

“Lost hope?” Covid-19 Pandemic, its Implications, and Prospects for the Deep Integration of the East African Community

Jonathan Ang’ani Omuchesi¹ & Hannah Muze²

¹Institute of Regional Integration and Development, The Catholic University of Eastern Africa, Kenya*

²Centre for African Studies, University of Cape Town, South Africa

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ABSTRACT

20 years after the re-establishment of the East African Community (EAC), the core regional countries of Kenya, Tanzania, Uganda, Rwanda, and Burundi are still struggling to harmonize policy regarding trade and the free movement of labor with informal trade bearing the brunt. The advent of the COVID-19 pandemic brought to light some of these challenges. While reactive measures were instituted to ensure that the import and export trade continued there was certainly a lot left to be desired concerning governance and social policy harmonization. This paper takes a historical trend analysis to assess the progress of the EAC integration in light of the COVID-19 pandemic to identify prospects that should guide regional integration in East Africa and Africa. Informed by the cracks brought to fore by COVID-19, we consider its implication on the resilience and cohesiveness of the EAC. This paper makes use of both primary and secondary information to make conclusions and recommendations.

Keywords: Integration, Nationalism, Regionalism, Pan-Africanism, Trade, COVID-19

INTRODUCTION

The East African Community (EAC) is one of the regional groupings in Africa that is fairly integrated. According to the AFRICA Regional Integration Index (2021), the EAC scores high in the Free Movement of people but this is only a cumulative score that does little to reflect the discrepancies and actual challenges of deep integration within the region. The unevenness of integration is not only evident across the dimensions of trade, productivity, macroeconomic, infrastructural, and free movement of people in partner states but also by the challenges faced on the ground as brought to light by the COVID-19 pandemic.

The EAC covers an area of 2.5 million sq. km (including water bodies) with a GDP of over US\$ 193.7 billion and is home to more than 177m people making it a viable and substantial market not just for Africa but the region itself and thus a feasible reason for integration. Made up of countries, Uganda, Kenya, Tanzania, Rwanda, Burundi, and South Sudan, regional integration in the EAC is anchored on four pillars of custom union, common market, monetary union, and political federation. These pillars are affirmed by the Treaty for the Establishment of the East African Community 2000 that revived the EAC after its initial dissolution in 1977 (EAC, 2021b). The reasons for the initial disintegration in 1977, ranged from disagreement over the distribution of benefits to the widening rifts that appeared after independence as partner states chose to focus more on their national development and protection of their sovereignty. The threat of inequality of benefits was of great concern that plans were made to rectify the existing arrangement which culminated in an agreement signed in 1964 in Kampala that stipulated specific quotas for the intra-East African trade, and a licensing system to encourage the establishment of new major industries in less industrialized partner states. Besides, the treaty also established the EAC Common Market where common

tariffs against imports into regions were established and all trade restrictions on intra-community trade abolished. While these were significant developments, the treaty initially didn't provide for free movement of labor and capital and the provisions hardly addressed the trade in agricultural products. Nevertheless, relations among the leaders deteriorated leading to the reinstatement of exchange controls and import restrictions limiting the effectiveness of the common market. Countries like Tanzania closed their border to Kenya (a perpetual reoccurrence as will be seen later in the paper) and later Kenya eventually withdraw its participation in the General Fund services budget leading to the initial collapse of the community in 1977 (Eken, 1979).

However, the revival of the EAC in 2000 has recorded some considerable successes. Of the six EAC partner states, Kenya and Tanzania are middle-income economies. As earlier indicated, the EAC is ranked as the most integrated and acknowledged as the fastest growing regional economic bloc in the world (EAC, 2021b; United Nations Economic Commission for Africa et al., 2020). The trade structure of the EAC has expanded over time as indicated by the growth in the region's exports and imports. Progressively, despite the COVID-19 pandemic, the exports from the region surpassed the 2019 levels and intra-regional trade performed better than the extra region trade except for minerals that performed exceedingly well (United Nations Economic Commission for Africa, 2021). Even then intra-regional trade is weak due to increased domination by external trading partners. The intra-regional export merchandise has only slightly increased after the implementation of the customs union. This is because on average, resource-based manufactures were replaced with low or medium technology exports, a similar pattern observed in the intra-EAC merchandise export trade (UNCTAD, 2018).

Though the EAC intra-regional trade has had a grown considerably slow over the years of integration, the quality has improved from primary products more manufactured products, although to the benefit of the more developed partner states such as Kenya and Tanzania.

Further calculations by UNCTAD (2018) indicated that over 70% and nearly 50% of EAC exports to the European Union and Developing Asia were primary products in 2015 respectively. Conversely, EAC's imports from the European Union and Developing Asia were 70% and 40% of high and medium technology manufacturing in 2015. Gradually, the EAC partner states have managed to reduce their export of primary products due to an increase in resource-based manufactures. This scenario represents the deliberate attempt by EAC partner states to increase the composition of imports and exports. As reflected in the latest measure of the EAC integration as per the African Regional Integration Index (ARII), the productive integration dimension has the least score among the five dimensions (Macroeconomic Integration, Trade Integration, Productive Integration, Infrastructure Integration and Free Movement of People). However, the EAC is the second with an index score of 0.434 after the Arab Maghreb Union (AMU), an indication of commendable progress continentally (United Nations Economic Commission for Africa et al., 2020).

