

# Tanzania's Dilemmas and Prospects in East African Community: A Case of Trepidation and Suspicion

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## Abstract

In 1999, Kenya, Uganda and Tanzania revived the defunct East Africa Community (EAC) slightly over twenty years after its collapse. This was to some extent motivated by the example of the European Union (EU) where smaller economies band together to fortify their position in the global economy. In the year 2007 Rwanda and Burundi were formally admitted to the community. There was a lot of optimism that the new found and expanded community will eventually deliver fruits to its membership. To some extent the fruits were forthcoming but were hobbled by many constraints in institutional capacities as member countries protected their own interest and often vested interests of specific groups and players. Although Rwanda a new comer appears to be active, the older and founding member Tanzania seem to be reluctant. Many Tanzanians are convinced that their country will be taken advantage of in the proposed integration matrix. At the two-week session of the East Africa Legislative Assembly (EALA) in December 2008, Tanzania expressed objections to the purchase of land by foreigners, arguing that the other EAC members should instead consider the Tanzanian model of public land ownership, and also argued against the use of an East African passport. These and other sentiments expressed by it are the concerns of this study. It is also indicated that suspicion and trepidation in the EAC traces its root to colonial times and the federation project was its agenda. The question then is why does Tanzania harbor trepidation and suspicion towards some propositions of the EAC integration? This study is an attempt to interrogate the dilemmas faced by Tanzania towards the EAC agenda, examine the achievements, prospects and benefits accrued by Tanzania by virtue of its membership to the EAC and evaluate the fears brought forth by Tanzania's public and the government. The study also attempted to highlight the recent contentious issues that need to be resolved and recommend measures that Tanzania can take in order to convert the EAC agenda for its domestic development and assume a position of economic powerhouse and a leader in east and central African region. In order to accomplish the objectives of the study; a wide range of interconnected methods of data collection were employed in the hope that a better fix on historical facts were achieved. In that case this study adopted a historical research design. Information was gleaned by consulting newspapers, published books, EALA documents, research papers, commentaries, reports and articles on EAC. It was found out that some fears and trepidation displayed by Tanzania were genuine while others were not. Other members were also guilty of the same. Tanzania has a comparative advantage compared to other members in myriad of areas. If the country wholly exploits its membership, it will be the leading beneficiary in the long run of the EAC integration project.

**Keywords:** East Africa, Integration, Suspicion, Powerhouse, Trepidation

## 1. Introduction

Before the re-launching of the EAC in 1999, Kenya, Uganda and Tanzania had a history of cooperation from colonial to post-colonial times. Some of the salient features of cooperation included the establishment of a Custom Union between Kenya and Uganda in 1917 which Tanganyika joined in 1927, the East African Common Services Organization from 1948-1961 and the defunct EAC from 1967-1977. Mohabe (2011) notes that after the collapse of the EAC in 1977, the member states negotiated a Mediation Agreement for the division of assets and liabilities which was signed in 1984. One of the key elements of the mediation was a provision for exploring areas of future cooperation.

As a result of that the East African Heads of State in 1991 agreed to establish an East African Cooperation. This led to the signing of an agreement for the establishment of a Permanent Tripartite Commission for East African Cooperation on 30/11/1993. The second EAC emerged. The Treaty for the establishment of the EAC was signed by the Heads of State on November, 30 1999 in Arusha. It entered into force on July 7, 2000 after ratification by the three partner states. Since then the Community has achieved a lot including the establishment of a Custom Union, East African Legislative Assembly (EALA), and common infrastructure development among others (EALA, 2004). But on the other side, the Community is going through some mucky waters in terms of national interests and suspicion. This situation has resulted in delays in the implementation of some key and strategic agendas of the community (Kavuma, 2013). The question then is why are some member states behaving this way yet the benefits of cooperation are far much better than going alone?

