since they are commonly not designated by people universally. Hence this theory is not also perfect to relate to this study.

**Liberalism**

The liberal approach can be drawn back to the Grotian or Kantian tradition. The work of Hugo Grotius (1583-1645). Grotius used natural law as his preliminary point and highlighted that there is a law of war and law of peace. Another element was established from Immanuel Kant’s philosophies. His work delivered debates for the notion of liberal peace, the idea that liberal self-governing states are not likely to fight other liberal democracies. The state of lasting peace, as Kant envisioned, is conceivable if founded on a cosmopolitan law to function with the pacific union (Williams, Goldstein, & Shafritz, 2006).
The liberal school recognizes that nation-states occasionally pursue to protect or increase their relative power positions, but they hope and envisage that nation-states can advance their mutual well-being over the longer run by hiding their short-term dissimilarities. They maintain that the temptation to go to conflict will be held in check through international cooperation, democratization and the spread of the rule of law. Anarchism can be substituted, and over hard work on establishing collective security, nation states will not be the final form of human governance (Rosamond, 2000).

Liberalism recognizes the importance of a ruling authority in regional integration which some integration such as those in South East Asia and Africa lack. However, liberalism is not essentially significant in explaining regional integration since it does not depict how despite states integration with each other, there are still the issues of sovereignty which are a limitation to regional integration and more so which states do not overlook as liberalism tries to propose.

**Realism**

The realist belief can be drawn back to Thucydides, Machiavelli, Hobbes, and Rousseau. Thucydides described the origins of war: the development of one power and the terror of another. He assumed that insecurity and the pursuit for power led to conflicts. Niccolo Machiavelli (1469-1527) stressed the usage of force to get anticipated goals in his work; he described power as the ability to make somebody do something he would not otherwise do, and recommended that princes should endeavor to be feared rather than loved. Thomas Hobbes (1588-1679) shared Machiavelli’s negative intellectual about
human nature. In his work, Leviathan (1651), he argued that in a structure without a key prevailing authority, sovereigns are in constant distrust and sense of insecurity. One of the greatest persuasive modern realists is Hans Morgenthau, who abridged six ideologies of realism in his work Politics among nations. He asserted that, the rules of politics have their origins in human nature because statesmen are the ones making choices. The statesmen elect rational substitutes to meet difficulties in the real situations. The main idea in realism is interest demarcated in terms of power, which rest on the political and cultural background and may encompass anything that creates and upholds the control of man over man. Political morals judge action by its political consequences (Williams, et al, 2006).

To summarize the ideologies of realism, survival is the first goal that all nation states pursue, so the means that creep up others ‘survival and uphold one’s own security are the most vital interests. Military power is one of the most significant powers. To attain the objectives of survival and security in a setting where nation states take independent actions, nation states do not essentially submit to ethical principles but the norm of following the best results. In spite of the alterations among realists, they share a number of like ideologies. The essential notion of the realists is that international politics is about the collaboration of self-interested nation states in an anarchical setting. The most significant actors are the rational and unitary states. Their rules are products of reducing danger and making the most of the benefits. In classical realism, national welfares are demarcated in terms of endurance and any means that sway security. Military abilities are
therefore a main feature for national security. The pursuit of one state leaves others less safe; hence, they collaborate in different ways to unravel this security quandary and boost national interests (Williams et al, 2006).

Realism is a useful theory in explaining and examining regional integration. The idea of survival is clearly depicted in different regional integrations where states integrate in more than one regional bloc for the purpose of achieving their national interest. The concept of morality in regional integration is also clear where states act against the terms of agreement in integration to achieve their desires. States also join integrations that they presume will be of benefit to them. There is still the issue of mistrust among member states in regional integration. For example, in EAC, states have still decided on an authority figure to help in their effective and efficiency of their integration. This is also depicted in South East Asia and this is mainly an issue of mistrust between the associate states. However, the motion of military and power does not apply in this study and it is therefore important to combine realism with intergovernmentalism to clearly explain the aspect of regional integration in terms of how the aspect of sovereignty of states is linked to regionalism.

Intergovernmentalism is founded on realist underpinnings and perfected with opinions about domestic politics. Stanley Hoffmann set the grounds of the intergovernmentalist method as a criticism of neo-functionalist theory in the 1960s. It is categorized by its state-centrism; hence, integration is restricted to policy regions that do not touch on important concerns of national sovereignty. Regional integration is compelled by the
interests and activities of nation states. Regardless of the possibilities of international cooperation, states have their own distinguishing hitches and fears, and they endure diverse internal situations; hence, any effort to establish a society outside the state will be fraught of problems. An additional significant aspect is the origin of sovereignty of nation states. Sovereignty is related to the concepts of power, independence and the exercise of will. According to Intergovernmentalists, nation states are able to include themselves in regional integration without conceding sovereignty. Sovereignty might be shared rather than shifted to supranational level. The supranational institutes are servants of member states rather than independent characters. A variance between realism and Hoffmann’s intergovernmentalism lies in the idea of nation states. To Hoffmann, nation states are not monolithic: their interests are molded by domestic politics (Cini, 2003).

2.3 Chapter Summary
This chapter involved an examination of empirical review where the study highlighted that some of the interstate factors that are hindering regional integration in the world include; too much political power exerted on one associate state leading to the clash of the set morals and democratic rules with policies pursued by this states, lack of strong leadership in integration hence lack of common visions among member states in regional integration. Other factors include; lack of trust among member states, migratory pressures, non-tariff barriers which decrease and complicate trading events or shift formal trade into informal networks, lack of transport coordination hence intensifying danger of robbery and breakage, presence of numerous regional organizations that have the same
mandate and capabilities, overambitious goals that are impossible to be achieved, different levels of economic development, poor infrastructure, extensive corruption, low degree of education, political unsteadiness and finally the lack of security in different regions.

The study also examined theories that were best suited to explain the concepts of the study. Functionalism, neo-functionalism, liberalism and realism were among the theories that best describe the issue of regional integration. However, an amalgamation of realism and intergovernmentalism- a theory derived from realism assumptions- best illustrated the concept of regional integration.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
The study comprised the creation of a scheme of activities that was carried out to efficiently reply the research questions of this thesis. The research depended on qualitative secondary data techniques to get solutions to the research inquiries. Secondary data using qualitative methods encompasses the use of prevailing data to get solutions to the research questions that are diverse from the questions asked from the original research (Hinds, Vogel & Clarke-Steffen, 1997).

3.2 Secondary data
The data gathered was mainly secondary data whereby formerly composed data was used to respond to the research questions. Data was gathered from numerous research studies with comparable hypotheses to the research that helped in responding to the research questions. Other sources of data included reports from government agencies, World Bank reports, United Nations development program reports, United Nations reports, and blogs, internet sources such as journals and official publications and books.