To mitigate this situation, the EAC has put in place the East African Community Industrialization Policy (2012–2032) to help improve the contribution of industry to GDP for all EAC member States (EADB, 2019). The EAC has also prioritized the development of energy security policies to underpin its industrialization. Subsequently, the EAC and the partner states have received support from the Economic Commission for Africa in the development of the EAC Energy Security Policy Framework, which is contemplated to provide policy guidance towards the development of the region's energy sector (United Nations Economic Commission for Africa et al., 2020)

Although as shown by the African Regional Integration Index, the EAC has attained some notable progress in comparison to other Regional Economic Communities (RECs) in Africa, trade integration and productive integration dimensions are still below the 0.5 scores. Several noteworthy challenges are slowing down the EAC's trade integration process. The EAC customs union is still besieged by varying custom valuation procedures, challenges in implementing rules of origin, and the existence of non-tariff barriers (NTBS)

(Makame, 2012). While the East African Legislative Assembly (EALA) passed the elimination of non-tariff Barriers Act in 2015 to mitigate some of the challenges in the customs union and common market implementation; barriers to the movement of goods and services and capital persist, the common market is constrained by exemptions, bans, non-tariff equivalent measures such as discretionary taxes and non-recognition of rules of origin laws based on disputes of over local content. For instance, Kenyan cigarettes still face duties in Tanzania on allegations that they exclude 75% of the local content and there was a time that Kenya banned Ugandan Sugar from its markets on allegations of dumping duty-free imports. This notwithstanding the fact that Kenyan hegemonic position as EAC is the highest GDP has dictated the priorities in the transport sector with a focus on more road network at the expense of the railways; and while partner states have constantly defaulted on their dues to the community, the imbalance in trade with Kenya's domination has threatened Tanzania which explicitly refuses to comply with tariff policies with a preference for a shallower form of integration. This lack of political will and dependence on donor funds puts the region in a vulnerable and indebted position to China's newest "Ally" (Verhaeghe & Mathieson, 2017). So, while the Covid-19 pandemic brought with it a myriad of challenges to the functions of the various regional and international organizations, the EAC was no exception. It exposed its vulnerability testing the sustainability of the EAC integration. The question now, is whether all hope is lost for a complete EAC integration? What then should be the alternatives and how might the situation be salvaged?

COVID-19 realities and EAC Integration

The COVID-19 pandemic in tested and exposed the vulnerabilities in the governance of the EAC integration efforts. The pandemic, it can be argued could be a blessing in disguise and should provide an opportunity for the EAC to accelerate its integration efforts. In response to the pandemic, the different EAC partner states, adopted a range of emergency measures that included: shutdown of institutions, isolation and quarantine policies, health screening at ports of entry such as airports and land border crossing, suspension of both international and domestic air travel, instituted restrictions on public gatherings, closed all non-essential public services and deployed the military for enforcement purposes (IDEA, 2020). The COVID-19 pandemic was definitely not a novel occurrence in the EAC region; the region has dealt with a number of epidemics such as Ebola in Uganda, and other infectious like Cholera, Marburg, Dengue Fever and should have used the existing laid down strategies and plans to collectively deal with the pandemic. For instance there existed the multidisciplinary 'One Health' approach adopted in 2014 that was used to prevent the control and spread of communicable diseases (EAC, 2021a). Some of these already established strategies would have come in handy in the fight against the spread of COVID-19 in EAC.

While there was indeed an attempt to ensure a collective and coordinated response to the COVID-19 pandemic in the region as stipulated in the joint statement by the EAC Ministers of health released in March 2020 (EAC, 2020b). However, the deep-rooted disputes among the region's partner states exhibited in border closures and the competing economic interests that resulted in Kenya's dominant status, made it difficult for a concerted COVID-19 response. For instance Heads of State Summit was stalled by border issues between Burundi, Rwanda and Uganda. Similarly, individual bilateral trade agreements with other external nations, for instance, Kenya negotiations with the US (Nation Africa, 2020) continue to taint the image of integration in the EAC region. it's not in doubt that the agenda-setting of the EAC is highly influenced by the EAC member state's top leadership! Thus the ideology of the individual country's top leadership is important. These issues have manifested in the struggles to find a common ground.