## 2. East African Federation as a Colonial Concept

The annexation of Kenya and Uganda as separate entities seems to have bothered the British. A lot of debate

took place since 1899 when Sir Harry Johnstone was asked to consider the merits of making a Union or amalgamation of the East Africa (Kenya and Uganda Protectorates). He was further instructed to find a suitable place where a capital could be established. The implementation of the idea was evidenced by the decision to construct the Uganda Railway in 1895 which connected Uganda and the Indian Ocean. The project was completed in 1901 and the idea solidified in that case (Mohabe, 2011).

An excitement was witnessed over the integration of East Africa when Tanganyika was handed over to the British after the defeat of the Germans during the First World War in 1919. Tanganyika became a mandate territory under the British. This mandate was given by the League of Nations. The first step towards the inclusion of Tanganyika in the East African Project was in 1919 when the East African Currency Board (EACB) was formed to issue legal currency in Kenya, Uganda and Tanganyika. The colonial administration in Kenya and Uganda created a free trade area in 1921 with Tanganyika joining in 1923 (Hamilton, 1963)

By 1927 the three East African territories had accomplished the establishment of a Customs Union. What followed was the formation of several institutions in areas such as research, social services and education. In that case, the East African federation project received a lot of attention from the British Government in London. Evidence of this includes the formation of several commissions that included the Ormsby-Gore Commission, 1924, Hilton-Young Commission in 1927, and the Joint Selection Committee of the United Kingdom Parliament in 1931 (Hamilton, 1963).

From 1926-1948 a number of initiatives to integrate East Africa were put in place. The initiatives included the formation of the Common Market, a joint East African Income Tax, Board of Economic Council and various services common to the territories grew under joint control. In 1948, the East African High Commission headed by the Governors was established to offer leadership on common services. The main challenges to this outfit were trade imbalances and unequal distribution of benefits (Mohabe, 2011). That is a situation that continued to fester even after the Africanization of the federation during the post colonial period.

### 3. Historical Background to Trepidation and Suspicion in EAC

The initial case of suspicion began in 1961 when Tanzanian President Julius Nyerere refused to sit together with the Governors of Kenya and Uganda. He pressed on the idea that the President of Tanganyika should be the head of new East African Common Services Authority the successor to the East African Common Services Organization (EASSCO). He further demanded that the positions be occupied by two most senior elected Ministers in Uganda and Kenya (Lawrukwa, and Rutasitara, 2002).

In the eve of Kenya's independence in 1963, there were loud calls for East African federation. On June 5<sup>th</sup> 1963, Ugandan Prime Minister Milton Obote, President Julius Nyerere and Jomo Kenyatta met in Nairobi to discuss the establishment of the *Declaration of Federation by the Governments of East Africa*. The declaration party read as

We the leaders of the people and governments of East Africa assembled in Nairobi on 5<sup>th</sup> June 1963, pledge ourselves to the political federation of East Africa. Our meeting today is motivated by the spirit of Pan-Africanism and not by mere regional interests. We are nationalists and reject tribalism, racialism, or inward looking policies. We believe that the day of decision has come, and to all our people we say there is no more room for slogans and words. This is our day of action in the cause of ideals that we believe in and the unity and freedom for which we have suffered and sacrificed so much (Hunges, 1963).

Two issues concerning the EAC hypocrisy come out clearly in reference to the above excerpt. The first is that the pioneer independent leaders objective was to further the spirit of Pan-Africanism. Historical evidence as a result of the happenings in the first and the second EAC show the concept of Pan-Africanism was ignored and was only a political gimmick. Secondly was the issue of disregard for "inward looking policies". Evidence as we shall see point to the fact that suspicion and trepidation slid all the EAC members and Tanzania in particular to 'inward looking policies'. The question then is what happened to warrant this situation?

The rains started to beat just twenty three days after the Nairobi Declaration of June 5<sup>th</sup> 1963 when the Ugandan Attorney General Godfrey Binasisa was replaced by Adoko Nekyon who was not keen on East Africa federation. After that meeting he was quoted to have said "...As a small state, I want to see that Uganda knows exactly where she is going. I am not prepared just to throw my nation to darkness. So I must know where we are going and to whom we are surrendering our power" (Nye, 1967). The above excerpt indicates the first case of lack of seriousness or contempt to the Nairobi Declaration and the East Africa Federation project. The argument brings out clearly a case of suspicion. The Attorney General felt that Uganda was set to lose in the proposed arrangement because it was a "small state" and therefore the bigger states were there to take advantage by hoodwinking it to lose its sovereignty.