3.3 Scope of the study
Temporal: The study relied on information gathered by other experts from 2000-2016 on inter-state dissonance that are a damper to regional integration in EAC.

Space: The main purpose of the study was to investigate interstate dissonance that is a damper to regional integration in EAC. The study relied on EAC as the main geographical area of study.
3.3 Limitations

The study was mainly limited to the public content accessible during the time it was evaluated. The research time and resources did not allow going to the field and assessing the state of affairs during the time of the writing of this thesis. Hence, this thesis was based on information from other experts who have done research on interstate dissonance as a damper to regional integration in EAC.

3.4 Conclusion

The study was mainly desk review where various documents EAC integration were used to provide answers to the various research questions of the study. With the use of secondary data, the study merged results from different studies addressing the same research questions.
CHAPTER FOUR: ANALYSIS

4.0 Introduction

The East African community is one of the integration that dates back in the precolonial period. Today, regional integration has incorporated globalization, hence, it cannot be underestimated. It is therefore important for regional integrations to address the problems that are challenging their effectiveness. EAC integration is however, not an exemption. Moreover, the challenges of EAC integration have not evolved with the newly founded EAC in 1997 but the problem dates to the first regional integration in the pre-colonial era which due to political, social and economic problems led to its collapse in 1977 (Mutile, 2014).

Some of the challenges that led to the first regional integration are still present even today. It is therefore the aim of this chapter to review the current political, socio-cultural, economic and technological factors that are hindering the effective operation of the EAC integration.

4.1 Analysis

Multiple REC membership.

The EAC member states are involved in numerous EAC memberships. For instance, Burundi has membership in EAC, COMESA, and EAC and Economic Community of Central African States (ECCAS), Kenya on the other hand is a member of COMESA and EAC while Rwanda is a member of COMESA, EAC and ECCAS, Tanzania is a member of SADC and EAC while Uganda is a member of COMESA, EAC (Mutile, 2014).
Coordination of the policies of origin of EAC members against other states stands to be complex if EAC member states are in different RECs. Members of the several blocs must sustain border posts to impose rules of origin that are supposed to stop preferential trade from inflowing to states that are not part of the treaty (Aryeetey & Oduro, 1996). The special actions given to third parties decreases the prolonged market that the EAC is meant to give regional trades. This additionally leads to conflict in authority and rules leading to legal doubts where more than one covenant applies. It is unbearable for a state to be members of two different CETs and have membership in two custom unions since it is expensive because they are expected to pay membership fees. Additionally, this spaghetti-like membership strategy in which EAC Member countries entwine and interlace themselves in diverse regional administrations generates inflexible political and economic relations that make regional integration hard to achieve (EAC Study, 2012).

**Non-Trade Barriers.**

In the Protocol on the foundation of the EAC Customs Union under Article 13 of the treaty, each member State has approved to eliminate, with abrupt effect, all the prevailing non-tariff barriers to the importation into their corresponding territories of goods coming from other member States and, hence, not execute any new non-tariff barriers. Nevertheless, trade between the EAC states is still being hindered by the presence of NTBs that are diversely used by the member states. Within the EAC, the major types of NTBs comprise of customs documentation and administrative procedures, immigration procedures, quality inspection procedures and transiting procedures that are cumbersome, unstandardized, and expensive (East African Business Council (EABC), 2005).
Thus, EAC trade liberalization and related welfare gains would count on mainly the abolition of rules and actions related to structural NTBs. The NTBs hence hinder the ability of the EAC states to trade in the regional markets and upsurge the price of doing business, which eventually leads to huge welfare losses (EABC, 2005). Furthermore, NTBs are a grave inhibition to the development of intraregional trade and their related benefits. This is because these barriers decrease the profits from trade by confining domestic market entree to regional exporter and more so refuting consumer’s welfare enhancing prospects, which rise from access to sensibly priced regional imports (Seziebra, 2011).

The EAC has established an online medium on which dealers can report grievances concerning NTBs, which are then drawn to the consideration of the applicable authorities as well as also track the degree to which authorities have handled these grievances. While this system displays awareness of the glitches postured by NTBs, it is challenging in at least two ways. First, it fails to show and address the experiences of dealers who do not report difficulties and those who are prevented from trading by NTBs. Second, it propositions only a case-by-case tactic to embark upon NTBs instead of operational method. It depends on resolving individual grievances, thus it does not eradicate the root causes of NTBs from governments and regulatory bodies (Simon, 2006).

Another example of challenges in NTBs is the trade conflicts between Kenya, Uganda and Tanzania which commenced in 2011 as a result of scarcity of sugar which led the EAC to establish a licensing system to enable the import quotas from outside of the region at low tariffs. The Kenyan sugar industry a big and important political group
locally, soon accused Ugandan traders of repackaging sugar bought inexpensively from outside the region and vending it in Kenya as Ugandan products. This evasion of EAC Customs Union protocol, which offers for free movement of goods between the associate states, resulted to an import prohibition on Ugandan sugar in 2012. In a tit-for-tat retaliation the government in Kampala endorsed a ban on Kenyan beef and beef products, and the trade conflicts was just recently settled in a high-level meeting between presidents Kenyatta and Museveni. Afterwards Uganda’s attention turned on Tanzanian rice, an area where Tanzania in recent years has made efforts to upsurge domestic manufacture, resulting to excess. Amongst accusations that Tanzanian dealers had repackaged and relabeled rice purchased inexpensively from Asia, Uganda added an 18% value added tax (VAT) on rice imports from Tanzania. As Ugandan rice and cereal products are relieved from VAT, Dar Es Salaam accused them of violating of the Customs Union policies. Ugandan officials contended that East African states had not yet harmonized domestic tax laws and that this action was essential to guard local rice farmers from harmful competition (Bergo, 2015).

Old habits die hard. These types of differences are not new to EAC and also spread to other areas such as visa policies, tuition amount for regional scholars and governmental necessities to conduct business or invest within the region. The EAC has exposed an inclination to develop the program of regional integration, both in rhetoric and in practice. For instance, as Global Risk Insights have previously covered the efforts towards creating a single currency in East Africa. The current nationalist movements in deliberate defilements of the newly acknowledged policies, questions whether the course
of integration can endure without both domestic fluctuations and a change in government performance (Bergo, 2015).

Part of the clarification exists in the political systems in the region. In spite of the presence of steadiness in Rwanda, and to a slighter degree in Uganda, the member states are mostly categorized by moderate levels of unsteadiness, which are regularly demonstrated around election time. An additional trial is the general meagre performance of the agricultural industries, which grieves from structural inadequacies that make them incapable to contest with inexpensive products from overseas (Bergo, 2015).

