

**ORGANISATIONAL EFFECTIVENESS OF REGIONAL INTEGRATION INSTITUTIONS:
A CASE STUDY OF THE EAST AFRICAN COMMUNITY**

by

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Title of dissertation:

**ORGANISATIONAL EFFECTIVENESS OF REGIONAL INTEGRATION
INSTITUTIONS: A CASE STUDY OF THE EAST AFRICAN COMMUNITY**

Summary:

This study sought to establish the critical underpinnings for the organisational effectiveness of regional integration institutions (RIIs). The interest arose out of a general observation of failure by RIIs in Africa to effectively achieve the objectives for which they were established. Informed by theories of organisational effectiveness, the study hypothesised that RIIs are likely to be effective in achieving the objectives for which they were established if the basic fundamentals of organisational effectiveness theory are embedded in their institutional structures, systems and processes. The East African Community (EAC) was used as a unit of analysis. A comparative analysis of the world's most advanced RII, the European Union (EU) was also undertaken. The findings revealed that the basic fundamentals of organisational effectiveness theory are only weakly ingrained in the EAC while deeply embedded in the EU. Recommendations were made on how the EAC could improve its organisational effectiveness.

Key terms:

Institution, Organisation; Effectiveness; Efficiency; Organisational effectiveness; Regional integration; Intergovernmental organisation; Regional integration institution; East African Community; European Union; Political will; Organisational culture; Variable geometry; Customs union; Common market; Monetary union; Political federation.

DECLARATION

I declare that *Organisational Effectiveness of Regional Integration Institutions: A Case Study of the East African Community* is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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Mariam Fatuma Akoth Omoro

3660-292-2

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Date

DEDICATION

To Gershon Fumbuka who taught me that there is no tragedy in life that is too big for me to overcome. May the principle of reciprocity enrich your life with the kindness with which you have blessed my life.

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ABSTRACT

This study was triggered by an observation that many regional integration institutions (RIIs) in Africa have fallen short of effectively delivering on their mandates. The objective of the study, therefore, was to generate a deeper understanding of some of the key factors that determine the organisational effectiveness of RIIs. Informed by public administration theories of organisational effectiveness, the study hypothesised that RIIs are likely to be effective in achieving the objectives for which they were established if the basic fundamentals of organisational effectiveness theory are embedded in their institutional structures, systems and processes. In this context, the fundamentals of organisational effectiveness core to successful institutions identified included: clarity of purpose, facilitative organisational culture, rational organisation structure and processes, ability to acquire and manage adequate resources, internal harmony, satisfaction of strategic constituencies, transformational leadership, ability to adapt to change and, in the specific case of RIIs, which are public sector institutions, adequate political will.

In seeking to achieve the research objective, the study used the East African Community (EAC) as a unit of analysis. The EAC was analysed from the premise of the fundamentals of organisational effectiveness theory identified and determination was made on the extent to which these fundamentals are ingrained in its institutional structure, systems and processes. A comparative analysis of the institutional framework of the world's most successful RII, that is, the European Union (EU), was also undertaken to establish how the fundamentals of organisational effectiveness theory are embodied in its organisational system. The aim of this comparative review was to draw on best practices that can inform the kind of changes that can be introduced in the EAC to spur greater organisational effectiveness.

The study utilised a quantitative and qualitative research design in data collection. This involved the design and distribution of questionnaires covering questions that focused on the basic fundamentals of organisational effectiveness and how the EAC organs respond to them to key EAC stakeholders, face to face interviews with respondents who preferred to be interviewed, analysis of official reports and policy documents of the EAC and EU and analysis of relevant journal and newspaper articles.

Data analysis was mainly descriptive and narrative. The Statistical Package for the Social Sciences (SPSS) was used to generate simple frequencies from the data received from questionnaires and interviews. The views of the majority were then analysed. Where the views were split in the middle, meaning no clear majority view was discerned, both sides of the views received were analysed.

The study revealed an overwhelming consensus among the EAC's key stakeholders that the EAC had not effectively achieved the objectives for which it was established. The study further revealed that the main reasons for the shortcoming rest on EAC's weak institutional structures, systems and processes. In other words, a deficit of some key fundamentals of organisational effectiveness theory. In contrast, a comparative analysis of the EU revealed that the basic fundamentals of organisational effectiveness theory are well ingrained in the EU's institutional structures, processes and systems which explains why the EU has achieved organisational effectiveness. These findings seemed to support the hypothesis that guided the study.

Recommendations based on the findings point to the need to re-orient the institutional framework of the EAC if the EAC is to better realise its goals and objectives. This would involve, among others, formulating a more succinct vision and mission for the EAC, developing a Staff Code of Conduct and Ethics, developing a more pro-active mechanism of financing the EAC, improving the terms and conditions of service of staff, separating powers between the key organs of the EAC, reflecting the aspirations of the private sector and civil society in the EAC's integration process, operationalising the principle of variable geometry, giving executive authority to the Secretary General and transferring a certain degree of national sovereignty to regional organs such as the EAC Secretariat, the EALA and the EACJ.

Given the limited scope of this study, a more extensive study needs to be undertaken by Consultants who would have the time and resources to delve more deeply into the factors that underpin the organisational effectiveness of the EAC. Research also needs to be undertaken to establish specific factors that militate against a more robust support by the EAC Partner States in making EAC a more effective institution. It should similarly be interesting to conduct an in-depth analysis of the EU's institutional framework in order to establish what best practices can be replicated in African RIIs such as the EAC.

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ABBREVIATIONS

| | |
|---------|--|
| AAR | Annual Activity Report |
| ABB | Activity Based Budgeting |
| ABM | Activity Based Management |
| ACP | African Caribbean and Pacific |
| AGOA | United States African Growth and Opportunity Act |
| AMU | African Maghreb Union |
| APS | Annual Policy Strategy |
| ASEAN | Association of South East Asian Nations |
| AU | African Union |
| COMESA | Common Market for Eastern and Southern Africa |
| CENSAD | Community of Sahel-Saharan States |
| CEO | Chief Executive Officer |
| CET | Common External Tariff |
| CEWARN | Conflict Early Warning and Response Mechanism |
| CFI | Court of First Instance |
| CIE | Committee of Independent Experts |
| COPAX | Council for Peace and Security in Central Africa |
| COREPER | Committee of Permanent Representatives |
| DFID | Department for International Development |
| EABC | East African Business Council |
| EAC | East African Community |
| EACJ | East African Court of Justice |
| EALA | East African Legislative Assembly |
| EALS | East African Law Society |
| EBID | ECOWAS Bank for Investment and Development |
| EC | European Commission |
| ECCAS | Economic Community of Central African States |
| ECJ | European Court of Justice |
| ECOWAS | Economic Community of West African States |
| EPA | Economic Partnership Agreement |

| | |
|----------|--|
| ESC | Economic and Social Council |
| EU | European Union |
| FAO | Food and Agriculture Organisation |
| FTA | Free Trade Area |
| FOMAC | Multinational Peace Keeping Force in Central Africa |
| GNI | Gross National Income |
| ICPAC | IGAD Climate Predication and Application Centre for Monitoring and Forecasting |
| ICT | Information Communication Technology |
| IDRC | International Development Research Centre |
| IGAD | Inter-Governmental Authority on Development |
| IGADD | Inter-Governmental Authority on Drought and Development |
| IUCEA | Inter University Council for East Africa |
| LVBC | Lake Victoria Basin Commission |
| MARAC | Central African Early Warning System |
| MERCOSUR | Common Market for the South |
| M&E | Monitoring and Evaluation |
| NAFTA | North America Free Trade Area |
| NCCs | National Consultative Committees |
| OAU | Organisation of African Unity |
| OECS | Organisation of Eastern Caribbean States |
| PTA | Preferential Trade Area |
| QMV | Qualified Majority Voting |
| RENAMO | Mozambican National Resistance |
| RIIs | Regional Integration Institutions |
| RECs | Regional Economic Communities |
| SACU | Southern Africa Customs Union |
| SADC | Southern African Development Community |
| SADCC | Southern African Development Co-ordination Conference |
| SMART | Specific Measurable Attainable Realistic Time-bound |
| SPSS | Statistical Package for the Social Sciences |
| SSA | Sub Saharan Africa |
| TRIM | Total Records and Information Management |

| | |
|--------|--|
| UEMOA | West African Economic and Monetary Union |
| UN | United Nations |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDP | United Nations Development Programme |
| US | United States |
| VAT | Value Added Tax |
| WAHO | West African Health Organisation |
| WAMA | West African Monetary Agency |
| WAMI | West African Monetary Institute |

Chapter One

INTRODUCTION

1.1 INTRODUCTION

Regional integration arrangements in Sub-Saharan Africa started way before the achievement of political independence. Indeed, in the case of regional integration in East Africa, the arrangement dates as far back as the turn of the 20th century. However, the impetus for the establishment or strengthening of these arrangements, which have come to take the description of Regional Integration Institutions (RIIs) also known as Regional Economic Communities (RECs), was born out of the birth of the Abuja Treaty of the then Organisation of African Unity (OAU) which came into force in May 1994 (UN Economic Commission for Africa, 1999:53; Kouassi, 2007:1). That Treaty envisages the creation of an African Economic Community through six phases of regional cooperation and integration using the RIIs as its building blocks. The aim and objective of these institutions is primarily to bring about social, economic and even political integration among Africa's countries with the aim of fostering higher economic growth and bolstering the prosperity of the African peoples.

In the light of the above, the past two decades especially, have witnessed an intensification of Africa's regional integration process and the establishment or strengthening of RIIs in the continent. To mention but a few, these RIIs include the East African Community (EAC), the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of West African States (ECOWAS), the Economic Community of Central African States (ECCAS), the Community of Sahel-Saharan States (CEN-SAD) and the Arab Maghreb Union (AMU). It is important to mention, however, that one of the oldest regional integration institutions in the world is the European Union (EU) which has almost similar objectives as those applicable to the RIIs in Africa.

The principal factors that have driven governments to establish RIIs are not novel. In other words, going by experience that one can draw from the performance of these institutions, the identification of objectives and the drawing up of broad strategies and programmes have not been a matter of concern. What is at issue is how effectively these objectives, strategies and

programmes have been implemented (United Nations (UN) Economic Commission for Africa, 2006:1-9).

It is the disjuncture between objectives and organisational effectiveness that raises fundamental questions about the costs and benefits of RIIs. Indeed, a close examination of RIIs in Africa reveals varying successes when compared to the mandated objectives. It is the shortcomings that broadly stand out. These shortcomings raise a number of questions, most of which, revolve around the theory of organisational effectiveness. Evidently, RIIs, as intergovernmental institutions and therefore public sector oriented bodies, by definition, are often influenced by external and internal environmental factors which tend to override and even clash with the fundamental principles that underpin organisational effectiveness.

This study sought to review and examine some of the key factors that underline the effectiveness of RIIs in carrying out and realizing their objectives as set out in the treaties that establish them. In the context of public administration organisational theory the study determined and proposed organisational systems and processes that bring about improved organisational effectiveness in RIIs. In this respect, the East African Community (EAC) was taken as a unit of analysis. However, in light of the fact that the EAC bears similarity to other RIIs in terms of mandate, processes and structure, it is hoped that the particular findings of this analysis can be generalized and applied to other RIIs.

1.2 BACKGROUND TO THE STUDY

The idea of integrating countries and regions has long been promoted by political leaders in Africa for varying reasons. Throughout the 1990s, regional integration was the catchword in African politics and was seen as the answer to all social and economic problems facing the region. This is not surprising given the fact that, if properly conceived, regional integration offers many advantages to the participating countries. For example, through closer trading links between countries, the capacity of the cooperating states to participate in world trade is strengthened. Cooperating countries are also able to overcome the obstacles normally represented by their relatively small domestic markets and thereby enable producers to realize greater economies of scale as well as exploit the benefits of more robust regional infrastructures (Saku, 2006:1-2).

A regional integration approach involving tariff reductions and harmonization, legal and regulatory reform, payment systems rationalization, financial sector reorganisation, investment incentives and tax systems harmonization, and labour market reform also enables participating countries to pool resources and avail regional institutional and human resources that foster the attainment of higher levels of technical and administrative competence otherwise not possible on an individual country basis (Saku, 2006:1-2).

Research by Ouattara (1999:2-3) has also shown, in the case of the African Caribbean and Pacific Group of States (ACP)-European Union (EU) Economic Partnership Agreement (EPA) negotiations and the negotiations under the Doha Development Round¹, that a regional approach empowers countries to assert their interests from a stronger and more confident position in the international arena. Furthermore, the conditions and obligations associated with participation in ambitious reform programmes within a regional organisation framework often facilitate the work of domestic authorities in deciding and implementing what are otherwise politically sensitive measures, such as harmonization of tax laws and instituting wide-ranging reforms in areas such as the regulatory, governance and judicial systems. In addition, regional surveillance and the dialogue between multi-stakeholder constituents (like civil society, business actors and non-governmental organisations) help reduce the risks of macroeconomic slippage thus resulting in more stable and predictable environments that enable private sector to flourish. It is against these benefits, which are probably more in theory than in practice, at least in so far as RIIs in Sub-Saharan Africa are concerned, that the governments have resolved to establish RIIs.

As noted, these lofty theoretical benefits of regional integration are indisputable. It is how effectively they have been enforced that lies at the heart of the justification of this study. In fact, a close analysis of the operations and functioning of RIIs in Africa reveals that many of these institutions have actually shown limited success on the ground (Foroutan & Pritchett, 1993; Ogunkola, 1994; Elbadawi, 1997; and Lyakurwa, McKay, Ng'eno & Kennes, 1997).

¹ The Doha Development Round commenced at Doha, Qatar in November 2001 and is still continuing. Its objective is to lower trade barriers around the world, permitting free trade between countries of varying prosperity. As of 2008, talks have stalled over a divide between the developed nations led by the European Union, the United States and Japan and the major developing countries (represented by the G20 developing nations), led and represented mainly by India, Brazil, China and South Africa. The Doha Round began with a ministerial-level meeting in Doha, Qatar in 2001. Subsequent ministerial meetings took place in Cancún, Mexico (2003), and Hong Kong, China (2005). However, the successive rounds of negotiations have failed to produce agreements on key issues such as cuts on subsidies and tariffs. In the ministerial meeting in Cancun for example, developing countries, forming about two-thirds of the World Trade Organisation members let the meetings fail rather than agreeing to a compromise.

The question is why such limited success? One can conjecture several reasons: lack of inadequate political will; institutional decision making weaknesses; mistrust by various stakeholders at national levels that are often based on protectionist tendencies; over ambitious development programmes that are not well prioritized and funded; overall inadequacy of financial resources and very low absorptive capacity of donor funding in terms of utilization; low capacity by the executive agencies (Secretariats or Commissions) of these institutions at the levels of professionalism; low technology application; and low morale due to poor remuneration.

In the specific case of the EAC, there are some notable successes that have been achieved since the adoption of the Treaty for its establishment in November 1999; the most notable being the establishment of the EAC Customs Union in January 2005. Even then, the negotiations leading to the adoption of the Customs Union Protocol revealed serious negotiating capacity weaknesses within the EAC Partner States as well as in the EAC Secretariat in relation to the complexities of regional trade issues (Chande, 2007:21-22). As the EAC embarks on new negotiations for the establishment of a Common Market, slated for January 2010, the limited success of RIIs like the EAC, based on the experience shown in the Customs Union negotiations, would be an important area for examination in the context of how best the EAC can be transformed into a more effective institution.

From a broader perspective, the EAC is yet to realize many of its grand objectives as outlined in its Treaty. For example, almost ten years since the adoption of the Treaty establishing the EAC, the EAC has yet to develop harmonized policies and laws in a number of areas most notably in negotiating as a bloc, establishing a Development Fund, reducing reliance on donor funding, eradicating non-tariff barriers in order to make the Customs Union more effective, harmonizing domestic tax laws, implementing strategic infrastructure projects in the areas of roads, railways and energy, establishing a civil society forum, enhancing the role of women in development, developing a robust statistical database that captures various economic indicators such as intra-EAC trade, to mention but a few of the more important shortcomings. A specific and significant shortcoming is the multiplicity of memberships of the Partner States in RIIs. This is one of the reasons why the EAC has failed to negotiate as a bloc and to garner a more concerted political will in support of EAC objectives. In this context, the EAC's integration process has suffered. And precisely because of some of these shortcomings, the EAC Summit of Heads of State that met in Nairobi in August 2004 raised

concern that the EAC integration was proceeding at too slow a pace (Committee on Fast Tracking East African Federation - henceforth Wako Committee, 2004: 1).

To the researcher, the highlighted EAC organisational shortcomings and the concerns that have been raised are both indicative of the reality that the EAC, as an institution, is not effectively achieving the objectives mandated to it. It is, however, widely acknowledged that effective institutions can play a fundamental role in providing the right framework for the achievement of organisational goals. The failure by the EAC as well as other RIIs in Africa to effectively achieve their objectives may therefore be an indication of organisational ineffectiveness on their part.

Organisational effectiveness is a term that is generally used by organisational theorists to discuss the ability of an organisation to be effective at achieving expected outcomes. The study of organisational effectiveness has evolved over the past fifty years and continues to confront new complexities as organisations respond to fast changing and dynamic external and internal environments. Whilst business organisations have had to adapt more quickly to such dynamic environments, largely in view of intense competition spurred by globalization, public sector organisations, which include intergovernmental institutions like the RIIs, have not been equally adaptive or responsive even when they are not immune from the impact of environmental dynamics. In Africa, in particular, given the wave of democratization and liberalization, the quest for greater accountability of governmental and other public sector institutions, in response to rising expectations of the people for better and more cost effective delivery of public services, has become a dominant feature of organisational effectiveness.

Indeed, Public Administration today finds itself in an environment where results-oriented management has become a key determinant of performance; almost to the same extent as it has applied to business-oriented organisations (Rondinelli and Cheema, 2003:8-9). Drucker (1985b:162), argues that public sector institutions need to be fully entrepreneurial and innovative as much as any business does. He goes further to posit that the rapid changes in today's society, in technology and economy, are posing even greater threat and offer great opportunity to public service institutions. This view has further been reinforced by Osborne and Gaebler (1992:xxi), who, in discussing entrepreneurial government, have argued that public sector institutions must habitually use their resources in new ways to heighten their effectiveness.

There are several theoretical frameworks or models that organisational theorists use to discuss the ability of an organisation to be effective at achieving its expected outcomes. One such model is the closed rational organisation or bureaucratic control-oriented model. This model argues that organisational effectiveness can be achieved by institutions having clarity of purpose, formalization of rules and roles and monitoring conformance to those expectations (Baker & Branch, 2002:3). The closed, rational model, also assumes that organisations are fairly generic and hence management faces basic generic tasks which if carried out will lead to effectiveness (Barnard, 1938; Dessler, 1982; Drucker, 1985a; Stoner, 1978).

A second model, the natural systems or human relations perspective argues that for an organisation to be effective, it has to harness the minds and hearts of its participants. It emphasizes the importance of informal social relations over formal structures (Likert, 1961; Weick, 1999). Organisational effectiveness is seen as resulting from organisations engaging the hearts and minds of the organisational participants. The natural systems/human relations perspective has been expanded to include efforts to engage not only the hearts and minds of organisational participants but also those of the organisation's customers and external stakeholders (Porter, 1985; Powell, 1990).

A third model, the open systems model postulates that the effectiveness of an organisation depends on the organisation's interaction with its external environment. It views an organisation as an open system that self-maintains on the basis of throughputs taken from and given back to the environment. It also argues that effective organisations are those that are able to become flexible and adaptive to the complex, varied and rapidly changing environment confronting them. Under the open systems approach, transformational leadership (Simic, 1998:1) is seen as a crucial ingredient for organisational effectiveness whereby it is argued that managers needed to be leaders whose real added value is the provision of vision and direction that engages the hearts and minds of employees, and, subsequently, customers and external stakeholders (Hesselbein, Goldsmith & Beckhard, 1996).

A fourth model focuses on the internal processes and operations of an organisation and argues that for an organisation to be effective in achieving its objectives, it must have an absence of internal strain. This means that its members should be highly integrated into the

system, its internal functioning should be smooth and typified by trust and benevolence toward individuals and information should flow smoothly both vertically and horizontally (Cameron, 1980: 67-68).

Yet a fifth model, the contingency model argues for models of organisational effectiveness that are more tailored to the specific requirements and objectives of a particular organisation. Lawrence and Lorsch (1967) coined the label contingency theory to capture the notion that different environmental contexts place different requirements on organisations. This study observes that the unique environmental context under which RIIs operate is that they are institutions established by sovereign states to safeguard or promote issues of common interest through harmonization of their respective policies. This entails ceding of some sovereignty. In this regard, political will is crucial for the effectiveness of RIIs.

The above theoretical frameworks of organisational effectiveness though not exhaustive, when examined in the specific context of current organisational environments, basically help to determine how organisations are best able to realize their set objectives more effectively. They dominantly point out that organisational effectiveness stems from a number of generic factors: clarity of purpose, facilitative organisational values, simplified and rational organisational structure and processes, availability of adequate resources, satisfaction of an organisation's strategic constituencies, the organisation's agility to adjust and respond to dynamic changes and requirements of and in the environment and existence of transformational leadership. It is argued that these theories of organisational effectiveness apply equally to business and public sector organisations like the RIIs. A particularly important aspect in this area is the existence of right type of mindsets not only of the employees of the RIIs but also of the various participants in the institution who are largely political and public officials representing the Partner States (Mwapachu, 2005: 285, 353-354).

In the light that many RIIs are yet to achieve their objectives effectively, this is a clear indication to the researcher that the fundamentals of the theories that underpin organisational effectiveness are either non-existent or are only weakly embedded in the organisational structures, systems and processes of these institutions.

1.3 PROBLEM STATEMENT

There are many benefits to be derived from regional integration schemes such as: higher economic growth, macro-economic stability, institutional and human capital development, greater capital formation through regional capital markets, increased regional security, promotion of common development projects especially infrastructure and increased bargaining power in international forums. To this end, African governments have come together to establish RIIs and have vested in them the onerous responsibility of promoting regional integration initiatives. However, many of these institutions are yet to effectively achieve their objectives.

Asante (1995:53), for example, argues that although RIIs which have been established in Africa are expected to play a vital role in the socio-economic transformation of the African economies and help alleviate poverty through sustained recovery and growth, there is the striking contradiction between general emphasis on the need for economic integration in Africa and the scanty evidence of practical success. Evidence tends to suggest that, to date, none of the RIIs has made any appreciable progress towards the all-engaging objective of creating a robust and competitive sub-regional economic market, let alone an economic community, despite the human and financial resources deployed. For example, no significant progress has as yet been made on industrial development and fiscal harmonization which are important objectives of the treaties establishing the institutions. Asante (1995:54), further notes that the main objectives set out in the Final Act of Lagos² in 1980 in the field of promotion of Cooperation at the sectoral level are yet to be achieved and there is generally a lack of harmonization of sectoral policies in agriculture, industry, transport and energy. His verdict is that despite great expectations, the existing regional integration schemes have still not been able to make positive steps towards achieving their pre-established goals.

In similar vein, Saku (2006:5), notes that unlike the integration schemes in other parts of the world, such as the EU in Europe, the North America Free Trade Area (NAFTA) in North America and the Common Market for the South (MERCOSUR) in South America, RIIs in Africa have not succeeded in accelerating growth or trade or reducing poverty which are some of their main objectives. He highlights for example, that intra-African exports as a

² The Final Act of Lagos committed the African governments to establish an African Economic Community by the year 2000 and stated steps to be taken to this effect (Nyong'o, 2002: 1).

proportion of the continent's total exports amounted to only 7.6 per cent in 2000 as against a ratio of 17.2 per cent for Latin America, a region which has not been as active as Africa in the promotion of cooperation and integration. He further notes that in spite of the multitude of regional integration schemes on the Continent, average income per capita is lower today in Africa than at the end of the 1960s. This viewpoint is corroborated by UNCTAD (2007:93-109) who reveal that intra-African exports as a proportion of the continent's total exports amounted to only 7% in 2006 while it was 51.2% in Asia and 73.2% in Europe.

Several studies carried out to assess the performance of RIIs in Africa, though having slightly varied results, also generally conclude that the experience of RIIs in Africa has been that of a failure in achieving their objectives (Foroutan & Pritchett, 1993; Ogunkola, 1994; Elbadawi, 1997; and Lyakurwa *et al.* 1997). These studies indicate that Africa's regional integration schemes have generally not been fully implemented as designed. As a result, in many of them, internal trade barriers have not been eliminated, free movements of factors of production remains a largely unrealized dream while poor infrastructure and other constraints continue to ensure that intra-regional transactions costs remain very high. As such, RIIs in Africa have denied the citizens of the participating countries the full enjoyment and benefits of integration.

Many analysts of the integration process in Africa seek to explain the ineffectiveness of the RIIs in achieving their objectives on the grounds of political, economic and socio-cultural factors such as political instability, poor economies and cultural mistrust among neighbouring countries among others (Geda & Kebret, 2007:1-38; Mpungwe, 1995:7-13). Important as these are, they ignore other important factors that underpin the effectiveness of the integration process, notably the role played by the institutions themselves that are charged to spearhead the integration process.

A few scholars, however, have realized the importance of the role of institutions in the regional integration process. For example, Kennes (1997:2-7), asserts that inadequate institutional design contributes to the difficulties facing RIIs in Africa. He notes that if countries say they want to form a Customs Union or Free Trade Area, it is simply taken for granted that they can do it, provided only that they devise a workable scheme on paper. However, the actual implementation is a delicate process covering the setting of realistic targets, negotiation, implementation, control and resolution of disputes. It is conditioned by

the nature of the decision making process which can be intergovernmental, supranational or mixed. He goes further to note that since its origin, the EU has been following a supranational approach on economic integration and notes that for various reasons, developing countries, especially in Africa, are not keen on supranationalism, which would have implied the sharing of sovereignty. The result, in almost all cases, is the creation of regional institutions with weak secretariats and little or no authority. These bodies are invariably hampered by lack of resources and political interference in personnel management. They are not able to ensure adequate preparation, implementation and control of agreed integration policies. And in some cases, they are over dependent on donor funding, even for their day-to-day functioning.

Oyejide (2000:9) further suggests that the design and implementation of many of the RIIs in effect actually constrain rather than promote regional integration. He asserts that this counter-intuitive result seems to emanate from such prominent organisational features as consensual decision-making arrangements, over-lapping and sometimes conflicting memberships, lack of regional level monitoring of the implementation of decisions, apparent unwillingness of governments of member countries to cede authority to the regional institutions and the consequent lack of adequate resources and power by the regional secretariats to take initiative and promote regional perspectives. From the foregoing, it is clear that the institutional framework of RIIs has a bearing on the institutions' ability to be effective in achieving their expected outcomes.

This study sought to investigate the important reasons that underlie the institutional weaknesses of RIIs in achieving their objectives effectively. The study was concerned with the following research questions:

1. What are the key objectives that RIIs have been mandated to achieve?
2. What has been the broad performance of the RIIs in the light of the set objectives?
3. What explains the shortfalls in performance of RIIs in achieving their objectives?
4. What needs to be done to bring about greater organisational effectiveness of RIIs?
5. What broad lessons can be drawn from this study that can be of relevance to RIIs generally?

1.4 SIGNIFICANCE OF THE STUDY

The credibility of regional integration institutions (RIIs) depends on their ability to deliver what they have been established to achieve. In developing countries and in Africa in particular, they are expected to play a vital role in the socio-economic transformation of the African economies and help alleviate poverty through sustained recovery and growth. However, research as well as practical realities on the ground indicate that there is a striking contradiction between what these institutions are meant to achieve and what they have actually achieved (Foroutan & Pritchett 1993; Ogunkola, 1994; Elbadawi, 1997; and Lyakurwa *et al.* 1997). In most cases they have failed to achieve or unsatisfactorily achieved their intended objectives.

The ineffectiveness of RIIs in Africa in achieving their objectives is often attributed to a myriad of political, economic and socio-cultural factors. It is common to read that RIIs in Africa are unable to undertake their mandate due to political instability, perceived economic imbalances between participating countries, socio-cultural differences and intolerance between citizens of participating states, differences in member states' legal systems, mistrust and suspicion held by political elite on the benefits and costs of integration and external interference by powerful groups who fear losing out if countries integrate among others (Geda & Kebret, 2007:1-38; Kaahwa, 2003: 38-44; Kibua & Tostensen, 2005: 2; Kituo cha Katiba, 2000:5; Mpungwe, 1995:7-13; Wako Committee, 2004: 86).

Important as the foregoing are, they ignore another important factor which the researcher believes underpins the effectiveness of the integration process, notably the influence of the manner in which the institutions that are charged with spearheading the integration process are organized, in other words, the institutional framework of these institutions. In contrast, there are various analyses of the European Union (EU), an institution considered to be the most advanced example of regional integration in the world (being the only RII which has a functioning Monetary Union in the form of the Euro, an Internal/Common Market, a common commercial policy and a common agricultural policy), which reveal that the positive advancements made by the EU have crucially been aided by the presence of effective supranational institutions (Babarinde, 1996:11, Patten, 2005:122-141). Whilst the EU model is not perfect or ideal and, indeed, the model is still undergoing radical review for instance in areas such as the decision making process, voting system by the Council of Ministers and

institutional changes (Treaty of Lisbon, December 2007), it presents useful best practices to consider in examining the organisational effectiveness of the EAC.

The researcher believes that the EU's success may be attributed to the way in which the institution is organized, that is, its institutional framework. Studies abound on how the EU can be better organized to enable it to effectively achieve its goals and objectives (Dimitrakopoulos, 2004). Recommendations from such studies have contributed to the re-organisation of the EU's institutional framework into one which enables the institution to be effective in achieving its goals.

There is however, paucity or lack of equivalent rigorous analysis with respect to the institutional framework of RIIs in the developing world and especially Africa. Not only have attempts to assess organisational effectiveness been problematic, but almost no consideration has been given to identifying factors that may help guide managers of these institutions in understanding or improving their own effectiveness. This situation, in a way, is paradoxical since all the treaties that establish the RIIs place their organs and institutions at the heart of the integration process. This study is significant as it intends to address the paucity of research in analyzing the relationship between the institutional framework of RIIs in the developing world and Africa in particular and their ability to effectively achieve their goals.

Secondly, the many benefits to be reaped from regional integration make it crucial to have RIIs that are capable of effectively achieving their objectives. Higher economic growth, macro-economic stability, institutional and human capital development, greater capital formation through regional capital markets, increased regional security, common development projects and increased bargaining power can be realised by countries in the developing world and Africa in particular, if only the RIIs established by their governments are able to undertake their mandate successfully. By analyzing how these institutions can be better organized to achieve their objectives, this study will contribute to the realization of effective RIIs in Africa and thus enable the citizens of Africa to experience the full enjoyment and benefits of integration.

Ultimately, the study also hopes to contribute to the field of study of public administration and especially, the sub-field of international public administration. By analysing the factors that impact on the organisational effectiveness of RIIs, this study hopes to contribute a body

of public administration organisational theory on how best RIIs, as public sector international governmental institutions in a developing country framework can better be organized and managed to achieve results more effectively.

1.5 OBJECTIVES OF THE STUDY

This study sought to generate a deeper understanding of some of the key factors that determine the organisational effectiveness of RIIs. The study further sought to determine how and why the external environmental influences and the internal management factors combine to promote organisational effectiveness of RIIs. In this regard, the external environment included the influence of political actors, the business community and civil society and, amongst the internal management factors, are issues related to organisational culture, relationships between the different organs of the RIIs, results-oriented management and the decision making system. The study also sought to determine why some RIIs have achieved greater effectiveness than others. In this context, the study compared and contrasted different integration schemes. The European Commission (EC) as well as the other European Union (EU) institutions such as the EU Parliament and the European Court of Justice constituted important benchmarks in this regard. Through this comparative empirical research approach, the study sought to contribute a body of public administration organisational theory on how best RIIs, as public sector intergovernmental bodies in a developing country framework, can better be organized and managed to achieve results more effectively.

In achieving the research objective, the study contextualized the EAC as a unit of analysis. However, it is hoped that the particular findings of this analysis can be generalized and applied to other RIIs. In this context, the researcher largely applied the theory of organisational effectiveness to determine whether the EAC's shortfalls in achieving its objectives are a result of its not fulfilling the basic fundamentals of organisational effectiveness theory. At the same time, and to the extent that the EAC as a public sector institution is subject to a fundamental political process in its decision making, the study also examined how political will, the fuzziness of the subsidiarity principle (Ederveen & Pelkmans, 2006) and the enlargement of the EAC through admitting additional members, affects organisational effectiveness. Among other key factors that the researcher examined

are whether the EAC has clarity of purpose in terms of clearly spelt out goals and objectives and prioritization and capacity of their implementation; whether the EAC has the right structure and rational processes to enable it carry out its mandate, whether it has adequate and competent staffing levels; whether the staff are well trained and motivated to accomplish their tasks, the status of mindsets of employees and other decision making players, whether the organisation has adequate financial and supporting resources such as modern information technology; to what extent the EAC relates well with its own internal and external environment and finally whether it has a transformational leadership, that is, the ability of the organisational leaders to influence major changes in the attitudes and assumptions of organisational members thereby building commitment for the organisation's mission, objectives and strategies.

1.6 HYPOTHESIS

This study postulated that regional integration institutions (RIIs) are likely to be effective in achieving the objectives for which they were established if the basic fundamentals of organisational effectiveness theory are embedded in their institutional structures, systems and processes. To the extent that the basic fundamentals of organisational effectiveness theory are not embedded or are only weakly embedded in the institutional structures, systems and processes of a RII, then it is less likely that the institution will be able to effectively achieve its mandate.

The basic fundamentals of organisational effectiveness theory include:

- clarity of purpose, that is, clearly spelt out goals and objectives in terms of their clarity, prioritization and capacity for implementation;
- facilitative organisational culture;
- rational organisational structure;
- rational organisational processes;
- ability to acquire needed resources (finance and human);
- internal harmony;
- satisfaction of strategic constituencies both internal and external;

- ability to adjust and respond to dynamic changes and requirements of and in the environment;
- transformational leadership; and
- political will, on the basis of the intergovernmental nature of RIIs.

1.7 RESEARCH METHODOLOGY

The unit of analysis in so far as organisational effectiveness is concerned is the operations and functioning of the seven organs of the EAC, that is, the Summit of Heads of State, the Council of Ministers, the Co-ordination Committee, the Sectoral Committees, the East African Court of Justice (EACJ), the East African Legislative Assembly (EALA) and the EAC Secretariat. These organs were selected because, through the various roles assigned to them, they play critical roles in determining the degree to which the EAC is able to achieve its objective in the most effective manner. Further, the key players who are directly involved in the EAC's regional integration process are to be found within these organs. For example staff of the EAC, Members of Parliament of the EALA, Judges of the EACJ and the Heads of State as well as Ministers, Permanent Secretaries and senior officials from the EAC Partner States' ministries.