Noise continued to be made after the Nairobi Declaration. Uganda Prime Minister argued that Uganda was not satisfied with East African Federation Project and there were many issues that his country needed to be settled before and not after the federation is formed. Tanzania on the other side through its Minister for External

Affairs Oscar Kambona regretted that when his country became independent, it tolerated skewed colonial arrangement in the Common Market with the hope that the eventual federation will be fair and equitable (Mohabe, 2011).

As a result a meeting was convened in Nairobi on 10<sup>th</sup> April 1964 by the Heads of Government. It was agreed that an Emergency Committee be established to assess problems related to trade relations and imbalances within East Africa. The committee came up with a raft of recommendations which were ratified in May 1964 in Kampala. The Kampala meeting led to the introduction of the Kampala Agreement which was later modified in Mbale Uganda in January 1965. The object was to decrease the trade and industrial imbalances between Kenya and the rest of the membership. The agreement also endeavored to allocate new industries to Uganda and Tanzania to increase production and therefore reduce imports from Kenya. Again a quota regime was to be put in place to reduce Kenya's exports to allow Uganda and Tanzania to build up their productive capacities (Korwa and Ngunyi, 1992). This was the first step brought by the three countries in addressing the skewed industrial development in East Africa Common Market Regime. The Kampala Agreement culminated in the introduction of categorization of "East African goods" and "national goods". This led to the introduction of a transfer tax. Unfortunately the agreement was not implemented. The Tanzanian President said that only when efforts failed to bring practical agreement on an East African basis did Tanzania reluctantly took steps of its own.

Most Tanzanians and their government are cautious when it comes to dealing with the EAC because of the experience of 1977 when the first community collapsed. They feel that they were shortchanged during the sharing of assets and liabilities of the community. They also regretted that Tanzania invested lot of resources and confidence in it only to lose almost everything after its collapse. In fact Tanganyika leader Julius Nyerere was ready to delay its independence so that the region could attain independence as one federation (Kavuma, 2013). Tanzanians also considered that Kenya benefitted the most because industries were based in Nairobi. They forecast that Kenya and Uganda will use their competitive advantage to disadvantage them in the sharing of benefits from the community for being condemned to importers of goods and skilled labour (Nguvu, 2007).

Suspicion and trepidation exhibited by Tanzania is majorly derived from its African socialist background and foreign policy. The main object of Tanzanian foreign policy and international cooperation is to become an effective and keen promoter of its economic and other interests abroad. The main mission at this point should be, to conduct an effective diplomacy that will generate economic activity and facilitate Tanzania's rapid transformation and development. Tanzania therefore seems to invoke a guideline where it should ultimately benefit from any economic engagement and contrary to that should be approached with ultimate caution (Lawrukwa and Rutasitara, 2002). That is the line of engagement when it comes to EAC.

#### **4. Fears Brought Forth by Tanzania's Public and the Government**

The wariness is rooted in their fear and suspicion of especially Kenyans and Ugandans. One of them is that Tanzania can never succeed in the common markets arrangements since it is behind in all aspects of life compared to the rest of the members. This will make them have no chance against them and the country will be turned into a market place for Kenyan industries. The truth is that the Tanzanian government is not keen on the idea and the other member states have realized this (Kavuma, 2013). The "coalition of the willing" (countries willing to fast track the integration project in the EAC with the exclusion of Tanzania and Burundi) hold the view that the integration should go on without Tanzania who can join later at their own pace. They also uphold a view that Tanzania is responsible for detaining and filibustering the EAC integration process. On the other hand it is held that Tanzania is more committed to Southern African Development Community (SADC) more than the EAC. Studies have shown that all five members are responsible for the slow progress towards integration by the EAC (EALA, 2004).