**Harmonization and coordination of policies**

The trial of harmonization of economic and social rules occurs in any regional integration; the EAC is not an exemption. The trial is how to make member states integrate regional treaties into national strategies. The rules of liberalization, privatization and deregulation are nearly completely national in scope, as they have accommodated each member states to negotiate distinctly with its external funding organizations, but with no reference to regional scopes. Likewise, the donor organizations have robust preference for financing national programs rather than those with a regional focus. Therefore, domestic contemplations take priority over sub-regional concerns (Kimunguyi, 2006).
Sovereignty and political commitment

The EAC like other RECs in Africa is uncertain of establishing a supranational entity and handover authority to a sanctioning power. Multinational units are meant to follow, more or less self-reliantly, the agreement’s broader integration aims. The larger the legalized interference by member states, the more the danger that domestic agendas will hinder or prevail. The EAC secretariat does have the authorized support to force states to accomplish their duties such as reducing tariff rates and other trade barriers as per their commitments. When such barricades are mainly eradicated due to liberalization, this unwillingness to lose sovereignty is leading to the escalation of non-tariff barriers which are becoming chief problem in the EAC as well as with other RECs in Africa (Craig, 1998).

The Secretary Generals of the EAC reports issues of defilement to the EAC court only after the executing bodies (composed of regional ministers) are unsuccessful to attain resolution by other means. Member states and entities may also denote issues; however, individuals must exhaust national channels before taking issues before the EAC courts. The decision-making procedure within the EAC structures is either discretion or consensus, or both. The issues with discretion and consensus are that they are efforts to clutch on to sovereign privileges that are not always in the best interest of regional integration. Consensus runs the danger of decisional paralysis while discretion runs the jeopardy of decisional discrimination (Seziebra, 2011).
The selection of EAC main officials is directed through a range of procedures by the member states as opposite to an election procedure which is more clear and possible to hold liability. This limits the integration course to a small group of political leaders and senior technocrats and henceforth the execution, expenses, reimbursements and prospects are neither fully comprehended nor reinforced by all levels of government nor by a sufficiently inclusive range of public opinion (Mwasha, 2011).

On political obligation, despite the rhetoric, real commitment is missing. It is detected in many RECs, including EAC that states are dedicated to multilateral and bilateral pledges than to regional arrangements. The absence of sustained political will and pledge to put in place approved rules and strategies have been one of EAC’s difficulties. Absence of political will is “voiced in the enduring non-observance of pledges originated within the corresponding agreements and in the insufficient use of the instruments set up by these treaties.” Additionally, for integration to thrive, some component of national sovereignty must be foregone. Nevertheless, barely is any state leader truly ready to do so since “the transmission of incomes and authority of choices to a multinational organization means a dissolving of the mass of support with which they can buy allegiance” (Mwasha, 2011).

**Lack of private sector engagement and citizen awareness.**

The private sector actors are well thought-out as the recipients of integration efforts, and yet they can also be the implementers and drivers behind the procedure. In the EAC the private sector embodied by the East African Business Council (EABC) plays a bystander role therefore has partial contribution in the integration course in respects to manipulating rules. While the EAC does recognize the responsibility of the private sector slight effort
has been attained in backing up the private sector as NTBs and poor infrastructure endure to hinder and intensify the prices of doing business. The sluggish procedure of coordination rules and protocols within the region endures to cause hindrances amongst the business groups (Reith & Bolt, 2011).

The civil society to some extent is observed as the ‘eyes’ of the people. An integration that is too powerfully absorbed on a ‘small elite’ has a unstable basis because it disregards the majority of the population. The absence of prospects for contribution, the lack of transparency and poor liability hover to demoralize the initially strong provision for the EAC integration course. A vivacious code of the EAC framework is people-centered collaboration, where the key recipients of the Community are East African citizens. Under Article 127 of the EAC Treaty, member states approve to endorse, “an empowering environment for the contribution of Civil Society in the growth of actions within the society” (Article 127 of the EAC Treaty 1993).

The EAC secretariat asserts that for any phase of regional integration to be fruitful and maintainable, it is vital to include full possession and contribution by the people, particularly through their institutes of choice, for instance, political parties, membership organizations and civil society organizations. It follows then that insufficient participation of the populace of East Africa has grave penalties for the legality of the Community and certainly, the definitive objective, East African Federation (EAC Secretariat, 2012). Most EAC citizens do not have awareness of the regional integration procedure and cannot as such articulate the reimbursements that can be come from the EAC integration procedure (Makame, 2012).
It is important to increase awareness to the civil society as well as increase access to organizations and political decisions. The intergovernmental structure hampers proof of identity with the EAC and the condition is aggravated by the overall distrust of national politicians. Thus, the EAC runs the danger of being professed as a puppet of national benefits. Any yielding of national dominion must be based on the extensive agreement of the populace because increase in the internal political pressure on decision-makers needs a high level of funding from civil society (Reith & Bolt, 2011).

Conflicts and political instability

The significance of security and stability within a state as well as in its neighbors is important for economic steadiness and development, the EAC is no exemption. Trials of insecurity within the partner states endure to hinder economic development and integration. Kenya’s post-election violence in 2008 which was due to unclear election outcomes caused a decrease in the state’s GDP which led to high inflation and decreasing incomes (Kenya Revenue Authority, 2010).

Kenya’s porous border and conflicts in states to its north borders with Somalia, Sudan and Ethiopia are areas of unsteadiness which endure to posture further security trials with an arrival of prohibited small arms adding to the negative impact to tourism which is a main foreign exchange recipient for it. Tourism statistics in all member states declined between 2007 and 2009 because of ethnic turbulence in Kenya in 2008 (East African Community, 2010). There is an unescapable climate of lawlessness as demonstrated by growing heights of piracy off the Somali coast, cross border trafficking between Kenya and Sudan, and between Kenya and Somalia. Cattle rustling are evidently an economic
action for some people groupings along the Uganda and Kenya borders. The cross-border nature of the attacks obscure redress mechanisms as association with neighboring nations must be reinforced. The lack of a national policy for pastoralist economies demotes this group convincing them to turn to unlawful actions for survival (Chikwanha, 2006).

**Poor Infrastructure**

Poor infrastructure is another trial to EAC regional integration. The absence of rail transportation and bad roads make the conveyance procedure sluggish and costly, which overthrows the drive of the benefits of free trade. The Secretary General of the EAC Richard Sezibera is cited saying “Our roads are overworked; our rail is not functioning as it should; our boats and ports are blocked with too much traffic and little capacity. Our inland waterways, rivers and lakes, are not used at all for transportation. Substructure is perhaps the main challenge for East African integration” (Burrows, 2013).