The data collection methodology used is of three types. First, data was collected on the organisational structure and processes of the seven EAC organs to determine whether they promote or impede EAC's integration objectives. Secondly, data was collected on the actual operations and interactions of the actors within these organs, in other words how they go about performing their duties, interact with one another, as well as the inter-organ relationships, challenges they face and the factors that enable or could enable them to perform their roles effectively or more effectively. Thirdly, the views of key external stakeholders (business community and civil society) on how they perceive the EAC's performance and what can be done to improve its effectiveness were also sought.

The following were the main sources of data. First, the views of staff of the EAC organs and institutions, Judges of the EACJ and Members of Parliament of the EALA. These players were chosen because they work in organs of the EAC that best qualify to be described as formal institutions in the sense that the Treaty for the establishment of the EAC has

established them as formal bureaucratic entities with an organisational structure and some autonomy in the management of their activities. Moreover, in the context of their being directly involved in the executive, judicial and legislative functions of the EAC, the members of these three organs are the ones who are better placed to identify the institutional factors that have positive or negative bearing on the EAC's ability to achieve its objectives effectively.

Secondly, it was also important that the views of members of the EAC's policy making organs (Council of Ministers, Coordination Committee and Sectoral Committees) be sought. In this regard, the views of Ministers, Permanent Secretaries and senior government officials from various ministries in the EAC Partner States, as key players in the EAC's decision making structure and process, were sought. Third, were the views of selected members of the business and civil society. These respondents were selected because they constitute key external stakeholders in the EAC region in so far as the performance of the EAC is concerned. The fourth source of data was policy documents and official reports of the EAC organs. This data included EAC's Development Strategies, the Treaty for the Establishment of the EAC and Reports of the Meetings of EAC organs. This source of data was chosen because it contains much of the information relating to the goals, strategies and operations of the EAC organs and notably how decisions are arrived at. The final source of data was from journal and newspaper articles on the EAC's regional integration process. Such source enabled the researcher to identify some of the reasons behind the EAC's inability to effectively achieve its goals, reasons which may not be captured or are inadequately covered in official reports of the EAC, for whatever reasons.

The researcher utilized a quantitative and qualitative research design. In the case of the quantitative research, the researcher distributed to 120 selected respondents a closed and open ended questionnaire on the basic fundamentals of organisational effectiveness and how the EAC organs responds to them. Questionnaires were chosen because they provided the best means through which the researcher could highlight the basic fundamentals of organisational effectiveness theory she was interested in studying. In this way, key stakeholders who have a close and intimate understanding of the EAC were able to pronounce their opinions on whether the key fundamentals of organisational effectiveness are in place at the EAC or otherwise. A copy of the questionnaire distributed is hereto attached as Appendix A.

The questionnaires were distributed during the 16th Ordinary Meeting of the EAC Council of Ministers held in Arusha from 8th-13th September, 2008. The researcher chose to collect data during this period as the Council of Ministers meeting is a major policy organ meeting of the EAC during which Ministers, Permanent Secretaries as well as senior officials from the various ministries in the EAC Partner States converge at the EAC Headquarters in Arusha. Further, during such meetings, key members of staff of the various organs of the EAC are required to be present at the duty station. Similarly, Judges of the EACJ as well as Members of the EALA also attend these meetings. Members of the business community and the civil society from EAC Partner States are usually also represented at these meetings. It was therefore easy for the researcher to find the targeted respondents.

A total of 120 respondents were targeted:

- **36** from EAC Partner States as follows: *12 Ministers, 12 Permanent Secretaries and 12 Senior officials;*
- **6** Judges of the East African Court of Justice (EACJ);
- **18** Members of Parliament of the East African Legislative Assembly (EALA);
- **10** members of the business community;
- **10** members of the civil society; and
- **40** members of staff of the EAC organs and institutions as follows: *2 from the EACJ, 2 from the EALA; 2 from the Lake Victoria Basin Commission (LVBC) and 34 from the EAC Secretariat as per following division: 6 from Office of the Secretary General, 10 from Office of the Deputy Secretary General (Projects and Programmes), 9 from the Office of the Deputy Secretary General (Finance and Administration), 3 from the Office of the Deputy Secretary General (Political Federation) and 6 from the EAC Trade and Customs Directorate).*

Due to poorly filled questionnaires and some respondents literally vanishing with the questionnaires, the response rate was 60%. Out of the 120 questionnaires distributed, only 57 well answered questionnaires were received. 15 other questionnaires were well filled on the basis of personal face to face interviews conducted between the researcher and respondents who said they were too busy to fill the questionnaires but preferred the researcher to read out the questions to them and fill in the questionnaire forms on their behalf as they answered the questions. They included: 3 Ministers, 4 Permanent Secretaries, 3 Executive Staff of the

EAC, 3 Members of the EALA and 2 members of the EABC. In total 72 well completed questionnaires were obtained. It should be noted that the respondents were informed that the information they would provide would strictly be treated with utmost confidence and used for academic purposes in the said study only. Under the circumstances it was not obligatory for them to provide their names if they did not wish to do so. In this regard, none of the respondents gave consent for use of their names. However, since the respondents were known to the researcher, she was able to categorise the received questionnaires and interviews according to the organ, institution or affiliate body of the EAC that the respondents belonged to without exposing their identity.

The table below shows the study population.

Table 1: Profile of the study population

| Characteristics | Number Interviewed | Percentage (%) of total study population | |
|--|--------------------|--|--------|
| Staff of the East African Community <ul style="list-style-type: none"> Executive Staff Professional Staff Support Staff | 3 18 7 | 4.16% 25% 9.72% | 39% |
| Members of Parliament of the East African Legislative Assembly | 9 | 12.5% | 12.5% |
| Judges of the East African Court of Justice | 3 | 4.16% | 4.16% |
| Members of the EAC's Policy making organs <ul style="list-style-type: none"> Ministers Permanent Secretaries Senior officials | 3 6 10 | 4.16% 8.33% 13.88% | 26.38% |
| Members of the Civil Society <ul style="list-style-type: none"> East African Law Society | 6 | 8.33% | 8.33% |

| Characteristics | Number Interviewed | Percentage (%) of total study population | |
|---|-----------------------|--|-------------|
| Members of the Business Community <ul style="list-style-type: none"> ▪ East African Business Council | 7 | 9.72% | 9.72% |
| TOTAL | 72 | | 100% |

The researcher was mainly interested in obtaining the overall view of key EAC stakeholders on whether various aspects of organisational effectiveness are embedded in the EAC's structures and processes. In this regard, simple frequencies were produced from the responses collected from the 72 respondents using the Statistical Package for the Social Sciences (SPSS). The data analysis was mainly descriptive and narrative. The researcher analysed the majority view on various aspects of organisational effectiveness and how they impact on the EAC's ability to effectively achieve its goals. Where the views of the respondents were split in the middle, meaning there was no clear majority view, the researcher analysed both sides of the views received. The research findings are presented in Chapter Five.

The quantitative data was supplemented by qualitative research. The researcher mainly analyzed the official reports and policy documents of the EAC to determine the extent to which the organisational structure and processes of the EAC adhere to the fundamentals of organisational effectiveness theory. Journal and newspaper articles on the EAC's integration process were also reviewed to enable the researcher identify a wider picture about factors impacting on the EAC's organisational effectiveness.

The Harvard Reference Technique was employed to provide the researcher's source of information.

1.8 SCOPE OF THE STUDY

Even though this study examines the organisational effectiveness of regional integration institutions, the researcher paid particular reference to RIIs in Africa and in particular to the EAC. Within the EAC the researcher paid attention to the structure, processes and operations

of the seven organs of the EAC, that is, the Summit of Heads of State, the Council of Ministers, the Co-ordination Committee, the Sectoral Committees, the East African Court of Justice (EACJ), the East African Legislative Assembly (EALA) and the EAC Secretariat. The study population was thus limited to Ministers, Permanent Secretaries and senior government officials within the EAC region, staff of the EAC organs and institutions, Members of Parliament of the EALA, Judges of the EACJ and selected members of the business and civil society in East Africa.

Due to limited resources, the business and civil society groups who formed part of the study population were limited to those groups based in Arusha, that is, the East African Business Council and the East African Law Society.

Owing to the fact that Rwanda and Burundi only became full members of the Community in July 2007 and have therefore not fully participated in the activities of the Community since its establishment, the study population was further limited to respondents from the founder three EAC Partner States of Kenya, Uganda and Tanzania.

The study location was limited to the headquarters of the EAC in Arusha, Tanzania. This study location was ideal to the researcher as three organs of the EAC under study, that is, the EACJ, the EALA and the EAC Secretariat are based at the Arusha headquarters office. Members of the other four organs, that is, the Summit of Heads of State, the Council of Ministers, the Co-ordination Committee and the Sectoral Committees, though based in the respective Partner States, regularly convene at the Arusha headquarters for meetings. Further, two prominent business and civil society groups, that is, the East African Business Council and the East African Law Society have their headquarters in Arusha. All this made it easy for the researcher to locate the respondents.

1.9 LIMITATIONS OF THE STUDY

The researcher encountered four main difficulties in the course of the study. The first difficulty had to do with data collection. Since data collection from respondents was by means of structured questionnaires which were self-administered, there was a low response rate because of the liberty given to respondents to carry the questionnaires home, fill them

and bring them back later. Besides this, since the respondents involved in the study were mainly senior government officials, international civil servants as well as members of the business and civil society with busy schedules, most of them did not have the time to complete the questionnaires adequately, if at all. It was also difficult for the researcher to access some of the respondents especially the Ministers and Permanent Secretaries given their seniority and the fact that they appear at the EAC headquarters only when they have important meetings to attend and this is usually for a day or two. The fact that data collection took place during the 16th Meeting of the EAC Council of Ministers held in Arusha from 8th-13th September 2008, further impacted negatively on the ability of the respondents to concentrate on the questionnaires and hence many did not return the questionnaires.

Secondly, since the researcher was mainly interested in obtaining an overall view of key EAC stakeholders on whether various aspects of organisational effectiveness are embedded in the EAC's systems, structures and processes, the hypothesis that guided this study was not scientifically tested before it could be accepted or rejected. Instead, the study relied mainly on an analysis of what the majority of the respondents felt on various aspects of organisational effectiveness and how they impact on the EAC's ability to effectively achieve its goals. Further, discourse analysis was not used to analyse the views of the respondents. It is thus possible that the bias or prejudices of the respondents as well as the researcher may have influenced the research findings.

Thirdly, it is important to note that conducting a full-blown organisational effectiveness evaluation of an institution is a difficult, time-consuming and costly exercise which requires full time commitment. The researcher is currently employed as a Senior Personal Secretary to the Secretary General of the EAC, a job which is very demanding and entails a lot of travel. The researcher was thus not able to carry out an in-depth analysis of all the aspects of organisational effectiveness theory as she would have wanted to given her busy schedule and the fact that the dissertation had to be completed within one year.

Fourthly, since the study was being supervised through long distance study, communication between the researcher and her supervisor was mainly by telephone and email which are not reliable given that the communication system in Arusha, Tanzania, where the researcher is based, is not very reliable. The researcher thus had to contend with infrequent communication with her supervisor besides missing the quality guidance which comes

through direct face-to-face interaction between supervisor and researcher. The researcher attempted to make up for this shortfall by making three visits to Pretoria where she was able to have constructive face-to-face interactive discussion with her supervisor. Out of this, the researcher was able to obtain valuable guidance on how to proceed with the study.

All in all, despite the foregoing shortcomings, the study was conducted in a most objective and in-depth manner as possible; consequently generalizations were drawn in respect of the hypothesis advanced.

1.10 DEFINITION OF CONCEPTS

The following eight terms form the key concepts in this study: effectiveness, efficiency, institution, organisation, organisational effectiveness, regional integration, regional integration institution and the East African Community. In order to get a deeper understanding of the issue under study, these concepts are briefly defined below.

1.10.1 Effectiveness and Efficiency

The College of Devankur Thakur (2004:1-6), gives the following examples: effectiveness is doing the right things while efficiency is doing the things right. Effectiveness means being able to achieve a set goal while efficiency is achieving the goal with minimum resources. Effectiveness is concerned about the ends while efficiency is concerned about the means. Effectiveness is related to achieving results (desired effects) regardless of how efficient or inefficient the involved system(s)/process(es) is or are. Efficiency seeks to save money, time and efforts regardless of quality while effectiveness focuses on how well the job gets done, focus is on quality. Effectiveness is a measure of completeness of a product/service while efficiency is a measure of correctness of a product/service. Efficiency is concerned with the relationship between planned processes and actual processes while effectiveness is concerned with the relationship between planned outputs and actual outputs.

Despite their differences, effectiveness and efficiency are interrelated. While efficiency looks at how a work is done, effectiveness on the other hand looks into what is being done. Efficiency means doing things right, accomplishing organisational goals with a minimum of

time and resources. An efficient organisation will do what it does with the least waste it can reasonably achieve. There is nothing wrong with that, but it is not enough. Lillywhite (2002:1) observes that an organisation can easily go out of business for doing the wrong things right. An effective organisation does the right things. Such an organisation will spend a lot of time deciding just what it should do. The effective organisation is at least going the right direction, even if it is not getting there very fast. The efficient organisation is taking the fast track to wherever it is going, whether it is a good or bad direction. The company that is both efficacious and efficient will grow and take business away from companies that do only one or the other. Kelly (2001:1), however, observes that it is a rare and delightful occasion where solutions to organisational problems are both efficient and effective. Usually organisations have to decide which they prefer because, they usually cannot have both.

The question is thus asked, is it better to be efficient at the expense of efficacy? According to Lillywhite (2002:2), there is a natural tendency to concentrate on the means at the expense of the ends. It is easier to look at how well you are accomplishing a task than to determine if that task really helps you reach your goals. The result can be disaster. She advises that organisations should look at their own actions. Are they ignoring what they should be doing and how that changes with changing conditions? If so, they are on the road to trouble. Kelly (2001:2), advises that each organisation needs to balance efficiency against effectiveness and where there is a conflict between the two, the organisation must decide what is more important to them. The decision will often be determined by the organisational goals. Some organisations are more willing to sacrifice quality for efficiency; some do the opposite, to them, quality is everything and they sacrifice efficiency to achieve it.

Lillywhite (2002:2), however, argues that although there is need to pay attention to efficiency in organisations, effectiveness is even more important. She advises that Executives should regularly review what the company is doing and if those activities are the right actions for the current climate. Middle level management should do something similar to be certain they are working towards the real needs of the company. Lower level managers and even non-management employees should do similar reviews to be certain that their work is efficacious, not just following policy or meeting paperwork goals. Similarly, every employee should know what the company is doing and why and how his or her work helps reach those goals.

For the purpose of this study, effectiveness means doing things that lead to quality results in the realm of an organisation's responsibilities while efficiency means getting things done in a manner that consumes just the appropriate amount of an organisation's energy and resources. When combined, effectiveness and efficiency lead to an unstoppable result orientation which feeds organisational success.

1.10.2 Institution and Organisation

The concepts institution and organisation are often used interchangeably yet they refer to two different things. According to March and Olsen (1998:943-969), an institution is a relatively stable collection of practices and rules defining appropriate behaviour of a specific group of actors in specific situations. This definition of institutions is widely accepted and used by a variety of scholars (March & Olsen, 1998; Duffield, 2003; Koremenos & Snidal, 2003). Auriacombe and De Giorgi (2000:10), define an institution as a formally ordered and contractually arranged grouping of people and functions which pursue the realization of predetermined objectives by means of organized work. They note that institutions, especially public or state institutions are created by means of a constitution but not exclusively. Furthermore, an institution has an organisation, but is not an organisation. This definition works well for the purpose of this study due to its applicability to regional institutions in general and the EAC in particular.

An institution in this study therefore refers to a formally ordered and contractually arranged grouping of people and functions with shared values, norms, standards and rules that constitute and legitimize actors as well as define appropriate behaviour for, and govern relations among, occupants of these functions, which pursues the realization of predetermined objectives by means of organized work. In this regard, the EAC is an institution. It was established by a multilateral treaty signed, ratified and acknowledged by its Partner States. This treaty lays down the objectives to be pursued by the EAC, its formal structure as well as the values, norms, standards and rules which define appropriate behaviour for, and governs the relations among, members and organs of the institution.

An organisation, on the other hand, represents the structure that supports an institution. Management Help (2008:1), defines an organisation as a group of people intentionally organized (through formal established roles, methods of coordination, procedures, culture and

space) to accomplish an overall, common goal or set of goals. Organisations have a set of rules, statement of objectives and a rationalized administrative instrument which, according to Duverger (1972:68), possesses a formal technical and material organisation, constitutions, local chapters, physical equipment, machines, emblems, letterhead stationery, a staff, an administrative hierarchy and so forth. Management Help (2008:1-2), identifies certain dimensions and concepts that are common to organisations. These are: vision, mission, values, strategic goals, strategies and systems and processes that (hopefully) are aligned with achieving the goals. Organisations are also seen to operate as systems meaning that they have various inputs which are processed to produce certain outputs, which together, accomplish the overall goal desired by the organisation.

For the purpose of this study, an organisation refers to formal structures with defined roles, responsibilities and decision-making processes which support institutions to realize their predetermined objectives. Organisations are the mechanisms that create structure for actors within a given institution. North (1993; 1994), proposes that institutions are the game and organisations are its players. Institutions tell us the game being played for example in the case of the EAC institution the game being played is regional integration. The norms, values, standards and rules of the game are found in the treaty that established the EAC institution. The players of the game are the various organs and institutions of the EAC for example, the Summit of Heads of State, the Council of Ministers, the Coordination Committee, the Sectoral Committees, the EAC Secretariat, the East African Court of Justice (EACJ), the East African Legislative Assembly (EALA), the Lake Victoria Basin Commission (LVBC) just to mention but a few. These 'players' represent the formal structures or organisations that support the EAC institution pursue its pre-determined objectives; in other words, they are the institutional arrangements of the system.

From the foregoing, we can deduce that institutions have a wider application and comprise a system of relationships which do not necessarily find expression in concrete manifestations of regulated relations, as is to be seen in the formal and material aspects of organisations. Furthermore, an institution has an organisation, but is not an organisation. One may however talk of institutions that govern organisations and the organisation as an institution. Thus, in this study the concept of institution is guided by Best (2006:3), who asserts that the idea of institutions goes beyond the organs of a regional agreement. Institutions are rather the norms, rules and values which are accepted as governing a particular order. These may be applied by

or become embodied in particular organisations which are thus better referred to as the institutional arrangements of the system. Thus the EAC is an institution which has an organisation.

1.10.3 Organisational effectiveness

Defining organisational effectiveness seems a relatively straightforward affair: to inquire into effectiveness is to ask how well an organisation is doing, relative to some set of standards. This is not wrong, but the pursuit of this simple question leads us into some complex and controversial issues. According to Scott (1998:344-346), organisational effectiveness can be viewed from three broad perspectives, the rational, natural and open system perspectives. Under a rational system model, organisations are viewed as instruments for the attainment of goals, an organisation is thus viewed to be effective if it has clearly defined and attainable goals. The natural system model, on the other hand, views organisations as collectivities that are capable of achieving specified goals but are engaged in other activities required to maintain themselves as a social unit. An organisation is deemed to be effective if the satisfaction and morale of its participants are high. The open system perspective views organisations as being highly interdependent with their environments and views organisational effectiveness as the ability of an organisation to exploit its environment in the acquisition of scarce and valued resources as well as how best it is able to adapt to its environment.

Cameron (1980:67-68), offers a similar perspective and highlights that evaluators of organisational effectiveness have used four major approaches. The first approach defines effectiveness in terms of how well an organisation accomplishes its goals. A second approach to effectiveness is the system resource approach which judges effectiveness on the extent to which an organisation acquires needed resources; the more of the needed resources an organisation can obtain from its external environment, the more effective it is. A third approach to effectiveness focuses on the internal processes and operations of the organisation. Effective organisations are those with an absence of internal strain. The fourth approach is the strategic constituencies approach which defines effectiveness as the extent to which all of the organisation's strategic constituencies are at least minimally satisfied.

The analysis provided above provides useful guidelines for systematically assessing factors that contribute to an organisation's ability to achieve its objectives. They point out that organisational effectiveness is a multifaceted phenomenon; as such, the researcher is of the view that no single approach to evaluation of effectiveness may adequately explain organisational effectiveness of RIIs. In this study therefore, the researcher factors in the basic fundamentals of all the major theoretical approaches to organisational effectiveness as factors that could potentially account for the ability of RIIs to effectively achieve their objectives.

Organisational effectiveness in this study will thus refer to the ability of a RII to be effective in achieving the objectives for which it was established. Thus when the researcher speaks of the organisational effectiveness of the EAC, she is simply assessing how effective the EAC is in achieving the objectives for which it was established. The measures of effectiveness that the researcher will utilize include whether the EAC: has clearly spelt out goals and objectives in terms of their clarity, prioritization and capacity for implementation; has a facilitative organisational culture; has a rational organisational structure and process; is able to acquire needed resources to facilitate its operations; has no internal strain in its operations; is able to satisfy all of its strategic constituencies both internal and external; is able to adjust and respond to dynamic changes and requirements of and in its environment; and whether it has transformational leadership capable of steering the institution towards the achievement of its goals. In as far as the EAC is in intergovernmental institution, a measure of the institution's organisational effectiveness will be the extent to which the governments of its Partner States have demonstrated adequate political will.

1.10.4 Regional integration

Van Langenhove and Costea (2007:3), argue that the concept 'regional integration' acquired several meanings as there have been several successive waves of regionalism during the last century. The first wave of regionalization focused on trade and payments liberalization between neighbouring countries in order to spur inter-country transactions. The second and current wave of regionalism is different because it is increasingly no longer about trade alone but presents itself as a "multidimensional" form of integration which includes economic, political, social and cultural aspects and thus goes far beyond the goal of creating region-based free trade regimes or security alliances. Therefore, Van Langenhove and Costea

(2007:2), define regional integration as a process of deepening cooperation over areas that countries agree on as common interests shared by each one.

Soomer (2003:1), on the other hand, argues that regional integration can be described in two ways, as a process and as an outcome. As a process, it entails a country's willingness to share or unify into a larger whole; the degree to which the unifying states share and what they share determines the level of integration. Suranovic (2005:1-3), points out that the preferential integration agreements are often based on one or more of the following successively more integrating cooperation arrangements:

Preferential Trade Area: This is an integration bloc that gives preferential access or lower tariffs to imports produced by fellow member countries than they do for non-members. It is the weakest form of integration.

Free Trade Area: This is a Preferential Trade Area without any tariffs on goods from members countries. In other words, such countries agree to eliminate tariffs on imports produced by fellow member countries. However, each partner country applies independent trade policy on imports from the rest of the world. This integration arrangement is regarded as the second level of integration.

Customs Union: This is a Free Trade Area using common tariffs on imports from non-members, that is, on top of eliminating tariffs on goods between them, member countries go a step further by setting up a common external trade policy. The key element in this arrangement is a common external tariff whereby the designated group of countries charge a uniform rate of duty on third-country imports, regardless of the port of entry. A Customs Union is regarded as the third level of integration.

Common Market: This is a Customs Union with free movement of the factors of production, wherein the free movement of goods under the customs union is extended to include free movement of capital, services and labour. It is also characterized by free movement of persons and the right to residence and establishment. Common Market is regarded as the fourth level of integration.

Economic and Monetary Union: This level of integration encompasses all the characteristics of the Common Market but goes a step further in that member states cooperate in economic and monetary matters such as having a common currency and monetary authority, harmonized fiscal systems and deeper cooperation in other economic fields. It is regarded as the fifth level of integration.

Political Federation: This arrangement refers to a possibility that, at some point, a combination of the above five levels leads to the emergence of a cohesive and consolidated supranational political region. It is an arrangement marked by the member states giving up their political sovereignty and having common legislation and political structures. Lindberg (1963:6) defines political integration as “the process whereby nations forego the desire and ability to conduct foreign and key domestic policies independently of each other, seeking instead to make joint decisions or to delegate the decision making process to new central organs; and the process whereby political actors in several distinct settings are persuaded to shift their expectations and political activities to a new centre”.

As an outcome, Soomer (2003:1) sees regional integration as occurring when pre-set criteria are met. Giving the example of the Organisation of Eastern Caribbean States (OECS), she argues that if the criterion for the establishment of the institution was only to establish a Central Bank, then it could be said that the OECS has achieved integration since it already has a Central Bank. She further clarifies that there are many aspects to the treaties establishing regional integration institutions and thus advises that regional integration as an outcome means recalling goals previously agreed upon and then evaluating progress made and specifying the next set of measures.

For the purpose of this study, regional integration means the coming together of two or more countries that are geographically close to each other and/or that share common problems, normally through reciprocal preferential agreements, for purposes of safeguarding or promoting issues of common interest to the participating countries through harmonization of their respective policies. It is characterized by increased level of interactions among the participating countries with regard to economic, security, political and even socio-cultural issues and is often formed at different levels. Starting from the simple arrangements of a Free Trade Area, two or more countries may form a Customs Union, a Common Market, an Economic Union and/or ultimately a Political Union. Each of these levels of integration

requires their own distinct level of commitment and degree of harmonization of policies on the part of member countries.

This is best exemplified in the table below:

Table 2: Schematic representation of regional integration schemes

| <i>Regional Integration Scheme</i> | <i>Free intra regional trade</i> | <i>Common trade policy</i> | <i>Free factor mobility (good, labour, capital)</i> | <i>Common monetary and fiscal policy</i> | <i>One government</i> |
|---|---|-----------------------------------|--|---|------------------------------|
| Free Trade Area | yes | no | no | no | no |
| Customs Union | yes | yes | no | no | no |
| Common Market | yes | yes | yes | no | no |
| Economic Union | yes | yes | yes | yes | no |
| Political Union | yes | yes | yes | yes | yes |

Source: (Anadi, 2005:26)

1.10.5 Regional integration institution (RII)

In order to get a definition of the term regional integration institution the researcher examines two concepts that are often used divergently, ambiguously or inconsistently with the concept regional integration institution to the great confusion of many a student. These are: ‘international governmental institution’ and ‘intergovernmental agency/organisation’. The concept ‘international governmental institution’ is defined by Auriacombe and De Giorgi (2000:27), as an association of states which has come into being by way of agreement, which has a permanent organisational structure and whose purpose is to pursue common interest by means of cooperation ‘Intergovernmental agency/organisation’ on the other hand is defined as an organisation set up by a number of governments in order to cooperate in matters of common interest. Such an agency is funded from dues levied on participating governments (Lingualinks, 2005:1).

An intergovernmental organisation, according to Wallace and Singer (1970:245-248), has several characteristics: it must consist of at least two qualified members of the international system; must hold more or less regular plenary sessions; must have a permanent headquarters and some sort of permanent headquarters arrangement; its membership should not be selected wholly or in part by another intergovernmental organisation and it should be serviced by administratively distinct secretariat personnel who function under the authority of the

umbrella organisation setup. Pevehouse, Nordstrom and Warnke (2005:2), provide a more recent and comprehensive definition of intergovernmental organisations, which they define as an institution with the following attributes: a formal entity, three or more sovereign states as members and possessing a permanent secretariat or other indication of institutionalization such as headquarters and/or permanent staff.

Bearing in mind the synonymy between RIIs and the two concepts reviewed above, a regional integration institution, in this study, shall mean a formal institution, with a permanent secretariat, established by two or more states that are geographically close to one another and/or that share common problems, through an internationally recognized treaty to specifically perform duties related to safeguarding or promoting issues of common interest to the participating states through harmonization of their policies. Examples of such organisations include the European Union (EU), the Common Market of the South (MERCOSUR), the Association of South East Asian Nations (ASEAN), the Southern African Development Community (SADC) and the East African Community (EAC) to mention but a few.

1.10.6 East African Community

The East African Community is a regional intergovernmental organisation established by the Republics of Kenya, Uganda, Rwanda, Burundi and the United Republic of Tanzania for purposes of spearheading the region's integration process. The objective of the EAC as set out in Article 5 of the Treaty for the establishment of the EAC (EAC Secretariat, 2002:12-13), is to develop policies aimed at widening and deepening cooperation among the Partner States in political, economic, social and cultural fields, research and technology, defence, security and legal and judicial affairs for the mutual benefit. The EAC hopes to achieve this by a step by step process beginning with the establishment of a Customs Union, a Common Market, subsequently a Monetary Union and ultimately a Political Federation of the five EAC Partner States.

Article 9 of the Treaty for the establishment of the EAC establishes seven main organs through which the EAC operates (EAC Secretariat, 2002:17-48). These are: the Summit of Heads of State which consists of the Heads of State or Government of the EAC Partner States; the Council of Ministers: which consists of the Ministers responsible for EAC

Affairs of each Partner State and such other Ministers of the Partner States as each Partner State shall determine; the Co-ordination Committee which consists of the Permanent Secretaries responsible for EAC Affairs in each Partner States and such other Permanent Secretaries of the Partner States as each Partner State may determine; the Sectoral Committees composed of Senior Officials from the Partner States and established by the Council of Ministers which spell out their composition and functions; the East African Court of Justice which is the judicial arm of the EAC; the East African Legislative Assembly which is the legislative arm of the EAC; and the Secretariat which is the executive organ of the Community headed by a Secretary General.

1.11 SEQUENCE OF CHAPTERS

In Chapter One, a general background on the establishment and performance of regional integration institutions (RIIs) is undertaken as well as what constitutes the central problem necessitating the study. In this context, the statement of the research problem as well as the hypothesis that will guide the study are outlined. The empirical approach that informs the entire study is also presented in this chapter. The scope of the study as well as the limitations experienced by the researcher are also highlighted. Further, the key concepts underlying the study are outlined to clarify their meanings and application and to bring out the broad dimensions of the study. The conceptualization also sets out the basis on which effectiveness of the RIIs is measured.

A broad review of literature on RIIs is undertaken in Chapter Two with a view to establishing the reasons for their formation. The main characteristics of RIIs are highlighted as well as an overview of the performance of selected RIIs in Africa.

Chapter Three sets out a broad review of literature on the EAC. The history of the EAC, its objectives, the fundamental and operational principles that govern its operations as well as the major organs through which it operate are highlighted. Further, an overview of the performance of the EAC is carried out with a view to establish its successes and shortcomings. A broad literature review on possible causes of the EAC's shortcomings is also undertaken. A literature review on how institutional frameworks can explain the shortcomings of RIIs like the EAC is also presented.

In Chapter Four, a broad examination of the concept of organisational effectiveness within the framework of organisational effectiveness theory is undertaken and contextualized within the area of study, that is, the organisational effectiveness of RIIs. The main theoretical models of organisational effectiveness are highlighted. Further, the determinants of organisational effectiveness that will guide the study are identified and briefly described in terms of what the ideal situation should be.

The research findings are presented in Chapter Five. Herein, the organisational effectiveness of the EAC is analysed vis-a-vis the determinants of organisational effectiveness identified. The chapter attempts to establish the extent to which the basic fundamentals of organisational effectiveness theory are present in the EAC and how they have been replicated in EAC's structures and decisions making processes. A comparative overview of the European Union (regarded as the most advanced RII) is also presented with a view to determine whether the basic fundamentals of organisational effectiveness theory are embedded in its structures and processes and whether this accounts for its relatively successful regional integration process. In this regard, the views of the study population on organisational factors that contribute to and promote EAC's effective integration process as well as factors which explain EAC's shortfalls in performance are highlighted. Further, information gathered from secondary data such as books, journal and newspapers on the structure and processes of the EAC as well as the EU will be highlighted.

Chapter Six summarises the study as well as the research findings. Recommendations on what can be done to enhance the EAC's ability to effectively achieve its objectives are proposed on the basis of the determinants of organisational effectiveness which formed the basis on which the EAC was analysed. Recommendations also cover factors that underlie effectiveness of RIIs that are replicable from the EU. Areas for further study are also suggested.

Chapter Two

REGIONAL INTEGRATION INSTITUTIONS: AN OVERVIEW

2.1 INTRODUCTION

Regional integration is part of the present global economic order and is a trend which is now acknowledged as the future of the international scene. The nation-state system, which has been the predominant pattern of international relations, is increasingly evolving towards a system in which regional groupings of states are becoming more important than sovereign states. There is generally a powerful perception that the idea of the state and its sovereignty has been made irrelevant by processes that are taking place at both the global and local level. Lippman (2008:2) states, *“the true constituent members of the international order of the future are communities of states”*. Groom and Taylor (1990:10) further capture this spirit by their observation that, *“the process of going beyond adjustment to a rebuilding of the state system has been neither easy nor uncontroversial, but it is real in that the sovereignty of the units has been fundamentally adjusted, ..., although not in such a way as to go altogether beyond the notion of a state system. It is, in effect, a rebuilding of the state system into what are deemed to be more viable units”*.

In the light of the above, it can be agreed that the international system is now characterized by groups of states (often geographically close to each other and/or sharing common problems) that have come together for purposes of safeguarding or promoting issues of common interest. In so doing, these states jointly come up with cohesive regional stances on policy issues which each participating state is required to implement. It is between these two stages, namely policy determination and the execution of policy in the regional sphere that the role of RIIs, also known as RECs, manifests itself – they transform policy made at the regional level by implementing it. Much of this policy execution revolves around coordinating, harmonizing and implementing policies aimed at increasing cooperation between the cooperating groups of states often with the objective of establishing a Free Trade Area, a Customs Union, a Common Market, an Economic Union and/or ultimately a Political Union. Each of the above levels of integration requires their own distinct level of commitment and degree of harmonization of policies on the part of member countries of the RII.

The execution of policy occurs within organisational structures where the different steps are divided into specialized roles and functions. At the national level, the relevant institution is the department of foreign affairs or any other department charged with regional integration matters. At the regional/international level, it is the international governmental institution established by the member states which thus serves as the administrative agent of all member states (Auriacombe & De Giorgi, 2000:13).

RIIs serve a useful function in channelling a portion of state interactions and in providing vehicles for increased co-operation. Their main function is to make cooperation possible in virtually all spheres of life through international public administration. Such cooperation could have specific advantages for states. In many cases, RIIs are not only the place where a decision can be made, but also provide the administrative infrastructure to implement the decisions. They further create channels of communication which states can utilize in their own and in the common interest. In conflict situations, views can be aired and influence used in an attempt to avoid serious consequences. Member states are free to take their disputes to the RII for discussion and for a ruling, and if a certain member state does not do so, fellow members can. The decisions of the RIIs can be either accepted or rejected since RIIs can normally not enforce decisions on their own. All in all RIIs have become indispensable instruments within the international system.

2.2 RATIONALE FOR THE ESTABLISHMENT OF REGIONAL INTEGRATION INSTITUTIONS

According to Kebret (2000:3), irrespective of the type of integration established, all have the following common ultimate objectives: they all seek to benefit from trade creation, economies of scale, product differentiation and efficiency gains through policy coordination that follow implementation of regional integration agreements. Regional integration is also expected to reduce vulnerability to external shocks induced by fluctuations, instability and uncertainty in the rest of the world. Such a process is motivated by the recognition that national economic welfare could be enhanced in a more efficient way through such partnership than by adopting unilateral policy at each country level.