However, Tanzania bears more responsibility than the others. On the economic sector for example the country is the most politely hesitant when it comes to the implementation of measures to open up its economy. A good example is its stringiest measures on visa entry and work permit requirements for other East Africans. The other members have done away with the requirements (Mohabe, 2011).

But the accusation brought against Tanzania about its commitment to SADC more than EAC seem not to be true. There are complaints from SADC about Tanzania that are similar to those fronted by the EAC. The question then is why is this so? Studies conducted in East Africa especially by the EAC Secretariat and EALA point to the fact that Tanzanians are keen in full integration of EAC (EAC, 2004). They hold reservations on Kenyans especially because they perceive them to be frightening in as far as their nose for money making opportunities goes. They fear that Kenyans, Ugandans and even Rwandese have better "English" and speak a lot of it whereas in Tanzania it is mostly about Kiswahili therefore Tanzanians cannot match them (Nguvu, 2007).

That will culminate in the northern neighbours snatching all the jobs from them because new investors including the northern neighbours and foreigners from outside EAC will have a good reason to be swayed by the advanced English language skills from the other members. On the other side, Kenyans, Rwandans and Burundians will flood their country in search for land because of its scarcity back in Kenya and hilly countryside

in Rwanda and Burundi (Kavuma, 2013). A good testimony of the reality of this was the decision by the Tanzanian government in August 2013 to expel Banyarwanda immigrants in northern Tanzania. This raised some eyebrows in EAC and abroad but it was a long overdue expectation among Tanzanians. Rwanda's aggressive show of commitment to EAC is a source of fear and envy in equal measure for Tanzanians.

In the year 2007, Tanzania opposed the use of national identity cards as a travel document within the EAC as suggested by Kenya, Uganda Rwanda and Burundi. Tanzania explained that it could not accept identity card as travel documents because of security reasons given the size of the country and porous borders. The four countries had argued that since the process of acquiring national passports were cumbersome and not easily accessible to the majority of the people, national IDs should be used to travel within EAC. But Tanzania argued that it would be improper to elevate national IDs to travel document because the region already had the East African passport and national passports. Tanzania has no National IDs.

On political federation, Tanzanians feel that Yoweri Museveni is nursing ambitions to become the first president of the Federation. This is because in the EAC Treaty, there is a provision for political federation. This was borrowed from the recommendation of the Philip Commission of 1966 which counseled that political federation was an imperative requirement for the purpose of making decisions. Without a political accord, common market and equal distribution of the benefits will not work (EAC, 2002). They have no confidence in him if what he has been doing in Uganda is anything to go by. He is perceived to have orchestrated the change of constitution to extend presidential terms. He is therefore a dictator and Tanzanians cannot tolerate such a person to lead them (Kavuma, 2013).

Another important factor that conditions Tanzanians to go slow on integration process is its unique history different from the others. The country is a Union of two countries –Tanganyika and Zanzibar, with the latter having its own parliament and president. The Union has encountered a lot of challenges and tensions emanating from Zanzibar's call for greater autonomy and secession (Korwa and Ngunyi, 1992). So Tanzanians are saying "please go slow. We do not want more trouble".

Tanzania has just over half of the land mass of the EAC but less than half under agriculture. With a population explosion underway in other EAC countries, Tanzania fears that the new federation would pressure on it to open its gates to workers and its land to foreign buyers or leaseholders. Tanzania seem to argue that leaders need to find a lasting solutions to the land problems in their own countries first before they can consider themselves an attractive proposition for political union with any other country (Nguvu, 2007). Rwanda is eager to send some of its excess population to countries where there is plenty of land. Thoughtful Tanzanians agree that the fear of other East Africans is alive and well in their country. They blame their political elite for pandering to it rather than prepare Tanzanians to accept and prepare for deeper integration with confidence.