Roads are central means of transport in the EAC though very inadequate and current ones are very inadequate and undesirable state of disorder. Henceforth, many of the roads are inappropriate for long transport and transnational shipment of goods. For integration through trade to breed, this facility must occur and give capable services. With the inadequate means of transportation system relating inefficient to railway structure, the internal states face severe problems with timely distribution of goods and in undertaking succeeding upsurge in the supply of price of goods and services. Trade flourishes if there is good means of transport for free movement of persons and to transport goods from the coast to the neighborhood and vice versa. The weaknesses in this substructure lead to reduction of GDP as contrary to trade per unit of GDP (Amadichukwu, 2013).
Corruption and Poor Governance

Corruption and poor governance persists to be the largest and most challenging problem to the East African integration. These are problems that are so extensive and severe that they hinder other initiatives and growth of the EAC integration. According to a study carried out by Transparency international, the study revealed that apart from Rwanda which does well in the fight against corruption, the rest of the EAC member states were viewed to have the highest degrees off corruption. For example, in a scale of zero-one hundred with zero being extremely corrupt and a hundred a corruption-free state, Burundi was rated at 21, Tanzania 33, Kenya 27, Uganda 26 and Rwanda 53. Clearly, corruption is a great predicament in EAC states and the GDP per capita replicates the tension corruption places on a state. For example, Burundi is one of the most corrupt state globally yet it is one of the state with the lowest per capita GDP overall (Seziebra, 2011).

In spite of market improvements in East Africa, business studies disclose that corruption in business is still extensive and companies still undergoes through appeals for bribes and casual payments so as to ‘get things done’. The public procurement in the East Africa community endures a lot of suffering dur to thee extensive corruption. The usage of agents to simplify business procedures and transactions is extensive and this poses a danger for organizations especially at the market entry and business start-up level (Karuhanga, 2016).

A business ethics research carried out by EABC in 2014 showed that corruption adds up to 10 per cent to the entire charges of doing business worldwide, and up to 25 per cent to the expenses of procurement contracts in developing states. According to the study
corruption to access a service, to evade a rule and to acquire a tender was recognized as the most difficult aspect in doing business in the private sector by chief executive officers, associations and employees with associations unfolding it as a big problem, while chief executive officers pronounced it as an average predicament. The most predominant unprincipled business actions recognized by chief executive officers were forging, parallel imports, corruption to acquire a government service and to win a tender and theft (Karuhanga, 2016).

A survey in 2011 by audit and tax services firm KPMG established that 28 per cent of 214 executives surveyed chose not to do business some states due to bribery and corruption. The report asserts that it has generally been supposed that the private sector has been a target of corruption and, “attention is now shifting” to the private sector as the provider of fraud. Additionally, with issues of fabricating and pirating allegedly on the rise in the EAC, Kenya Revenue Authority estimations beforehand designated that, due to counterfeiting expenses the Government of Kenya lost about $84 million income yearly. The Confederation of Tanzania Industries once assessed that the Tanzanian government lost between 15 and 25 per cent of total domestic revenue yearly, and between $343 million and $566 million per annum in tax evasion connected to forgeries and substandard goods (Klynveld Peat Marwick Goerdeler (KPMG), 2017).

**Currency Difference**

The vision of a single currency in the EAC, following the trade bloc’s consent of strategies to blend monetary and fiscal rules and create a common central bank over the next 10 years, is very much a reality. Nevertheless, numerous difficulties will evolve
once the monetary union is executed. For instance, the organizations and support structures which will have to be created to support the single currency, as well as a regional central bank and a statistics body, efficiently take away national sovereignty in steering monetary policy (Duale, 2014).

Furthermore, a new central bank for the bloc will undertake accountability for setting a mutual interest rate for the whole East African Community. Nevertheless, the interest rate established by the central bank may be unsuitable for states which are rising much quicker or much slower than the EAC average. For instance, Uganda encountered high inflation levels in 2011 that led to the Bank of Uganda increasing its base rate and influencing commercial banks to do the same with their interest rates. In the meantime, Kenya’s policy makers felt that the interest rates roughly 8 to 10% lesser than those of Uganda, were appropriate for delivering the anticipated price steadiness (Duale, 2014).

How the EAC achieves the fiscal convergence principles will be vital to plans for a monetary union, especially given the hefty dependence on aid flows to alleviate fiscal imbalances though the degree of dependence on aid is dissimilar among the EAC states. (Duale, 2014). Another factor is the problem of asymmetric shocks within a monetary union. A virtuous agreement depends on how alike, or diverse the production, economic and export structures are among the partner states. In the case of the EAC, while the economic cycles and product modification are rationally affiliated, the export structures are dissimilar within the five states. Trade creates a much superior percentage of GDP in Kenya than in Rwanda or Burundi, which designates that EAC states may face
asymmetric shocks. This would not support the rationale of a monetary union (Duale, 2014)

Similarly, problems of national sovereignty, which African administrations have been predominantly unwilling to yield, will become more difficult if central bank rules are deemed to be less than promising to their national benefits. Since it is not uncommon for African governments to manage their exchange rates to achieve short-term political goals such as upholding a steady nominal exchange rate to evade price upsurges of food, fuel, luxury imports, or on payments of international debt, a monetary union might involve a key loss of political authority (Duale, 2014)

**Challenges in the investment climate.**

As per the present investment rates in EAC, interest rates in the bloc have remained constant and beyond inflation rates. This checks out that securing credit for investment is highly forbidden in the region. Furthermore, none of the member states in the EAC had accomplished a single unit digit interest rate as proposed procedures laid out the 3rd development strategies. This is a matter that is still unsettled apart from Kenya and Rwanda. It is anticipated that with dependable development of the financial sector, the interest rates can further be decreased to levels that can in part intensify investments through admission of inexpensive credits (Eyster, 2014)

Another challenge to the investment climate is in the issues of doing business. As per the doing business organization, a service of the World Bank and the International Financial cooperation, East African states largely have policies that are harmful to the conduct of business. Economies are rated from 1-189 based on the ease of doing business,
characterized by factors such as issues to do with construction permits, access to electricity and credit, legal protections and trading across borders. Rwanda is the only country to break in to the 100 of states in EAC, with a rank of 32 in the world in 2013. This depicts the efforts of Rwanda to allow business to flourish. On the other hand, Tanzania is ranked 145 with great issues in being able to start a business and one of the very lowest ranks in dealing with construction permits and registering property. Burundi is ranked 140, Uganda 132 and Kenya 129 globally. Clearly, businesses have great challenges in conducting and relocating businesses in the East Africa and this is a challenge to the integration process since it limits economic development and interdependence (Eyster, 2014).