Other non-economic objectives of regional integration, as outlined by Schiff and Winters (2003:6-9), include the desire by governments to bind themselves to better policies e.g. democracy, desire to help neighbouring countries stabilize and prosper to avoid spillovers of unrest and population, the fear of being left out while the rest of the world is swept into regionalism either because this would be actually harmful to the excluded countries or just because of the perception that “if everyone else is doing it, shouldn’t we?”

In the specific case of regional integration in Africa, Kebret (2000:6) argues that there are several reasons that have propelled governments of African countries to establish RIIs. These include the recognition that their respective economies were small in size, with poor infrastructure, vulnerable to external shocks and dependent on limited primary commodities for exports. African countries thus see regional integration as a means for successful structural transformation of African economies. Additionally, in recent years, the formation and reasonable success of many regional blocs in other parts of the world (in Asia, Europe North America and Latin American countries), the end of the cold war, the implementation of more liberal national economic policies across the continent and the rapid globalization of production, distribution and investment activities, have given further impetus to integration at the regional and continental levels. This is widely seen as a way to avoid further economic marginalization of the African region. Cultural ties and colonial heritage have also largely dictated the basis of the cooperation as in the case of the EAC in East Africa and SADC in Southern Africa.

The UN Economic Commission for Africa (2006:2-6), on the other hand highlights four main reasons that have driven African countries to establish or strengthen RIIs. Firstly, in the last twenty years there have been changes in the world trading system which has seen the general consensus that free trade is good for growth. The transformation of the General Agreement on Tariffs and Trade into the World Trade Organisation also saw a significant reduction in tariff and non tariff barriers resulting in rich economies pursuing bilateral trade liberalization with poor ones. These changes have resulted in greater integration of world markets and increased world trade. Indeed, the Commission notes that since the Uruguay Round of trade negotiations in 1995, world trade increased by 25%, twice as fast as production. This rapid expansion has been facilitated by developments in information and communication technology, liberalization of financial markets and factor movements across national and regional borders. Countries’ and regions’ responses to these new opportunities have to some

degree determined their share of the benefits. Africa's share has been relatively small; in the early 1960s Africa accounted for as much as 10% of world exports, by 2000 its share had declined to about 2%. Among the factors contributing to this decline are restrictions in market access in the major economies, limited intra-African trade-a result of weak regional integration, small domestic markets that do not provide enough opportunities for firms to learn or enough cushion for the export sector during shocks in the international market. The realization that a larger African market would provide opportunities for firms to compete effectively in the international arena led to appreciation for need for deeper regional integration and hence the establishment or strengthening of RIIs. Further the nature of some WTO negotiations and their requirement that African countries negotiate as a group have promoted the establishment of RIIs.

Secondly, there is globalization which is seen by African policymakers and leaders as increasingly marginalizing the African continent. Globalization is characterized by an accelerated pace of interdependence and connectivity and aided by innovations in communication technology. Cross-border movements of goods, services and finance are estimated the United Nations Development Programme (UNDP) to be over US\$1.5 trillion worth of currency transactions per day, an amount equal to more than twice the total foreign exchange reserves of all governments (UN Economic Commission for Africa, 2006:4). These transactions greatly reduce the ability of governments to intervene in foreign exchange markets to stabilize their currencies, manage their economies and maintain fiscal autonomy. Weak African economies have fared very poorly under this new regime. The renewed emphasis on regional integration reflects attempts by African leaders to stem this marginalization.

Thirdly, the success of the European Union has also driven African governments to establish or strengthen RIIs. The European Union today accounts for over 41% of world trade and is Africa's largest trading Partner (UN Economic Commission for Africa, 2006:5). Further the recent requirement by the European Union to negotiate Economic Partnership Agreements (EPAs) with regional integration communities is likely to have a significant impact on regional integration in Africa.

Fourthly, unilateral initiatives by the major economies are another recent development that has seen the establishment of RIIs in Africa. The best known initiative is the United States (US) African Growth and Opportunity Act (AGOA) whose objective is to provide African exports improved access to the US market on a nonreciprocal basis. There are also several other new initiatives between Africa and its major trading partners that are likely to drive the continent's integration agenda in the short to medium plan such as the plan to establish the United States and the Southern Africa Customs Union, negotiations between the European Union and the Southern African Development Community (SADC), the free trade agreement negotiated between South Africa and the European Union, the Tokyo Initiative for Cooperation for Africa's Development and the Chinese Africa Forum. Some countries' self interest is also driving regional integration. South Africa for example has successfully negotiated a free trade agreement with the European Union and is negotiating similar arrangements with China, India and MERCOSUR.

States are thus inclined to try to establish RIIs because they have to cooperate in so many fields at present, have to make adaptations, have to try to accommodate one another, must make compromises to promote their own and communal interests, must try to solve problems across boundaries and must try to avoid conflict. As a result they will also try to make use of such institutions. Indeed, Auriacombe and De Giorgi (2006:22), observe that because the world trend indicates a greater need for contact, and because problems will become more diverse and complex, it can be expected that the role of RIIs and consequently, also that of international public administration, will become more important rather than less so in future.

2.3 CHARACTERISTICS OF REGIONAL INTEGRATION INSTITUTIONS

Regional integration institutions (RIIs) are international governmental institutions that have been assigned the specific function of coordinating, harmonizing and implementing policies meant to increase the level of interactions among a group of countries with regard to economic, security, political and even socio-cultural issues often with the long term objective of establishing a Free Trade Area, a Customs Union, a Common Market, an Economic Union and/or ultimately a Political Union.

RIIs have specific distinct characteristics especially with regards to their formation (which is inter-state and voluntary), structure, autonomy, functions and nature of workforce among others.

Interstate basis: RIIs are created on an international basis and therefore have governmental sanction. They are created by way of multilateral agreements that normally result in a founding document, which usually describes the structure, functions and powers of the various organisational components and the mutual relations between the various components. Such document could have different names such as treaty, constitution, convention, articles of agreement, general agreement, statute, founding document or constituent agreement. Thus in essence the membership of a RIIs must be derived from two or more sovereign states.

Voluntary basis: RIIs are established on a voluntary basis. Only states which prefer to become members, do so, provided that their application for membership is accepted. Similarly, states can terminate the membership voluntarily – in fact, as Auriacombe and De Giorgi (2006:30) note, “*they remain members only for so long as they wish*”. States, can however, also be suspended for various reasons usually stipulated in the founding document.

Permanent Organisational Structure: In order to function continuously, RIIs have a formal, fixed structure the nature of which may differ from one institution to another. Provision for this is made in the founding document. The organisational structure usually consists of a policy making organ, an executive organ and an administrative organ. Some RIIs also have their own judicial organ.

Autonomy: The autonomy of RIIs arises from their power to make decisions and from their organisational structure. According to Auriacombe and De Giorgi (2006:33), autonomy exists in the sense that decisions can be made which need not be identical to the sum total of the decisions of the individual member states. This is possible because the member states either participate in the decision-making process or give to the RII a distinctive organisational component which enables it determine policy within its sphere of authority. The autonomy of RIIs is however limited. Normally, their functions are also demarcated. Just as these institutions are created through voluntary cooperation, they also have to rely on voluntary cooperation to attain their objectives. Where RIIs act directly, their authority (which is usually for strictly defined objectives) is derived from member states. Because the

governments of member states have to accept the ultimate responsibility for the implementation of the decisions of RIIs, such governments tend to keep a very close eye on the decisions concerned. The autonomy of RIIs is also limited when it comes to budget matters. Often RIIs have few or no resources other than those that are made available by member states through annual contributions. If members do not pay their contributions, they are often powerless although in some cases their founding documents provide for disciplinary action such as deprivation of the right to vote. Thus as far as autonomy of RIIs is concerned, it can be said that the institution normally does not have a will of its own, and can thus, not enforce its decisions.

Cooperative function: The functions assigned to a RIIs are contained in its founding document, which indicate the RII's powers and sphere of influence. However, the fundamental mission of all RIIs is the administration of cooperation between member states in various spheres so that the functions laid down in its founding document can be performed with a view to the attainment of a common objective. These objectives often vary from the establishment of a Free Trade Area, a Customs Union, a Common Market, Monetary Union and/or Political Federation of the member states. In the process, the harmonization of policies of member states must be encouraged. This involves the search for solutions to conflict situations which could arise in the economic, political, socio-cultural or even technical areas. The operational activities by the RIIs themselves are undertaken in cooperation with the government of member states.

Auriacombe and De Giorgi (2006:34), highlight the cooperative role of RIIs by observing that in many cases RIIs are not only the places where decisions to cooperate are made but they are also the institutions by means of which these decisions are implemented. Cooperation is further facilitated by the fact that RIIs can provide governments with many channels of communication through which to address problems which may arise. In conflict situations, RIIs are the places where opinions can be expressed by the parties involved. At the same time, they provide the other members with the opportunity to exercise their influence formally, and also informally, in an attempt to settle a dispute. In other situations, where conflicts of interest do not really occur, as in the case of functional matters, cooperation is facilitated by the existence of RIIs. Mutual agreements are reached which can be beneficial to all members. Agreements in the fields of, for example, health and postal services can hardly be detrimental to any member.

Neutrality: RIIs come into being for the purpose of pursuing the common interest of its members and are thus expected to be neutral. Since their existence depends on retaining the support of an effective majority of member states, they run the risk of endangering their expected characteristic of neutrality if they identify with any state or group of states. As a result, RIIs do not serve the express purpose of pursuing the interests of only one member. Staff of a RII, therefore have to give effect to the collective will of the majority of member states, as contained in decisions and resolutions. They serve the community of states and must be loyal to all the member states and therefore to the RII and not to their homeland.

Unique workforce: According to Auriacombe and De Giorgi (2006:61-62), the staff of RIIs are international public servants and this bestows on them four unique characteristics. Firstly, the guideline of loyalty is regarded as a critical aspect. The staff of RIIs must give up their national loyalty and must serve the interests of the RII only. Associated with this is the fact that as international public officials, they may not receive any instructions from home governments or from any person or institution outside the RII or in any way try to represent the interests of their home governments. Secondly, staff of RIIs are expected to be impartial. As international public officials they are supposed to be administrators and not politicians. Their function is to implement decisions conscientiously that were taken elsewhere, and, if possible, to avoid involvement in controversies that arise from the RII's decisions. They must be apolitical in the sense that they must voluntarily implement all decisions which have been taken by the political-organisational components of the RII.

Thirdly, staff of a RII are independent. The assumption is that, if an international public secretariat seeks to maintain its independence, it must consist of career public officials who have a high degree of occupational security. They should be given work contracts of such a nature that they feel that, if they promote the interests of the institution, they will be protected against retribution or even dismissal arising out of political considerations. It is thus common for staff of RIIs to be accorded diplomatic immunity in the course of their duties. Fourthly, is the multinational nature of the workforce of RIIs. This arises out of the requirement for geographical representation in the recruitment policies of all RIIs. The rationale underlying the requirement of geographical representation is that the RIIs are a joint effort of member states and that citizens of all member states must be able to serve as international public officials.

2.4 BRIEF OVERVIEW OF THE PERFORMANCE OF SELECTED REGIONAL INTEGRATION INSTITUTIONS IN AFRICA

The Abuja Treaty stipulates that African States must endeavour to strengthen the RIIs in particular by coordinating, harmonizing and progressively integrating their activities in order to attain the African Economic Community which would gradually be put in place during a thirty-four (34) year transition period subdivided into six (6) varying stages (UN Economic Commission for Africa, 1999:53). At the end of the first stage, which ended in May 1999 and which was characterized by the strengthening of the institutional framework of the existing RIIs and the creation of new ones where none existed, the Conference of Heads of States of the then Organisation of African Unity (OAU) selected eight (8) RIIs which, with coordination, harmonisation and progressive integration of activities, would in 2028 lead to the materialization of the African Common Market. These eight RIIs are: (i) the East African Community (EAC); (ii) the Economic Community of West African States (ECOWAS); (iii) the Economic Community of Central African States (ECCAS); (iv) the Common Market of Eastern and Southern Africa (COMESA); (v) the Community of Sahel-Saharan States (CEN-SAD); (vi) the Inter-Governmental Authority on Development (IGAD); (vii) the Southern Africa Development Community (SADC); and (viii) the Arab Maghreb Union (AMU).

2.4.1 Economic Community of West African States (ECOWAS)

ECOWAS is a regional group of 15³ West African states that was founded by a Treaty establishing the Economic Community of West African States in 1975. The main objectives of ECOWAS are to promote cooperation and integration in economic, social and cultural activity, ultimately leading to the establishment of an economic and monetary union through the total integration of the national economies of the member states (Department of Economic Affairs, African Union, 2008:6). So far, ECOWAS has recorded several achievements in as far as regional integration is concerned. These include the abolition of visas and entry permits for member state citizens, introduction of the ECOWAS passport, introduction of the Brown Card Motor Vehicle Insurance scheme to facilitate road transport within the ECOWAS region, the introduction of harmonized customs documents and the establishment of several institutions such as the Commission, the Community Parliament,

³ Benin, Burkina Faso, Cape Verde, Ivory Coast, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

Community Court of Justice as well as a host of other financial and specialized institutions such as the ECOWAS Bank for Investment and Development (EBID), the West African Health Organisation (WAHO), the West African Monetary Agency (WAMA) and the West African Monetary Institute (WAMI).

Despite its achievements, ECOWAS has also experienced several shortcomings. For example, though formed primarily as a regional trade pact, it has taken on an increasing regional security role with the emergence of failed states in West Africa. During the 1990s, ECOWAS peacekeepers were deployed in Liberia and Sierra Leone, and were deployed again in Liberia in 2003 after the departure of President Charles Taylor. According to Jonathan (2004:1), in the past decade, ECOWAS has been the African RII that has been most active - although not always most effective - in the field of conflict resolution. Further despite its achievement in establishing certain institutions to aid the regional integration process, the Department of Economic Affairs, African Union (2008:10), notes that “*the strength of these institutions are yet to be seen*”.

Ichim (2007:2-3), notes that ECOWAS was created with the purpose to become the most important international economic instrument for economic co-operation and development in West Africa. Thus, it was envisioned to achieve elimination of tariff and non-tariff barriers among member states and ultimately to form an economic union, of course after going through the important stages of economic integration, namely, Free-Trade Area, Customs Union, Common Market and Economic Union. He notes further that the goal of a Monetary Union in ECOWAS has long been an objective of the organisation, being intended to accompany a broader integration process including enhanced regional trade and common institutions but that although there have been attempts to advance the agenda of ECOWAS monetary cooperation, political problems and other economic priorities have slowed down the process.

Bach (1997), points out that the experience of ECOWAS’s first 20 years seems to indicate that ECOWAS has reached a state of paralysis in virtually every area of endeavour. For example he observes that twenty years after the 16 member states of ECOWAS signed the Lagos Charter, official intraregional trade still represents an insignificant portion of total exports. Also the plan, adopted in 1983, to create a single monetary union by 1994 had made no progress by July 1992, when the target was changed to the year 2000. Likewise the

protocols on the freedom of movement, residency and rights of establishment for ECOWAS citizens have also suffered a series of setbacks since their implementation began in 1979. By 1992, the seven ratifications required to implement the final phase had still not been obtained, 2 years after the deadline.

2.4.2 Southern African Development Community (SADC)

SADC is a regional grouping of 15⁴ Southern Africa states. SADC had a security function from the beginning. At the time it was founded in July 1979 (originally known as the Southern African Development Co-ordination Conference (SADCC) and later changing to SADC in 1992), apartheid South Africa was a participant in a number of regional conflicts, and the intent of SADC's founders was to provide collective security as well as reducing economic dependence on South Africa. It had its moments - for instance, when a Zimbabwe-led intervention force halted the RENAMO offensive of 1986 - but wasn't remarkably successful at either (Jonathan, 2004:1). Since the end of the apartheid era, SADC has undergone a radical realignment, with South Africa becoming its de facto leader rather than its primary target. Among the main objectives of SADC are to achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the people of Southern Africa and support the socially disadvantaged through regional integration. Other objectives include evolving common political values systems and institutions, promoting and defending peace and security; as well as strengthening and consolidating the long-standing historical, social and cultural affinities and links among the people of the region.

With the major regional power South Africa on board, SADC's security and economic functions have become somewhat more effective; the member states in 2007 established a standby peacekeeping force, and the organisation has had some success in mediating conflicts in the Comoros and the Democratic Republic of Congo. Further, more than two thirds of SADC protocols on regional integration have entered into force and most substantive provisions of the regional integration policy are in the various degrees under implementation. For example in terms of infrastructure, SADC has made achievements in the building and rehabilitation of transport link between its members states, further with regard to trade,

⁴ Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe

SADC intends to achieve a Free Trade Area by end of 2008 as well as establish a SADC Customs Union by 2010 (Department of Economic Affairs, African Union, 2008:32-37).

Despite its achievements, SADC also has its share of challenges. For example, since it plans to have a Free Trade Area in the course of this year, and a Customs Union in the year 2010, it must have a strategy in order to accomplish it on time. Further, the Customs Union can only come into place only when there is a full Free Trade Area which is currently not the case. It is important to note also that within SADC there is also SACU, which is at an advanced state of integration being already a Customs Union. There is thus a need to get all the SADC member states to the level of that Customs Union. Some SADC member states are also members of COMESA, which plans to have its own Customs Union in the year 2008. WTO rules stipulate that countries cannot belong to more than one Customs Union at the same time therefore posing a challenge to countries that are members of both SADC and COMESA as well as in the case of Tanzania which is already a member of the EAC Customs Union.

Jonathan (2004:1), notes that with regard to its objective of ensuring peace in the region, SADC has been relatively timorous about flexing its political muscle; an example is the ongoing meltdown in Zimbabwe. Further, the Xenophobic attacks in South Africa where black South Africans turned against foreigners from other parts of the world and particularly from fellow SADC member states of Mozambique and Zimbabwe, goes against the SADC objective of consolidating the long-standing historical, social and cultural affinities and links among the people of the region.

2.4.3 Economic Community of Central African States (ECCAS)

ECCAS is a regional grouping of 10⁵ Central African states. It was founded in 1983 with the main objective of achieving collective autonomy, raising the standard of living of its populations and maintaining economic stability through harmonious cooperation with the ultimate goal of establishing a Central African Common Market (Department of Economic Affairs, African Union, 2008:26). ECCAS became operational in 1985 but was largely dormant until 1998 due to lack of funds and constant conflicts in its member states which handicapped it. In the past few years, however, the ECCAS countries have begun to phase in

⁵ Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of Congo, Equatorial Guinea, Gabon and Sao Tome and Principe

free trade and have created a number of technical and development institutions. A brigade-strength standby force agreed to in 2001 has begun to get off the ground and is intended to reduce member states' dependence on mercenaries and paramilitary forces (Jonathan, 2004:1).

Among the main achievements of ECCAS is the creation by its member states of the Council for Peace and Security in Central Africa (COPAX) with the aim of promoting, maintaining and consolidating peace and security in Central Africa. COPAX entered into force in January 2004. The COPAX Protocol set up two important mechanisms: the Multinational Peace Keeping Force in Central Africa (FOMAC) and the Central African Early-Warning System (MARAC). According to the Department of Economic Affairs, African Union (2008:27), however, both mechanisms have been largely ineffective. Conflicts have continued uncontrollably among ECCAS member states, while funding to the organisation has shown little result.

Despite the challenges facing ECCAS, the institution continues to pursue new projects. One recent endeavour is a joint European Union (EU) and ECCAS project that is aimed at supporting the organisation's Department of Human Integration, Peace, Stability and Security in fulfilling its role of detection, prevention and management of conflict within the Central African region. Other programmes being pursued by ECCAS include trade liberalization, free movement of persons, goods and capital, infrastructure development in transport and communications. Further ECCAS intends to establish a Customs Union in 2008.

Among the shortcomings and challenges facing ECCAS are perennial conflicts in its member states and inadequate funding. It is also left to be seen whether ECCAS's objective of establishing a Customs Union by this year will materialize given that its member states have not yet harmonized their common external tariff nor have they removed non-tariff barriers or harmonized their customs documents. Further, Rwanda, one of the founding member states quit ECCAS in June 2007 in favour of the EAC. Like Rwanda, Burundi also joined the EAC, leaving its attachment to ECCAS in doubt. The Democratic Republic of Congo, on the other hand is embracing membership of both ECCAS and the SADC. Withdrawals and divided loyalties pose a significant threat to the viability of ECCAS.

2.4.4 Community of Sahelo-Saharan States (CENSAD)

CENSAD was created in 1998 and consists of 24⁶ countries in the Maghreb, the Sahel and the horn of Africa. The main objective of CENSAD is to create a comprehensive economic union of its member states. Among CENSAD's achievements include its Strategy developed in 2007 which covers food security, poverty eradication, water management and desertification. In liaison with AMU and UEMOA, CENSAD has also designed a community-based programme to counteract desertification. On peace and security, CENSAD played a key role in bringing Sudan and Chad together during the Sudan/Chad conflict. CENSAD has also launched the trade liberalization process as well as the process for the free movement of people; in this regard it has developed draft conventions in Free Trade Area and convention on Common Market on Agriculture sector (Department of Economic Affairs, African Union, 2008:55-57).

With Nigeria and Egypt as members, CENSAD contains two heavyweights and is a potential bridge between sub-Saharan Africa and the Middle East. According to Jonathan (2004:1), in practice, however, neither Egypt nor Nigeria has been an active participant, and such programs as CENSAD has instituted have primarily been vehicles for Libyan hegemony. The CENSAD Development Bank and the organisation itself are headquartered in Tripoli, and the pact's sole regional security operation to date has been a widely criticized Libyan-led mission in the Central African Republic.

2.4.5 Common Market for Eastern and Southern Africa (COMESA)

COMESA was initially established in 1981 as the Preferential Trade Area for Eastern and Southern Africa (PTA). The PTA was transformed into COMESA in 1994 with the main objective of creating a full free trade area guaranteeing the free movement of goods and services produced within COMESA and the removal of all tariffs and non-tariff barriers with the ultimate objective of creating an economic community. With 19⁷ member countries with a total population of US\$400 million covering an area of 12.89 million Km and a GDP of

⁶ Benin, Burkina Faso, Central African Republic, Chad, Ivory Coast, Djibouti, Egypt, Eritrea, Gambia, Ghana, Guinea Bissau, Kenya, Liberia, Libya, Mali, Morocco, Niger, Nigeria, Senegal, Sierra Leone, Somalia, Sudan, Togo and Tunisia.

⁷ Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

US\$230 billion, COMESA is the largest of the regional groupings in Africa (Department of Economic Affairs, African Union, 2008:18).

Among the achievements of COMESA are elimination of tariffs among COMESA countries which has resulted in the growth of intra-COMESA trade from US\$3.1 billion in 2000 to US\$6.8 billion in 2006 – an increase of 119.4 %. Further, the focus of COMESA in year 2008 is the launch of the Customs Union in December. This will be yet another step in the integration agenda after the region attained Free Trade Area status in October 2000. The Free Trade Area that initially started with nine member states has expanded to include fourteen of the nineteen member states. Of the key steps towards the establishment of the Customs Union, COMESA has finalised the elaboration of a Common Tariff nomenclature, adopted a common customs valuation system, elaborated a common commercial policy including common customs rules and procedures, elaborated a common external tariff and established a legal framework and administrative structure for the management of the Customs Union.

Despite its achievements, COMESA is faced with the challenge of ensuring that all its member states that are not yet participating in the Free Trade Area (FTA) join the FTA before the launch of the COMESA Customs Union in December 2008. Other challenges are highlighted by El Sawie (2000:2), who notes that despite the COMESA Charter and signed agreements stating that member states were to eliminate all tariffs between themselves by October 1, 2000, progress reports show that only Egypt, Kenya and Madagascar have made 90% reductions so far. Other countries have not introduced any kind of tariff reductions. Further, the Secretariat of COMESA has also pointed out that gross violations by member states have occurred especially against Article 46 of the Charter, which states that no member country shall raise its tariffs on inter-trade with COMESA member states. In reality however, many countries have raised their tariffs substantially in their trade with fellow COMESA member states. Evidently, economic cooperation and integration between the COMESA member states will not be an easy task.

2.4.6 Inter-Governmental Authority on Development (IGAD)

IGAD is a regional grouping of six⁸ countries in the Horn of Africa that was created in 1996 to supersede the Intergovernmental Authority on Drought and Development (IGADD) that was founded in 1986. Though IGADD was originally established for the main purpose of developing a regional approach for drought control in the region, the revitalised IGAD that was launched in 1996 was given expanded objectives of regional cooperation. Among the main objectives of IGAD include promotion of joint strategies and harmonization of macro-economic policies and programmes in the social, technological and scientific fields, harmonization of policies in trade, customs, transport, communications, agriculture and natural resources, promotion of free movement of goods, services and people within the region, creating an enabling environment for foreign, cross border and domestic trade and investment, development of coordinated and complementary infrastructure in the areas of transport, telecommunications and energy in the region, promotion of peace and stability in the region and achieving regional food security (Department of Economic Affairs, African Union, 2008:42).

Since its establishment, IGAD has recorded several achievements the main ones being establishment of effective and efficient mechanisms networks, processes, specialized institutions and partnerships for the execution of its regional activities. For example specialized institutions established include the Conflict Early Warning and Response Mechanism (CEWARN), IGAD Business Forum, East Africa Standby Brigade and the IGAD Climate Predication and Application Centre for Monitoring and Forecasting (ICPAC) (Department of Economic Affairs, African Union, 2008:42).

Among the shortcomings of IGAD is that it has failed to achieve food security for the peoples of the horn of Africa. This can be attributed to insufficient agricultural technology, lack of low level infrastructure and lack of proper storage facilities for produce all of which are challenges that IGAD needs to work on. Further, IGAD's objective of peace and stability in the region seems to be a mirage due to the intra-state conflicts in its member states of Sudan, Uganda and Somali and inter-state conflict between its member states such as that between Ethiopia and Eritrea. IGAD needs to sort out these conflicts as they derail the growth of the

⁸ Djibouti, Sudan, Kenya, Somalia, Sudan and Uganda.

economies of IGAD member states. Further members of IGAD also belong to COMESA hence here is need of coherence and avoidance of duplication of objectives.

2.4.7 Arab Maghreb Union (AMU)

AMU is a regional grouping of five⁹ Arab countries in northern Africa that was established in 1989. AMU was originally formed principally to enable its members to negotiate with the EU when it declared a single European Market and to encourage trade and economic cooperation by allowing freedom of movement across frontiers. The main objectives of the AMU treaty are to strengthen all forms of ties among member states. As well as to gradually introduce free circulation of goods, services and factors of production among them. The union proclamation states that the creation of the bloc was a step towards the eventual unity of all Arab states (Department of Economic Affairs, African Union, 2008:38-39).

Among the achievements of AMU include electricity inter-connection among the five member states, establishment of a joint groundwater monitoring system for the Sahara, the Albian Aquiver Systems shared by three member states (Algeria, Libya and Tunisia) and the establishment of a Union of Maghrebine Banks in Tunis.

The main shortcomings and challenges of AMU include an absence of harmonization of standards which hampers the establishment of the proposed Free Trade Area. Further, AMU's objective to have free movement of factors of production and goods within an economic space may be difficult to achieve as the region has not harmonised its social, cultural and environmental policies. There is also tendency for some member states to be willing to sign agreements outside the same region but find it difficult to sign similar agreement amongst themselves. For example Morocco signed a Free Trade Agreement (FTA) with the US in 2004 and has also signed several agreements with the European Union on economic cooperation and one establishing a free trade zone for industrial goods (Department of Economic Affairs, African Union, 2008:40).

⁹ Algeria, Libya, Mauritania, Morocco and Tunisia.

The above overview of RIIs in Africa shows that all RIIs have made some achievements, however, it also reveals that all the RIIs have not effectively achieved their objectives and the speed in terms of the implementation of their programmes is still very slow. This is further collaborated by several studies that have been carried out to assess the performance of regional blocks in Africa. Among such studies are those of Foroutan and Pritchett (1993); Ogunkola (1994); Elbadawi (1997); and Lyakurwa *et al.* (1997). Though the results of the studies slightly vary, the general conclusion seems to be similar; that the experience of RIIs in Africa has been a failure in achieving their objectives. Fouroutan and Pritchett (1993) for example observe that despite the proliferation of RIIs in sub-Saharan Africa (SSA) in the past two decades many of which were specifically created to boost trade among the countries in the region, intra SSA trade is still very limited and has hardly grown over time.

Asante (1995:53-54), further captures these sentiments by arguing that although RIIs which have been established in Africa are expected to play a vital role in the socio-economic transformation of the African economies and help alleviate poverty through sustained recovery and growth, there is the striking contradiction between general emphasis on the need for economic integration in Africa and the scanty evidence of practical success. Indeed, in his view, evidence tends to suggest that to date none of the economic groupings has made any appreciable progress towards the all-engaging objective of creating a sub-regional economic market, let alone an economic community, despite the human and financial resources deployed. For example, no significant progress has as yet been made on industrial and fiscal harmonization which is an important objective of the treaties establishing these institutions.

Further, the main objectives set out in the Final Act of Lagos in 1980 in the field of promotion of cooperation at the sectoral level are yet to be achieved. There is also generally a lack of harmonization of sectoral policies in agriculture, industry, transport, energy etc., and more basic studies for the formulation of such policies are urgently required. Besides, much more still needs to be done in designing and elaborating agricultural and industrial programming policies in many of the African integration groupings. Common rules governing foreign direct investment such as those concerning investment incentives are matters still under discussion (Asante, 1995: 53-54).

In effect, Asante (1995:53), argues that the necessary policy guidelines and programmes for sub-regional industrial development have not been put in place. As a result, most integration groupings in Africa have not been able to successfully promote the establishment of major multinational industrial projects, for example. Asante thus concludes that despite great expectations, the existing regional integration schemes have still not been able to make positive steps towards achieving their pre-established goals.

The objectives that RIIs in Africa have been mandated to achieve are noble objectives which if properly implemented have the potential of transforming the African continent into a economic and political powerhouse. It is thus imperative to establish the reasons behind the ineffectiveness of RIIs in achieving their objectives.

2.5 SUMMARY

In summary, RIIs are international governmental institutions established by groups of states (often geographically close to each other and/or sharing common problems) for purposes of safeguarding or promoting issues of common interest to the states concerned. The key reasons for the formation of RIIs is the desire by states to benefit from trade creation, economies of scale, product differentiation and efficiency gains through policy coordination that follow implementation of regional integration agreements. Other reasons include desire to reduce vulnerability to external shocks induced by fluctuations, instability and uncertainty in the rest of the world, the desire by governments to bind themselves to better policies e.g. democratic policy making, desire to help neighbouring countries stabilize and prosper to avoid spillovers of unrest and population and the fear of being left out while the rest of the world is swept into regionalism.

RIIs have got several unique characteristics: they are created by way of multilateral agreements; thus in essence the membership of a RII must be derived from two or more sovereign states. Further, their establishment is voluntary in that only states which prefer to become members, do so; similarly, states can terminate the membership if they wish. RIIs also have a formal and fixed structure. They also have limited autonomy in that they have to rely on voluntary cooperation to attain their objectives. Where RIIs act directly, their authority (which is usually for strictly defined objectives) is derived from member states.

Another unique characteristic is in their fundamental mission which is the administration of cooperation between member states in various spheres. RIIs are also neutral; they come into being for the purpose of pursuing the common interest of all members and thus do not identify with the interests of only one member or group of members. Lastly RIIs have a unique multi-national workforce who are required to give up their national loyalty and only serve the interests of the RII.

Several RIIs have been established in Africa, the main ones being: the EAC; ECOWAS; ECCAS; COMESA; CEN-SAD; IGAD; SADC; and the AMU. All these RIIs are working towards some form of economic, social, cultural and political integration of their respective member states. Whereas an overview of RIIs in Africa shows that all RIIs have made some achievements, it also reveals that all the RIIs have not effectively achieved their objectives and the speed in terms of the implementation of their programmes is still very slow. The general conclusion by most scholars is that the experience of RIIs in Africa has been a failure in achieving their objectives. This is certainly a cause for concern. The objectives that RIIs in Africa have been mandated to achieve are noble objectives which if properly implemented have the potential of transforming the African continent into an economic and political powerhouse. It is thus imperative to establish the reasons behind the ineffectiveness of RIIs in achieving their objectives and possibly come up with recommendations on how they can be able to undertake their mandate effectively.

In the next chapter, an overview of the EAC is undertaken. This includes a brief history of the EAC, its objectives, fundamental and operational principles as well as the organs and institutions that make up the institution. An overview of the EAC's performance since its establishment is also undertaken. In this regard, the EAC's achievements and shortcomings are highlighted as well as possible reasons for the institution's shortcomings.

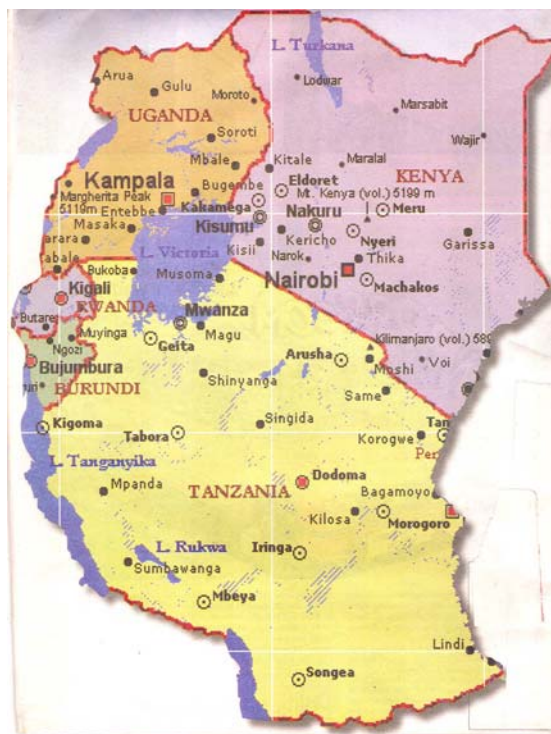
Chapter Three

THE EAST AFRICAN COMMUNITY

3.1 INTRODUCTION

The East African Community is a regional intergovernmental organisation having its headquarters in Arusha, Tanzania with the Republics of Burundi, Kenya, Rwanda, Uganda and the United Republic of Tanzania as Partner States. The Treaty for the Establishment of the EAC was signed by the founder three Partner States: Kenya, Uganda and Tanzania on 30th November 1999 and entered into force on 7th July 2000 following its ratification by the three states. The Republics of Rwanda and Burundi were granted full membership of the EAC on 1st July 2007 after signing the treaty of accession thereby bringing the total number of Partner States in the EAC to five. The EAC's mandate is to spearhead regional integration in the EAC region (East African Community, 2009:1).