Tanzanians would not allow others to move ahead while they prepare themselves. They argue by asking; how do you join a multilateral organization aiming to bring neighbouring countries together in the common interests without compromising your own sovereignty? (Mohabe, 2011). In May 2005, the Extra Ordinary Summit of Heads of State met in Dar es Salaam and directed the Council of Ministers to form National Consultative Mechanisms to collect views on the East African Federation project and the need to fast track it. As a result the National consultative process was launched simultaneously in Kenya, Uganda and Tanzania on 13<sup>th</sup> October 2006. The above sentiments is summarized in Table 1 below after a survey was conducted in EAC concerning the fast tracking of the federation

**Table1.** National Consultations Committee Findings on Fast Tracking the East African Political Federation

	<b>Awareness/Support</b>	<b>Burundi</b>	<b>Rwanda</b>	<b>Uganda</b>	<b>Kenya</b>	<b>Tanzania</b>
1.	Level of awareness about EAC integration	75%	91.4%	82.1%	Generally aware	80.2%
2.	Level of support for integration	87.2%	91%	74.2%	Generally aware	57.9%
3.	Level of support for Political Federation	71%	95.6%	88.2%	85.8%	66.5%
4.	Level of support for fast tracking the political integration process( all stages)	63%	91.2%	77.6%	69.9%	74.4%
5.	Level of support for fast tracking the Political Federation (2013)	63.4%	87%	56.3%	64.9%	25.4%

**Source:** Reports from the National Consultative Committee on Fast Tracking the EAC Political Federation, EAC Secretariat, August 2007.

The findings were astonishing as evidenced above especially from Tanzania. 57.9% of Tanzanians interviewed from all the districts supported the federation compared to 74.2% in Uganda, 87.2 % in Burundi and 91% in Rwanda. On the level of support for fast tracking by 2013, only 25.4% of Tanzanians supported it. That means 75.6 % were against it. This was landslide disapproval.

This is the same dilemma experienced by Britain in the European Union. It took many years before the Britons began to understand what was happening and how its sovereignty was being undermined. For many the European Union offered attractive features in trade and free movement of people that Britain did want. The British government decided to hold a referendum in 2017 (if it wins elections in 2015(Conservative) on whether it should abandon the EU and go alone (Liddle, 2014).

### **5. Recent Contentious Issues in the EAC**

In February 2012 motorists in Taveta border crossing protested against the imposition of vehicle fee of \$ 200 on them on entering from Kenya. The border was closed as a result. This was contrary to the Common Market Protocol whose object was to reduce and ultimately eliminate barriers to trade within the EAC. The Tanzanian Minister of Trade Mr. Samuel Sita blamed the local government for imposing levies without consulting the central government. He argued that the local authorities had no powers to interfere with international matters and they had composed the rules to fleece traders (Kavuma, 2013).

In May 2011 Tanzania announced a six month ban on nongovernmental exports of corn and grain due to unregulated trade. This according to authorities created shortages and catalyzed inflation. Tanzania Agriculture Minister argued that Tanzania will not allow the export of food especially maize between the months of April, May and June because this was caused by an adverse famine that hit northern parts of Kenya and Somalia. Kenya retaliated by banning the export of seeds from parts of Western and Rift Valley. Tanzania lifted the ban in October but continued to enforce a ban on sugar export. Although the two countries claimed that the ban was intended to stop illegal trading and mitigate the runaway inflation, the truth of the matter was that the move exacerbated smuggling (Chikwanha, 2015). An interesting commonality of the argument between the two countries was the defense of their commitment to support the Common Market Protocol.

In November 2011 at the Bujumbura Summit, Tanzania refused to sign for the establishment of the EAC political federation as well as the Mutual Defense Pact. Tanzania argued that the inclusion of land and its apprehension of being brought into “unjustified wars initiated by belligerent member” (Chikwanha, 2015). This was not received well by the other members who interpreted Tanzania’s insinuation that other member states always get into other peoples conflicts. It eventually signed off on the report but the Mutual Defense Pact was not.