**Different Development Levels**

The EAC opened the labor mobility among East Africans. However, questions evolve on who benefits that is it the East Africans or one state in precise? In the case of development in the EAC there’s no case which can make any other economy ahead of Kenya. Uganda has turned out to be a consumer society other than an industrializing one, thus, the employment formation in Uganda is very little as compared to Kenya per say. This is indeed articulated in the 2010 EAC industrialization report which clarifies that Kenya was gradually rising while the rest of the regions are followers. In fact, they add that, Rwanda was de-industrializing while Uganda was simply following Tanzania (Ricardo, 2016)

These facts show that Kenya is ahead of the rest either politically or economically. In addition, the few industries in Uganda per say manufacture similar products to those of
Kenya and the other EAC member states, hence, there’s a great issue in the East African market. Currently, the influence of the industrial base in the EAC region is projected at about 19.2 percent of GDP, of which, only 8.9 percent is created by industrialization (UNIDO, 2011). However, most of these are from or in Kenya. Hence, there may be numerous reasons why a Ugandan may have problems with this; as the “one people one destiny” rhetoric maybe alternative myth for many than a reality (Ricardo, 2016)

**Unharmonized presidential electro systems**

EAC member states also face the trial of sustaining good governance and endorsing multiparty equality. Freedom of expression and association are obviously under threat in Burundi, Rwanda and Uganda, where the opposition have little room to circulate their ideas. Nevertheless, the main challenge to governance in the region is the problem of term limits. For instance, Pierre Nkuruniza of Burundi steamrolled his way into running for an unconstitutional third term therefore exposing Burundi to civil conflict that was an alarm for the whole world. On the other hand, President Paul Kagame was proposing to the people of Rwanda into eliminating the term limit in a current referendum while Yoweri Museveni was unashamedly restraining the entree of his challengers to the election of the February 2016 elections ("East Africa: A Year of Multiple Challenges for EAC", 2016).

The political environment in EAC is entirely dissimilar. While Kenya and Tanzania have already incorporated a little democracy, rule of law, multiparty and the basic freedoms, states like Uganda, Rwanda and Burundi are rejecting most of these advances that limits those states to have their president for life. One of the reason for this differences is that
the political histories of the EAC states are very dissimilar, for instance, early recurrent coups in Uganda, and the successive civil war; the genocide in Rwanda and the near genocide in Burundi to mention but a few (Otieno, 2016)

**High level of mistrust among EAC member states**

Member states are expected under article 6 (a) of the Treaty of the EAC to abide to the principle of common trust, political will and self-governing equality so as to attain the objectives of the region. This suggests that EAC partner states are not equal, as far as the objectives of EAC are concerned. In spite of ratification of diverse rules aiming at solidification of the integration of EAC, there is no mutual understanding on the commonage of the welfares accumulated from the integration course. This leads to partner states not entirely give up for the common good. The absence of confidence among the member states decelerates the execution of the agreements as they are professed to favor other countries in the EAC as opposed to be advantageous to the whole EAC bloc (Kamili & Namusonge, 2015).

Several inclinations have emerged that point to the rising distrust among the partner states. Key among them is the souring affiliation between Tanzania and Rwanda and the elimination of Tanzania and Burundi in main regional meetings. Additional red flag is the current rescheduling or termination of numerous EAC sectoral council summits programmed ahead of the ratification of the EAMU protocol (Kamili & Namusonge, 2015).

Between May and July 2013, a diplomatic row exploded between Tanzania and Rwanda after Tanzanian President Jakaya Kikwete counselled the Rwandan administration to
open talks with the Democratic Forces for Liberation of Rwanda (FDLR), a remnant Hutu militia cluster that is based in the eastern Democratic Republic of the Congo (DRC). This statement was trailed by the dismissal of prohibited Rwandan settlers in the Kagera area of Tanzania. These two changes have caused a diplomatic standoff between the two states. Additionally, Tanzania donated troops to the United Nations Intervention Brigade in the eastern DRC, a progress that Rwanda appeared not to have taken generously (Mwangi, 2016).

In June 2013, the presidents of Kenya, Uganda and Rwanda met in Entebbe Uganda in what came to be denoted to as the “Coalition of the willing,” that is, EAC countries that are loyal to fast-tracking the integration procedure. The three states trust that the EAC discussions have been complicated by the fact that Tanzania belongs to Southern Africa Development Community (SADC) while the rest of associates belong to Common Market for Eastern and Southern Africa (COMESA), from which Tanzania pulled out in 2001. Tanzania and Burundi did not appear in the Entebbe meeting, though the latter had been invited. The sensation between the three partner states was that the other two are slowing their feet on issues of integration. During the Entebbe summit, the three states agreed to hasten infrastructural growth. The main projects conversed comprised of the building of standard-gauge railway from Mombasa to Kigali, the extension of an oil pipeline from Kenya through Kampala in Uganda to Kigali in Rwanda, the building of a Ugandan oil refinery and an electricity interconnection plan between the three states, amongst other initiatives. They also conversed a plan to create political federation (Mwangi, 2016).
The second meeting of the heads of state of the Kenya, Uganda and Rwanda was held in August in Mombasa. In this summit, Burundi was embodied by a ministerial entrustment but Tanzania was not invited. A third meeting trailed in late October in Kigali, and, again, Tanzania and Burundi did not appear. During the two meetings, the leaders present restated that the meeting was an enterprise to hasten regional growth through infrastructure development, trade, and political and economic integration (Odhiambo & Muluvi, 2013).

The fact that regional matters, as well as the creation of a political federation, enabling of limitations on movement of people, the introduction of a single tourist visa, and abolition of work license fees among people of the three states, were conversed without all five EAC partner states. Due to this, the other two states have uttered anxiety that they are being put off in the dialogue of main projects in the region. Lately the Tanzania minister for East African Affairs asserted that the three partner states were acting against Article 7(1) of EAC protocol, which states that, “although this Article permits partner states to go in bilateral or trilateral arrangements, it is an essential that matters under consideration for execution under this arrangement are entirely debated and approved by all member states” (Odhiambo & Muluvi, 2013).

With this overall hostility between member states, numerous initiatives intended for the full execution of the integration are expected to be deferred. The first matter of alarm is whether the goals set under the projected EAMU protocol will be apprehended in time for the approval of a single currency in 2023. Additionally, the entire execution of a common market protocol, which offers for the free movement of people, services, labor and wealth
among the states, may take longer than the programmed date of 2015. Among the problems expected to be deferred include: the implementation of a common visa for regional tourism and an EAC passport; the abolition of work licenses among the member states; and the abolition of yellow fever certificates needed by Tanzania. Moreover, the developing divisions are expected to slow the execution of the remaining stages of the creation of the custom union. Crucial among them is the acceptance of a Single Customs Territory, the implementation of the EAC Industrialization Policy and Strategy, and the implementation of EAC Sanitary and Phytosanitary (SPS) Protocol (Odhiambo & Muluvi, 2013).