Figure 1: Map of East African Community Partner States



Source: East Africa Map at <http://www.computers4africa.org/impact/eastafrica.htm>

3.2 HISTORY OF THE EAST AFRICAN COMMUNITY

Regional integration is not a new phenomenon in East Africa; rather the original EAC countries of Kenya, Uganda and Tanzania have had a long history of cooperation dating back to the pre-independence era. For example Kenya and Uganda established a Customs Union in 1917 which the then Tanganyika joined in 1927. The three States thereafter established the East African High Commission (1948-1961), the East African Common Services Organisation (1961-1967) and the East African Community (1967-1977). The East African Community created in 1967 was a showcase not only in Africa but also in the entire world. At the height of its performance, the East African Community was recognized as one of the world's models of regional integration. There was unprecedented interaction among the people of the region. The Community operated common services such as airline; postal and telecommunications; power, railways and harbours; several research organisations and a literary development centre; among others (Kategaya, 2000:12).

Unfortunately, this success story was not to last and in 1977 the East African Community broke up owing largely to political and ideological differences between the Heads of State. With that break up, the East African states lost over sixty years of cooperation, notably the benefits of constructing economies based on the exploitation of benefits of shared resources, economies of scale and leverage in negotiations of trade deals at global level. Following the break up of the Community, each Partner State embarked, at great cost and at lower efficiency, upon the establishment of services and industries that had previously been provided at the Community level.

Scholars on East African integration (Mugenyi & Zeija, 2006; Kibua & Tostensen, 2005) widely attribute the collapse of the Community in 1977 to three main factors:

- (a) The inequitable distribution of costs and benefits among the Partner States. Kenya as a result of her strategic location, was more industrialized than the rest, she therefore continued to export to other economies of the Community more than Uganda and Tanzania. Kenya dominated the export sector by 90% and Uganda and Tanzania were sharing a meagre 10% of the inter country trade. It is a result of this inequitable distribution of benefits that made Tanzania and Uganda to continue viewing the East

African Community project as a project by Kenya to “employ” Uganda and Tanzania as her trade “agents” for a small “commission” (Mugenyi & Zeija, 2006: 4).

- (b) The ideological differences between the Partner States. Tanzania adopted socialism as a strategy for economic development. Uganda attempted a mixed ideology of socialism and capitalism. Kenya, because of the influence of white settlers and European entrepreneurial influence adopted capitalism as its development ideology. It has to be appreciated that this was the period of the cold war and thus the ideological conflict was a key factor in the relations of the three states (Kibua & Tostensen, 2005:2).
- (c) The personality clashes between the Heads of State of the Partner States after Idi Amin’s 1971 military coup in Uganda. President Nyerere refused to recognize Amin as the President of Uganda. He refused to sit at the same table with Idi Amin whom he regarded as a ‘treacherous army leader’ (Kibua & Tostensen, 2005:2). In retaliation, Amin chased away all Tanzanians that were employed in Uganda under the EAC. From then onwards, the EAC Authority, consisting of the three Heads of State, never met. This was disastrous for the Community, since under the EAC Treaty of that time, all authority was vested in the Summit in contrast to the current Treaty where exclusive authority is largely vested with the Council of Ministers. This incapacitation of the EAC’s decision making Authority eventually led to its collapse.

Following the collapse of the Community in 1977, the three East African countries travelled different ways but all arrived at the same destination: that regional integration would benefit all the countries. Therefore, after a several year hiatus, moves were made to revive the erstwhile cooperative venture, leading at first to the Nairobi Communiqué of 1991, and two years later, to an Agreement re-establishing the EAC Secretariat in 1996. In November 1999, the Heads of States of the EAC Partner States formally re-launched the Treaty establishing the East African Community. This Treaty was subsequently ratified by the three Partner States and entered into force in July 2000 (Kibua & Tostensen, 2005:2). In November 2006, the EAC Heads of State granted full membership of the EAC to the Republics of Burundi and Rwanda. The two Republics were officially integrated into the EAC on 1st July 2007 after they signed the treaty of accession.

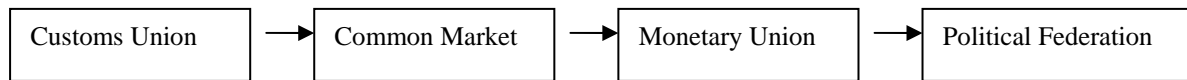
The new Treaty for the Establishment of the EAC is intended to provide an appropriate form of regional arrangement which should avoid the pitfalls of the previous initiatives. For example, the policy making role has been removed from the Heads of State and given to the Council of Ministers. Also, withdrawal from Membership of the EAC has been made more difficult by the requirement in Article 145 of the Treaty for the Establishment of the EAC which states that such a proposal must be supported by not less than two-thirds majority of all the Members of that Partner State's National Assemblies. The running of the EAC is now also based on two fundamental principles; namely people-centred and market driven.

The Treaty establishing the EAC was a more serious commitment to the integration process and laid the basis for negotiations of a complete trade regime through a Protocol for the establishment of a Customs Union whereby all taxes on goods between the EAC Partner States were to be removed and a Common External Tariff established. It also spelt out the vision and process for deeper integration through establishment of a Common Market whereby full movement of persons, labour, services, capital and the right of residence in the Community were to be achieved, subsequently, a Monetary Union whereby Partner States would have same macroeconomic policies and use a common currency and eventually a Political Federation with common foreign and security policies.

3.3 OBJECTIVES OF THE EAST AFRICAN COMMUNITY

The main objective of the EAC according to Article 5(1) of the Treaty for the Establishment of the EAC, is to widen and deepen cooperation among the Partner States in among other areas, political, economic, social, cultural, health, education, science and technology, defence, security, legal and judicial affairs for their mutual benefit (EAC 2002:12). The vision of the EAC is to achieve these objectives through a step by step process beginning with the establishment of a Customs Union (which commenced in January 2005 and will reach its pinnacle in December 2009), followed by a Common Market, subsequently a Monetary Union and ultimately a Political Federation of the East African states.

Figure 2: Key elements of the EAC regional integration process



(Source: Researcher's presentation as cited in the text)

To this end, Article 5(3) of the Treaty stipulates the following:

“The Community shall ensure:

- a) the attainment of sustainable growth and development of the Partner States by promoting a more balanced and harmonious development of the Partner States;
 - b) the strengthening and consolidation of co-operation in agreed fields that would lead to equitable economic development within and between the Partner States and which would in turn, raise the standard of living and improve the quality of life of their populations;
 - c) the promotion of sustainable utilization of the natural resource base in the region while taking measures that would effectively protect the natural environment of the Partner States;
 - d) the strengthening and consolidation of the long standing political, economic, social, cultural and traditional ties and associations between the peoples of the Partner States so as to promote a people-centred mutual development of these ties and associations;
 - e) the mainstreaming of gender in all its endeavours and the enhancement of the role of women in cultural, social, political, economic and technological development;
 - f) the promotion of peace, security and stability within, and good neighbourliness among the Partner States;
 - g) the enhancement and strengthening of partnerships with the private sector and civil society in order to achieve sustainable socio-economic and political development; and
 - h) the undertaking of such other activities calculated to further the objectives of the Community, as the Partner States may from time to time decide to undertake in common”
- (EAC Secretariat, 2002:13).

Areas of cooperation earmarked by the EAC Treaty include: Trade Liberalization and Development; Investment and Industrial Development; Standardization, Quality Assurance, Meteorology and Testing; Monetary and Financial Co-operation; Infrastructure and Services;

Development of Human Resources, Science and Technology; Free Movement of Persons, Labour, Services, Right of Establishment and Residence; Agriculture and Food Security; Environment and Natural Resource Management; Tourism and Wildlife Management; Health, Social and Cultural Activities; Enhancing the Role of Women in Socio-economic Development; Political Matters; Legal and Judicial Affairs; the Private Sector and Civil Society; and Relations with other Regional and International Institutions and Development Partners (EAC Secretariat, 2002:50-99).

3.4 FUNDAMENTAL AND OPERATIONAL PRINCIPLES OF THE EAST AFRICAN COMMUNITY

Closely related to the objectives of the EAC are the fundamental and operational principles that are meant to guide the achievement of the objectives.

Article 6 of the Treaty establishing the EAC stipulates that the fundamental principals that shall govern the achievement of the objectives of the EAC by the Partner States shall include mutual trust, political will and sovereign equality; peaceful co-existence and good neighbourliness, peaceful settlement of disputes; good governance including adherence to the principles of democracy, the rule of law, accountability, transparency, social justice, equal opportunities, gender equality as well as the recognition, promotion and protection of human and people's rights in accordance with the provisions of the African Charter on Human and Peoples' Rights (1981); equitable distribution of benefits; and cooperation for mutual benefit (EAC Secretariat, 2002:14).

Further, Article 7 of the Treaty establishing the EAC highlights the following operational principles as those that shall govern the practical achievement of the objectives of the EAC:

- a) People-centred and market-driven cooperation;
- b) Provision by the Partner States of an adequate and appropriate enabling environment, such as conducive policies and basic infrastructure;
- c) Establishment of an export oriented economy for the Partner States in which there shall be free movement of goods, persons, labour, services, capital, information and technology;

- d) The principle of subsidiarity with emphasis on multi-level participation and the involvement of a wide range of stake-holders in the process of integration;
- e) The principle of variable geometry which allows for progression in cooperation among groups within the Community for wider integration schemes in various fields and at different speeds;
- f) Equitable distribution of benefits accruing to be derived from the operations of the Community and measures to address economic imbalances that may arise from such operations;
- g) The principle of complementarity; and
- h) The principle of asymmetry (EAC Secretariat, 2002:14).

3.5 ORGANS OF THE EAST AFRICAN COMMUNITY

In order to enable it achieve its objectives, Article 9 of the Treaty for the establishment of the EAC establishes seven main organs through which the EAC operates. These are:

The Summit of Heads of State: This consists of the Heads of State or Government of the EAC Partner States. The Summit's main function is to give general political direction and impetus to the development and achievement of the objectives of the EAC. The decisions of the Summit are based on consensus (Article 12 (3)).

The Council of Ministers: This is the policy organ of the Community and thus the key decision making body of the EAC. Its decisions are also arrived at on the basis of consensus (Article 15 (4)). What remains unclear is where the Council fails to reach consensus, do the gridlocked issues get referred to the Summit? It consists of the Ministers responsible for EAC Affairs of each Partner State and such other Ministers of the Partner States as each Partner State shall determine. Among its functions, the Council promotes, monitors and keeps under constant review the implementation of the programmes of the EAC and ensures the proper functioning of the regional organisation in accordance with the Treaty.

The Co-ordination Committee: This consists of the Permanent Secretaries responsible for East African Community Affairs in each Partner States and such other Permanent Secretaries of the Partner States as each Partner State may determine. The Co-ordination Committee's

main function is to submit reports and recommendations on the implementation of the Treaty to the Council of Ministers.

Sectoral Committees: These are established by the Council of Ministers on the basis of the recommendations of the Co-ordination Committee which spell out their composition and functions. The Sectoral Committee prepares comprehensive implementation programmes, setting out priorities with respect to the various EAC sectors as well as monitors their implementation. The Committee reports to the Coordination Committee.

The East African Court of Justice: This is the judicial arm of the EAC which ensures the adherence to law in the interpretation and application of the Treaty establishing the EAC.

The East African Legislative Assembly: This is the legislative organ of the EAC. It consists of 9 elected members from each Partner State plus 7 ex-officio members consisting of Ministers responsible for EAC Affairs from each Partner State, the Secretary General of the EAC and the EAC's Counsel. Among its functions, it debates and approves the budget of the EAC, enacts legislations, plays oversight role by debating and making recommendations on Annual Audit reports on the EAC by the EAC Audit Commission and finally considers EAC's annual reports.

The Secretariat: This is the executive organ of the Community. It is headed by a Secretary General who is assisted by three Deputy Secretaries General (all of them appointed by the Summit); a Director General of Customs and Trade and includes such other officers as may be deemed necessary and appointed by the Council. Among its key functions are administration of the implementation of the Treaty which includes implementation of programmes for the most appropriate, expeditious and efficient ways of achieving the objectives of the EAC; the strategic planning, management and monitoring of programmes for the development of the EAC; the coordination and harmonization of the policies and strategies relating to the development of the Community and the implementation of decisions of the Summit and the Council (EAC Secretariat, 2002:17-48).

It is also important to note the existing institutions within the EAC framework. Article 9 (1)(h) and 9 (2) of the Treaty empower the Summit to establish other organs and institutions of the Community. Institutions of the Community that have so far been established are: the

Lake Victoria Basin Commission, the East African Science and Technology Commission, the East African Civil Aviation Safety and Oversight Agency, the East African Kiswahili Commission and the East African Health Research Commission. The East African Development Bank, the Lake Victoria Fisheries organisations and the Inter University Council for East Africa are also, by virtue of Article 9 (3), deemed to be institutions of the EAC though their functioning is guided by separate charters and conventions. However, legislation is in the offing to bring the Inter University Council for East Africa directly under the realm of the EAC.

From the foregoing information it can be deduced that the organs of the EAC which have been given the most important roles in as far as advancing the regional integration process are the Summit of Heads of State and the Council of Ministers, since these have a decision making role. The Coordination Committee also plays a crucial role since it is the one which submits recommendations on the regional integration process. These three organs ideally represent national interests as they are made up of representatives of the EAC's Partner States. Incidentally, the EAC Secretariat which is the executive organ and which represents regional interests has no decision making power nor can it submit recommendations on the regional integration process. Instead its role is subordinated to implementing regional integration projects and programmes as well as implementing decisions of the Summit of Heads of State and the Council of Ministers. Such a structure may not be very ideal for enabling effective achievement of the EAC's goals as it places greater importance on national rather than regional interests.

3.6 OVERVIEW OF THE PERFORMANCE OF THE EAST AFRICAN COMMUNITY

The re-establishment of the EAC in 1999 was marked with pomp and glitz. This is not surprising since by establishing the EAC, the leaders of the region made a statement that they were for a greater ideal – a regional bloc that stood to deliver far much more than their nations states could offer individually. Almost ten years down the line, a fair assessment of the performance of the EAC shows that the EAC has performed relatively well in as far as meeting some of its key objectives.

3.6.1 Achievements of the East African Community

With regard to its objective of widening and deepening economic cooperation among the Partner States, trade statistics show that the macro-economic performance of the EAC region has truly been remarkable, especially in the past five years. The EAC Partner States have averaged GDP growth of 6% p.a. and this is expected to be higher during fiscal year 2007/2008. The EAC Partner States have also achieved macro-economic convergence reflected in low inflation levels, stable exchange rates, convertibility of currencies, low budget deficits and reasonable reserves (EAC Secretariat, 2006:5).

Perhaps the most conspicuous achievement of the EAC is the completion of negotiations of the Customs Union Protocol, which was signed on 2nd March 2004 and came into effect on 1st January 2005. The EAC thus boasts of a functioning Customs Union. On the basis of a phased-down tariff implementation programme, this Customs Union will culminate into a full-fledged zero-rated internal tariff regime in January 2010. Apart from the South African Customs Union, the EAC Customs Union is the only other one in Africa.

Further, because of the Customs Union, intra-EAC trade has increased from US\$786.9 million in 2002 to US\$1.46 billion in 2006 hence a growth of 86% in a period of 4 years (EAC Secretariat, 2008a:6). This growth is expected to rise further given the World Bank/ADB funded Trade and Transport Facilitation Project that will bring about One-Stop Border Posts, juxtapositioning of cross border agencies and joint border operations and interconnectivity in the EAC region. This facility will reduce cross-border transport bottlenecks and transaction costs.

The EAC has also been able, as a Customs Union, to agree with the European Union on a partial Economic Partnership Agreement (EPA) for market access and a development component. Similarly, in July 2008, the EAC signed a Trade and Investment Framework Agreement with the United States of America; a move that could eventually lead to greater access to the two sides' respective markets.

Further, the EAC has commenced on negotiations for the establishment of a Common Market, which will be the only one of its kind in the whole of Africa, and the time line for its realization is January 2010. Every effort is currently being put towards the successful

completion of negotiations of an EAC Common Market Protocol, the completion of which is expected to increase investment in the region as investors will be assured of a single market, with free movement of all factors of production and embracing, by then, some 130 million consumers with a projected GDP of US\$50 billion.

With regard to social and cultural integration of the East African people, the EAC has taken several steps for example through the introduction of the East African passport, the Annual EAC Schools Essay Writing Competition, unveiling of the EAC flag and organizing some regional sporting competitions. Plans for the introduction of an EAC national anthem are also at an advanced stage. All these steps are contributing in invoking the feeling of East African-ness among the peoples of the EAC Partner States.

But what is more crucial to note, is that, because of its performance, the World Trade Organisation pronounced, in October 2006, that the EAC is the best illustration of successful regional integration on the African continent (EAC Information and Public Relations Office, 2006:1).

3.6.2 Shortcomings of the East African Community

In spite of the above notable successes that have been achieved since the adoption of the Treaty for its establishment in November 1999, a number of shortcomings also broadly stand out. For example, the negotiations leading to the adoption of the Customs Union Protocol revealed serious negotiating capacity weaknesses within the EAC Partner States as well as in the EAC Secretariat in relation to the complexities of regional trade issues (Chande, 2007:21-22). As the EAC engages on new negotiations for the establishment of a Common Market, slated for January 2010, the problems caused by negotiating capacity weaknesses within the EAC Partner States as well as in the EAC Secretariat are again emerging.

From a broader perspective, the EAC is yet to realize many of its grand objectives as outlined in its Treaty. For example, almost ten years since the adoption of the Treaty establishing the EAC, the EAC has yet to develop harmonized policies and laws in a number of areas most notably in negotiating as a bloc, establishing a Development Fund to support the promotion of infrastructure development, reducing reliance on donor funding, eradicating non-tariff barriers in order to make the Customs Union more effective, harmonizing domestic tax laws,

implementing strategic infrastructure projects in the areas of roads, railways and energy, establishing a Civil Society forum, enhancing the role of women in development, development a robust statistical database that captures various economic indicators such as intra-EAC trade, to mention a few of the more important shortcomings.

Further, whereas one of the objectives of the EAC is the promotion of peace, security and stability with the EAC region, there seems to be a consensus in the print media and in normal social discourse that the EAC failed one of its most recent acid tests – the post election political crisis in Kenya in which more than 1200 people were killed and 350,000 others displaced from their homes over the disputed presidential election results. The EAC was outdone by the African Union (AU) and the United Nations (UN) which quickly stepped in to find ways to end the violence and seek peace. The efforts of the two bodies culminated in the signing of a Power Sharing National Accord on February 28, 2008 which has resulted in relative peace returning to Kenya. It is important to note that efforts by then EAC Chairperson of the Summit, President Yoweri Museveni of Uganda did not bear fruit amid claims that Ugandan soldiers had helped Kenyan police to quell the violence near the common border (Daily Nation, 2008:14).

It is important to note that the unrest in Kenya did not just lead to violence; it also adversely affected Kenya's economy and those of other countries in the EAC region. For example in Uganda the price of petroleum products shot up because supplies could not reach the country. Tanzania reported a drastic fall in revenue collection at the Namanga border post. Rwanda too was adversely affected. Indeed, President Paul Kagame visited Dar-es-Salaam with a view to exploring an alternative route through which his country could import goods. Also affected were Burundi, Southern Sudan and Eastern Democratic Republic of Congo, after rail and road transport was partially paralysed by demonstrators who uprooted a section of the railway line in Nairobi while others barricaded roads in the Rift Valley. The crisis in Kenya resulted in a general economic decline not only in Kenya but in the other EAC Partner States as well as the wider East African region. It back-tracked gains made in economic development which is one of the objectives of the EAC.

Another specific and significant shortcoming is the multiplicity of memberships of the Partner States in RIIs. Four members of the EAC (Burundi, Kenya, Rwanda and Uganda) are members of COMESA while one, Tanzania, is a member of SADC. This is one of the

reasons why the EAC has failed to negotiate as a bloc and to garner a more concerted political will in support of EAC objectives. In this context, therefore, the EAC's integration process has suffered.

And precisely because of some of these shortcomings, the EAC Summit of Heads of State that met in Nairobi in August 2004 raised concern that the EAC integration was proceeding at too slow a pace (Wako Committee, 2004: 1).

3.7 EXPLANATIONS ON THE SHORTCOMINGS OF THE EAST AFRICAN COMMUNITY

The highlighted EAC shortcomings and the concerns that have been raised are both indicative of the reality that the EAC, as an institution, is not effectively achieving the objectives mandated to it. Several scholars have attempted to analyse the reasons behind the EAC's ineffectiveness in achieving its objectives. Their findings can be broadly grouped into four main categories: economic, socio-cultural, political and geo-political factors. These are briefly discussed below:

3.7.1 Economic factors

The economic challenges facing East African integration are perhaps best captured in the Wako Committee Report (2004: 82-84), which highlights some fears expressed by various stakeholders in the EAC region regarding integration. One such fear is the fear of loss of investment and employment whereby there is a dominant perception, especially in Tanzania, that the country faces potential loss of investment and employment with deepening East African integration through possibility of industries and other economic activities, clustering in Kenya which has better enabling environment for business in terms of better infrastructure, bigger middle class, stronger economy and is more self reliant versus Tanzania and Uganda that are more donor dependent; and potential that free movement of labour may negatively impact on employment, especially in Tanzania where educational standards have not kept pace with skill needs particularly in the services and hospitality industries. There is thus the fear that jobs in these sectors will be taken up by Kenyans.

These fears over economic imbalances have the potential of hindering the EAC's ability to achieve its objectives. The Ministry of East African Community-Kenya (2005:5), for example, notes that perceived economic imbalances between the EAC Partner States which, in reality, are at the same level of development dominate and often cripple negotiations under the EAC while the same issues take a back seat for these countries in negotiations under the wider arrangements like COMESA and SADC.

Another economic factor which acts as a drawback to EAC's effective achievement of goals is lack of adequate financial resources. Kamala (2006:15), notes that not only does the Partner States' contribution to the EAC budget arrive late, but the contributions also fall far short of EAC's demands. He further notes that even where there is donor funding for regional integration, contributions do not only come with strings attached but also take too long to access and are inflexible for short term requirements of the Community.

3.7.2 Legal factors

Some scholars (Kaahwa, 2003:38; Wako, 2004:82) felt that legal factors pose the greatest challenge to the EAC's ability to effectively achieve its objectives. Kaahwa (2003:38-44), for example argues that the EAC Partner States are obliged to ensure not only the ratification of the Treaty but also its domestication within their respective municipal laws as well as domestication of laws passed by the EALA. This, has however, been a challenge for the original three Partner States whose legal systems, though sharing a common source in received English law, are different. Harmonization of the law has thus so far been hampered by the sheer magnitude of the exercise, intricacies of conflict of laws, the differences in legal systems and (before the formal establishment of the East African Legislative Assembly) lack of legislative basis.

Another legal challenge identified is in the legal document (Treaty) establishing the EAC which some scholars felt gives no executive authority to the EAC Secretariat despite it being the executive organ of the Community thereby rendering it almost impossible for this "executive" organ to effectively implement decisions of the policy-making organs of the EAC (Wako Committee, 2004: 82).

3.7.3 Socio-cultural factors

Socio-cultural factors are also seen to have great influence on the EAC's regional integration initiatives. According to Kibua and Tostensen (2005:2), the long history of collaboration between the original three East African states with its ups and downs has left a legacy – for good and bad. This legacy has a bearing on the contemporary dynamics of collaboration in two respects: the processes and experiences leading up to the collapse of the Community in 1977 still linger in the minds of politicians and civil servants. Further, a certain amount of scepticism remains on the part of Tanzania and Uganda, vis-a-vis Kenya, on account of the widespread perception that Kenya benefited disproportionately from regional cooperation at the expense of the other partners. Whilst it does not matter much whether these perceptions reflect reality or whether they are a figment of the imagination of the individuals holding them, perceptions take on a reality of their own, on the basis of which people continue to think and act. To the extent that the perceptions are unfounded they impact negatively on the EAC's integration efforts and need to be dispelled through better confidence building measures.

The EAC's integration efforts are also viewed to bring about resistance, at the social-cultural level, by some stakeholders in the region who feel that the opening of borders will lead to social emigration. According to the Wako Committee (2004:86), people move with their lifestyles, ideas and values and this process can result in social conflict and cultural shocks affecting lifestyles, differences in social beliefs and value systems and consumption and saving habits among other social aspects. For example, there is fear in Tanzania, which is a relatively detribalized country with a low crime rate, that, once borders are opened the rampant tribalism and high crime rate prevalent in Kenya will find its way into their country. This is made worse by the fact that cases of violent robberies and murders involving Kenyans in Tanzania have increased over the past few years leading to mistrust between Tanzania authorities and Kenyans living and working in Tanzania. The Tanzanian Internal Security Minister, Mr. Bakari Mwapachu is in fact on record as describing as worrying the increase of robberies by Kenyans in Tanzania saying it was a threat to the EAC (The Standard, 2007a:9).

Straubhaar (2002:37) cautions that if the cultural upheaval of integration becomes too great and if people begin to feel that their national identity is threatened, they may raise their mental defences and take refuge in negative defensive reflexes. Xenophobic organisations

then become more prominent, foreigners are kept out and nationalist movements increase all of which are detrimental to integration.

Mwapachu (2005:76) highlights the general ethos in Tanzania against the role of foreigners in the Tanzanian economy. He notes that there is a strong thrust about indigenization of the Tanzanian economy, namely empowering indigenous Tanzanians to become the major owners of the economy. This attitude, he asserts, has emerged from the opening up of the Tanzanian economy which has led to the economy being dominated by foreigners especially South Africans to the discomfort of many Tanzanians. The result has been a resentful attitude expressed towards South Africans. With the establishment of the EAC which proposes, among other things, to collapse borders between the East African States, the resentful attitude held by Tanzanians towards South Africans is now increasingly being directed at Kenyans which could prove detrimental to deepening the integration of the EAC.



(The Standard, 2007b:6)

3.7.4 Political factors

Whereas expectation of economic gains and a distinctive way of life constitute the important conditions for integration, some scholars argue that it is the political aspect that forms the most important basis for integration. This is because any kind of integration requires a direct surrender of some powers to a central authority. Therefore, for any integration to be established and sustained there has to be a sense of political will, that is, a readiness to be joined in a supranational organisation.

However, in East Africa there appears to be fear of loss of sovereignty by the political elite which has the potential to adversely influence integration initiatives. According to the Wako Committee (2004:81), there is a fear in the minds of some members of the political elite in East Africa that as a result of regional integration, the nation states would cease to have any meaningful powers and would be relegated to mere provinces within an integrated East Africa. This fear is manifested in a number of ways, including, among others: loss of power at political level; loss of decision making and loss of flexibility in exercising power at national level. The Ministry of East African Community-Kenya (2005:4), blames the fear of loss of sovereignty on the mistrust and suspicion held by political elite in the EAC Partner States following the fall of the Community and the bitter circumstances surrounding it which left a whole mess of mistrust and suspicion among the three East African States. Each one of them was to lay blame on the other and propaganda machinery was used to connect that hatred at least for the period up to the 1980s. Although suspicions among the three countries have rapidly diminished with time since the revival of the EAC, the Partner States are still yet to fully recover from uncertainties which have played part in the slow integration.

Another political factor identified is inadequate political will exemplified by slow decision making on critical issues which delays the integration process. Where decisions have been made and programmes and projects are adopted, implementation has been slow or non-existent in some cases. This, according to Ministry of EAC-Kenya (2005:5), could be attributed to deficiencies in Partner States arising from either of the following: lack of commitment towards implementation of agreed decisions, failure of agreed decisions reaching stakeholders on the ground for timely implementation, lack of the necessary capacity to follow up the implementation and bureaucracies in Government institutions. The Ministry cites the Protocol on the establishment of the EAC Customs Union, during which

Partner States agreed to remove with immediate effect all existing non-tariff barriers. However, as of now private sector and other citizens of East Africa are still reporting occurrences of non-tariff barriers.

Inadequate political will is also manifested in the multiple memberships of the EAC Partner States in RIIs. It is worth noting that the membership of a regional integration arrangement, although backed by economic, social, cultural and technological reasons, is ultimately a political choice of any one country. In the EAC region, four of the EAC Partner States are also Members of COMESA, one is also a Member of SADC and Burundi is a Member of three RIIs. Overlapping membership poses several difficulties such as having several RIIs pursuing essentially identical mandate and objectives, leading to wasteful duplication of effort and counterproductive competition among countries and institutions. The overlap among RIIs also adds to the burdens of members states. A country belonging to two or more RII not only faces multiple financial obligations, but must cope with different meetings, policy decisions, instruments, procedures and schedules. Customs officials have to deal with different tariff reduction rates, rules of origin, trade documentation and statistical nomenclatures (UN Economic Commission for Africa, 2004: 41).

The failure by the political elite to involve the ordinary people in the integration agenda has also been identified as a hindrance to regional integration in East Africa as it makes the implementation of integration which lacks grassroots support at the national level difficult. The Horn of Africa Democracy and Development International Lobby (2005:2), observes that in many African countries the idea of forming or joining a regional integration arrangement was not derived from the wishes of the people or in response to the felt needs of the leadership but rather from ideas instigated by a donor country or countries. Whereas in the case of East Africa there was wide involvement of various stakeholders in the formation of the EAC Treaty, there is little involvement of the citizens of East Africa in what the Community is doing. Leaders have also failed to explain fully to the people the reasons for their participating in integration arrangements and the advantages which accrue to the majority. To the extent that cooperation arrangements are (or were) adopted and function without the full participation and knowledge of the population, their stability and success of implementation of programmes will be difficult to guarantee. Kituo cha Katiba (2000:5), supports this view by observing that whereas the establishment of the EAC was intended to be people-driven, whenever the people of East Africa are asked whether they are adequately

involved in the formation of the EAC policies, the answer remains a resounding ‘No’; instead the establishment and functioning of the EAC has largely been a top-down process involving the governments of the region, with the grassroots communities barely informed, educated or consulted about the process; or where they have been consulted, it has often been on issues they have not been adequately informed or educated about.

3.7.5 Geo-political factors

The geopolitical environment is also seen as likely to impact on the EAC’s regional integration efforts. There is concern over the likely reaction of the rest of the world to a Federation of East Africa, which is the ultimate aim of the EAC. According to the Wako Committee (2004: 87-88), the potential fear on the part of the rest of the world was classified into three: first, the fear of the political impact of an East African Federation where it was felt that the political federation of East Africa will increase her power and influence in the world affairs and reduce the power of bigger nations to manipulate the East African region to serve their own interests.

Second, fear of economic impact where it was felt that some industrial countries might see it as an attempt to reduce their economic exploitation and influence and third, fear of the geopolitical impact where it was felt that the creation of a new and bigger African nation of about 100 million people is likely to have military implications. The balance of power, at least on the African continent and possibly beyond is almost certain to change. In terms of population, this new nation would now fall among the top nations in the world and would be second only to Nigeria in Africa. It would have a surface area of 1,778,547 square kilometres with 116,647 square kilometres of fresh water including the 2nd largest reservoir of fresh water in the world, Lake Victoria. With the immense natural resources at its disposal, the new bloc’s military strength may be seen by some as a real or future threat (Wako Committee, 2004: 87-88).

It was felt that if such fears actually surface they may lead to external interference in the processes towards the EAC’s integration efforts which may take many forms such as funding of political parties, non-governmental organisations, media groups and individuals to campaign against and ridicule the idea of East African Federation as an impractical and hapless dream.

3.8 INSTITUTIONAL FRAMEWORK AS A FACTOR IN EXPLAINING THE SHORTCOMINGS OF THE EAST AFRICAN COMMUNITY

Important as the above factors are in explaining the EAC's inability to effectively achieve its objectives, they ignore or simply gloss over another important factor which underpins the ability of the regional integration institutions (RIIs) to effectively achieve their objectives, notably the manner in which these institutions are organised; in other words, the institutional framework of the institution charged with the responsibility of spearheading the regional integration process. In contrast, there are various analyses of the European Union (EU), an institution considered to be the most advanced example of regional integration in the world, which reveal that the positive advancements made by the EU have crucially been aided by the presence of effective supranational institutions, notably the European Commission (EC) (Babarinde, 1996:11; Patten, 2005:122-141).

It is apparent that for RIIs to succeed in achieving their objectives effectively, the institutional framework under which they operate must be conducive to successful integration. Unfortunately there is a paucity of study on the institutional framework of RIIs in the developing world and the EAC in particular. The few scholars who have noted the important role played by institutional frameworks in enhancing or hampering successful regional integration have focused their attention on RIIs in Africa in general without specific attention to any RII.

Kennes (1997:2-7), notes that inadequate institutional design is the key reason behind the lacklustre performance of RIIs in developing countries. He argues that if countries say they want to form a Customs Union or Free Trade area, it is simply taken for granted that they can do it, provided only that they devise a workable scheme on paper. However, the actual implementation is a delicate process covering the setting of realistic targets, negotiation, implementation, control and resolution of disputes. It is conditioned by the nature of the decision making process which can be intergovernmental, supranational or mixed. He notes that since its origin, the EU has been following a supranational approach on economic integration (recently complemented by an intergovernmental approach for the two new pillars introduced by the Maastricht Treaty: foreign and security policy and justice and home affairs but that for various reasons developing countries are not keen on supranationalism, which would imply the sharing of sovereignty only recently acquired. The result, in almost all

cases, is the creation of regional institutions with weak secretariats and little or no authority. These bodies are invariably hampered by lack of resources and political interference in personnel management. They are not able to ensure adequate preparation, implementation and control of agreed integration policies. And in some cases they have become over dependent on donor funding, even for their day-to-day functioning.

It is further noted that an important aspect of institutional design is to achieve an efficient distribution of labour between different regional organisations. However, in some cases there are overlaps in memberships and contradictory objectives. The resulting rivalry between regional organisations sometimes contributed to failures in implementation of agreed policies (Kennes, 1997:7).

Jonathan (2004:2), points out the example of the European Union, which has turned one of the world's most warlike continents into perhaps the most peaceful, and argues that it shows that regionalism has considerable potential as a means of peaceful development. He goes further to reiterate that strong supranational institutions can result in a de-emphasis on national borders and a consequent reduction in border-driven conflicts. They can also assist in the creation of regional economies, reduce customs barriers in a continent with too many small nations, facilitate export trade for landlocked countries (of which Africa has more – 14 – than any other continent), permit economies of scale in infrastructure and public health, provide effective dispute resolution mechanisms and establish a regional security force for the instances when such mechanisms fail. He argues that for the most part African RIIs have not done this observing that although supranational institutions have scored some conflict resolution and peacekeeping successes, these pale beside the number of conflicts that have proven intractable; while in the economic sphere, there is little difference in standard of living between the countries that are part of a regional trade pact and those that are not.

The question is thus posed, why hasn't regionalism succeeded in Africa to the extent that it has in Europe? Jonathan (2004:2-3), believes this could be due to the fact that regional integration is much newer in Africa meaning that African RIIs are only now getting the tools to fulfil their goals. Nevertheless he also notes that there are systemic problems such as lack of adequate funding, political constraints evidenced by an entrenched and corrupt political class that is resistant to any attempts to reduce its authority, differences between the legal landscape of integration and the facts on the ground, poor infrastructure connectivity

between African states and the fact that many of the African RIIs overlap in jurisdiction and provide redundant services, in some cases leading to conflict.