In 2005, the Tanzanian High Court ruled against the East African Development Bank that favored Blueline, a Tanzanian company which surmounted to \$61,386,853 million that almost bankrupt the bank. The narrative that portrays Tanzania as an obstructionist member was escalated by this case (Buigut, 2011). In 2012 the country avoided further aggravating a damaging diplomatic and legal crisis after its Court of Appeal reversed a prohibitive court award against the East African Development Bank, in a key ruling that could set a precedent around immunities enjoyed by East African Community institutions. The appeals court declared as null and void the entire proceedings of the High Court and faulted the lower court for wrongly entertaining the execution proceedings after the EADB had pleaded immunity. The case had left Tanzania facing mounting diplomatic pressures from fellow member states worried about the country’s lack of respect for the diplomatic immunity and privileges granted to EAC institutions (Mohabe, 2011).

In the year 2008 the Bank of Tanzania barred local investors from buying shares in Safaricom, East Africa’s most profitable company through the Dares Salaam Stock Exchange. The Bank sent out a letter, indicating that buying those shares would be contravening the country’s financial regulations. In a letter dated April 4 2008, Ref No. 1A.53/61/05, addressed to the Dar –es- Salaam Stock Exchange, the Governor said Safaricom had not made any commitment to cross-listing at the Dar Mart which denied the country an opportunity for the development of the local market. The IPO drew numerous prospective buyers in Uganda, Rwanda, Burundi and Kenya (Chikwanha, 2015).Uganda’s National Security Fund bought shares worth \$ 34 million. The DSE said it was aimed at protecting Tanzanian investors and at the same time the IPO had no clear exit mechanism for Tanzanian investors and it would have become difficult to be sold due to the differences in currency exchange rates in the region. The regulations do not allow a company to raise funds through the DSE and invest the money outside the country (Buigut, 2011).

One year later, the National Microfinance Bank of Tanzania also had an IPO on the Dar es Salaam Stock Exchange but investors from other EAC partner states were not allowed to buy the shares. The country’s capital account regime prohibits flow of foreign investments into the country. It is these regulations that landed the country’s financial sector with the unenviable tag of the most rigid in the region. A study by the IMF in 2010 delivered a harsh indictment of Tanzania’s stultifying effect on the region’s effort towards monetary integration. The report contained in the IMF working paper ranked Kenya’s financial sector as the most flexible and open in the region followed by Uganda and finally Tanzania (IMF, 2010). The other EAC partner states of Rwanda and Burundi were not covered.

According to the paper, Tanzania contained a number of explicit capital movement restrictions that may impede Covered Interest Parity (CIP) functioning. For example Tanzania restricts nonresidents from borrowing

abroad and restricts the participation of nonresidents in the domestic monetary market. At the same time available data indicate that Tanzania is the only country in the EAC that restricts and outlawed direct investment. The same applies to the aspect of purchase of foreign securities by residents, whereby Tanzania only allows purchasing of foreign securities using externally generated funds (Buigut, 2011). This is not the case in Kenya, Uganda and Rwanda while in Burundi it only required the approval of the Central Bank. In the same vein Tanzania restricted its citizens participation in foreign capital markets including in IPOs floated across the border. At an extra-ordinary summit of Heads of States in Kampala on 30 November 2013, Tanzania argued that its slow decision making was dictated by the need to get input from its citizens (Kavuma, 2013).

It is clear that there are economic struggles among the EAC membership to outdo each other. Despite Kenya's economy being stronger, foreign investment lags behind Tanzania and Uganda. Tanzania benefited from its much longer trade relation with China, dating from when China constructed the TAZARA Railway. China agreed to finance massive port at Bagamoyo with capacity greater than Mombasa and Dar es Salaam combined. Kenya needs the "coalition of the willing" to hang on prospects in Uganda, Rwanda, DRC and now South Sudan. As a result Tanzania announced the starting of a new economic partnership with Burundi and the DRC to develop road, rail and water transportation infrastructure. Kenya, Uganda and Rwanda plus South Sudan launched a plan to develop a standard gauge railway line from Mombasa to Kigali (Chikwanha, 2015).