Definitely, the COVID-19 pandemic revealed the weak links within the EAC integration process; the leaders who are the main drivers of the integration agenda. Weak cooperation culminated in the several failed attempts of the summit and when it finally happened, not everyone attended it. Manifestly, the aspects of good neighborliness and solidarity are hardly engrained in the working relationship of the EAC leadership. The unpreparedness in promoting solidarity among member states hampered the coordinated framework and

response to the COVID-19 pandemic. The lack of unity in the EAC leadership resulted into patchy individual member state efforts to combat the pandemic imposing heavy burdens on the region. Informal cross-border trade was adversely affected for countries like Uganda reducing from \$44 million in the first quarter of the year to \$1.15 million by the end of November 2020. This is because the policy on the closure of border did not take into consideration the informal cross-border traders consequently affecting livelihood (United Nations. Economic Commission for Africa, 2021). Besides, cumulatively, the close of business almost led to the collapse of the air and road travel, tourism and hospitality, agricultural and manufacturing, trade and distribution, cargo and logistics industries resulting into high unemployment rates, food insecurity and an economic slump (Osoro, 2020). Consequently, on various social media platforms East African citizens jeered and made fun of each other's' country responses to the pandemic (Wekesa, 2020).

The lack of harmony amongst the EAC partners states of Kenya, Uganda and Rwanda resulted into haphazard implementation of measures such as strict lockdowns the significantly disrupted the economic and social life in cities, towns and zones. The closure of borders was not well received by Tanzania which did not fully put measures to combat Covid-19 and later through its president pulled a 'faith card' and announced the 'defeat' of Covid-19 through prayers'. Border tensions were heightened especially with the disagreement on the testing requirements for truck drivers entering Tanzania resulting into the delays in cargo movement (Kamagi & Qoro, 2020; Kisia, 2020; The Citizen, 2020). In the ensuing tension involving majorly Kenya and Tanzania, there were accusations and counter-accusations of tampering with Covid-19 tests and economic sabotage between the two countries. Even though consultative meeting issued a communique for partners states to harmonized the system for certification and sharing of COVID-19 test results, Kenya and Tanzania failed to reach consensus over the testing requirements at the border point. It was alleged that the Tanzania drivers got different results when tested by the Kenyan officials despite the negative COVID-19 test certificates (Owino, 2020). Other reciprocal counter actions went against the spirit of the EAC when the partner states also bickered over air travel. Kenya insisted that passengers on Tanzania flights entering Kenya are quarantined upon landing and Tanzania "reciprocated" by canceling approvals for Kenya Airways flights (Nation Africa, 2020).

Therefore, the joint approach toward the fight against the spread of COVID-19 run across the aforementioned problems. The political problems among the EAC leadership was evident in the lack of commitment to the establishment of a synchronized testing center in the region. The pandemic provided the opportunity for the region to instance test the functionality of the one-stop border posts as a foundation for the border testing centers; it seems to be an opportunity lost. Besides, the impressive statistical record in the EAC integration, there seems to be strong undercurrents that if not dealt with are likely to undermine its integration and extinguish any quantitative gains made. In this case, meaningful leadership is required. The EAC leaders seem to agree on paper but not in practice.

ANALYTICAL COMMENTARY

As already considered, there were efforts put in/being put in place both at, country regional and continental level to handle the COVID-19 challenges. However, the time lag between the country and regional efforts aided by beliefs, values, fears and leadership perspectives created a disconnect which were never addressed in subsequent regional meetings to find a common regional framework. The region seemed to developed its measures based wholly on the WHO guidelines and this resulted in "collapse" of the regional framework as countries seemed to engage bilaterally to solve impediments created by the 'insensitive' externally/WHO motivated regional framework. Severally issues arise from this and key among them is the informal nature of our operations away from agreed common way of handling issues. The weak/missing link in this was the regional institutional structures as they seemed to sit back and a watched as countries engaged bilaterally to address issues already canvassed regionally.

COVID-19 exposed the soft underbelly of the somewhat so thought to be the most integrated regional community in Africa and if the issues brought are addressed, the community will be more cohesive and resilient.

CONCLUSION AND RECOMMENDATION

COVID-19 brought disruptions in even the most organized communities in the world. However, the strength and sustainability lay in how quickly they figured out how to commonly handle it to minimize on the disruptions. It brought to fore the the sibling rivalry and quarrels in a somewhat thought to a 'tight' community. The desperation therein led us to ask paper, if all hope is lost for the EAC integration. These issues bring sour memories for EAC citizens especially when history reminds of its collapse in 1977 at its initial collapse. While evaluations and measurements point to a more integrated EAC on the continent and beyond, these metrics should count in reality by not only the ability of the community to withstand shocks but also converge.

The COVID-19 pandemic effectively exposed the soft underbelly of the region. What was seemingly agreed upon by the heads of states and council of ministers was hardly adhered to and bilateral engagements had to be activated to address several issues. This points to a weak institutional framework that has perennially contributed to the growing number of non-tariff barriers in the community. Thus, there is a need for a forum to discuss and harmonize the seemingly present ideological difference among the political elite to guide the citizens. There should be a meaningful effort in the creation and institutionalization of good neighborliness among the EAC citizens building on the shared history, culture, and language, etc. But is this enough and why hasn't it worked so far? While we cannot understate the importance of political will in African's unification or integration, let alone EAC's integration process, it is also important to emphasize the fact the EAC integration is trade-oriented. It's imperative then that Regional Economic Communities and EAC in particular not only focus on the hard but also the soft issues of regional integration.

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