Rugumamu (2004:7), on the other hand observes that the Abuja Treaty recognizes RIIs as the pillars of the future continental community. RIIs are expected to restructure the organisations, rationalize and harmonize policies, and coordinate joint programs in such a way that they are in conformity with the objectives, principles and priorities of the African Economic Commission Treaty. In practice, however, the process of establishing and consolidating the RIIs as pillars of the continental community is fraught with fundamental institutional, administrative and policy problems. For example, African political leaders jealously guard their sovereignty and are unwilling to transfer any of it to supra-national bodies, yet the transfer of authority to elected supra-national bodies has the potential of enhancing their ability to plan, strategize, coordinate, monitor and evaluate the implementation of collective projects and programs. It is thus necessary that new and imaginative visions, long-term policies and predictable institutions will have to be created, developed and nurtured, if regional integration in Africa is to reach a new frontier (Rugumamu, 2004:3).

It is noted further that the inability of African RIIs to effectively achieve their objectives is as a result of their setting rigid timetables for the long-term development objective. Rugumamu (2004:3), singles out the Treaty establishing the African Economic Commission which specifies the time frame of each phase up to the year 2025, which is totally impractical and argues that the process of programming and planning the African Union continental project is likely to be very difficult at best and almost impossible in the uncertain African context of frequent civil wars, disintegration tendencies within states and societies, persistent structural disequilibria, pervasive poverty and crippling debt. Going by past experience, the ambitious objectives of the Treaty seem to be far beyond the capabilities of the African continent. The requisite institutional capacities, as well as human and financial resources are simply non-existent. According to the implementation schedule of the Treaty, by 1999 the first stage was supposed to have given way to the second stage. However, without the courtesy and formality of a prior rigorous assessment of the progress already made, the African Heads of State meeting in Sirte, Libya in 1999, decided to establish the African Union. More specifically, Point 8 of the Sirte Declaration (herewith attached as Appendix B) called for the stepping up of the implementation process of the Abuja Treaty through the reduction of the

original time frame of 34 years. It also called for the immediate establishment of all institutions provided for under the Treaty. The institutions in question are the African Central Bank, the African Monetary Fund, the Court of Justice and the African-Pan-African Parliament. If almost all the RECs are still standing on very shaky ground, it is difficult to see how the previous, already unrealistic time frame could be shortened.

Rugumamu (2004:8) further notes, that many African states seek concurrent membership in more than one RII. Thus the majority of COMESA member states are also members of SADC and EAC and most IGAD members are also members of COMESA. Ultimately, multiple memberships in RIIs make the task of horizontal coordination difficult, since the same country will be progressing toward economic integration at different paces in the different RIIs to which it belongs. Likewise, the cost of membership rises with the increase in the number of organisations that countries choose to join. Furthermore, financing and management difficulties increase with the number of regional institutions and with shifting membership, rendering the RIIs unsustainable.

The FAO Technical Cooperation Department (2005) identifies institutional weaknesses as a key factor in the ineffectiveness of RIIs in Africa. These weaknesses include the existence of too many regional organisations, a tendency towards top-heavy structures with too many political appointments, failures by governments to meet their financial obligations to regional organisations, poor preparation before meetings and lack of follow up by sectoral ministries on decisions taken at regional meetings by Heads of States. They further note that integration is hampered by the existence of weak states and political opposition to sharing sovereignty. As such, integration arrangements are not characterized by strong supranational bodies and virtually all integration institutions in Africa are intergovernmental.

Further, the Global Coalition for Africa (1995:37-40), notes that the institutional framework of African RIIs has not been conducive to successful integration and identifies the major problems in this area as including the multiplicity of institutions which leads to duplication of activities as well spreading of scarce resources particularly finance and manpower between the multiple institutions preventing any of them from adequately fulfilling their mandates; inadequate political commitment which leads to measures agreed on in the regional fora rarely being incorporated into national policies, plans and laws of member countries; no concept of supranationality and subsidiarity which forces most RIIs to function on the basis

of intergovernmentalism which in principle requires unanimity for decisions; consensus decision-making which invariably implies compromise and results in second or third best solution and often causes retardation of regional integration programmes as the RII is forced to move at the pace of the slowest moving member state; and inadequate involvement of the private sector and civil society which has resulted in apathy amongst the very people who stand to benefit from regional integration.

Others include managerial weaknesses which include lack of strong, adequately trained and independent management, absence of transparent procedures and effective management systems, recruitment of personnel on the basis of national quotas, political appointments, protectionist feeling amongst members states which makes it almost impossible to dismiss staff even though they may be incompetent, lack of coordination between different departments within the same RII; financial weakness which is caused by member states having inadequate financial resources to meet their commitments to the RIIs.

Likewise RIIs have failed to adequately develop their own sources of revenue. This has led many institutions to become highly dependent on donor funding which is not self-sustaining in the long run. The financial weakness also means that the administrative infrastructure at the secretariats is rarely adequate. Modern office equipment such as computers, printers and photocopiers, and telecommunication equipment such as telephones and fax may be lacking or inadequate. Financial difficulties also mean RIIs have been unable to attract adequate Professional Staff; and programming weaknesses characterized by the fact that most RIIs in Africa lack a long term strategic plan. Consequently they fail to have a clear orientation about objectives. A piecemeal approach to programmes tends to be taken, with decisions being based on a number of non-rational factors such as which country is chairing the organisation at the time. There is also a tendency for RIIs to expand their spheres of activity beyond their original mandate and beyond their competence, rather than concentrating on a limited and more feasible agenda. This leads to inadequate implementation.

From the foregoing it is apparent that the manner in which RIIs are organized has a critical bearing on their ability to effectively achieve their objectives. Financial dependence on member states' contributions, consensus decision making, multiple memberships in RIIs pursuing similar objectives, poor planning, unclear objectives, poor remuneration, inadequate administrative resources, poor management, poor coordination and recruitment on the basis

of national quotas are just some of the pitfalls of the institutional framework of RIIs in Africa. Clearly, much needs to be done to improve the manner in which these institutions carry out their operations.

3.9 SUMMARY

The EAC is the regional intergovernmental organisation of the Republics of Burundi, Kenya, Rwanda, Uganda and the United Republic of Tanzania with its Headquarters in Arusha, Tanzania. The main objective of the EAC is to widen and deepen cooperation among the Partner States for their mutual benefit. The vision of the EAC is to achieve these objectives through a step by step process beginning with the establishment of a Customs Union), followed by a Common Market, subsequently a Monetary Union and ultimately a Political Federation of the East African states.

The EAC has in place fundamental and operational principles that are meant to guide the achievement of its objectives. The fundamental principles include: mutual trust, political will and sovereign equality; peaceful co-existence and good neighbourliness, peaceful settlement of disputes; good governance; equitable distribution of benefits; and cooperation for mutual benefit. The operational principles include: people-centred and market-driven cooperation; provision of an enabling environment; establishment of an export oriented economy; subsidiarity; variable geometry; equitable distribution of benefits; complementarity; and asymmetry.

The EAC operates through seven main organs each of which has unique roles bestowed upon it. These are: the Summit of Heads of State, whose main function is to give general direction and impetus to the development and achievement of the objectives of the EAC; the Council of Ministers which is the policy organ of the Community and thus the key decision making body of the EAC; the Co-ordination Committee whose main function is to submit reports and recommendations on the implementation of the Treaty to the Council of Ministers; Sectoral Committees whose main function is to prepare comprehensive implementation programmes, with respect to the various EAC sectors as well as monitor their implementation; the EACJ which is the judicial arm of the EAC that ensures the adherence to law in the interpretation and application of the Treaty establishing the EAC; the EALA which

is the legislative organ of the EAC that debates and approves the budget of the EAC, enacts legislations and plays an oversight role; and the Secretariat which is the executive organ of the Community charged with the role of administering the implementation of the Treaty.

Since its establishment in 1999, the EAC has performed relatively well in as far as meeting some of its key objectives. Some of the key achievements include establishment of the EAC Customs Union leading to increased intra-EAC trade; commencement on negotiations for the establishment of a Common Market; joint negotiation of a partial EPA with the EU; remarkable macro-economic performance of the EAC region for instance, regional average GDP growth of 6% p.a., stable exchange rates and convertibility of currencies; increased economic cooperation for instance, harmonized pre- and post-budget consultations of the region's Finance Ministries and reading of budget statements on the same day; increased social and cultural integration through introduction of the East African passport, the Annual EAC Schools Essay Writing Competition, unveiling of the EAC flag, organizing some regional sporting competitions and advanced plans for an EAC national anthem; joint efforts to link the EAC Partner States' road network; establishment of several specialized institutions; marketing the EAC region as a single tourism destination; foreign policy and collaboration in diplomatic and consular activities; development of an EAC Agriculture and Rural Development Policy and Strategy as well as an East African Power Master Plan among many other achievements.

In spite of the EAC's notable successes, a number of shortcomings also broadly stand out. The EAC is yet to realize many of its grand objectives as outlined in its Treaty such as inability to harmonize policies and laws in a number of key areas most notably in negotiating as a bloc, establishing a Development Fund, reducing reliance on donor funding, eradicating non-tariff barriers, harmonizing domestic tax laws, implementing strategic infrastructure projects in the areas of roads, railways and energy and establishing a civil society forum just to mention a few of the more important shortcomings. The EAC was also outdone by the AU and the UN to bring about peace following the post-election violence in Kenya. Another shortcoming can be seen in the multiplicity of membership of the EAC Partner States.

Most scholars who have attempted to analyse the reasons behind the EAC's shortcomings mainly attribute it to economic, socio-cultural, legal, political and geo-political factors. Important as these factors are, this author believes that the manner in which the EAC is

organised, that is, its institutional framework, underpins its ability to effectively achieve its objectives. This view is supported by various analyses of the European Union, an institution considered to be the most advanced example of regional integration in the world, which reveal that the positive advancements made by the EU have crucially been aided by the presence of effective supranational institutions. There is however, paucity of analysis of the EAC's institutional framework.

The few scholars who have noted the role played by deficient institutional frameworks in hampering successful regional integration have focused their attention on RIIs in Africa in general and identified the following institutional deficiencies: the creation of regional institutions with weak secretariats and little or no authority; critical lack of resources both human and financial; political interference in personnel management; overlaps in memberships; contradictory objectives, political constraints evidenced by an entrenched and corrupt political class that is resistant to any attempts to reduce its authority, political leaders jealously guarding their sovereignty and unwilling to transfer any of it to supra-national bodies, setting of ambitious goals based on rigid and unrealistic timetables; consensus decision-making; inadequate involvement of the private sector and civil society; managerial weaknesses, failure by RIIs to adequately develop their own sources of revenue; inadequate administrative resources such as computers, printers and photocopiers; and lack of strategic planning to mention but a few.

Evidently, the way in which RIIs in Africa are structured to carry out their processes, has an important bearing on their ability to successfully achieve their objectives. It is therefore worthwhile to establish whether the EAC's institutional framework contributes to its lacklustre performance and if so, how its structure and organisational processes can be improved to enable effective performance.

In the next chapter, a broad examination of the concept of organisational effectiveness within the framework of organisational effectiveness theory is undertaken and contextualized within the area of study, that is, the organisational effectiveness of RIIs. The main theoretical models of organisational effectiveness are highlighted. Further, the determinants of organisational effectiveness that will guide the study are identified and briefly described in terms of what the ideal situation should be.

Chapter Four

ORGANISATIONAL EFFECTIVENESS: AN OVERVIEW

4.1 INTRODUCTION

In his article entitled *The Study of Administration* Woodrow Wilson (1887) addressed the question of whether there was an ideal structure on which to model government institutions. He believed that “*it is the objective of administrative study to discover, first, what government can properly and successfully do, and, second, how it can do these proper things with the utmost possible efficiency and the least possible cost either of money or of energy*” It is the first concern that is of significance to this study. Wilson’s concern was how best to structure government to be able to achieve intended outcomes. In simpler terms he was basically concerned about the organisational effectiveness of governmental institutions (Agarwal, 1996:56).

Since Wilson’s thought provoking query on the need to improve the organisation and methods of governmental institutions, many best selling management books have been written which centre squarely on explanations of what makes some institutions excellent, of high quality, productive, efficient, healthy or possessing vitality – all proxies for the concept of organisational effectiveness as used in the organisational sciences literature. Evidently, RIIs, as intergovernmental institutions can benefit a lot from these writings.

Despite the prominent place of organisational effectiveness in modern organisational literature, confusion and ambiguity still characterize scholarly writing on the subject. Problems of definition, circumscription and criteria identification plague most authors’ work. However, despite the ambiguity and confusion surrounding it, the construct of organisational effectiveness is central to the organisational sciences and cannot be ignored in theory and research. Basically all writings on organisational effectiveness rely on some theoretical conception of the differences between high quality (effective) performance and poor quality (ineffective) performance. Hence, effectiveness is inherently tied to all theory on organisations.

4.2 ORGANISATIONAL EFFECTIVENESS THEORY

For purposes of this study, it is important to examine how the theory and practice of organisational effectiveness has evolved over time. Extensive research both primary and secondary does not yield a universal definition of organisational effectiveness, a situation that lends credence to the fact that such a ubiquitous definition might not be in existence. There is however little uncertainty that when we reminisce about organisational effectiveness we vaguely appreciate what we mean. We know organisations that are effective and we can name them. Magazines such as the *Fortune*, *Business Week* and other business journals rank the best and the worst organisations on a variety of criteria not limited to such benchmarks as organisational effectiveness. Perceptive administrators recognize that effectiveness in an organisation is a concept that keeps on changing without necessarily corresponding to other organisational dynamics. To keep pace all manner of organisational effectiveness approaches such as training of staff, restructuring, strategic planning, teambuilding and blue-sky sessions, cost-cutting, head-hunting management gurus etc are all put into play. Despite these efforts, there are a number of enduring models and theories that underpin organisational effectiveness that we examine in this study.

Firstly, we have the closed rational organisation/bureaucratic control-oriented model which argues that organisational effectiveness is attainable by institutions setting specific goals, prescribing the behavioural expectations of organisational participants through formalization of rules and roles and monitoring conformance to those expectations (Baker and Branch, 2002:3). This model explains why RIIs such as the EAC are founded on the basis of Treaties, rules and regulations demarcating responsibilities and boundaries of authority. The model dominated the organisational scene from approximately 1900-1930 and originated in the works of Max Weber, Frederick Taylor and Herbert Simon. Weber (1946 translation), for example argued that bureaucracy was the most effective and efficient organisational form because the bureaucratic rational-legal structure provided the basis for stable and predictable behaviour on the part of both subordinates and superiors. His concept of management control was expounded by Frederick Taylor's (1911) notion of Scientific Management, which consisted of rationalizing organisational behaviour through extensive and detailed task analysis, systematisations and routinisation.

Herbert Simon (1957; 1979), on the other hand emphasized a more subtle form of control, referred to as administrative control, in which the role of management was to eliminate complexity by simplifying decisions and developing systems to support organisational participants in making the decisions each needed to make. Simon's form of administrative control is a somewhat less obtrusive form of bureaucratic control than scientific management. Simon is also well known for introducing the concept of bounded rationality.

Existing literature on the closed rational organisation/bureaucratic control-oriented model indicates that early organisational theory literature also assumed that organisations were fairly generic (Barnard, 1938; Dessler, 1982; Drucker, 1985a; Stoner, 1978). Drucker (1985a:17) described management as "*a generic function, which faces the same basic tasks in every country and, essentially, in every society.*" Although there is some variation in the functional task identified by the different management theories, all assumed a core set of management functions applicable to all organisations, which when applied would result in organisational effectiveness. These generic functions include: defining mission and establishing purpose and goals; leading and motivating; scrutinizing and planning; structuring, organizing and designing; controlling and establishing roles and authorities. Other functions include setting performance standards and value expectations; staffing, developing and managing human resources; budgeting and allocating resources; evaluating, learning and improving; and managing external relations.

Secondly, we have the natural systems or human relations model. This model emerged in the late 1920s when organisational theorists started to question the fundamental premise of increasing system rationality through promotion of stable patterns of behaviour and reduction in the scope of decision making authority. Excessive emphasis on internal control and stability came to be seen as irrational, and the attempt to programme in advance, the behaviour and decisions of organisational participants came to be viewed as misguided, even foolhardy. It was argued that such rigid programming could easily become maladaptive, giving rise to a trained incapacity which, in turn, would contribute to both ineffective and inefficient organisational performance (Baker and Branch, 2002:4-5).

The natural systems or human relations model was the dominant model from the 1930s through the 1950s. In contrast to the rational system perspective, the natural system perspective views organisations as first and foremost social collectivities whose primary

interest is the survival of the system. This model emphasizes that for an organisation to be effective, it has to harness the minds and hearts of its participants. It underscores the importance of informal social relations over formal structures (Likert, 1961; Weick, 1999). Thus, organisational effectiveness was gradually moving away from an emphasis on command control to an emphasis on engaging the hearts and minds of the organisational participants. The human relations perspectives, initially associated with Mayo, initiated this view. Mayo (1945), is best known for the pivotal studies, triggered by the famous Hawthorne Effect, that demonstrated that commitment and loyalty were often more important than self-interest and formal sanctions in determining the behaviour of organisational participants.

This human relations school gave rise to a large body of work directed at informal, normative structures; organisational cooperation, organisational culture, motivation, morale and later teamwork (Barnard, 1938; Goffman, 1961; 1974 and Peters & Waterman, 1982). This perspective has since been expanded to include efforts to engage not only the hearts and minds of organisational participants but also those of the organisation's customers and external stakeholders (Porter, 1985; Powell, 1990). These newer efforts contributed to the development of the literature on team work, organisational alliances and partnerships, participative management and leadership.

Thirdly, we have the open systems model which focused greater attention on the organisation's interaction with its external environment. This perspective became prominent in the early 1960s (Scott, 1987:115; Blau & Scott, 1962). It basically perceives an organisation as an open system that self-maintains on the basis of throughputs taken from and given back to the environment. It argues that as the environment confronting organisations becomes more complex, varied and rapidly changing, organisations need to become increasingly flexible and adaptive. The model led to increased consideration of organisational design and the idea that an appropriate organisational design was one that enabled "*an organisation to execute better, learn faster and change more easily*" (Mohrman *et al.* 1995:7). An organisation's design was further seen as comprising multiple, interrelated elements, frequently categorized as structure, people, processes, rewards and tasks or work system that together can create unique organisational capabilities that provide competitive advantage (Quinn *et al.* 1997; Galbraith, 1973; 1994; 1995).

Under the open systems approach management science gradually moved away from the view that management's role was to manage critical generic organisational functions toward the idea that managers needed to be leaders whose real added value was the provision of vision and direction that engaged the hearts and minds of employees, and, subsequently, customers and external stakeholders (Hesselbein *et al.* 1996). As this viewpoint matured, the central role of management was increasingly defined as encouraging motivational practices, facilitating creativity and innovation on the part of its employees, customers and stakeholders and ensuring the development of leaders throughout the organisation. In other words, management's role was to unleash creativity and passion and harness these forces to promote the success of the organisation (Kotter, 1996; Deming, 1994). This shifted the primary focus of management from the creation and implementation of organisation structures to ensuring and leading organisational coordination, flexibility and agility (Peters & Waterman, 1982; Kotter & Heskett, 1992).

Ultimately we review the contingency model. This model put emphasis on developing more specific models of organisational effectiveness for particular organisations or for the most critical components of a given organisation. It argues for models of organisational effectiveness that are more tailored to the specific requirements and objectives of a particular organisation. Lawrence and Lorsch (1967) coined the label contingency theory to capture this notion that different environmental contexts place different requirements on organisations. Such differing requirements, combined with the fact that social systems are loosely coupled with their environment, mean that there is no one best way to organize to respond to the environment – even if not all ways of organizing are equally effective.

In as far as RIIs are concerned, this study observes that the unique environmental context under which these institutions operate is the fact that they are institutions voluntarily established by sovereign states to safeguard or promote issues of common interest through harmonization of their respective policies. For these institutions to be effective, the sovereign states must be willing to cede some of their sovereignty. In this regard, political will is crucial for the effectiveness of RIIs. The recommendations of the contingency theory will inform this study based on information borrowed from two regional integration theories, that is, intergovernmentalism and supranationalism. These theories offer insight on the best way in which RIIs as intergovernmental institutions can be organized to respond to their unique environment. Intergovernmentalism argues that for RIIs to be effective, governments should

continue to exert their full sovereignty; meaning, regional institutions should only act as a Secretariat that prepares and implements integration policies. Supranationalism on the other hand, advocates that for RIIs to be effective, governments should share jointly, through common institutions, some specific aspects of sovereignty. Under supranationalism, the legal provisions for integration take precedence over national laws, and these provisions are enforceable through the courts if necessary. In this case the budget to carry out integration policies is determined implemented and controlled by common institutions (EC Paper, 1995:23).

Most regional integration theorists (Haas, 1958; Nugent, 2003) have a leaning towards supranationalism which they believe is more likely to lead to RIIs achieving their mandate. There is however, broad consensus that what is at issue is not whether RIIs should be supranational or intergovernmental, but that whichever approach is taken, the governments of the participating countries must display adequate political will (EC Paper, 1995; Best, 2006). This entails creation of institutions that have a realistic mandate, adequate human and financial resources to fulfil this mandate, capacity to formulate and implement regional policies, no conflict or overlapping membership between the mandates of different institutions and ability to operationalise the principles of subsidiarity and variable geometry.

4.3 DETERMINANTS OF ORGANISATIONAL EFFECTIVENESS

Having regard to the theories reviewed above, one may discern that there is no single theory that builds consensus on the definition or measurement of organisational effectiveness. Indeed, management guru Cameron (1986:541) asserts that no single model or criteria set exists for organisational effectiveness and thus there cannot be a single theory about effectiveness. To him, debates about which model of effectiveness is best or right are largely beside the point, because models are more likely to complement one another than supplant one another.

As pointed out earlier, organisations make effective decisions when they for instance recruit well qualified personnel, conduct internal restructuring, carry out strategic planning, head hunt for management gurus just to mention but a few. We know too well when we encounter effectiveness and when we do not. We for example, believe in the use of expedited service,

genial and courteous staff, hygienic environment, value and quality performance etc – all these are attributes we can judge as efficacious or not.

From the theories of organisational effectiveness reviewed, this study has identified and will further situate and investigate through literature review and primary inquiries the following variables often cited as determinants of organisational effectiveness:

- clarity of purpose, that is, clearly spelt out goals and objectives in terms of their clarity, prioritization and capacity for implementation;
- facilitative organisational culture;
- rational organisation structure;
- rational organisation processes;
- ability to acquire resources (financial, human);
- internal harmony;
- satisfaction of strategic constituencies both internal and external;
- ability to adjust and respond to dynamic changes and requirements of and in the environment;
- transformational leadership; and
- political will, on the basis of the intergovernmental nature of RIIs.

4.3.1 Clarity of purpose

Clarity of purpose is important to the success of any organisation. Having clear goals and strategic direction will help provide a sense of where the organisation is and where it is going. Goals are conceptions of desired ends. Most organisational scholars advise that organisations will be better placed to effectively achieve their intended outcomes if they set goals that are Specific, Measurable, Attainable, Realistic and Timely also referred to as SMART. A goal is specific if it lays down what is to be done, why and how. Measurable means it should be possible to see indicators of goal achievement. Attainable means the attitudes, abilities, skills and financial capacity necessary to achieve the goals are available. Realistic means the goal should be do-able, that is, the skills needed to do the work should be available and the project should fit with the overall strategy and goals of the organisation. Timely means there should be an end point on the goal which gives organisational participants a clear target to work towards (Nikitina, 2008:1).

Literature on organisational effectiveness draws a link between SMART goals and performance management. Performance Management refers to how the individual within the company is performing and contributing. Performance management is key to the success of any organisation. If the goals of an organisation are not SMART, its employees are left without a sense of direction which leads to poor performance. SMART goals contribute to improved employee performance in several ways. Specific goals enable employees to know how their individual and work unit plans align with their company's vision, mission and values. This increases motivation and enhances performance. Measurable goals enable employees to evaluate their performance, identify gaps in their skills or performance, and develop goals and plans for improvement. It focuses on continuous improvement. Attainable goals enable employees to know what is required to achieve a goal in terms of skills and resources. Realistic and time bound goals enable employees learn how to align their personal work plan with work unit plans and goals. SMART goals therefore provide individuals within an organisation with a clear sense of direction which leads to organisational effectiveness (Centre for Organisational Effectiveness, 2008:1).

Organisational effectiveness theories further draw a link between SMART goals and well defined organisational vision and mission statements. Indeed, as Myatt (1988) observes, vision dictates mission which determines strategy, which surfaces goals that frame objectives, which in turn drives the tactics that tell an organisation what resources, infrastructure and processes are needed to support a certainty of execution. Myatt (1988) further warns that organisations should not get caught up in attempting to develop catchy visions and missions to be encapsulated within a piece of framed artwork that hangs in their reception yet are never put into practice, rather it is more important that the vision and mission are understood by employees and translated into the actions.

4.3.2 Facilitative organisational culture

While well formulated organisational goals are important, it is an organisation's culture that gives life to its goals and helps make their realization possible. According to International Development Research Centre (IDRC) (2006:8), culture is the sum total of the values, beliefs, customs, traditions and meanings related to goal fulfilment and developed over the history of an organisation that make it unique, govern its character and drive the organisation. Organisational culture can be a powerful motivating force which through embodying the

values sanctioned by the organisation, frames the boundaries of acceptable attitudes and behaviour and creates a shared ethos. Culture can thus help determine the extent to which members of an organisation will – and are expected – to extend themselves to fulfil tasks. Indeed, culture can cause individuals to push their very limits of organisational capacity. Cultural values express what people believe the organisation wants to happen. When individuals join an organisation, besides learning about its formal aspects, they spend much of their time being socialized into the “informal organisation”, namely, the culture. It takes time to absorb the organisational culture, for it generally cannot be spelled out in a document or directive (IDRC, 2006:8-9).

According to Harris and Brannick (1999), an organisation’s culture is defined by its core value. They identify four core values crucial for organisational effectiveness – customer service, innovation, operation excellence and spirit. This view is further expounded by Fyock and Brannick (2002:1-6), who identify moderate degree of hierarchy, a high degree of urgency, strong people orientation, efficiency, customer service, hospitality, and leading edge as core values which support facilitative organisational culture.

4.3.3 Rational organisation structure

It is difficult to get a proper definition of the term rationality as the concept can be applied to many different elements in human life. According to Wessels and Pauw (2003:6-11), the concept of rationality can be applied to persons, beliefs, decisions and procedures. In this light, a person is said to be rational when he takes decisions that promote the achievement of his goals; a belief is said to be rational if there is good reason to hold on to it or believe it; a decision is said to be rational if it contributes to the goals of the person(s) making it; and a procedure is said to be rational if it consistently contributes to the sought after results. Thus rationality when seen in terms of the four different scenarios above can be seen to refer to reasoning strategies that are effective for accomplishing goals. A rational organisational structure thus refers to a structure which is capable of accomplishing the goals the organisation seeks to accomplish.

The task of creating appropriate organisational structures has challenged managers and students of organisational development for decades. What has now been realized is that the “ideal” structure is the one that best fits the situation (IDRC, 2006:13). At issue is that the

organisational structure should support the capacity of an organisation to perform its work. Departments or other groupings should understand their roles in the organisation, have the authority to carry out their roles and be accountable for their work. Further, there should be effective coordination through linking specialized activities of individuals or groups so that they can and will work toward common ends.

Another important structural consideration is the manner in which authority is shared. Natural systems' scholars point out that too much formalization and centralization places intolerable burdens on those responsible for the management of an organisation and can easily lead to trained incapacity (Merton, 1957:197-200). They note that formal arrangements that curtail individual problem solving and the use of discretion undermine participants' initiatives and self-confidence, causing them to become alienated and apathetic. Such restrictive arrangements not only damage participants' self-esteem and mental health but prevent them from effectively exercising their talents and energies to the larger enterprise (Argyris, 1957; McGregor, 1960).

4.3.4 Rational organisation processes

Organisational process are the internal management systems – the many mechanisms that guide interactions among people to ensure that ongoing work is accomplished rather than hindered or blocked. These include planning, problem-solving/decision-making, communication, monitoring and evaluation (IDRC, 2006:22). Organisational experts often emphasize the link between effective planning and organisational effectiveness. In this regard, strategic planning in organisations is deemed to be critical as it sets the overall directions and, at operational levels, the process by which the organisational goal is translated into specific objectives and methodologies to accomplish goals.

Problem-solving and decision-making are two interacting and mutually reinforcing processes that must function well at every level of an organisation. Organisations must have the ability to define important problems, gather the data to frame the issue, create a set of alternatives to deal with the problem, decide on solutions, create the conditions to carry out decisions and monitor these decisions and their progress (IDRC, 2006:24). Timeliness is a key element in this process. An organisation must thus be able to identify important problematic issues and act in a timely manner.

Effective communication evidenced by exchange of information and realization of shared understanding among members of an organisation is also essential for a rational internal process. The IDRC (2006:23) observes that internal communications can serve as the glue holding an organisation together; alternatively, they can break it apart – for both information and misinformation constantly flow in organisations. Accurate information is vital to keep employees informed as well as motivated: besides the focused information needed to carry out work, organisational participants also need information that makes them feel part of an important effort and a wider purpose.

Also critical are the processes of monitoring and evaluation¹⁰ through which comparison of what has actually happened with what was planned and with the organisation's overall goals can be undertaken. Organisational scholars recommend that as organisations become more and more concerned about how individuals and the organisation as a whole can improve and grow in knowledge monitoring and evaluation become increasingly important and hence organisations should have in place effective policies and procedures to guide these processes (IDRC, 2006:23).

4.3.5 Ability to acquire resources

Crucial to effective achievement of goals is the ability to acquire and manage resources. Cameron (1980:67-68), for example argues that the more of the needed resources an organisation can obtain from its external environment, the more it is able to be effective in achieving its goals. Resources include staff, finance-money, and administrative resources (infrastructure and technology). Scott (1998:172), however, argues that of all the many resources required by organisations, the most vital are the contributions of its staff. Not only are these contributions themselves of infinite variety, they are also the ultimate means by which all other resources are acquired. It is thus important that an organisation is able to attract the right and best people to enable it achieve its objectives. This in essence means that it has to provide good terms and conditions of service relative to similar organisations in its environment. Further, it is important that an organisation strictly recruits qualified people.

¹⁰ Monitoring is the ongoing process of gathering, analyzing and reporting data on how an organisation, department or project is doing for the purpose of managing and identifying problems at an early state. Evaluation is typically a more comprehensive, summative process. It identifies factors that facilitate or hampered achievement of results and may trace the contribution of these results to broader objectives. It involves making judgments about the merit or worth of an activity at a given time, during or after implementation and answers questions of relevance, effectiveness and impact (IDRC, 2006:25).

Scott (1998:187), for example argues that since organisations exist to pursue given goals, participants should be recruited only if they possess extra-organisational characteristics viewed as valuable to this end.

Having obtained the right staff members, it is important that an organisation optimally utilizes them. This calls for an effective human resource management system. Managing human resources requires forecasting the demand and supply of staff needed to carry out the activities of the organisations, keeping records of human resources so as to permit the creation of a more equitable employment system, recruiting and hiring the best people possible, creating an assessment system that rewards people and helps keep them in the organisation and providing for the ongoing learning and career development of employees (IDRC, 2006:28).

Scholars such as Hanlan, Seidner and Zietlow (1998:75) are in agreement over the critical role played by financial resources in ensuring the ability of an organisation to achieve its objectives. They rightly observe that financial resources allow organisations to accomplish their missions and achieve their goals. They are needed to raise funds, hire and reward people, acquire property and equipment and fund many types of expenses incurred in pursuit of an organisation's mission. Thus, it is important for an organisation to secure adequate and reliable levels of funding to carry out its mission and activities. It is also important that these resources be effectively utilized and managed. This calls for sound financial management practices, which has at its core a well formulated strategic plan, a corresponding budget and an evaluative financial report (Hanlan, Seidner & Zietlow 1998:147). The IDRC (2006:32) further recommends that important organisational goals should be supported by the budget. This means that there should be evidence of funds allocated in the budget for whatever is an organisational priority and all activities required to support this prioritized goal.

Infrastructure resources refer to the basic environmental conditions which enable work to transpire – for example, reasonable space in a building equipped with adequate lighting, clean water, a dependable supply of electricity etc. Inadequate infrastructure is likely to interfere with the function or the potential function of an organisation. The IDRC (2006:27), notes that although most of the time, deficiencies in one or more elements of infrastructure do not interfere with day-to-day work, at some point, work will be impacted. Typically, the crux of the infrastructure issue is maintenance, which suffers due to the lack of recurrent budgets

providing for upkeep. It is thus important for an organisation to have adequate maintenance systems and procedures that are supported by a maintenance budget.

Closely related to infrastructure is technology. The technological resources of an institution encompass all of the equipment, machinery and systems, including library information system hardware and software, which are essential to the smooth performance of duties by organisational participants. These include scanners, computers, photocopiers, record management software like TRIM etc. It is important that technology is adequate and well maintained (IDRC, 2006:30).

4.3.6 Internal harmony

According to Cameron (1980:67-68), effective organisations are those with an absence of internal strain, whose members are highly integrated into the system, whose internal functioning is smooth and typified by trust and benevolence toward individuals, where information flows smoothly both vertically and horizontally, and so on. This scenario portrays an absence of conflict. Organisational experts admit that conflict is normal and part of everyday organisational life. However, although conflict can stretch our minds to see in new ways and create new solutions to vexing problems, it is also capable of producing chronic ineffectiveness in organisations if handled poorly. Indeed, Common Ground Associates (1998:1), assert that when confronted with conflict an organisation has two choices, it can use the conflict to grow and learn, or the conflict will use it to grow and destroy. They further observe that the problem is that many experts offer that conflict should be managed and caution that by its very nature conflict cannot be managed – it is either resolved or it continues to fester and boil beneath the surface like an infection and will either leave scar tissue or will explode to the surface with renewed energy.

The above view is shared by Bragg (2001:1-3), who observes that most organisations do not handle internal conflict very well as seen in the three main approaches used to deal with conflict in the workplace. The first approach is avoiding conflict. This approach is based upon the belief that conflict is bad or that it is a sign of a dysfunctional group. Organisations that use this approach may try to create structures to prevent conflict. Avoidance is often a sign of denial that conflict exists. Non-action is a prime strategy for conflict avoiders. In the

worst case, the avoiders don't even recognize the symptoms that conflict is occurring. Consequently, conflicts smoulder and fester until they erupt or explode.

The second approach is suppressing conflict. This approach is based upon the belief that you can squelch or eliminate conflict. A common suppression strategy is to lay down the law, to set strict limits, to require people to work together or to force them to cooperate. Another suppression strategy is to stall resolution by having meetings or creating administrative procedures to address the conflict. A third suppression strategy is to try to resolve the conflict secretly – to work behind the scenes – so you resolve the conflict without anyone knowing it existed. Bragg (2001:2), points out that a common mistake is believing that having a meeting or just getting the disputing parties together will resolve the conflict. It doesn't. When handled poorly, getting the disputants together makes matters worse. Another mistake is believing that the conflict is merely a personality clash. Managers sometimes lament that if they just had good employees all the conflict in their organisation would disappear. This is usually not true. Often organisational systems cause conflicts despite the people working within those systems. This is why replacing the people does not necessarily solve the conflict. Suppressing conflict does not work it merely drives the conflict underground, so on the surface everything looks merry.