Generally, the developing distrust is likely to affect trade amongst the member states, which is likely to effect on their economic development, bearing in mind that Tanzania is a key export destination for Kenyan and Ugandan goods. Similarly, the EAC is Tanzania’s second biggest trading partner after South Africa. Considering the main probable consequences this distrust could have, policymakers in the region should make looking for a resolution a precedence in order to avoid a main division in the EAC (Odhiambo & Muluvi, 2013).

**Inefficient implementation of agreements**

One of the key near-term goals of EAC is to effectively create a customs union and common market. A single united market with about 133 million consumers will be a catalyst for the financial growth of East Africa, allowing for record levels of trade and financial corporation. The general goal for the mutual market, signed in 2010, is to permit for free movement of goods, people, wealth, labor, services and right of establishment.
Customs procedures and fees have been rationalized and synchronized between partner states, though the community is still working towards full execution of both the customs union and common market (Otieno, 2016).

Common market initiatives have mostly been decelerated by the indifference of partner states to take the initiative and pursue modifications needed to conform to EAC market goals. Apart from Rwanda, the rest of the partner states have been slow to execute the market restructuring protocol, mostly due to the absence of political will to make achieving national modification strategies precedence. Politicians have been decelerated by worries among local constituents that modifications resulting to a mutual market will lead to unemployment, weaken local competitiveness, and result to societal difficulties due to the possible migration of peoples within the EAC (Mwangi, 2016).

**Lack of funds and Debt Issues**

Before the addition of South Sudan in 2014 (World Bank Data) Uganda’s debt stands at US$6.5 billion; the United Republic of Tanzania at US$14.5 billion; Rwanda at US$2.2 billion; Kenya at US$16.2 billion; while Burundi stands at over US$690 million. These in total are a superior fiscal problem in the community. Likewise, many EAC projects have nearly been unsuccessful to take off in some states. Take for instance the Standard Gauge Railway project; on paper and in debates is a very good project but its execution has numerous queries in Uganda per say. The project has been deferred yet Uganda, Rwanda and Kenya were funded and were supposed to begin the project by 2013. In addition to that; there is now steaming disagreement over the oil pipeline between Kenya and
Uganda as well as the Tanzanian case. Such disreputable economic trials are not at all in favor of the East African Community (Ricardo, 2016).

The absorption of new member.

Another issue in the EAC that the member states seem not to recognize is the absorption of new members into the bloc. This pauses as a problem because, currently, the EAC is encountering great challenges in which most of them are yet to be resolved. The absorption of South Sudan as a new member with these entire challenges will only top up to more predicaments especially since new states also brings along their baggage. Moreover, South Sudan has been involved in the fight for leadership which triggered the December 2013 civil war. These are the political rivalries between the president, Salva Kiir and Riek Machar (the former vice president) over headship of both the state and indeed the SPLM political party. The state also has advanced heights of bribery; absence of rule of law; poor governance; feeble governmental organizations; sustained tribal wars and intensified heights of political trials with mutual economic problems. These might look like internal glitches but they directly affect the EAC because South Sudan is a member yet other member states won’t feel secure correlating with a state nearly running into a civil war. The issues of freedoms and rights of people are basics which can’t be ignored (Ricardo, 2016).

The problem concerning the enlargement of the EAC could hypothetically cause pointless trials for the Community. In his “Towards closer cooperation in Africa” paper, President Museveni calls for larger integration of both east and central African countries. Apart from the increase in 2007 (Burundi and Rwanda), other states that have either
uttered interest in joining the EAC or have been approached by the EAC include Somalia, Malawi, the Democratic Republic of Congo and Zambia. Nevertheless, such choices should be taken under cautious contemplation and not hurriedly, considering all political, economic and social facets. If this is not the case, enlargement could amplify current trials (Kasaija, 2004)

**Lack of a clearly defined political federation**

One of the key political trials that the EAC integration endures is the absence of a visibly defined roadmap to political federation. While the EAC Treaty determinedly calls for political federation, it does not outline what such a federation would involve and how to attain this goal. Political federation comprises of partner states agreeing to some responsibilities to a central authority (e.g. external defense, foreign policy, shared market affairs, and joint services such as substructure), while also upholding to authority on other areas (e.g. domestic justice, education, health, wildlife and tourism) (Kasaija, 2004).

Even though most leaders are obviously dedicated to the regional integration program and the long history of collaboration between the countries, a paradox exist to the degree that most partner states are not yet ready to consent some authorities to a central authority. The substantial focus being located on “equitable supply of costs and benefits” designates that the self-interest of the member states still controls features of engagement in the Community. While regional integration basically changes the structure of the economy in the region, partner states are reluctant to make short-term negotiations which would affect them undesirably (Reith & Boltz, 2011).
Rapid Population Growth

Additionally, the region has seen fast population increase and urbanization in current decades, which places a growing tension on inadequate incomes. In the five years between 2005 and 2010, it is projected that the region’s population increased by 25 million, adding to 139 million people. This in turn generates extra social trials such as high youth redundancy and superior strains on the existing partial health and education sectors (SID, 2012). Rapid population increase is also increasing Tanzanians’ fear of land loss (EAC, 2011). Both Burundi and Rwanda have tremendously high population densities compared to the other partner states, 303 and 395 persons per square kilometer respectively, compared to Tanzania’s 47 persons per square kilometer (EAC, 2011). Tanzanians anxiety that free movement of people could stimulate a massive invasion of people all over the community to Tanzania dreading that locals will lose prospects in the domestic job market. An additional popular public worry is that the free movement of people will permit citizens to exploit inequalities in social protection systems between the national government, for instance, looking for healthcare or pension wares in a member state with a more gratifying system (EAC, 2011).

Human Development Challenges

While human development trials in East Africa are not a new phenomenon, this will place substantial tension on regional economic integration and eventually political federation. Continuing problems such as poverty (an estimated 38% of the populace lives below the poverty line), food and water security (which was manifested in the 2010/2011 famine) and inequality (broadening income gap could result to social strain) could
generate domestic political instability, which could threaten regional peace and security (SID, 2012).