Tanzania conducted expulsion of Rwandans from its territory since the year 2000. In the years 2000, 2003, 2006, the country carried out formal round up operations and expulsions of illegal Rwandan immigrants. In the year 2006 alone, Tanzania deported 33,000 Rwandese. Rwandans at that time harbored a feeling that Tanzania was against its admission to the EAC, which was under negotiation. Rwandan immigrants were accused of murders, violent robberies, cattle rustling, poaching, highway robberies, banditry, illegal trading in firearms and overgrazing (Chikwanha, 2015).

In 2013, the government of Tanzania again ordered the eviction of over seven thousand Rwandese living in Tanzania Kagera region. It was claimed that they were in the country illegally and a threat to national security. The evictees had lived in Tanzania for generations and were forced to leave behind family members, land, houses, livestock and other property. The government of Rwanda together with its public was extremely offended by the Tanzanian move. Other members of the EAC sympathized with Rwanda quietly to avoid any backlash that might jeopardize the EAC integration project (Kavuma, 2013). This was a consequence of Tanzania's fear that Rwanda might try to destabilize it in retaliation for its decision to send troops to DR Congo as part of the UN force seeking to disarm and neutralize the M23 rebel group.

Tanzania imposed in 2012 a 33% increase in work permit fees on residents of other EAC member states, which put to a test a treaty launched in 2010 to ease movement of professionals in the region. Although the directive said old permits would be renewed at no additional cost, persons and businesses seeking permits for the first time were to obtain them at the new rates. The directive came two years after the EAC launched a Common Market Protocol to ease the exchange of labour and other factors of production across the border. Kenya and Rwanda were the first states to scrap work permit fees on citizens by December 2010, raising hope that Tanzania, Uganda and Burundi would follow suit. The reverse action by Tanzanian government exposed how national agencies were likely to exploit loopholes in the Common Market Protocol to frustrate the search for a regional free market economy in the future. Tanzania was exploiting a clause in the protocol that allows members to subject rights such as immigration and establishment of access to land to national laws (Chikwanha, 2015). The clause was inserted to win over members who were hesitant in signing the protocol.

## **6. Achievements, Prospects and Advantages Enjoyed by Tanzania as a Member and Individually.**

Under the US African Growth and opportunity Act (AGOA), the EAC countries have benefitted from duty free – to access the US market for a range of products until 2025, thanks to the extension of the Agreement for another ten years by President Obama during his visit to Kenya in July 2015. In their trade relations with the EU, EAC countries are granted preferences under the initialed Framework Economic Partnership Agreement (EPA) and under Everything but Arms (EBA) initiative for those listed as LDCs (i.e. all but Kenya) (Odhiambo, 2005).

Regional trade flows have increased significantly since 2006, thanks to regional integration efforts including steps towards the EAC Customs Union and single market (WTO, 2012). There is no doubt that Tanzania given its political, historical reputation, resource endowment, geographical size and location, economic potentiality and population should quickly reclaim its position in the EAC supremo member and an economic powerhouse. This can only be achieved if it wholly directs its energies and will to the EAC.

Tanzania has the ability to be an honest broker in the region. Historically it has mediated many regional conflicts and has attained the trust as a neutral mediator. The country should not fear as it is doing as conflicts in the region will interfere with its tranquil status if it engages in East Africa conflicts or having joint security pacts. Mediation has given Tanzania some political capital which it cannot afford to lose. Examples include the ousting of a despotic regime of Idi Amin in Uganda, Burundi peace negotiation by Julius Nyerere in the 1990s, Zimbabwe's political mediation by Benjamin Mkapa in 2006 and the solving of the post election crisis in Kenya

in 2008 where Tanzania was perceived as a honest broker between President Mwai Kibaki and Raila Odinga. It is therefore undoubted that Tanzania has built a historical reputation as a leader in consensus builder and therefore it is in possession of enough political capital to mediate many of the challenges East Africa faces (Khadiagala, 2009).