The third approach to solving conflict and which Bragg (2001:3), highly recommends is turning conflict into positive outcomes. This involves seeing the positive side of conflict. One way to do this is to view conflict as feedback. Conflict is information about your relationship or about what is going on. It tells an organisation that something is not working or that people believe that they are not getting their needs met. Conflict is a signal that the organisation may want to do things differently or to think about things differently. Conflict thus provides an organisation with an opportunity to be creative and to change something affecting its relationships. Learning from conflict is thus the only approach that works. The key to learning from conflict is asking the right questions, and then searching together for the answers. Important questions to reflect on when using conflict as feedback include: What can we learn from this? How can we use this conflict to improve our relationship? How can we work together to do this better? What perceptions or misperceptions are driving this conflict? How do the perceptions of the disputants differ? and What are the real issues of the conflict and what are superficial issues? These are questions that have to be answered jointly by the conflicting parties (Bragg, 2001:3).

4.3.7 Satisfaction of strategic constituencies both internal and external

An organisation is more likely to be effective in achieving its objectives if all of its strategic constituencies are at least minimally satisfied (Cameron, 1980:67-68). A strategic constituency is any group of individuals who have some stake in an organisation. They could be internal for example employees, policy organs and Board of Directors or external, that is, those powerful groups outside the organisation that have a significant impact on its functioning, for example shareholders and other stakeholders.

With regard to employees, organisational analysts are in agreement that an organisation's ability to effectively achieve its objectives depends in part on its ability to create an environment that motivates and stimulates its personnel. Organisations are thus encouraged to continuously seek ways to keep their staff motivated. One such way is through incentives which can range from appropriate remuneration, recognition, capacity building to career structures that effectively enable communication within the organisation and guarantee employee growth and career advancement (IDRC, 2006:9).

Early organisational theorists, Barnard (1938) and Simon (1976) stressed the importance of an organisation's ability to motivate participants to continue to make contributions of time, resources, effort – to it rather than to some competing system. They argued that each participant and each group of participants receives from the organisation inducements in return for which he makes contributions to the organisation. As such, each participant will continue his participation in an organisation only so long as the inducements offered him are as great as or greater (measured in terms of his values and in terms of the alternatives open to him) than the contributions he is asked to make.

External strategic constituencies or stakeholders consists of those people and organisations external to the institution who are directly concerned with the institution and its performance. Examples include potential target groups of the institution's activities, shareholders, donors, clients, suppliers, other institutions doing similar or complementary work and the public at large. According to IDRC (2006:3), influences from external stakeholders can become major facilitating or constricting forces on an organisation as it works to accomplish its mission. In the extreme, these forces can keep an organisation alive artificially, conversely, they can thwart organisational survival. An organisation must therefore, identify its external

stakeholders in order to assess their potential impact on the organisation. In particular, strategic decision makers in the organisation must understand the specific demands that each external stakeholder group is making on the organisation.

The Minnesota Council of Nonprofits (2005:18) observes for example, that the effectiveness of an organisation, especially non profit organisations like RIIs, depends on successful relationships with other similar institutions. Regardless of form – partnership, collaboration, cooperation or coordination – these relationships, or strategic alliances, can serve a variety of purposes, including resource sharing, policy influence and improved operational efficiency. They strengthen both the capacity of individual organisations and the sector as a whole. Organisations should thus be open to strategic alliances, and when appropriate should partner with other organisations to strengthen their capability to achieve desired results. They should initiate and promote cooperation and coordination between a variety of entities to avoid unnecessary duplication of services and to maximize the resources available to the communities they serve.

4.3.8 Adaptability to change

Several scholars, especially those who prescribe to the open system perspective (Weick, 1977; Nickols, 2000; Berger, Sikora & Berger, 1994), stress the importance of adaptability and flexibility to environmental changes as core criteria of organisational effectiveness. Weick (1977:193-194), emphasizes this dimension when he insists that effective organisations are characterized by a diversity of linguistic forms, techniques for breaking out of normal cognitive and normative constraints, structural units that are loosely articulated so as to maximize sensitivity to the environment and diversity of response. In other words, institutions should not be too rigid if they wish to prosper in a volatile, uncertain, complex and ambiguous environment.

In order for an organisation to be able to adapt to change, it must have in place effective procedures for managing change. Berger, Sikora and Berger D.R. (1994), note that managing change is a continuous process of aligning an organisation with its environment thus enabling it to be more efficient and effective and continuously collecting feedback from within the organisation. Change management examines external and internal conditions affecting an organisation and uses skills, knowledge and strategies to effectively plan and implement

change as well as support continuous improvement following change. Nickols (2000:1), observes that there are two common triggers that prompt organisations with the task of managing change. Firstly, an organisation may choose to implement a new method or system in a planned and managed or systematic fashion. This is an “anticipative or proactive response” change. Either internal events within the organisation or the external environment triggers the shift in change. Secondly, an organisation may be forced to make changes or implement a new system based on the external factors such as laws, societal issues or competitors. This is known as a “knee-jerk or reactive response” change. The organisation has little or no control and must change in order to stay competitive and in business.

Change management is thus about making alterations to the organisation’s purpose, culture, structure and processes in response to seen or anticipated changes in the environment. It starts with the detection of a change trigger and ends with the implementation of a new strategy within the organisation. Effective organisations are those that identify and embed those changes that will ensure the long-term survival of the organisation (Collett, 2003:3).

Beinhocker (2006:5-7), proposes three methods of increasing an organisation’s effective adaptation to change, that is, reducing hierarchy, increasing autonomy and encouraging diversity. He further proposes that in order for these three models to be effective, they must be supported by facilitative organisational norms, that is, cooperating norms that encourage trust, reciprocity and shared purpose; performing norms that create strong expectations from individual performance, so that employees will go the extra mile, take the initiative, be honest and transparent and believe that success will be rewarded; and innovating norms which include the belief that facts matter more than hierarchy, that good ideas can come from anywhere and that good enough never is.

4.3.9 Transformational leadership

The subject of leadership has been in vogue for several years. It has emerged in the context of how organisations are best able to face and cope with environments of rapid change, complexity and uncertainty. The thesis has been that management with its dominant focus on doing things effectively rather than doing the right things cannot achieve results (Bennis & Nanus, 1985:21). The distinction between leadership and management has been given further thorough interpretation by Professor John Kotter (1990:4-5). He distinguishes managers

from leaders by asserting that managers seek to provide consistency and order in organisations irrespective of environmental complexity. On the other hand, leaders establish direction, align people behind the direction or vision and inspire and motivate people to achieve results. It is in this context of the foregoing distinction of managers and leaders that the attribute of transformational leadership arises.

According to Etzioni (1965:690-91), leadership is a special form of power, one that involves the ability, based on the personal qualities of the leader, to elicit the followers' voluntary compliance in a broad range of matters. Leadership is distinguished from the concept of power in that it entails influence, that is, change of preferences, while power implies only that subjects' preferences are held in abeyance. Leadership thus entails motivating followers to achieve the outcomes that the leader seeks, and effectively, this requires them to adopt preferences for those outcomes.

The vast majority of studies of leadership have focused on persons who have been assigned a leadership position in an organisation, that is, who have some authority by virtue of their position. This is not surprising given that several studies have shown that top leadership has the potential for drastic impacts on the operations and performance of an organisation (Guest, 1962; Gouldner, 1950; 1954). Top leaders are expected to be transformational if organisational effectiveness is to be achieved. Yukl (1994:271), defines transformational leadership as the process of influencing major changes in the attitudes and assumptions of organisational members and building commitment for the organisation's mission, objectives and strategies.

In order to be transformational, Selznick (1957:55-63), specifies four major functions of top leaders. The first is to define the institutional (organisational) mission and role. The second task entails the institutional embodiment of purpose, which involves choosing the means to achieve the ends desired or ensuring that the structure reflects and is designed to accomplish the mission effectively. The third task is to defend the organisation's integrity. The final leadership task is the ordering of internal conflict.

Other activities associated with top level leadership include: determining the intent of the mission, making strategic decisions, developing key competencies and capabilities, developing organisational structures, processes and controls, selecting and developing the

next generation of leaders, sustaining an effective organisational culture and creating and communicating a vision of the future (Hickman, 1998; Hunt, 1991; Zaccaro, 1996). Clearly, these functions are very relevant to leaders at the highest level of an organisation. Top leadership therefore need to understand the broader political, economic, socio-cultural, technological and informational environment in order to envision future goals or end-states. At the highest level, senior leaders “must conceptualize and construct robust organisations that can withstand the rigours of yet unknown events” (Hammond, 1998:7).

Leadership theories also emphasize the role of a leader as an agent or initiator of change (Reeves, Duncan & Ginter, 2000). In the current, turbulent environment, change may be viewed as a continuous and vision-governed adaptation to external changes and emerging conditions (Styhre, 2002:343). Consequently, successful leaders need to be versatile in order to respond appropriately in different organisational scenarios. Aiken and Keller (2007:1-6), suggest four key functions which collectively define a successful role for an organisation’s Chief Executive Officer (CEO) in managing change. Firstly, a CEO must make the change meaningful. People will go to extraordinary lengths for causes they believe in, and a powerful transformation story will create and reinforce their commitment. They for example observe that CEOs who take time to personalize the story of the transformation can unlock significantly more energy for it than those who dutifully present the PowerPoint slides that their working teams created for them. Other means of making the transformation meaningful include engaging others openly and spotlighting successes as they emerge.

Secondly, a CEO must role model desired mind-sets and behaviour. Whether leaders realize it or not, they seem to be in front of the cameras when they speak or act. Every move they make, everything they say, is visible to all. Therefore the best approach is to lead by example. Aiken and Keller (2007:4), note that employees expect the CEO to live up to Mahatma Gandhi’s famous edict, “*For things to change, first I must change.*” The CEO is the organisation’s chief role model. The quickest way to send shock waves through an organisation is to conceive and execute a series of symbolic acts signalling to employees that they should behave in ways appropriate to a transformation and support these types of behaviour in others.

Thirdly, a CEO must build a strong and committed top team. A CEO can do this through assessing the ability of individual members of the team and acting swiftly on the results. Many CEOs find it useful to map team members on a matrix, with “business performance” on one axis and “role-modelling the desired behaviour” on the other. Those in the top-right box (desired behaviour, high performance) are the organisation’s stars, and those in the bottom-left box (undesired behaviour, low performance) should be motivated, developed or dismissed. The greatest potential for sending signals involves the employees in the box of “undesired behaviour, high performance.” When clear action is taken to improve or remove these managers, the team’s members know that role-modelling and teamwork matter. This means that if necessary, CEOs have to get rid of those individuals, even the talented ones, who quarrel and cannot work together or those who everyone knows are not carrying their load (Aiken & Keller, 2007:4).

The CEO can also build a strong and committed top team through effective dialogue. CEOs have to realize that even with the right team in place, it takes time for a group of highly intelligent, ambitious and independent people to align themselves in a clear direction. The CEO has therefore to agree with members on what they can achieve as a team (not as individuals), how often the team should meet, what transformation issues should be discussed and what behaviour the team expects and/or will not tolerate (Aiken & Keller, 2007:4).

Fourthly, a CEO can bring about successful transformation by relentlessly pursuing impact. There is no substitute for a CEO directing his or her personal energy toward ensuring that an organisation’s efforts have an impact. Aiken and Keller (2007:5), recommend that initiatives with a significant financial or symbolic value require the CEO’s personal involvement for maximum impact. An Executive must be willing to roll up his sleeve, leave the executive suite and help resolve difficult operations issues. This has several beneficial effects, key among them being that it ensures that important decisions are made quickly (without sacrificing the value of collective debate) and sows the seeds of a culture of candour and decisiveness.

Another way of relentlessly pursuing impact is through holding leaders accountable. Successful CEOs never lose sight of their management responsibility to chair review forums. Through these, they compare the results of the transformation program with the original plan, identify the root causes of any deviations, celebrate successes, help fix problems and hold

leaders accountable for keeping the transformation on track both in activities (are people doing what they said they would?) and impact (will the program create the value we anticipated?). A central role for the CEO during these review forums is to ensure that decision making stays grounded in facts not emotion (Aiken & Keller, 2007:5-6).

4.3.10 Political will

The contingency model argues that different environmental contexts place different requirements on organisations. As such, the institutional design of an organisation should be tailored to the specific requirements and objectives of a particular organisation. This study observes that the unique environmental context under which RIIs operate is that they are institutions established by sovereign states to safeguard or promote issues of common interest through harmonization of their respective policies. This entails ceding of some sovereignty and hence an enormous amount of political will by the governments of countries participating in an integration scheme.

Political will is a term that is often used but rarely defined. Hornby (1995:1365) defines 'will' as: trying to make something happen or a strong desire or determination. Hornby (1995:893) further defines 'political' as pertaining to the state or government. When we combine the two words to form the term 'political will' it can be deemed to refer to a strong desire or determination on the part of the government or state to make something happen. Political will in the context of this study would therefore refer to a strong desire or determination on the part of the government to advance regional integration. It implies the government moving beyond concepts and talk about regional integration to taking action that actually advances integration.

In as far as RIIs are concerned, governments have used two basic alternative approaches to secure an institutional framework for regional integration. These are: supranationalism and intergovernmentalism. According to EC Paper (1995:23), intergovernmentalism means that governments continue to exert their full sovereignty: institutions are only created to act as a Secretariat, preparing and implementing integration policies. Supranationalism, on the other hand, means that governments decide to share jointly, through an institution, some specific aspects of sovereignty. Under supranationalism the legal provisions for integration take precedence over national laws, and these provisions are enforceable through the courts if

necessary. In this case the budget to carry out integration policies is determined, implemented and controlled by common institutions. Under intergovernmentalism, states agree on certain matters that become part of their national legislations, but there is no body of common law.

Given the unique environment of RIIs, there has been debate about which of these models is best suited to make RIIs effective. According to Haas (1958:29), for integration to be successful, two things are crucial: a central government which stands apart from those of the member states, that is, supranational institutions have to be created and a collective consciousness has to be developed. He thus argues for the centrality of supranational institutions as potential agents of integration. Nugent (2003) seems to support this view. He notes that in intergovernmentalism, states, in situations and conditions they can control, cooperate with one another on matters of common interest. The existence of control, which allows all participating states to decide the extent and nature of this cooperation means that national sovereignty is not directly undermined. Supranationalism on the other hand involves states working with one another in a manner that does not allow them to retain complete control over developments. This means, states may be obliged to do things against their preferences and their will because they do not have the power to stop decisions. Supranationalism thus takes inter-state relations beyond cooperation into integration and involves some loss of national sovereignty. Evidently, Supranationalism entails more political will.

The EU which is considered to be the world's most successful RII utilises a blend of supranationalism and intergovernmentalism in its integration process. Virtually all other RIIs are almost fully intergovernmental. According to EU Paper (1995:23), the lesson to be learnt in relation to the design of RIIs is not that institutions should be supranational or intergovernmental, but that whichever approach is taken the institutions should have a realistic mandate. They should also have available adequate resources to fulfil this mandate. It helps if own resources are generated automatically. The complexity of integration calls for institutions that are capable of formulating and implementing regional policies. Human and financial resources should be in line with the objectives. There should be no conflict or overlapping membership between the mandates of different institutions as this leads to inefficiency and waste of resources. Further the principles of subsidiarity and variable geometry should be operationalised. All these are possible only if there is adequate political

will. The organisational effectiveness of RIIs is thus dependent on the goodwill of the governments of participating countries.

Best (2006:8-9), shares the above view. He argues that supranational institutions should not be understood simply as common organs with some kind of formal powers at a higher level. They are better seen as being a set of rules and instruments involving some form of sharing of sovereignty, which may be combined in different ways with more intergovernmental practices of regional cooperation. He notes that supranationalism may be employed in decision making, monitoring and enforcement and recommends two kinds of supranational arrangements. One concerns the interaction between the governments (with or without other autonomous institutions) and can be summarized as the pooling of sovereignty. Sovereignty is pooled when governments take decisions by voting procedures other than unanimity; and/or when governments agree to act either jointly or not at all (exclusive competence), even if by unanimity.

The other refers to delegation of powers to autonomous institutions which are created by the member states. When it comes to decision making powers, these include in a rough descending order of degrees of autonomous power:

- the right to adopt normative decisions, that is, general rules, directly on the basis of the Treaty and without the need for approval by the Partner States;
- the need to agree with the members states in adopting normative decisions;
- the exclusive right of initiative for the adoption of normative decisions by the member states;
- the autonomous right to adopt binding implementing acts; and
- the exclusive right to adopt binding implementing acts with the approval of the Partner States (Best, 2006:8-9).

When it comes to applying the rules, these tasks may include:

- judicial review of union acts by a Court;
- authoritative right of interpretation by a Court;
- legal action before a Court to ensure fulfilment of obligations; and
- direct inspection by centralized agencies (Best, 2006:8-9).

Best (2006:9), further notes that discussions of supranationalism have tended to focus on the role of states and state created institutions in the adoption and application of rules. He cautions that there are several other important dimensions of supranationalism, which deserve mention. The first is the question of funding. One of the nightmares of most integration schemes has been lack of funding even for the basic institutions, far less for common policies or compensatory mechanisms. Finding an alternative to dependence on national quotas requires some form of automatic mechanisms to establish a system of 'own resources'. Unless this were to take the shape of a parallel self-commitment in each country's constitution, some form of 'supranational' exercise is inevitably involved, such as pooled customs revenues in a customs union, a levy on certain kinds of transactions or a share of indirect taxation.

The second is the role of political bodies which are formally supranational by virtue, not of their creation by governments, but of their direct election by citizens: in other words, a directly-elected common assembly. Such a body may be supranational both by its nature and by its role. Best (2006:10), observes that EU experience shows that by virtue of its direct election since 1979, the EU Parliament has acquired a number of supranational powers in decision making, budgetary control and appointments.

4.4 SUMMARY

In summary organisational effectiveness denotes the ability of an organisation to be effective in achieving its intended outcomes. Extensive scholarly work has been carried out to determine what increases an organisation's ability to achieve its goals. These works fall into four main theoretical frameworks: the rational perspective which stresses on formalization of rules and roles and monitoring conformance to those rules; the natural systems perspective which stresses on harnessing the hearts and minds of organisational participants as well as external stakeholders; the open systems perspective which stresses on effective adaptation of an organisation to its environment, including among other things transformational leadership and the contingency model which advocates for models of organisational effectiveness that are more tailored to the specific requirements and objectives of a particular organisation.

Based on the different perspectives of organisational effectiveness, one may discern that there is no single theory that builds consensus on the definition or measurement of organisational effectiveness. Indeed, leading management gurus point out that there cannot be a single theory about effectiveness because the various models are more likely to complement one another than supplant one another. Thus, from the theories of organisational effectiveness reviewed, the following variables are identified as determinants of organisational effectiveness: clarity of purpose; facilitative organisational culture; rational organisational structure; rational organisational processes; ability to acquire and manage resources; internal harmony; satisfaction of strategic constituencies both internal and external; ability to adapt to change; transformational leadership and political will (in as far as public sector institutions are concerned).

Different scholars recommend various ideal situations with regards to the determinants of organisational effectiveness identified. With regard to clarity of purpose, organisations are encouraged to develop well defined and specific goals. The construction of clear mission statements is underscored in this regard. With regard to organisational culture, organisations are encouraged to develop internal norms that focus on customer service, innovation, operation excellence and team spirit. With regard to structure, demarcation of roles should enable effective achievement of goals. Further, departments or organs should understand their roles in the organisation, have the authority to carry out their roles and be accountable for their work. There should also be effective coordination between the various organs or departments. With regard to processes, organisations are encouraged to develop smooth internal management systems in terms of effective strategic planning, rational and quick problem-solving and decision-making, quick and accurate exchange of information and effective monitoring and evaluation.

In the area of resource acquisition and management, organisations are encouraged to offer attractive terms and conditions of service in order to attract the right and best people to enable achievement of goals. Further, it is underscored that recruitment of staff should be based on qualifications. An effective human resource management system to make optimal use of the human resource is also encouraged. Organisations are also encouraged to establish reliable source of financial resources and manage these resources through effective financial management systems. Further, they should provide basic infrastructural conditions which enable work to transpire – for example, reasonable space in a building equipped with

adequate lighting, clean water, a dependable supply of electricity etc. Provision of adequate technological resources such as scanners, computers, photocopiers and record management software is also encouraged. With regard to internal operations, organisations are encouraged to resolve rather than manage or suppress internal conflict.

With regard to satisfaction of internal strategic constituencies, organisations are encouraged to create an environment that motivates and stimulates their personnel through use of incentives. For external strategic constituencies, organisations are encouraged to identify all their external stakeholders in order to assess their potential impact (positive and negative) on the organisation and take appropriate measures. In the area of adaptability to change, organisational experts advise that organisations should understand that the environment is volatile, uncertain, complex and ambiguous; as such they should be adaptable and flexible enough to cope with environmental changes. An effective change management system is important in this regard.

In as far as leadership is concerned, the importance of transformational leadership, especially leadership at the top of the organisation, in enabling an organisation to effectively achieve its objectives is underscored. Activities associated with transformational leadership include: determining the intent of the mission, making strategic decisions, developing key competencies and capabilities, developing organisational structures, processes and controls, selecting and developing the next generation of leaders, sustaining an effective organisational culture; creating and communicating a vision of the future and being an effective agent or initiator of change.

Ultimately, political will is identified as crucial for the effectiveness of public sector institutions like the RIIs. This means governments should create regional institutions with realistic mandate, equip them with adequate human and financial resources to fulfil this mandate and give them the capacity to formulate and implement regional policies.

The theories of organisational effectiveness represent reliable scientifically proven knowledge, as established by experts in the field of organisational effectiveness, on what it takes for an institution to effectively achieve its goals. If RIIs such as the EAC intend to be effective in achieving their mandate, it is crucial that they embrace, in their organisational systems, processes and structure the recommendations advocated by these theories.

In the next chapter, the research findings are presented. The organisational effectiveness of the EAC is analysed vis-a-vis the determinants of organisational effectiveness identified. The chapter attempts to establish the extent to which the basic fundamentals of organisational effectiveness theory are present in the EAC and how they have been replicated in EAC's structures and decisions making processes. A comparative overview of the European Union (regarded as the most advanced RII) is also presented with a view to determine whether the basic fundamentals of organisational effectiveness theory are embedded in the EU's structures and processes and whether this accounts for its relatively successful regional integration process.

Chapter Five

ORGANISATIONAL EFFECTIVENESS OF THE EAST AFRICAN COMMUNITY

5.1 INTRODUCTION

There is a strong temptation, when engaging in institutional evaluations, to over-generalize the conclusions; for example that “an institution should do such and such...” or to prescribe, in a blanket-style fashion, the latest models of the day. Such an approach is fundamentally flawed because, whilst there are generic characteristics of effective institutions, there are also specific and unique characteristics of institutions that flow from environmental, historical and even cultural circumstances. In other words, organisations are not homogeneous. Moreover, the missions of institutions differ and this may affect the form an institution takes. However, the uniqueness of an institution, in itself, does not invalidate some generalisations about structure, systems and processes.

The late Harvard historian, Alfred Chandler (1962), in his magisterial work, *Strategy and Structure- Chapters in the History of the Industrial Enterprise*, argued that organisational forms were primarily a derivative of strategy. Despite the validity of Chandler’s work, it is still important to undertake an analytical study of each institution’s mission, culture and environmental contexts to determine how they impact performance. We learn from Gary Hamel’s latest book, *The Future of Management*, that unlike physics, the laws of management are neither foreordained nor eternal. “*Whiplash change, fleeting advantages, technological disruptions, seditious competitors, fractured markets, omnipotent consumers, rebellious shareholders - these 21st century challenges are testing the design limits of organisations around the world and are exposing the limitations of a management model that has failed to keep pace with the times.*” (Hamel, 2007:x). This means, as IDRC (2006:9) observes, the ideas and concepts dealt with in an institutional evaluation should flow from and reflect the institution’s own ideas and its approach to those ideas – indeed the institution’s own way of knowing about itself.

In the specific case of the EAC, there has not been, to-date, a scientific analysis to determine its effectiveness in the realization of the objectives set for it under the Treaty establishing it. Most of the organisational reviews that have so far been undertaken on the EAC have largely

focused on two areas. First, to determine EAC's capacity to absorb donor funding from the European Union and from the United Kingdom's Department for International Development (DFID). These studies have focused on the efficacy of EAC's internal financial controls and project monitoring and evaluation systems. They have not examined EAC's organisation structure, resource mobilisation capacity, staff behavioural patterns, including organisational culture and decision making systems, to determine capacity to better deliver the mandate vested on the organisation. Second, the reviews have centred on gauging how effectively decisions made by the EAC Summit of Heads of State and the Council of Ministers have been implemented.

These reviews fall short of an objective determination or evaluation of the institution's ability to effectively achieve its broad objectives. This lacuna raises the fundamental question whether the EAC deserves to enjoy the confidence of its shareholders, the five Partner States, which annually contribute significant sums of money to fund its budget. Concomitantly, it raises the question whether the EAC should be given additional mandates as well as additional decision making powers. Answers to these questions necessarily revolve around the determination of EAC's effectiveness as an institution. This chapter sought to respond to these questions by analysing the EAC from the organisational theory perspective of organisational effectiveness.

5.1.1 Overview of selected factors of organisational effectiveness

As described in chapter four, the dominant public administration theoretical models that underpin organisational theory suggest diverse factors used to evaluate the effectiveness of organisations. These include clarity of an organisation's purpose; state of organisational culture; the rationality of structure and processes; how effectively the organisation is able to acquire and manage resources; whether there is internal harmony in operations; how satisfied the strategic constituencies are; whether the leadership is transformational; how effectively the organisation adapts to change; and, in the case of public sector organisations, whether there is adequate political will to implement programmes that result in effective organisational performance.

The choice of the evaluation criteria is informed by the foregoing factors. In greater detail, the evaluation centres on the following factors:

- a) The clarity and purposefulness of the EAC's vision, mission as well as goals and how effective the goals are in delivering the vision and mission. The effectiveness in this regard is examined and benchmarked on the SMART¹¹ acronym;
- b) The nature of EAC organisational culture; that is, whether the values and work ethics that presently exist make the organisation more functional whilst inculcating a sense of shared purpose supportive of attainment of critical EAC objectives;
- c) The extent to which the organisation structure fits the goals and objectives of the institution; that is, whether the structure adequately responds to the mandates and the strategies adopted; whether there is a clarified distribution of roles and responsibilities within the organs and in the context of the relations between the organs; how effectively personnel are deployed across the core functions; and how the current structure constrains or promotes EAC's effectiveness.
- d) The nature and effectiveness of the decision making process; the channels of communication and how the institution monitors and evaluates its performance;
- e) The ability of the EAC to acquire critical resources to support the realisation of its goals. Issues related to funding and budgets, staffing, competencies, technology and administrative support are focused upon;
- f) The responsiveness of the EAC to expectations of its strategic constituencies. Of importance is whether the institution effectively outreaches the citizens of all walks of life within the EAC region to inform and involve them on what it is doing, achieving and the challenges it faces; whether it is building trust and confidence in the political

¹¹ SMART stands for Specific, Measurable, Attainable, Realistic and Timely. A goal is specific if it lays down what is to be done, why and how. Measurable means it should be possible to see indicators of goal achievement. Attainable means the attitudes, abilities, skills and financial capacity necessary to achieve the goals are available. Realistic means the goal should be do-able, that is, the skills needed to do the work should be available and the project should fit with the overall strategy and goals of the organisation. Timely means there should be an end point on the goal which gives organisational participants a clear target to work towards.

and bureaucratic leadership of the Partner States on attainment of tangible benefits from the integration process; and whether the EAC staff feel part of the ownership of the integration agenda and are motivated to play a fuller part in its implementation.

- g) The state of internal harmony between and among the organs and institutions of the EAC, the various functional departments and the staff in different job groups;
- h) The capacity of the EAC to adapt to and accept change without compromising quality and performance;
- i) The ability of the EAC's top leadership, specifically, the Secretary General, to be transformational; and
- j) The degree of political commitment to the EAC's integration process.

The research findings on how these various factors, determining organisational effectiveness, have played out in the EAC are based on: my own intense and critical observations; following up the course of meetings of the different policy organs of the EAC including studying the minutes and reports of these organs; reading the exchange of letters and memoranda inside the organisation and between the Partner States and the EAC, oral discussions I have had with staff of different levels in the organisation, literature review and results from the Questionnaire.

The research findings have also been supported by a comparative analysis of other organisations that are also inter-governmental. This comparative approach is premised on Woodrow Wilson's (1887) remark that "*We can never learn either our own weaknesses or our own virtues by comparing ourselves with ourselves*" (Maheshwari, 2002:521). In this regard, the research findings have benefited from a comparative analysis of the organisational effectiveness of the EU, an institution considered to be the world's most successful regional integration institution.

5.2 ORGANISATIONAL EFFECTIVENESS OF THE EAST AFRICAN COMMUNITY

In the context of this study, organisational effectiveness was defined in chapter one as the ability of an institution to effectively achieve the objectives for which it was established. Effective, in this regard, denotes not simply the achievement of results but their effectiveness in terms of cost, quality and timeliness.

To recapitulate, the EAC is established by way of a Treaty which outlines the objectives and goals of the institution. Though broad in nature, the objectives focus on how the EAC Partner States can become integrated economically, socially and politically through progressive stages of integration. In the ensuing paragraphs, an examination is done of EAC's achievements as well as shortcomings. As a start, a broad sweep of achievements and challenges is done followed by a more rational analysis based on the identified factors that underlie organisational effectiveness.

It could be easily said, that a major achievement of the EAC at the political front is the integration of Rwanda and Burundi into the EAC from July, 2007. It is easy to think that such integration is a mere political proclamation. On the contrary, it flows from serious efforts of an organisational character over time. The EAC had to undertake review missions to determine the readiness and efficacy of the two countries joining the EAC including their capabilities to jump on a train that was already on a high speed in terms of the integration process. Moreover, the EAC had to determine how the two countries would be enabled to feel ownership of the integration agenda, enjoy political visibility in the management structure of the EAC and nominate members to the EALA and Judges to the EACJ. The fact that this enlargement has not met with any failures is a clear pointer to EAC's organisational effectiveness.

On the economic front, available data on the EAC's performance shows that the EAC has achieved some of its objectives. For instance, economic cooperation among the Partner States has been widened and deepened. Trade statistics show that the EAC Partner States have averaged GDP growth of 6% p.a. as well as achieved macro-economic convergence reflected in low inflation levels, stable exchange rates, convertibility of currencies, low budget deficits and reasonable reserves (EAC Secretariat, 2006:5). In March 2004, the EAC

successfully completed negotiations of the Customs Union Protocol leading to the establishment of the EAC Customs Union. Because of the Customs Union, intra-EAC trade has increased from US\$786.9 million in 2002 to US\$1.46 billion in 2006; a growth of 86% in a period of 4 years (EAC Secretariat, 2008a:6). Further, the EAC has commenced on negotiations for the establishment of a Common Market, which will be the only one of its kind in the whole of Africa, with the time line for its realization as January 2010. There are also serious steps underway towards realising a Monetary Union with a single currency by 2012.

The EAC has also taken several steps to socially and culturally integrate the people of East Africa. Achievements in this area include the introduction of the East African Passport, the Annual EAC Schools Essay Writing Competition, unveiling of the EAC flag and organizing regional sporting competitions involving the Armed Forces and Secondary Schools. Plans for the launch of an EAC national anthem are also at an advanced stage.

Through close collaboration with the East African Business Council (EABC), which has observer status in the EAC, the EAC has also been able to realise its objective of being market-driven. For instance, in June, 2008, the EAC and EABC jointly organised the 1st East African Investment Conference in Kigali. And since 2007, the two organisations have jointly organised Annual East African Media Summits as a strategy to reach out to East Africans on what is happening in the integration process. The EAC has also made remarkable effort to realise its people-centred objective by working closely with various civil society organisations such as the East African Farmers Federation, the East African Law Society, Kituo cha Katiba and the East African Local Government Association.

Despite the foregoing achievements, however, research findings based on 70% of the respondents interviewed reveal that the achievements of the EAC were not effective. A number of examples are cited:

First, it was observed, that whilst the EAC prides itself of having established a Customs Union in January, 2005, the same is not yet fully functional and is often plagued by problems of non-tariff barriers as well as blatant breach of the provisions of the Customs Union by the Partner States. A cited case is the 2006 controversial decision of the Tanzania government to allow a local textile miller – Nida Textile Mill (T) Ltd – exemption from the EAC Common

External Tariff (CET) as an incentive to the Mill to manufacture textiles for export. The decision was viewed as unilateral contrary to the EAC Customs Management Act. The Kenya Association of Manufacturers and the Uganda Manufacturers Association joined the EABC and the Confederation of Tanzania Industries in petitioning the EAC not to enforce the exemption. It was felt that the exemption would create unfair competition and dumping and ultimately lead to a break-up of the EAC Customs Union (The East African, 2006:2).

Secondly, whilst also recognising that progress had been made towards coordinating policies of the EAC Partner States, it was noted, at the same time, that progress was lacking in harmonising legal and regulatory frameworks to give them enforceable effect with the result that Partner States exploit gaps to delay implementation or to vary policies by implementing what fosters their national interests.

Thirdly, although the EAC had developed working alliances with the private sector and the civil society, it was observed that these associations were fundamentally weak organisationally and were poorly coordinated. Respondents argued that the erstwhile EAC collapsed in 1977 mainly because it was a politically driven organisation and thus did not give due regard to the private sector, civil society and public interests generally. For the EAC to be adequately 'people-driven', more emphasis had to be given to bolstering the capacities of private sector lobby organisations and civil society institutions to enable them to influence regional public policies more effectively. This also includes having the Partner States aligning their national and regional economic policies towards greater private sector and civil society orientation.

However, the translation of this objective into practical implementation faces a number of challenges, key being the lack of formalised legal and institutional arrangements to mainstream private sector and civil society interests in the EAC. Whereas the EABC has observer status in the EAC, its contributions can only be noted and not taken into account by the EAC's policy making system. For the EABC itself, it faces legitimacy issues since its membership presently excludes small enterprises, which form the bulk of enterprises in East Africa. Moreover, EABC's present institutional structure is weak and lacks capacity. Financially, it is solely dependent on member subscriptions thus making it vulnerable to pressure to articulate the interests of influential members. Yet, EAC's effectiveness ultimately also hinges on how it works more closely and collaboratively with the EABC. Put

differently, the EAC will need to support the EABC in terms of capacity if its effectiveness to become market-driven is to be realised.