4.2 Conclusion

Some of the challenges of regional integration mentioned above reflect those discussed in the literature review. Multiple REC memberships which put in question political will and vows to the integration process, non-trader barriers distressing flow of trade and restraining expansion of economic gains, poor infrastructure increasing costs to business, weak institutions and reluctance by member states to yield power to a supranational unit hence leading to a slower pace of execution of the protocol and implementation of the same, Human development challenges that could generate domestic political instability and threaten regional peace and security, rapid population which places a growing tension on inadequate incomes in the region, absence of a visibly defined roadmap to political federation, absorption of new members which could amplify current trials in EAC, lack of funds and debt issues, inefficient implementation of agreements, mistrust among the member states, Unharmonized presidential electro systems which leads to civil war, different development levels, challenges in the investment climate, currency differences, corruption and poor governance, poor infrastructure, conflicts and political instability, lack of private sector engagement and citizen awareness, sovereignty and political commitment, harmonization and coordination of policies. To achieve the superior benefits of integration in the EAC and move into deeper integration the EAC requires addressing these challenges.
CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The aim of the study was to evaluate the EAC integration and identify the interstate conflicts that pose as a problem and challenge to the EAC regional integration. The chapter aims at providing a summary, conclusion and recommendations based on the findings of the study.

5.1 Summary and Discussion

Multiple memberships are one of the challenges that is preventing effective regional integration in EAC. For effective regionalism, member states must maintain border posts in order to implement rules of origin that are meant to hinder preferential trade from inflowing to countries that are not members of the regional integration. However, with the all member states in the EAC having acquired memberships in different regional integrations in Africa, the implementation of this policy becomes a challenge. The signing of treaties with other regional integration prevents prolonged market that the EAC is meant to give regional trades. Moreover, this leads to conflict of interest in authority and rules leading to legal doubts where more than one treaty applies. It is challenging for the member states to be in more than one regional bloc which have different rules, CETs and different custom unions as there will be conflict of interest and also the issue of loyalty. It is also expensive as the states will be expected to contribute different amount of capital in different regional integration and hence this explains the reason of why some memberships are challenged to contribute financially in the EAC
integration, hence it becomes challenging for the EAC integration to achieve its objectives due to financial challenges that result from the lack of contribution from states who are overwhelmed with financial contribution in their diverse multiple memberships.

Secondly, the issue of non-trade barriers also poses as a challenge to the EAC integration. NTB prevent the ability of EAC states to trade in the regional markets and increases the price of doing business which eventually results to huge welfare losses. Moreover, NTBs prevents the development of intraregional trade and their related benefits. This is because these barriers decrease the profits from trade by confining domestic market center to regional exporters and refuting consumer’s welfare enhancing prospects which rise from access to sensibly prices regional imports.

The online platforms established in which dealers can report their grievances concerning NTBs have also been challenged. First, this platform fails to show and address the experiences of dealers who do not report difficulties and those who are prevented from trading by NTBs. Secondly it propositions only a case-by-case tactic to embark upon NTBs instead of operational method. It depends on resolving individual grievances, thus it does not eradicate the root causes of NTBs from governments and regulatory bodies. These types of differences are not new to EAC and also spread to other areas such as visa policies, tuition amount for regional scholars and governmental necessities to conduct business or invest within the region.

To address this problem, Global Risk Insights have previously covered the efforts towards creating a single currency in East Africa. However, the implementation of a
single currency will be a challenged by multiple memberships and it will only mean that the member states will have to let go of their memberships in other regional integration for this policy to be effective. This will be a means to an end, however, if the states will be reluctant to let go of the other regional integration memberships, the goal of a single currency will be shattered as it will be difficult for states to trade with other regional integration. Furthermore, if other regional integration implements a single currency in their regional integration, member states will be in a dilemma and they will finally have to choose their loyalties. Hence, the policy of a single currency in all regional integrations in Africa can be used to kill two birds with one stone. It can be used to solve the issue of multiple memberships and the issue of NTBs.

Thirdly, the trial is how to make member states integrate regional treaties into national strategies. The rules of liberalization, privatization and deregulation are nearly completely national in scope, as they have accommodated each member states to negotiate distinctly with its external funding organizations, but with no reference to regional scopes. This becomes a challenge as national interests precede regional interests. Hence, this confirms the theoretical affirmation of this study that states are always after their own interests. However, this poses as a challenge to regional integration because with states giving preference to their interests, it becomes challenging to give 100% efforts to effectively implement the regional policies and hence regional integration is not as effective as it is supposed to be.
Fourthly, the EAC like other RECs in Africa is uncertain of establishing a supranational entity and handover authority to a sanctioning power. Member states have been having disagreements over projected institutional arrangements which would offer more capacity and provide the EAC with more supranational authority. This is something the EAC Secretariat has been trying to solve but some member states of the EAC seem to be against its decisions. This disqualifies the EAC Secretariat as a harmonization, support, execution and monitoring organ in the EAC. This result from mistrust among EAC member states and also from the fact that each member states want to create an organization that will serve their own interests. Hence, due to different interests among the member states, it becomes a challenge to formulate a supranational authority that will be fair to all.

Under Article 127 of the EAC Treaty, member states approve to endorse, “an empowering environment for the contribution of Civil Society in the growth of actions within the society”. The EAC secretariat asserts that for any phase of regional integration to be fruitful and maintainable, it is vital to include full possession and contribution by the people, particularly through their institutes of choice, for instance, political parties, membership organizations and civil society organizations. It follows then that insufficient participation of the populace of East Africa has grave penalties for the legality of the Community and certainly, the definitive objective, East African Federation. Most EAC citizens do not have awareness of the regional integration procedure and cannot as such articulate the reimbursements that can be come from the EAC integration procedure.
Moreover, while the EAC does recognize the responsibility of the private sector slight effort has been attained in backing up the private sector as NTBs and poor infrastructure endure to hinder and intensify the prices of doing business. The East African integration was formulated to solve the needs of the citizens of the member states and not the elites. Hence, lack of awareness of citizens only means that the integration serves the elites and the individual needs of the citizens are not considered. Additionally, the needs of the private sector are not addressed as the EAC has neglected its role in the integration. One can conclude that the EAC has a supranational power that consists of elites who are the main beneficiaries of the integration process and that the EAC has failed in its role of addressing the needs of the citizens and the private sector that should be included in the integration process as Article 127 asserts.

Security and stability are an important factor in regional integration. However, the EAC integration is challenged by conflicts within states which reduce the chances of integration. All member states in the EAC have endured conflicts and this challenges the process of integration with each other. When conflict, arises, it becomes challenging for the states to conduct any business with each other due to issues of security and fear of loss of their goods and services hence incurring a loss.

Poor infrastructure is also another factor that is hindering regional integration in EAC. With poor infrastructure, the transportation of goods and services between member states becomes hectic as the main means of transportation is through roads which are in poor conditions. This decreases the pace of regional integration and it becomes impossible for
goods and services to reach their destination in time. Trade only flourishes if there is good means of transport for free movement of persons and to transport goods from the coast to the neighborhood and vice versa. The weaknesses in this infrastructure lead to reduction of GDP as contrary to trade per unit of GDP.