Tanzania being the largest and populous member of the EAC with an estimated population of 45 million accounting to 32% of the 139 million East Africans has the right advantage in the region. The demographic advantage is projected to increase to 34% of the expected 237 million East Africans by 2030 translating to 82 million Tanzanians (UNECA, 2004). The question then is what are the advantages of a big population? Large and growing population means a greater domestic market for Tanzania, attracting investors and multinational companies, stimulation of investment in new knowledge, generation of new ideas which improve productivity and innovation, more workers, increased consumption which will drive manufacturing and increased national savings (Durgesh, 2010).

Tanzanian leadership is aware of this. No wonder they don't worry much about rushing to EAC integration. After all smaller countries like Rwanda, Burundi, Uganda and Kenya to large extent need accelerated EAC integration because of the benefits they will accrue as a result of a bigger population that will be provided by the EAC integration project. These countries are also aware that the EAC project will deliver greater investments in their countries in knowledge that will raise per capita welfare (Lawrukwa and Rutasitara, 2002).

Geographically Tanzania accounts to 52 % of East Africa's total land area and its population is still small compared to the land available. Compared to other East African countries, it has the lowest population density. Tanzania stands at 47, Rwanda at 403 and Burundi at 301 persons per square kilometer. By 2030 it will be the only country with less than 100 persons per square kilometer. This signifies an advantage in land availability and usage (UNECA, 2004).

At the same time Tanzania is endowed with the longest coastline in East Africa with three ports. Countries in East and Central Africa are reliant on it for access to the Indian Ocean. This will be an enormous opportunity for Tanzania if infrastructure development on roads, ports, railway and energy will be availed. This will translate into Tanzania expanding trade within Central Africa and between Africa and the world for unforeseeable centuries to come (McCarthy, 1999). As a result the country will be poised to benefit from collecting tolls from those who use its infrastructure. The other multiplying effect is the use of its ancillary services such as accommodation, financial maintenance services, food, fuel and being a logistical hub. All those will create job surplus even more than the capital intensive mining and energy sectors (EAC, 2004).

Tanzania can also make optimal use of its abundant natural resources to generate energy for its own economic development and to the region thanks to its 30% more energy potential than other members combined. The country will also play the role of a bread basket in the region by providing employment and wealth creation to the rural folks. The completion of the north south corridor will ensure millions of people in the region that are starving and living in scarce resource areas can be fed by Tanzania. This will concretize Tanzania as a pillar for both regional stability and integration (Odhiambo, 2005).

## 7. Recommendation

1. Tanzania should come out clearly to state its position regarding the EAC integration. Thanks to the president's assertion in parliament in 2013
2. The country should reclaim its regional leadership role status
3. The first step is to remove non tariff barriers
4. It should engage with the EAC as an important and confident stakeholder
5. The country should engage researchers in the private and public sectors and universities to find ways in which Tanzania can reap maximum benefit from the EAC and regain its big brother status as fast as possible
6. The government of Tanzania through the Ministry of Education and Vocational Training should come up with a deliberate effort to review the curriculum especially in languages. Tanzanian children should be trained to have good mastery of international languages like English, French and Kiswahili in all the four skills of speaking, reading, writing and listening.
7. The country should strive to produce skilled people who can do or produce goods and services which are crucial to the economy. They should be able to master the science and technology of value addition of the raw materials that Tanzania can produce.

## 8. Conclusion

Despite the shortcomings discussed above, Tanzania seems to be committed to the EAC Project. Evidence of this is the putting up of one-stop border posts in a move aimed at increasing trade among EAC partner states. The posts have been constructed in Holili, Horohoro, Sirari, and Mtukula at the cost of \$37 million under the East

African Trade and Facilitation Project. The upgrading of road projects has gone hand in hand with the setting up of border posts. This has helped to lower transport costs by improving road infrastructure along the main transport corridors as well as lower the number of load controls and other barriers at the region's main border crossings. In addition to that, the EAC has made history by attaining two milestones that is the Customs Union and Common Market which came into force in January 2010 and July respectively. The above mentioned milestones took the world's largest trading bloc, the European Union forty years. The EAC did this in just a decade. In fact EAC is the only economic bloc with fully functioning Customs Union. It is a show case of integration in the world.

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