Fourthly, despite attempts to evoke feelings of East African-ness among the people of the region through social and cultural integration, most respondents observed that strong xenophobic sentiments still prevail in certain EAC Partner States. It was observed, for example, that the results of the national consultations on the idea of fast tracking the political federation of East Africa clearly pointed out the dominance of anti-Kenyans sentiments in Tanzania. Tanzanians suffer from an abiding feeling that Kenyans would take their land and jobs were East Africa to integrate politically or even were freedom of persons and labour be allowed under the Common Market framework. How the EAC can effectively move forward towards the realisation of the next stages of integration seems undermined by these strong nationalistic sentiments.

In order to undertake a broader objective review of EAC's effectiveness so far, recourse needs to be had on the implementation of the Second EAC Development Strategy (2001-2005), since this constituted the first strategy after the legal establishment of the EAC¹². The advantage we have is that the 3rd EAC Development Strategy (2006-2010) covers an evaluation of the 2nd Development Strategy. The importance of this review is to point out the organisational factors that contributed to the achievements made and the failures as well as challenges faced. This review also sets the crucial stage of the critical analysis of the present organisational environment of the EAC and what needs to be done to improve it for realising greater effectiveness.

The overall assessment of the 2nd EAC Development Strategy (2001-2005) as observed in the 3rd Development Strategy (2006-2010), indicates that it was an extremely ambitious strategy, covering a broad range of areas and activities (trade liberalisation, infrastructure and human resource development, peace, security and defence, mainstreaming gender, private sector and civil society into EAC integration, developing relations with other regional and international organisations and developing institutional arrangements at the level of Partner States and the EAC Secretariat, just to mention but a few). The level of achievements is described as 'commendable' as manifested in the level of cooperation and political good will that is

¹² The 1st EAC Development Strategy (1997-2000) guided the operations of the Tripartite Commission that spearheaded the present EAC (EAC Secretariat, 2005:1-2).

enjoyed by the EAC. However, it is also observed that in many cases, the implementation of the various programmes and projects in the action matrix lagged behind the prescribed time frame.

A number of challenges are highlighted as having contributed to the lacklustre achievements of the 2nd EAC Development Strategy. These include: governance and institutional constraints, budgetary constraints, inadequacy of enforcement machinery and sanction mechanisms, lengthy decision-making processes, legal and administrative handicaps, shortfalls in statistics and information and capacity constraints (EAC Secretariat, 2005:14-15).

Following the above broad review, the study proceeds to examine the EAC's effectiveness based on the identified factors which underline organisational effectiveness.

5.2.1 Clarity of purpose

There is broad consensus amongst scholars and theorists of organisational effectiveness that effectiveness can be better achieved if an organisation has clearly spelt out goals and objectives. In the context of the EAC, Article 5(1) and (2) of the Treaty for the Establishment of the EAC stipulates that the overall objective of the institution is to widen and deepen cooperation among the Partner States in among other areas, political, economic, social, cultural, health, education, science and technology, defence, security, legal and judicial affairs for their mutual benefit. The vision of the EAC is to achieve these objectives through a step by step process beginning with the establishment of a Customs Union followed by a Common Market, subsequently a Monetary Union and ultimately a Political Federation of the East African states (EAC Secretariat, 2002:13).

The EAC also operates on the basis of 5-year Development Strategies which identify strategic priority goals for a given period. For example, the 3rd Development Strategy currently in operation, has identified the following priority areas for the period 2006-2010: cooperation in political matters, defence and security; completion of the implementation of the Customs Union Protocol; establishment of the East African Common Market; laying the foundation for the East African Monetary Union; laying the foundation for establishing an East African federation; macro-economic convergence; capital markets development;

development of Lake Victoria and its basin; human resource development, combating HIV and AIDs pandemic; promoting participation, publicity and marketing; enhancing agriculture and food security, promoting industrialisation; maximising benefits of tourism and wildlife; sustainable utilisation of environmental and natural resources; provision of adequate and reliable supporting infrastructure; institutional capacity development of organs and institutions of the EAC; and development of East African policies laws and standards (EAC Secretariat, 2005:32-50).

The above goals and objectives as set out in the EAC Treaty and the Development Strategies, to the extent that they set out what the EAC should realize, can be deemed to be clear. However, clarity of purpose in an organisation goes beyond simply stating clear goals. Organisational theorists posit that clarity of purpose also entails having goals and objectives that are specific, measurable, attainable, realistic and time bound. In the case of the EAC, research findings point to an overwhelming contrary picture. Over 80% of the respondents articulated the view that EAC lacks clarity of purpose. Specific examples were outlined as follows:-

Unspecific goals: Respondents observed that although the vision and the mission of the EAC are contained in the EAC Development Strategy and hang on the EAC corridors and displayed in EAC documents, they are neither well articulated nor understood by most EAC staff, officials of the Partner States and external stakeholders. The general view was that the vision and the mission of the EAC were too ‘wordy’ and failed to provide the institution’s key stakeholders with a clear sense of direction. The vision of the EAC asserts: ‘*A prosperous, competitive, secure, stable and politically united East Africa*’ while the mission is ‘*To widen and deepen economic, political, social and culture integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, trade and investment*’ (EAC Secretariat, 2005:1). The researcher observed, for example, that most of the EAC staff, officials of the Partner States and external stakeholders could not coherently recite the EAC vision and mission.

Immeasurable goals: Respondents noted that the goals and objectives of the EAC lack good operational plans and indicators of goal achievement making it difficult for implementers to know their exact roles and how to monitor and evaluate them. An illustration based on reading EAC documents confirms this. Among the goals of the EAC as set out in Article

5(3) of the Treaty is ‘mainstreaming of gender in all the EAC’s endeavours and the enhancement of the role of women in cultural, social, political, economic and technological development’ (EAC Secretariat, 2002:13). However, such a Treaty pronouncement lacks concrete strategies and plans upon which evaluation can be undertaken. EAC only recruited a Gender Specialist in early 2008, over seven years after EAC’s establishment. This, itself, is an indicator of lack of commitment to addressing gender issues in the integration agenda. On a positive note, however, respondents noted that the 3rd EAC Development Strategy (2006-2010) had generally tried to overcome the lack of measurable goals as it highlights the implementation and coordination framework of priority goals, identifies the indicators of performance as well as the monitoring and evaluation framework.

Unattainable goals: Respondents discerned a clear mismatch between organisational goals and objectives, on the one hand, and availability of resources (human and financial) for their attainment on the other. The EAC has broad goals and objectives which require huge amounts of financial resources as well as a huge human capacity to effectively plan, manage and oversee implementation. It was however, observed that the EAC is organisationally thin on the ground. Key sectoral programmes such as agriculture, industry, environment, gender, labour, trade, education, international relations and political affairs, which feature prominently in the EAC’s goals and objectives as set out in the Treaty, are grossly understaffed and under-funded. These shortfalls gravely impact the effectiveness of the EAC in fulfilling its mandate.

Unrealistic goals: The EAC goals and objectives were seen as being too ambitious and unrealistic. It was observed that the organisation was pursuing too many goals instead of being focused on a few attainable ones. Almost concurrently, the EAC is seeking to implement a Customs Union, establish a Common Market, establish a Monetary Union whilst undertaking several programmes like negotiating an Economic Partnership Agreement with the European Union, craft an industrial and investment strategy, formulate a legal and regulatory framework for a regional financial markets framework, develop a policy and law on piracy and counterfeits, harmonise commercial laws that underpin a Common Market regime and undertake an organisational study of the EAC to fit its planned transformations over the next five to seven years. Respondents expressed specific concern that the EAC was rushing to the 2nd and 3rd stages of integration, that is, the Common Market and the Monetary

Union before carrying out an objective assessment of how the 1st stage of integration, the Customs Union, had performed and how the EAC Partner State had benefited.

Goals that are not time-bound: It was noted that the goals and objectives of the EAC lacked clearly laid down timeframes. For example, the Treaty states that in pursuit of its objectives, the EAC Partner States will establish among themselves a Customs Union, followed by a Common Market, subsequently a Monetary Union and ultimately a Political Federation of the EAC States (EAC Secretariat, 2002:13). Other than the Customs Union whose time frame was given as four years from the date the EAC Treaty was signed, the time-frame for the other stages of integration were left hanging. This has resulted in the EAC having unclear targets to work towards and sometimes having to set unrealistic targets based on political whims as evidenced in the setting of dates for the Common Market and the Monetary Union in 2010 and 2012 respectively. A politically driven date for the realisation of a political federation had also been set up as 2013 and this proved disastrous as the East Africans consulted on it retorted that it amounted to putting the cart before the horse. They quizzed, “how the people could be led to a date even before they discussed the plausibility of the idea itself”?

5.2.2 Organisational culture

Positive organisational culture has been cited in theories of organisational effectiveness as being linked to increased staff alignment, heightened consensus regarding strategic direction, increased employee productivity and advanced levels of employee commitment. Cognisant of this, at a staff retreat held in Jinja, Uganda, in 2007, the EAC adopted professionalism, accountability, teamwork, mutual respect and allegiance to the EAC as its core values. The move was meant to instil and ingrain positive values and work ethics in the EAC in order to realise a more functional organisational environment that promotes a shared sense of purpose and collective pursuit of organisational goals for effectiveness.

However, when asked whether they believed the prevailing organisational culture in the EAC facilitates effective achievement of its goals and objectives, over 80% of the respondents responded in the negative. They cited individualism, poor team work, unnecessary travel, poor time management, indifference and ‘don’t care attitude’, laxity, lack of sense of urgency and nepotism as dominant features of the EAC’s organisational culture. Specifically,

individualism manifested as a 'territorial mentality' where individual officers and respective directorates function like self-sufficient islands giving rise to poor organisation-wide team work. On travel, it was observed that although the nature of the EAC's work involves many meetings both within and outside the duty station, there is considerable unnecessary travel by Executive and Professional Staff at the great expense of the organisation. Unnecessary travel was evidenced in Executive Staff travelling for technical meetings in which technical officers could effectively represent the institution, officers collecting per diem for travel yet never turning up for meetings or only making technical appearances, failure to present back-to-office reports of missions made, abrupt, uncoordinated travel which disrupts work and officers leaving urgent work pending on their desks in order to travel while they could easily have turned down the trip or delegated the same to less busier officers.

Majority of the respondents were concerned about the indifference/don't care attitude especially among Support Staff in the secretarial, accounts and registry cadres. It was noted, for example, that despite knowing the urgency of timely despatch of letters convening meetings, many secretaries have the tendency of not faxing/scanning letters preferring the easier option of dumping them in the registry for posting. This has resulted in EAC Partner States failing to receive documents on crucial meetings on time. Staff in the Accounts department were also perceived as being indifferent especially with regard to preparation of payments for staff travelling on missions. Despite lodging claims weeks in advance, it has now become a norm for officers to travel on official duty using their personal money simply because the accounts staff were too slow in preparing their payments.

Overall, this negative organisational culture in the EAC was attributed to lack of a staff code of conduct and ethics. In most institutions, employees have a document they can pick and read to know how to conduct themselves. Organisation culture can improve or deteriorate based on something that is known to everybody. If an employee behaves badly, someone should be able to tell him/her, according to the laid down code of conduct that the behaviour reflected is wrong. In the EAC this formal sanction is non-existent.

Discrimination in terms of benefits applicable to employees was also seen to be contributing to a negative organisational culture especially among the Support Staff who spend a considerable amount of their time lamenting about the benefits they are denied. Such benefits include settlement allowance and home leave. In terms of settlement allowance for

example, Rule 44 of the EAC staff rules and regulations clearly stipulates that on first appointment, an Executive or Professional member of staff shall receive, for himself or herself, spouse and four dependents accompanying him or her, a settlement allowance to meet extra-ordinary living expenses upon reporting on duty (EAC Secretariat, 2006:27). The regulation excludes staff recruited at Support Staff level. This is despite the fact that a significant number of Support Staff are regionally recruited and hence find themselves having to relocate to duty stations outside their countries of origin. The fact that they are left to struggle to settle themselves and their families at their own expense has led to resentment and low morale ensuing among this category of staff. This may account for the general apathy they display towards their work.

5.2.3 Organisation structure

The effectiveness of an institution can partly be gauged from how its organisation structure supports the realisation of goals and objectives. But there is no panacea about which structure is best. The best structure is one that fits the task in certain conditions and in certain periods. Organisation structure hinges on identification and delineation of roles and responsibilities in an organisation. There are two key purposes to this process. First, it is to ensure effectiveness and efficiency of operations. Second, is to produce and implement power and authority. The EAC's organisation structure can be analysed from two perspectives. Structure based on organs of the EAC and structure based on the functional units of the executive organ of the EAC, that is, the Secretariat.

Structure based on organs: In the EAC, the organisation structure fundamentally designs the process of decision making by ensuring that executive power principally resides in the Partner States through the authority of the Council of Ministers. The authority of the East African Court of Justice is proscribed by its being limited to interpreting the Treaty establishing the EAC. And whilst it has so far contributed some celebrated jurisprudence on issues related to the rule of law and governance, this limited jurisdiction does not open it to a bigger role in promoting the integration agenda. In contrast, the East African Legislative Assembly has played a more signal role in nudging the EAC Secretariat to become a more effective agency of integration through its thoroughness in debating and approving the EAC budget, in undertaking a thorough review of the audits of EAC's finances and projects and in taking a highly critical stance over legislation tabled before it. Of course, how these three

organs, the Secretariat, the Court and the Assembly work together whilst respecting their clear mandates, remains a challenge because the Treaty is quite ambivalent and even silent in few key areas that relate to inter-organ relations and the scope of roles over finances, budgets and employment.

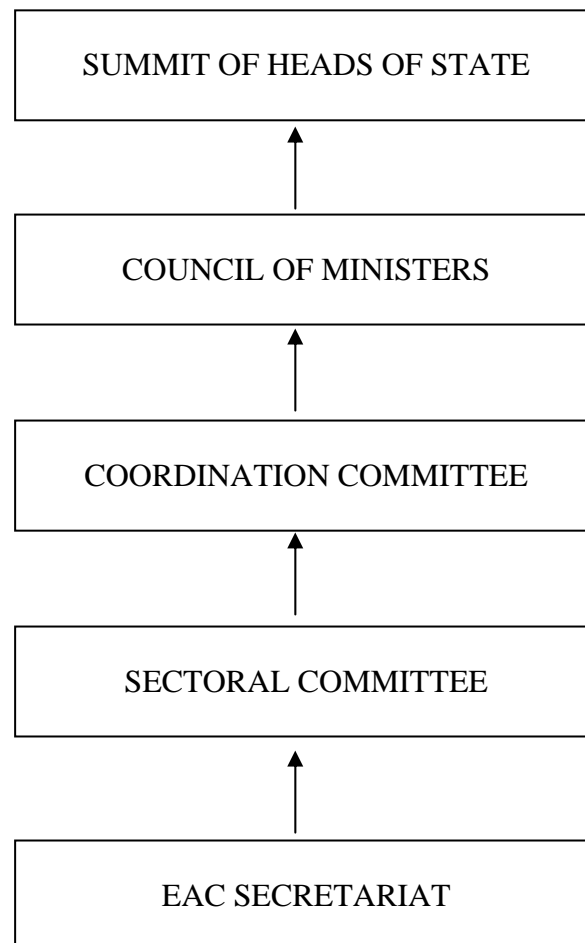
What is more fundamental about the EAC organisation structure is the lack of decision making authority on the part of the Secretariat. A close reading of the EAC Treaty reveals that the structure vests all decision making powers on the Council of Ministers. Article 14(3)(a) states that the Council shall make policy decisions for the efficient and harmonious functioning and development of the Community (EAC Secretariat, 2002:21). Similarly, the role of submitting reports and recommendations on the implementation of the EAC Treaty is vested in the Coordination Committee as seen in Article 18(a) of the EAC Treaty (EAC Secretariat, 2002:24). Even more surprising, going by Article 21(a) of the Treaty, the role of preparing implementation programmes and setting out of priorities for the EAC is the preserve of the Sectoral Committees.

The Council of Ministers, the Coordination Committee and the Sectoral Committees are made up, respectively, of Ministers, Permanent Secretaries and Senior Officials from the EAC Partner States who in practice and going by experience represent national interests. On the other hand, the EAC Secretariat, which is deemed to represent regional interests, has been given the role of administering the implementation of Treaty provisions which includes implementation of programmes for the most appropriate, expeditious and efficient ways of achieving the objectives of the EAC as well as implementation of decisions of the Summit and the Council.

Despite this apparent crucial role, the structure does not assign the Secretariat any decision making authority. Above all, even over what are deemed as regional projects, which the Secretariat promotes from conception to analysis to mobilisation of funding thereof, their execution is mandated to the Partner States. This amorphous structure of project planning and implementation has often led to delays and uncoordinated implementation leading to cost overruns, re-tendering processes and poor image on the part of the EAC that gets seen in the eyes of the people as inefficient. A case in point is the manner in which the Tanzania Government mishandled the tendering process for the construction of the regional Arusha-

Namanga-Athi River Road that connects the northern border of Tanzania with Kenya. Kenya commenced construction on its side of the border six months before the Tanzanian side.

Figure 3: The EAC's decision making tree



(Source: Researcher's presentation as cited in the text)

The research findings based on the views of the respondents were in tandem to my findings. Over 70% of the respondents were of the view that the demarcation of roles based on the organs of the EAC was not conducive to effective achievement of the institution's goals and objectives. The respondents wondered how the EAC Secretariat could be expected to effectively implement regional integration programmes when it lacked teeth to make even mundane decisions. The overarching conclusion was that the EAC structure assigns the most critical roles for effective achievement of EAC's objectives to the Summit of Heads of State and the Council of Ministers. These organs cannot realistically achieve the EAC objectives

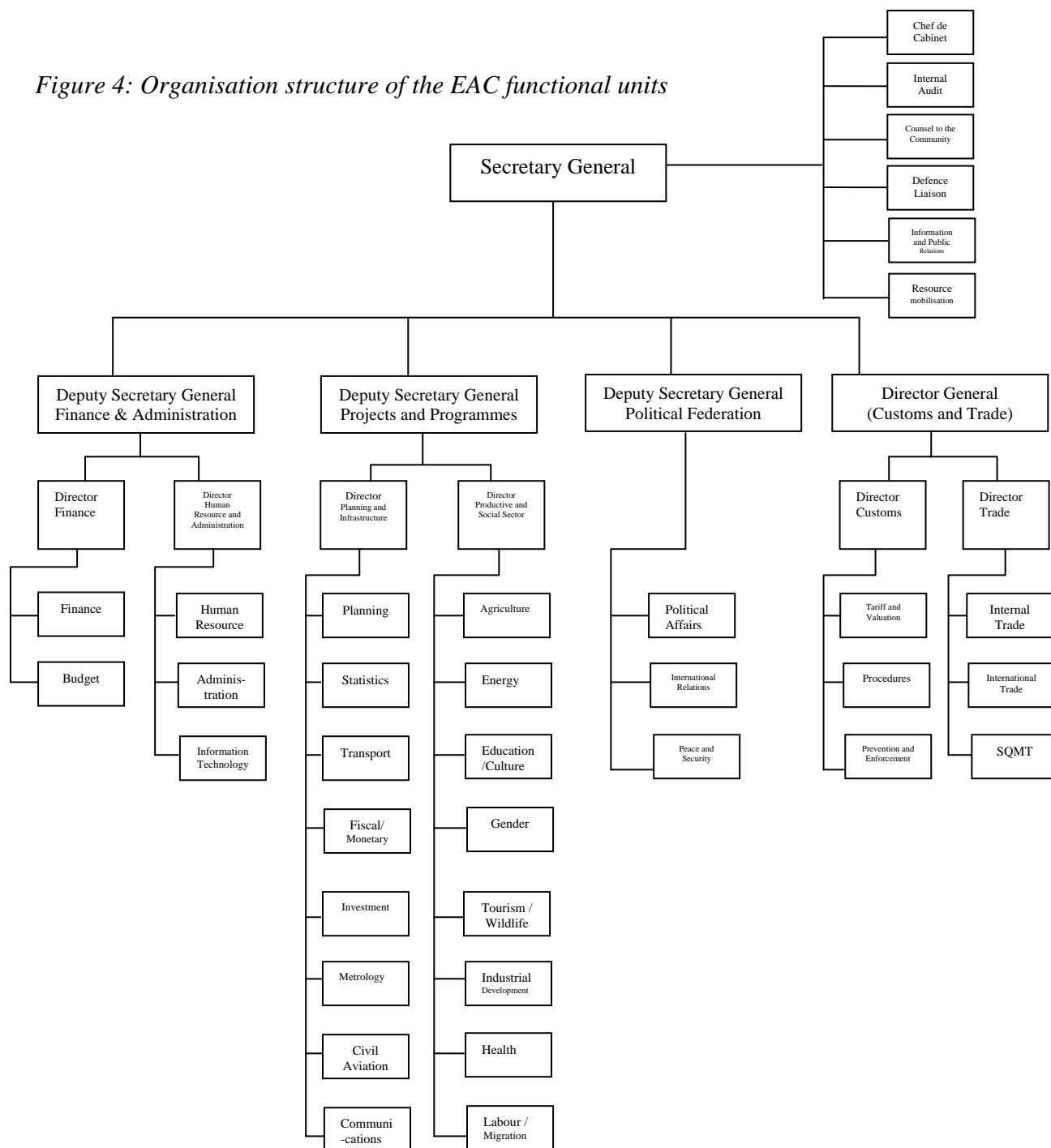
due to pressing national commitments and the shortage of time spent examining EAC issues. The Council of Ministers, which is the executing arm of the Summit, by the very nature of how the Treaty structures the pyramid of decision making, commencing with the Sectoral Committee meetings of Senior Officials, then the Co-ordination Committee of Permanent Secretaries, overly relies on what these lower organs recommend to them for decisions. Regrettably, it is these technocrats from the Partner States who tend to over-exercise zero sum game¹³ at its worst level when it comes to issues of a regional character or matters related to improving EAC's capacity, organisationally and resources-wise (human and financial), for achieving greater effectiveness.

The Finance and Administration Committee made up of officials from the EAC Partner States was pointed out as a good example of an organ that undermines EAC's delivery of results. Due to delegation of duties by the Council of Ministers, this Committee has become so powerful to the extent that it determines the terms and conditions of service of EAC staff, draws and determines the EAC Budget, decides which staff positions are necessary to enable the EAC achieve its objectives and generally has a firm grip on all administrative and financial affairs of the EAC.

Structure based on functional units of the EAC Secretariat: In mid 2006, an organisation structure review of the EAC was undertaken with the aim to bring about a better fit between the structure and the growing mandate of the EAC. With the onset of the 3rd EAC Development Strategy, it was realised that the structure that existed then did not correspond to the new demands imposed on the organisation. The 3rd EAC Development Strategy is a highly ambitious one comprising several programmes and projects whose effective implementation demanded the creation of new posts and better alignment of responsibilities. The new structure is shown as Table 6 below.

¹³ Zero sum game refers to a situation or interaction in which one participant's gains result only from another's equivalent losses.

Figure 4: Organisation structure of the EAC functional units



(Source: EAC Secretariat Department of Information Technology, 2008)

Since 2006 and based on the experience gained, it has been realised that the EAC structure needs further refinement to propel higher organisational effectiveness. For example, the position of Deputy Secretary General (Projects and Programmes) is too broad in responsibilities which cut across several competencies. The position's span of control is also too wide. This position covers the following responsibilities: (i) Productive and Social Sectors which encompasses agriculture, livestock and food security, environment and climate change issues, tourism, health - HIV/AIDS, education, culture and sports,

immigration, labour and employment, industrial development, gender and community development among others; and (ii) Planning and Infrastructure which encompasses transport and works, metrology, civil aviation, ports and harbours and maritime transport, communications, planning and research, monitoring and evaluation, statistics, fiscal and monetary affairs, capital markets development, and investment promotion among others.

Similarly, the responsibilities of the two Director positions under this Deputy Secretary General, that is, Director of Productive and Social Sectors and Director of Planning and Infrastructure are also too broad and embracing several competencies. It is almost impossible to have a Director who can control such an unwieldy portfolio as Productive and Social Sectors. Equally, the planning function has no direct relationship with infrastructure. To place these distinct functions under one Director inevitably leads to one function being given lesser attention based on the skills and competencies of the Director in charge. The present organisation structure also depicts the location of staff functions that are by nature supporting or advisory, for example, audit, legal, research, planning, procurement and monitoring and evaluation, under directorates that are responsible for line or executing functions. These should ideally report to somebody who is not in a line function. In sum, the EAC is characterised by some Directorates supervising departments which are not homogeneous in terms of functions and competencies. Not surprisingly, 80% of the respondents were of the view that the new EAC structure has not enabled the EAC to become more effective. Their views were in tandem with my findings based on literature review.

5.2.4 Organisation processes

The EAC's organisational effectiveness can also be gauged on the basis of how effective its internal management systems are. As an intergovernmental institution whose activities entail cooperation between sovereign states, the internal management processes most critical to the success of the EAC are its decision making processes, the manner in which it communicates and how it monitors and evaluates its performance.

Decision making process: Decision making systems, procedures and processes have an important part to play in assuring organisational effectiveness. It is not simply adequate to have a beautiful organisation structure that delineates functions and responsibilities. The ability of such structure to work hinges on the effectiveness of support systems, procedures

and processes in place. In the section above where I addressed issues relating to organisation structure, reference was made to some of the challenges relating to decision making processes. As noted, the structure in place at the EAC is amorphous and unwieldy. It flows from Articles 11, 14, 18 and 21 of Treaty which stipulates that issues requiring final executive decision must first be considered by Sectoral Committees, then the Coordination Committee who then make recommendations to the Council of Ministers for final decision making (EAC Secretariat, 2002: 19-22, 24, 26). Apart from its ineffectiveness in getting the EAC to become an effective deliverer of the mandate set for it, the process is too lengthy, bureaucratic and cumbersome.

Moreover, and to make the decision making process even worse, Article 12 (3) and 15(4) of the Treaty which stipulate that decision making will be by consensus (EAC Secretariat, 2002: 12, 23) complicates matters even further. Consensus requires that all Partner States must be in agreement before a decision is made. While consensus decision making has the advantage of ensuring Partner States' commitment to implementing regional decisions, it becomes impractical where many countries are involved in the integration process. This is because it is not easy to reconcile a broader diversity of national interests in decision making. Consensus can also result in one state holding back other states often out of national interests that are not integrationist. For example, the idea of fast tracking East African Political Federation, was accepted by Kenya and Uganda but rejected by Tanzania. As a result, the whole idea was abandoned. The consensus requirement has therefore been a major drawback to the EAC's ability to effectively achieve its goals.

Decision making in the EAC is further made ineffective by Rule 11 of the EAC Rules of Procedure which stipulate that there has to be quorum before meetings of the organs can be effective (EAC Secretariat, 2001:4). Quorum means that all EAC Partner States must be present at meetings for decisions to be operative. This requirement has proved to be a nightmare and a major impediment to EAC's ability to undertake its mandate on a timely basis. Given the numerous meetings the EAC has at ministerial level and following the EAC's enlargement with the accession of Rwanda and Burundi into the EAC in July 2007, the quorum requirement for meetings to take place and for enabling decisions to be reached, based on consensus, is becoming ever more difficult to realise.

For example, in Financial Year 2007/2008 alone, the following important EAC meetings have been postponed due to lack of quorum: Sectoral Council on Agriculture and Food Security postponed because Burundi could not attend due to financial difficulty, High Level Task Force on Negotiations on the Common Market postponed because Tanzania failed to give adequate notice of her inability to attend, Sectoral Council on Legal and Judicial Affairs, postponed twice, first because Rwanda was not able to attend due to internal circumstances and secondly at the request of Kenya because the Attorney General was away in Europe, Sectoral Council on Transport, Communications and Meteorology postponed at the request of Tanzania and Sectoral Council on Tourism which has not been able to meet for more than a year because the responsible Ministers from the Partner States for one reason or another could not attend and thus quorum was not realisable. As a result of these postponements the EAC has been unable to make progress in important areas of its objectives. It was therefore not surprising that in the area of decision making, 75% of the respondents believed that the EAC's decision making process was not rational for effective achievement of EAC goals.

Communication process: Communication processes at the EAC take place at two levels: external and internal. At the external front, communication revolves around reaching out to external stakeholders of the EAC on a range of issues whose overarching purpose is to promote a shared ownership of the integration agenda and of the measures being taken to realise deeper integration. It is considered important that the citizens of East Africa as well as the political leadership, bureaucrats, members of academia, business players and civil society generally should at all times be informed about the achievements EAC is making and the challenges it is facing in getting the integration process moving. However, this challenge of getting a whole multi-stakeholder community engaged as to be aligned to the EAC's objectives is very daunting and has constituted one of EAC's visible failings. The reports on national consultations on fast tracking political federation, to the extent that they reflected simple questions such as what tangible benefits are there from the economic aspect of integration as to demand a higher form of integration, namely political, clearly point to a serious disconnect between the EAC and the citizens of East Africa.

A quick examination of the EAC website (www.eac.int) would reinforce this disconnect because it lacks the depth in information that can foster effective communication. In some respects, this weakness over the external communication dimension centres on poorly organised and thinly staffed EAC Department of Public Affairs and Corporate

Communications. For several years, this department has had only two officers and has lacked supportive infrastructure such as information technology, cameras and video equipment to enable it fulfil what is an onerous responsibility. No doubt, the EAC has tried to bridge its low capacity by organising annual East African Media Summits, two so far, one in 2007 and another in 2008 as well as few sensitization workshops for various stakeholders in the EAC Partner States. Recently, a fortnightly e-Newsletter has been introduced but it is yet to mature in content and access to a wide audience as to have serious impact. The situation thus remains unsatisfactory. Little wonder that over 75% of respondents felt that part of the reason why EAC is perceived as ineffective is because of this serious paucity of information to external stakeholders.

With regard to internal communication, there is a huge lacuna. Communications have become too structured in the form of formal meetings of staff which are also few and far between. It is a fact that most communications are through memos and internet communications which are mostly of official nature and thus lacking in human socialisation. It can be summed up that the EAC leadership has failed to relate to the broad staff spectrum in a compelling way and as a result the culture of team work and shared mission lacks. Indeed, 75% of respondents viewed the internal communication channels at the EAC as ineffective both at inter-organ and intra-organ levels. It was observed that although there were so many important meetings and events taking place at the EAC, the system of information flow between the organs of the EAC was poor. As a result, many members of these organs are left without information on important issues taking place at the EAC. Most EAC staff and members of its core organs could not, for instance, talk authoritatively about the EAC, its key achievements and its challenges or activities taking place in other organs because they have no reliable facts. It was also observed that the links between the EAC and the Partner States were inadequate. The EAC relies on telecommunication (fax and telephone) as well as postal services to communicate with the Partner States. These have often proved challenging due to poorly developed telecommunication and postal services in East Africa.

In the area of intra-organ communication, it was observed that information sharing within the EAC Secretariat was inadequate and uncoordinated. The overarching view was that staff meetings were too infrequent and far-in between. For example since the beginning of 2008 only two Staff meetings had been held. As a result of this, members of staff are not able to

fully follow what was happening in the organisation. It was also noted that sometimes decisions are made without prior consultation and consequently communication of the same leads to misinterpretation and failure of implementation. The example was given of officers who, without seeking the views of all or key staff, draft memos touching on operational procedures affecting other staff then walk into an Executive's office and convince them to sign the memo which they then despatch to all employees as the new way of doing things.

Monitoring and evaluation process: The EAC Secretariat is mandated to monitor and evaluate implementation of decisions made by the Summit of Heads of State and by the Council of Ministers (EAC Secretariat, 2002:52). However, the Secretariat over the years has been weak in fulfilling this task. There are two main reasons why the Secretariat has failed to live up to this challenge. First, and as noted on the section above dealing with decision making process, the Secretariat lacks legal executive authority on implementation and enforcement of decisions made by EAC's top executive organs, namely the Summit and the Council. Secondly, for the past eight years of its existence the Secretariat has lacked the institutional capacity for monitoring and evaluation. Indeed, it is only in April, 2007 that a department responsible for monitoring and evaluation (M&E) was established in the EAC structure. In fact, this department was established at the behest of EAC's development partners who increasingly became concerned about poor or untimely reporting of utilisation of donor project funds reflecting a weak monitoring and evaluation function. The position itself is funded by donors, not through the EAC mainstream budget contributed by the Partner States.

As a result of weak M&E function in the EAC, the 3rd EAC Development Strategy (2006-2010) observes that the implementation of the 2nd Development Strategy (2001-2005) partly suffered. The responses to the questionnaire on the EAC position with respect to M&E reflects an 85% dissatisfaction about the M&E function, even after its incorporation in the EAC structure. Reasons given range from the function being grossly understaffed (it only has one Professional Officer) to being ineffectual because it is misallocated in the overall structure, reporting to the Principal Officer responsible for Research and Planning instead of to the Deputy Secretary General responsible for Finance and Administration. The position itself is graded low (at P2 salary scale in a salary scale ranging from P1 – P5 and D1 – D2 for Executives).

5.2.5 Ability to acquire resources

Availability of adequate resources, financial, human and administrative (including technological in the form ICTs) constitutes an important driver of organisational effectiveness. In turn, how an organisation is better able to mobilise and acquire such variety of resources crucially defines organisational effectiveness. The research findings in as far as EAC's ability to acquire resources yielded the following:

Ability to acquire financial resources: The EAC's financial resources emanate from the Treaty provisions. Article 132(4) stipulates three sources for such funds: equal contributions by the Partner States, funds from development partners and any other sources as may be approved by the Council (EAC Secretariat, 2002:110). In the area of financial resources, the EAC has had a chequered experience with ups and downs. Generally speaking, however, unlike in many other African RIIs, the EAC has been blessed with Partner States that fully pay up their statutory contributions. Often there are delays in remittances being made which, of course, slow down implementation of projects and programmes.

Lately, with the accession of Rwanda and Burundi, a problem has emerged with respect to the formula of equal contribution to the EAC budget even when the two new members had agreed to abide to such requirement when negotiating accession. The result is that the EAC saw a budget deficit of over US\$7.5 million, about 35% in the fiscal year July 2007 to June 2008 Budget because Rwanda and Burundi failed to meet their total obligations. Burundi is in fact proving to be a basket case. At an EAC Summit of Heads of State held in June 2008, Burundi requested to pay only US\$ 1.7 million as budget contribution for Financial Years 2007/08 and 2008/09 due to unfavourable economic conditions. The Summit accepted this request and decided that the shortfall in the contribution arising from Burundi's request shall be shared equally by the other four Partner States (EAC Summit of Heads of State, 2008:3).

However, Members of Parliament of Uganda did not take the matter of bailing out Burundi lightly when it was brought before them for debate and approval in August 2008. Although they eventually approved the issue, the debate was characterised by such comments: "*What will the Government benefit from paying sh3.6billion for Burundi yet our resource envelope is not enough for the ministries? Why do we bring in Burundi's problems?*" (Hon. Peter Mutuluza) and "*Uganda has to pay subscription fees this financial year. Where will the*

Government get extra money to pay for Burundi?” (Hon. Reagan Okumu) (The New Vision, 2008:1). It is yet to be seen how the Members of the National Assemblies of the other three EAC Partner States will react when this issue is brought before them for debate and approval. Not surprisingly over 90% of the respondents were of the view that the EAC was not capable of securing adequate funding requisite to the projects and programmes it is required to implement.