Corruption and poor governance persists to be the largest and most challenging problem to the East African integration. Corruption hinders fair integration in EAC as it favors the elites who have the power and funds to offer bribes and for those without it becomes challenging for them to conduct business in the EAC. The issue of currency differences is to be solved by the vision of a single currency in the EAC integration. However, the single currency initiative is also challenged by the multiple memberships and the problem of national sovereignty. States fear that by having a single currency, their sovereignty will be at threat and therefore some states will prefer to remain with their own currency. Moreover, some states are developing more than the others and this is a challenge to the currency since such states’ currency is higher than for other states and it becomes difficult to trade since the prices of goods are very high for the states with lower currencies.

Businesses have great challenges in conducting and relocating businesses in the East Africa and this is a challenge to the integration process since it limits economic development and interdependence. This is associated to the high interest rates that makes it impossible for member states to do business in other associate states in the EAC. Moreover, non-trade barriers and corruption also prevent some individuals from doing
business in other member states of the EAC as they cannot afford to pay for bribes requested to pay at the borders.

Unharmonized presidential election systems have also emerged as a trend among the EAC member states. This is evident in the presidential elections in Kenya, Uganda, Burundi, Rwanda, and South Sudan, some of which have resulted into armed conflicts that hinder the integration process in EAC. With presence of conflicts, it is impossible for states to trade with one another due to insecurity. This challenges the EAC integration process. The EAC member states also have issues of trust among one another. History repeats itself as this was among one of the challenges that led to the dissolution of the first EAC integration. With lack of trust among the member states, it becomes difficult for policies to be implemented as states will always be suspicious of one another and assume that other states will try to implement policies to achieve their own interests.

The EAC has experienced such chaos with inefficient implementation of agreements. For example, the EAC member states have been having challenges in implementing the Customs Union. For example, customs evaluation tactics have been fluctuating hence resulting to dissimilar calculated values for taxation. Apart from Rwanda, the rest of the partner states have been slow to execute the market restructuring protocol, mostly due to the absence of political will to make achieving national modification strategies precedence. All these result from the issues of mistrust among the EAC member states.

Lack of funds and debt issues is another challenge to the EAC member states as this hinders them from fully contributing to the EAC integration which requires funds from
the member states to operate effectively. The absorption of new members will also add to
the burdens of the EAC especially because this states will also come with their own
issues which will top up to the issues that the EAC integration is experience and hence
add to its challenge of effectiveness. Despite that by absorption of the new member might
lead to more profits from the EAC due to the resources that they might have, the
challenges might rub off the benefits hence resulting to the dissolution if the EAC
regional integration.

The rapid increase in population in EAC is another challenge to the integration process.
This generates extra social trials such as high youth redundancy and superior strains on
the existing partial health and education sectors. Due to increase in population, free
movement of people will permit citizens to exploit inequalities in social protection
systems between the national government, for instance, looking for healthcare or pension
welfares in a member state with a more gratifying system. Increase in population also
leads to human development challenges due to scarcity of resources and on the other
hand, human development challenges will also place substantial tension on regional
economic integration and eventually political federation. Continuing problems such as
poverty.

5.2 Conclusion

From the study, there is indication that the EAC integration has encouraged trade
formation as all the member states have experienced economic development due to the
integration course. Nevertheless, the degree to which member states would profit from
integration is reliant on their levels of economic growth. Where a member state enjoys a moderately huge industrial sector, then such a state is expected to gain more than other member states, this is the situation with the EAC where Kenya which relishes a comparatively big industrial sector, then is expected to gain more than other member states.

Secondly, the fragile institutions do not have the decree to impose and implement contracts. This is due to the unwillingness by the member states to sacrifice their sovereignty. This has also led to the slow organization and coordination of policies. Thirdly, the security and instability in the EAC region generates an environment that is not conductive for investors, disagreements and tension among communities additionally decelerates the integration process. Last, but not least the absence of contribution by the private sector and citizens who are essentially the end beneficiaries of the integration procedure is missing. The contribution process of the citizens is yet to be established as the people have no means of participation unlike the EU, where the people directly contribute in electing representatives of the EU parliament through political parties.

5.3 Recommendations

Regional integration offers the EAC states with power for bargaining in international markets and a chance to cooperatively profit from economies and large markets. Nevertheless, EAC’s achievement hinge on the support and commitment it gets from the partner states. Moving towards a Common Market, the liberal institutionalization of important organs is important in continuous integration course. However, leaders endure
to send mixed signals, the EAC states have no better alternate than to integrate (Jonyo & Misaro, 2011).

A vibrant private sector offers a vital role in motivating the regional integration course and in boosting a private sector led growth. While the private sector is still at an emerging stage in several of the states in the region, it can play a major role in enhancing the regional integration process. Government and the national/regional Chambers of Commerce and Business Councils are also already networking in the region, but the interaction has to extend beyond information sharing to participation in policy making and program execution process. Together with the need for determined efforts to eliminate the prevailing NTBs within the region the EAC should also give attention to intervention which kindle development and advance trade performance. There is need to give NTBs associated education to the regions business person and the government sectors and agencies which deal which cross-border trade the customs officials just to mention one group. This because these authorities have a boundless consequence on the way the EAC region does trade.

The NTBs have been able to to lead to the well-known Informal trade within the region. Informal trade is understood to have engaged a larger share of the regional trade; therefore, the EAC can see ways on how to harmonize the dominant domestic tax systems, laws and measures so as to decrease alterations and trafficking as well as presenting some level of expectedness in business transactions. The National Monitoring
Committee (NMCs) recognized in all the EAC partner states to address the trials of NTBs dimensions should be improved.

In order to excavate integration and move to political federation, almost all the organs and foundations of the EAC as set out in article 9 of the treaty will require to be transformed. This should address matters of essential purposes, membership, technique of work, reporting and monitoring. Operative execution needs a healthy institutional, implementation and assessment mechanism, which suggests structural alteration of regional organs and organizations at each stage. This must be escorted by deeper commitment by member States in reverence of monitoring, implementation and resource distribution for regional projects; and a vigorous institutional framework for customs for common market issues. The EAC region requires to put in extra efforts in addressing conflicts and insecurity as these may have a spill-over consequence and do drive away investors.

Finally, more effort is required in refining regional infrastructure within and across the borders of the partner states. These comprise but are not limited to enhancement of infrastructure (the roads, railways, airways, energy, and telecommunications), since it is essential to reducing the prices of business and enabling efficacy in production, transportation and distribution of goods and services. All member states need to be well linked with a view to enable and upsurge trade within the EAC region hence permitting member states appreciate more profit (Semkunde, 2012).
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