In my view, taxpayers in one country cannot and should not be expected to shoulder the burden meant for taxpayers of another country. The decision that the other Partner States equally apportion amongst themselves Burundi’s contribution to the EAC is preposterous, ill advised, unsustainable and fails to recognise Burundi’s sovereignty. Partner States’ contributions to the EAC are appropriated from public taxes. Taxes and other compulsory contributions are supposed to be allocated on expenditures that benefit respective Partner States’ internal needs. In this regard, taxpayers in the other four Partner States are being requested to subsidise and pay taxes that would ordinarily be paid by Burundians.

Table 3: Status of EAC Partner States Contributions to EAC Budget as at 30th April 2008

| COUNTRY | CONTRIBUTION DUE 2007/08 | CONTRIBUTION PAID FOR 2007/08 | TOTAL OUTSTANDING | % AGE PAID |
|----------------|-------------------------------------|--|------------------------------|-----------------------|
| Kenya | 4,296,532 | 4,164,328 | 132,204 | 96.92 |
| Tanzania | 4,296,532 | 4,296,843 | (311) | 100.01 |
| Uganda | 4,296,532 | 4,301,520 | (4,988) | 100.12 |
| Rwanda | 4,296,532 | 1,074,032 | 3,222,500 | 25.00 |
| Burundi | 4,296,532 | 84,455 | 4,212,077 | 1.97 |
| Total | 21,482,660 | 13,921,178 | 7,561,482 | 64.80 |

(Source: EAC Secretariat Directorate of Finance, 2008)

At the level of cooperation with development partners, the EAC has succeeded to win the hearts and minds of donors and benefited from significant budget support. For fiscal year 2008/09, the budget support has risen by 100% from US\$ 7 million in fiscal year 2007/08 to US\$ 16 million in a total EAC budget of US\$ 40 million. Part of the reason for this huge

financial leverage is EAC's development of a Partnership Fund which falls in line with the 2005 Paris Declaration on Aid Effectiveness¹⁴. The EAC is the only RII in Africa to develop such a fund that is informed by ownership of projects and programmes needing funding of donors. The EAC is also now in the process of establishing a Development Fund which will help to address shortfalls in funding from Partner States for implementing development projects such as regional infrastructure. This Fund will seek support from both the Partner States as well as from international financial institutions and international development partners such as the European Union and EU Member States.

Needless to underscore, there is concern about EAC's growing dependency on donor funding. 51% of the respondents note that donor dependency frustrates EAC's capacity for self reliance. However, 49% felt that as with the Partner States themselves, EAC needs external support to lay the foundations for eventual self reliance. A significant number of respondents (68%) raised concerns relating to EAC's present capacity to utilise donor funds which they described as unsatisfactory. A review of the EAC's financial records during the budget years 2006/07 and 2007/08 confirm this. These reports paint a rather unsatisfactory picture about the effective application of donor funds to planned programmes and projects. Indeed, some development partners have been wary giving additional funding because what had previously been allocated had not been fully spent. The key reason cited for failure to effectively utilize donor funds was poor public financial management at the EAC. This is one area where an EU diagnostic study of the EAC undertaken in 2006 clearly established. More recently in August 2008, DFID recruited a consultant to determine EAC's capacity to absorb funding support from the UK government. The report of the consultant reinforces the results of the EU diagnostic study namely that the EAC has weak financial management and control systems (EAC Secretariat, 2008b:8). This is a worrying sign for a development partner who wants to allocate a sizeable financial support to the EAC.

Ability to acquire human resources: On the human resource front, the EAC faces daunting challenges in obtaining approvals of the Partner States to create new staff positions deemed necessary for effective performance. This is linked to the EAC's decision making process which requires that even mundane administrative matters such as creating new staff positions

¹⁴ The Paris Declaration of 2005 on aid effectiveness is an international agreement to which over one hundred Ministers, Heads of Agencies and other Senior Officials adhered and committed their countries and organisations to continue to increase efforts in harmonization, alignment and managing aid for results with a set of monitorable actions and indicators.

have to go through, and be approved by the Sectoral Committee, the Coordination Committee and finally the Council of Ministers. This greatly interferes with the EAC's ability to acquire human resources. It has for example, been a hard struggle to secure approval to revamp the EAC's manning levels, with relevant skills and competences to respond to the institution's expanding mandate and the emergence of more complex task on areas such as gender, environment, agriculture, metrology, labour, statistics, tourism, negotiation with the EU and negotiations with the Partner States on the establishment of a Common Market and the Monetary Union. Despite these areas forming key parts of the EAC's goals and objectives as laid down in the Treaty, officers were only recruited to man them in January 2007, almost six years after the establishment of the EAC.

It has also been a herculean task for the EAC to introduce new terms and conditions of service that are motivational. Between 2001 – 2006, several studies were carried out on how to improve the terms and conditions of service of staff of the EAC (Nyamunga Report, Eminent Persons Report, Pricewaterhouse Coopers). However, none of these reports were adopted owing to failure by the Sectoral Committees to approve them. It is only in 2006, following the recruitment of a new Secretary General, that the terms and conditions of service were improved; and this was only after the Secretary General personally visited the Heads of State in their respective capitals to explain to them the grim picture at the EAC with regards to staff motivation. This led to salary levels and benefits of staff of the EAC being significantly increased. These measures have been positively received by 52% of the respondents who indicated that the success in introducing a new organisation structure, additional manning levels and higher salaries and benefits in April 2007 has given birth to enhanced morale and motivation in the EAC. This in turn has increased the EAC's ability to attract and retain competent staff.

It is however important to note that a significant number of respondents (48%) were of the view that despite the improved manning levels and the improved terms and conditions of service, the EAC lacked the ability to attract and retain competent staff. There was general criticism against Regulation 22 of the new EAC staff rules and regulations which introduced five year contracts (renewable once) for Professional Staff (EAC Secretariat, 2006:15). Previously the Professional Staff enjoyed five-year contracts which could be renewed indefinitely until the staff reached the retirement age of 60 years. Respondents were of the view that the 'ten-year maximum' contract may undermine EAC's capacity to attract the best

of the best in the labour market as potential employees may be unwilling to leave their secure permanent jobs to come and experiment with a five to ten year stint at the EAC. It was further felt that this rule will prevent the EAC from building, over time, a strong and reliable workforce. Also noted was that the increased manning levels had not entirely helped the EAC effectively achieve its objectives as many of the key sectoral units for example agriculture, gender, meteorology, livestock, statistics, energy, labour, aviation, tourism, education and health just to mention but a few, were still one-man departments. As such the EAC is still grossly understaffed which impacts heavily on its ability to effectively undertake its mandate.

It is important to point out that the EAC now faces the challenge of how best to integrate Rwanda and Burundi in its management structure. Several professional positions have been reserved for these two new Partner States. This affirmative action is aimed at actualising what the EAC regards as equitable sharing of posts among the Partner States as stipulated in Regulation 20(8) of the EAC Staff Rules and Regulations (EAC Secretariat, 2006:13). This regulation has its drawbacks and short experience already indicates this concern. Rwanda and Burundi have a different educational system – the French system vis-a-vis the English system of the original three Partner States – Kenya, Uganda and Tanzania. Moreover, most of Rwanda and Burundi's highly qualified people speak more French than English, not to speak of different legal system from the common law that rules in the original member countries. Thus recruiting the right people for the EAC from these countries has been a daunting exercise.

The research findings in as far as EAC's ability to recruit staff on merit were in tandem with my findings. Over 75% of the respondents were of the view that the quota system of employment has resulted in sub-standard officers being recruited into the EAC. Concern was raised with the situation where when a new country joins the EAC it immediately must demand positions for its nationals. This has resulted in the EAC creating sinecure positions. It further means that staff are recruited as much due to their nationality as to their competence. Furthermore, it was noted that in recruitment of officers for top leadership of the EAC Secretariat, that is, the Secretary General and the Deputy Secretaries General, as well as recruitment into key EAC organs such as Members of the East African Legislative Assembly and Judges of the East African Court of Justice, personnel are often proposed for political reasons rather than for ability. Okungu (2008) gives a harsh observation by noting

that the composition of the East African Legislative Assembly has been abused by local political interests in the Partner States. As a result, he states, “*Partner States have failed to send the best brains and the best visionaries to the EALA to champion the regional cause*”. Some respondents also noted that appointment of Judges to the East African Court of Justice needed redefining. Presently, the Judges are appointed by the Summit of Heads of State from among persons recommended by the Partner States. This compromises the independence and effectiveness of the Judiciary.

Administrative resources: As stated earlier, administrative support systems are crucial in enabling tasks to be performed effectively. Such support that ranges from good office space, computers and accessories, communication systems, library, records systems and accounting software is essential in creating good working conditions for achievement of results. The EAC is making remarkable efforts to provide administrative resources to complement staff performance. For example, thanks to a 14 million Euro grant from the Government of the Federal Republic of Germany, the EAC is now in the process of putting up its own Headquarters building. There have also been efforts to introduce modern technological facilities that enable more effective work performance. For example the Microsoft outlook internet facility is available to all staff. In an effort to improve record management and timely response to correspondence, an electronic record management programme (TRIM) has been introduced. Similarly, the Sun accounting software package has been introduced to improve accounting systems.

The views of the respondents in this area however, contradicted my findings. 60% were of the opinion that administrative resources were not adequately provided by the EAC. It was pointed out that there was a shortage of office space and many officers are currently compelled to share small offices. Some officers do not even have telephone extensions in their offices. Further, the entire organization only has two fax machines which are inadequate bearing in mind the heavy load of urgent incoming and outgoing documents that the EAC receives and despatches on a daily basis. The requirement whereby all official telephone calls have to be routed through the Telephone Operator, was introduced in good faith as a cost cutting measure, but was cited by majority of respondents as negatively impacting on their ability to effectively perform their duties.

It was also noted that the EAC does not have a power back-up system and often suffers major power outages which compel staff to close for the day. Important technological resources such as video conferencing, e-library, e-records are still nascent and rudimentary thus proliferating an already notorious paper culture in the EAC.

5.2.6 Internal harmony

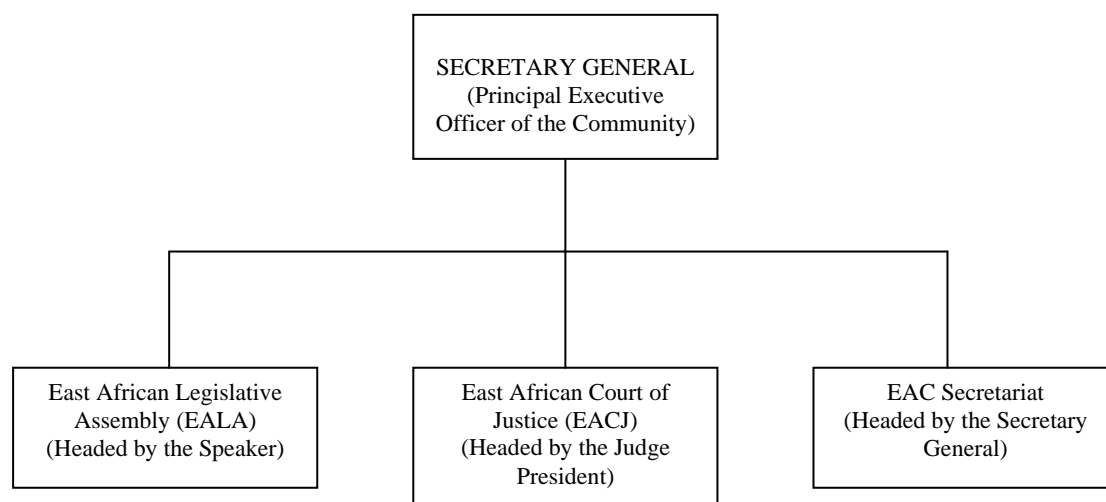
The EAC is comparable to a system in the sense that it is made up of several interrelated parts which work together to achieve the objectives of the institution. These parts, on a wider scale, comprise of the organs and institutions of the EAC as outlined in Article 9 of the EAC Treaty. On a narrower scale, the parts comprise the functional departmental units of the EAC as set out in the EAC's organisation structure as well as the various job groups that support these units. Each part of the EAC system has been assigned a specific role through which it is expected to contribute to realisation of EAC's objectives. Being part of a system, these parts have to work closely, concertedly and in unison if they are to realise the EAC's objectives. Indeed, organisational effectiveness theories observe that organisations that have internal harmony, characterised by an absence of internal conflict, are more likely to be effective in achieving their goals and objectives. The research findings, based on the views of over 70% of the respondents, however, reveal that the EAC does not have internal harmony in its inter-organ, inter-departmental and inter-staff job group relations. This situation if allowed to continue will become a cog in the wheel in building an organisation that operates on the basis of the principles of respect, trust and collective pursuit of shared objectives which are clearly spelt out in the Treaty.

Inter-organ harmony: The effectiveness of the EAC as an organisation is tampered by an atmosphere of mistrust among the key organs notably the Secretariat, the EALA and the EACJ. The problem arises from some of the stipulations in the Treaty which have resulted in poorly structured relations between the Secretariat and the other two key organs namely the Assembly and the Court. The biggest problem is found in Article 71(1)(o) of the Treaty which stipulates that the EAC Secretariat shall be responsible for the establishment of practical working relations with the Court and the Assembly. One cannot help but wonder why the Treaty vests such power on one of the organs of the EAC. In itself, it evokes mistrust between the EAC organs as it appears as if one organ is being given greater importance than the others.

Article 66(1) of the Treaty further provides that the Secretariat shall be the executive organ of the Community; the Community being defined under the interpretation clause to mean the EAC. But the EAC comprises other organs like the EALA and the EACJ. The inference therefore, is that the Secretariat has executive authority over the EALA and the Court. The same cloudy picture features under Article 67(3) where the Secretary General is described as the Principal Executive Officer of the Community. It is not exactly clear what this means in terms of the Secretary General's responsibilities vis-à-vis the different organs established under Article 9 where it is stated that there is hereby established as organs of the Community the Summit of Heads of State, the Council of Ministers, the Coordination Committee, the Sectoral Committee, the EALA, the EACJ and the Secretariat. This clause seems to infer that the Secretary General is the Principal Executive Officer of all organs of the EAC including the Summit and the Council of Ministers, which is ludicrous.

The above Treaty clauses have led to a lot of strain especially between the Secretariat and the EALA as well as between the Secretariat and the Court. Majority of the respondents from these organs felt that the Treaty gives the EAC Secretary General a dual role as shown in Figure 5 below. He is the Principal Executive Officer of the entire Community and yet he is also the Head of one of the EAC organs, the Secretariat. This puts his impartiality into doubt when the Secretariat is seen as exercising more authority or benefiting from higher salaries and benefits.

Figure 5: The dual role of the EAC Secretary General



(Source: Researcher's presentation as cited in the text)

Ideally, the Treaty should clearly delineate the roles and responsibilities of the organs on the basis of the principle of separation of powers. This is not the case. Evidently, this crucial aspect of organisational effectiveness, namely internal harmony has not been given due attention to the point that there is no internal harmony in the EAC in so far as the inter organ relations are concerned. Often one has seen inter organ conflicts, especially between the Secretariat and the EALA, on issues ranging from EALA members not being accorded proper protocol at Summit meetings, to not giving adequate attention to the terms and conditions of service of the EALA Members as well as Judges of the EACJ, to perceived inequitable allocation of budgetary resources. There is even a perceived notion of the Secretary General elevating the status of his position above that of the Speaker of the Assembly and the Judge President of the Court. All these negative perceptions undermine internal harmony within the EAC and frustrate the collective pursuit of organisational objectives. In the end, they undermine the effectiveness of the EAC as an institution.

A significant number of respondents (65%) were concerned about lack of harmony between the EAC Secretariat and organs that represent Partner States' interests; in particular, the Sectoral Committees which are made up of Senior officials from the EAC Partner States. It was felt that these officials have the tendency of opposing everything that the EAC Secretariat proposes often without valid reasons. The Sectoral Committees are an important organ in the EAC's decision making process as they are the ones who make recommendations to the Coordination Committee who then make recommendations to the Council of Ministers for final decision making. Lack of harmony between the Secretariat and this organ has a negative bearing on realisation of EAC's objectives.

Inter-departmental harmony: The EAC Secretariat has five main functional units: the Office of the Secretary General, the Office of the Deputy Secretary General in charge of Projects and Programmes, the Office of the Deputy Secretary General in charge of Finance and Administration, the Office of the Deputy Secretary General in charge of Political Federation, and the Directorate of Customs and Trade. However, it was observed by 60% of the respondents, that whereas there are generally good working relationships between the heads of functional units as well as officers in the respective departments, inter-departmental coordination was very poor. Respondents pointed out that often officers do not know what is happening in other departments even when those activities have a bearing on their work.

There is also a tendency for some officers to prepare programmes that commit officers from other departments without informing them or only informing them at the last minute when they have already committed themselves elsewhere or, if not committed, giving them inadequate time to effectively prepare. It was also observed that some functions overlap among departments. For example, the EAC is currently negotiating a Common Market Protocol. The key competencies for this function fall under two departments: the Office of the Deputy Secretary General in charge of Projects and Programmes and the Directorate of Customs and Trade. The question has thus arisen as to who is really in charge. The lack of harmony among the EAC's functional units no doubt undermines the ability of the institution to effectively achieve its objectives.

Inter-staff harmony: The EAC has three job groups, Executive Staff, Professional Staff and Support Staff. Each of these job groups has an important role to play in enabling the EAC achieve its objectives. Generally, relations among the job groups are harmonious as observed by 45% of the respondents. However, it was also evident that one job group, that is, the Support Staff were disgruntled. Of the 55% who believed there was no inter staff harmony, the majority were from the Support Staff job group. The overarching opinion among these respondents was that Support Staff were alienated from the institution by the other more senior job groups. Cases cited include that they were rarely involved in staff meetings; not consulted when decisions that affect their lives are made; and denied some basic allowances which other staff groups enjoy simply because of their job group. Indeed, in 2005, members of the Support Staff intended to lodge a case with the EACJ against the EAC Secretary General over what they perceived to be refusal to pay them a settlement allowance. The move was abandoned following tactful intervention by the Secretary General. However, negative sentiments about perceived discrimination still run deep among the Support Staff.

A review of EAC records indicate that out of the 182 employees of the EAC, 70 are in the Support Staff category, this is slightly under half of the total EAC staff population. Support Staff provide crucial services necessary to make the EAC an effective institution, for example secretarial, accounting, library, record keeping and registry services. To have such a large number of staff disgruntled over what they perceive to be discrimination by the senior job groups, is an issue that is likely to undermine EAC's ability to achieve its objectives in an effective manner.

5.2.7 Satisfaction of strategic constituencies

Organisational effectiveness theories posit that one of the factors that underpin effective achievement of organisational goals is the satisfaction of an institution's strategic constituencies. The EAC's effectiveness can thus be deemed to hinge on how it relates with its strategic constituencies, both internal and external. In this study, the staff of the EAC constitute the institution's core internal strategic constituencies while the business community and the civil society constitute the key external strategic constituencies. Presently, the EAC has taken several measures to ensure that its key strategic constituencies are at least minimally satisfied.

Satisfaction of staff of the EAC: In the area of staff satisfaction, the EAC, in 2007, improved the terms and conditions of service of its staff. This led to improved salaries and benefits all of which are believed to have enhanced the satisfaction of staff employed in the EAC. The EAC also offers opportunities for robust short training programmes for its staff to enable them improve or acquire new skills. Although these opportunities are subject to availability of budget sources, many employees have benefited from training programmes sponsored by the EAC. The research findings, based on stakeholder perceptions, however indicate that the EAC has failed to satisfy its key strategic constituency, its staff. It was observed that 75% of the respondents, majority being staff of the EAC, did not believe the EAC staff were satisfied with their terms and conditions of service.

The main source of dissatisfaction was that the terms and conditions of the EAC do not provide employees with the possibility for career advancement nor salary increment. Currently, the EAC has a system of locked-in 5 year contracts which lack adjustment factors. If for example, one joins the EAC at Officer level, there is no possibility that after several years he/she can move to Senior Officer level, then Principal level as is common in most RIIs. Instead one remains stuck in that job grade for the duration of his contract. If one wants to occupy a higher job grade, one must apply and compete with outsiders for the position and that is, only if a vacancy exists. Similarly, salary scales are fixed meaning however long an officer works at the EAC his/her salary will never increase. These terms and conditions of service were considered to be highly demoralising for the staff. As a result, many Officers consider the EAC to be a transit point to greener opportunities elsewhere and are averse to making long term career plans within the EAC.

A second source of dissatisfaction cited, especially among the Professional Staff, were the changes made to their contracts from five-year contracts which were perpetually renewable until one reached the retirement age of 60 years to five-year fixed contracts renewable once. The fixed contracts have created an element of job insecurity, instability and restlessness among the EAC's Professional Staff, especially those in the 30-49 age groups, who are confronted with the prospects of risking unemployment prior to attaining the official EAC retirement age of 60 years. The staff were of the opinion that the ten-year maximum contract is likely to create a situation in which the Professional Staff work diligently for the first five years of their contract and then on beginning their second and final five years, spend more time seeking job opportunities elsewhere thus adversely affecting their work performance at the EAC. It was noted that job insecurity is stressful and demoralizing; it affects the employees' ability to make plans for themselves and their families and may eventually lead to high staff turnover, a new phenomenon which the EAC is now beginning to experience¹⁵.

A third source of dissatisfaction was the feeling of being under-utilised especially among the Professional Staff who felt that although they were employed as experts in their fields, the system of work in the EAC does not empower them enough to share their expertise and skills. The bone of contention was seen as limitations in the EAC Treaty which do not allow the Secretariat to be proactive. Instead, in many cases the EAC operates as an extension of the offices of the Partner States' governments and therefore all key decisions and directions are left to the so called experts from the Partner States. These Partner States' experts were observed to have an attitude that the EAC Secretariat is there only to implement their decisions and not contribute to making decisions. As such most Professional Staff end up feeling under-utilised and frustrated.

A final source of dissatisfaction among staff was seen in the fact that the EAC does not have a system that rewards outstanding performance and in the same breath, sanctions incompetence. Respondents lamented that however diligently one works at the EAC there is no room for internal position announcements aimed at promotion. Readings on EAC documents confirmed this. Regulation 20(2) of the EAC Staff Rules and Regulations stipulates that no recruitment shall be undertaken unless an approved vacancy exists and for

¹⁵ In Financial Year 2007/2008 alone, the EAC lost three employees to greener pastures – Deputy Executive Secretary of the Lake Victoria Basin Commission, the Principal Engineer Planner and a Project Accountant.

which financial provision has been made (EAC Secretariat, 2006:13). Earlier, under section 5.2.5, we noted how difficult it is for new staff positions to be created at the EAC. Regulation 20(3) further stipulates that all vacancies shall be advertised. This means that there is no room for automatic internal promotions in the EAC; all vacancies must be advertised and competed for. Respondents further observed that the EAC does not have a system of performance enhancing motivations such as certificate of recognition or bonuses for staff who perform well. It was also noted that disciplinary measures are hardly ever taken against members of staff who are incorrigibly incompetent. Instead it is not uncommon to see the contracts of such staff being renewed despite management being aware of complaints against their performance. All these factors were observed as negatively impacting the satisfaction of EAC staff.

Satisfaction of the business community: Article 7(a) of the EAC Treaty establishes, as one of the fundamental principles of the EAC, market-driven cooperation (EAC Secretariat, 2002:15). Presently, the EAC has taken important steps to achieve this treaty provision. In the area of market-driven cooperation, the EABC has been given observer status in the EAC and there are moves to make it an organ of the EAC. Through close collaboration with the EABC, the EAC has been able to respond to the realization of the core EAC objective of market driven cooperation. The EAC, in conjunction with the EABC, organised the 1st EA Investment Conference in June 2008. The EABC is also invited to attend EAC policy organs meeting. For example, during the last Summit of Heads of State held in Kigali in June, 2008 the EABC was given audience with the Summit where they presented their views on how the EAC region can be enabled to become more competitive through addressing the factors that presently increase the costs of doing business. There is now a planned EAC-EABC Energy Conference to take place in Zanzibar in December 2008 to address energy issues in East Africa both in terms of promoting new investments in renewable energy but also to find solutions to high energy costs which reduce the competitiveness of the region.

It is through this kind of partnership that the EAC hopes to be able to assure that the private sector plays a critical role in the integration agenda. This partnership has a policy underpinning within the EAC in the form of a Private Sector Development Strategy which clearly outlines areas in which the EAC expects the private sector to focus upon in terms of trade investments promotion. It also addresses issues related to the legal and regulatory

framework in the various Partner States with a view to making them more responsive to the needs of a more conducive environment that bolsters economic growth.

The views of the respondents, in as far as how EAC has satisfied the business community, were a marked contrast to my findings. Over 70% of the respondents were of the view that the EAC has failed to effectively implement the principle of mainstreaming the private sector led development and growth and the “market-driven” approach in the realization of its objectives. The main source of dissatisfaction, especially among the private sector, was the feeling that they are not actively consulted in policy formulation relating to EAC’s integration process. Although many acknowledged that they have sometimes been consulted, it was felt that the private sector had not been adequately brought into the EAC’s decision making process and had no formal forum for engagement with the policy making process. The EABC observer status is, in fact, viewed as marginalisation.

A second source of dissatisfaction was cited as the non-adherence by the EAC Partner States to regionally agreed decisions impacting on the private sector. An example is the manner in which the Agreement on the Common External Tariff which is part of the EAC Customs Management Act 2004 is implemented. The Customs Management Act provides that a Common External Tariff (CET) of 25% in import duty be charged on all fabrics imported into the Community. Yet, Tanzania went against this joint decision by unilaterally allowing a local textile mill – Nida Textile Mills, a tax waiver to import fabrics thereby exempting it from the East African CET. Soon thereafter, Kenya allowed Pakistani rice imports at duty rates out of line with the CET, ostensibly, as a trade off for exports of Kenyan tea to Pakistan. Uganda also demanded to expand a list of sensitive imports which she wanted protected from competition due to its low level of industrialization, landlocked status and infancy of its domestic industries. In light of this, the three Partner States agreed to do some horse trading involving blatant breaches of the CET. These decisions elicited widespread condemnation from the business community in East Africa who view such decisions as flagrant violation of the East African Community Customs Management Act.

Non-adherence to regional decisions is further seen in the fact that non-tariff barriers still hamper business between the EAC Partner States despite the Customs Union protocol providing for their immediate elimination. The EABC is on record as stating that non-tariff-barriers are the greatest impediments to the free flow of goods in the region. It cites the

serious delays that are recorded at road blocks and border points that have resulted in rent seeking opportunities in the form of corruption on the side of concerned officials (The East African, 2007a:6).

Other examples cited include the decision by the EAC Partner States to market East Africa as a single tourist destination. Recently, it has emerged that Authorities in Tanzania are planning to introduce legislation that will bar foreigners from engaging in tourism-related business. The legislation, which was expected to take effect as early as 2008, signals a growing resentment by the Tanzanian government of domination of the sector by foreigners. The proposed law sought to restrict the participation of foreign investors in the travel agency business, mountain climbing, trekking and from owning and operating travel agency businesses in the country (The East African, 2007b:1). The business community felt that the move was likely to deal a severe blow to efforts to enhance cross-border trade within the EAC. It also makes the joint decision to market East Africa as a single tourist destination hard to realize. It would be interesting to see how Tanzania navigates its position on this matter given that the Partner States are negotiating liberalisation of services both under the Common Market and the EPA negotiations. Tanzania has not tabled the law in Parliament as yet.

Satisfaction of the civil society: A major criticism slated against the EAC which points towards organizational ineffectiveness is the lack of adequate information in the public domain about what the EAC is all about and what it is doing and the benefits that are accruable to the citizens of East Africa. The EAC is trying to respond to this criticism and shortcoming through creating effective ownership of the EAC integration project. In this regard, the EAC has established close working relationships with key civil society groups in the areas of farmers, law, local government and human rights. There is now an East African Local Government Association, East African Law Society (EALS), East African Farmers Federation and Kituo cha Katiba. The EAC is involving the EALS in making proposals for the extended jurisdiction of the EACJ as well as in the amendments of the Treaty. The EAC is also working with Kituo cha Katiba, a civil society that is engaged in improving the environment for human rights and the rule of law in East Africa. Kituo cha Katiba has submitted proposals to the EAC for the introduction of a Bill of Rights for the EAC. Effort is also being taken to help the youth of East Africa to constitute an East African-wide youth association as well as an East African wide student forum.

Despite the efforts made by the EAC, 75% of the respondents expressed their dissatisfaction with how the EAC had implemented the principle of ‘people-centred’ approach. The main source of dissatisfaction, especially among respondents from the civil society, was the view that the civil society in particular and the public in general were not adequately sensitized on the EAC’s integration process. An example was given of the abandonment of the project on fast tracking East African Federation which, the civil society blames entirely on poor sensitization. Literature review supports the views of the respondents.

For example, when the National Consultative Committee that collected views of Tanzanians on the proposed East African Federation presented its report indicating that majority of Tanzanians were against fast tracking Political Federation, the National Chairman of the Tanzania Labour Party (TLP), Mr. Augustine Mrema stated that *“No one can dispute the fact that whenever two or more countries unite to form a larger political unity there are gains to people of the respective countries, but in our case our leaders did not have proper plans on how the decision would be implemented. For instance, until now we do not know which structure of federation our leaders are dreaming about”* (The Citizen, 2007:14). Dr. Wilbraod Slaa, another prominent political figure in Tanzania also remarked that *“The problem with the idea is that there were no proper preparations.You cannot blame the public for the negative stand they have made....The government has not told the public how benefits from the federation would trickle down to the ordinary person”* (The Citizen, 2007: 14-15). Evidently, inadequate sensitization of the East African public about the EAC remains a challenge for the EAC.

5.2.8 Ability to adapt to change

In July 2007, the EAC underwent a major change following the accession of Rwanda and Burundi into the EAC. This increased the EAC membership from three Partner States to five. The entry of Rwanda and Burundi has brought in new challenges as far as the organisational effectiveness of the EAC is concerned. Article 137(1) of the EAC Treaty stipulates that English is the official language of the EAC. Hitherto with the founding English speaking Partner States of Kenya, Uganda and Tanzania, there was no difficulty in using English in the EAC’s management process. However, with the entry of French speaking Rwanda and Burundi and the recruitment of Professional Staff from those two new Partner States, there is a culture shock that has emerged in the EAC’s management process. Many of these

Professional Staff that have been recruited, whilst they possess requisite skills and competences, find themselves in a new organisational culture and environment where, given their French speaking backgrounds, they find it difficult to quickly adapt and prove their worth. In light of this change, the question is posed, is it really rational for the EAC to continue to insist on English being its official language? This is an issue that has got to be quickly addressed because it may constitute a factor in reducing the effectiveness of the EAC in delivering its mandate.

Despite increased membership, the EAC rules of procedure for meetings still require quorum for meetings, that is, all Partner States must be present for a decision to be made operative. Whereas it was easy to achieve quorum when the EAC had three Partner States, with membership increasing to five Partner States achieving quorum is increasingly becoming elusive. This has resulted in a number of important EAC meetings being postponed leading to EAC failing to undertake its mandate. The enlargement of the EAC has also catapulted a broader diversity of national views and interests which makes consensus/unanimity of decisions not easily achievable. The EAC Treaty however, still stipulates that decision making will be by consensus/unanimity. This situation if left unchecked, may lead to gridlock in EAC's decision making system.

The two new Partner States of Burundi and Rwanda have also failed to effectively meet their financial obligations to the EAC. Given that Article 132(4) of the EAC Treaty stipulates that the EAC shall be financed by equal contributions of its Partner States, the inability of the two Partner States to effectively meet their financial obligations has resulted in the EAC facing serious financial difficulties. This can be attributed to failure of the EAC to foresee and adapt to change brought by admitting Rwanda and Burundi. Ideally, before admitting Rwanda and Burundi, the EAC should have taken into account the economic weaknesses of the two states vis-à-vis those of the founding Partner States and come up with alternative financing arrangements for them. In this regard, the directive by the 9th Ordinary Summit of Heads of State that the Secretariat should undertake a Study on other budget funding modalities which the Summit can examine and pronounce itself on was welcomed by respondents as a recognition, at the highest level of the EAC, that the EAC needs to adapt to challenges brought by enlargement (EAC Summit of Heads of State, 2008:3).

Over the past few years the mandate of the EAC has increased tremendously, for example, on top of implementing the Customs Union, plans are underway to establish a Common Market and Monetary Union by 2012, the EAC has also signed an Economic Partnership Agreement with the European Union as well as a Trade and Investment Framework Agreement with the United States which it has to concretize. The EAC has also committed to market the EAC region as a single tourist destination, been directed by the Summit to embark on a number of studies aimed at deepening integration and has to implement an ambitious 3rd EAC Development Strategy (2006-2010) among other activities. In other words the EAC is pursuing a very ambitious integration agenda. Yet, the increased mandate has not been matched with requisite manning levels and financial resources. This has resulted in EAC's inability to effectively achieve its increased mandate.

One of the central challenges the EAC faces in adapting to change is how to overcome the zero-sum game mindset in some Partner States, notably Tanzania, with respect to deeper integration. For example, whereas the EAC Partner States enthusiastically embraced the EAC Customs Union, Tanzania is increasingly developing 'cold feet' about the next stage of integration; namely the Common Market. It should not be forgotten that among the reasons which compel states to join or establish RIIs is the belief that the individual state will benefit from collective efforts. National interests are supposed to be relegated in the interest of the bigger picture. Where one state feels injured through deeper integration, Article 78 of the Treaty provides for safeguard measures (EAC Secretariat, 2002:57). However this recourse is not exploited because the propensity to accept change is non-existent from the start. It is for this reason that some Partner States are beginning to think about invoking Article 9(e) of the Treaty which allows variable geometry to step in where there is a strong view that some Partner States are undermining faster integration. This principle allows for progression in co-operation among groups within the Community for wider integration schemes in various fields and at different speeds (EAC Secretariat, 2002:15).

Variable geometry would allow for those EAC Partner States that wish to proceed with a faster pace of integration to do so, while those that wish to go slower could do so yet still remain members of the institution. But it is a highly sensitive model of integration. In the EU, it has worked well in so far as the euro is concerned. However, it has been disputed if its application were to extend to political integration as had been envisaged under the Constitutional Treaty which was rejected in 2005 as well as in 2008. It is thus debatable

whether, for instance, the fast tracking of EAC's Political Federation, can be proceeded with based on variable geometry. What would result to those who remain outside the federation? Having noted such difficulties, 75% of the respondents still felt that many EAC programmes that were within the Treaty objectives are hampered by a low response to change.

5.2.9 Transformational leadership

The ability of an organisation's top leadership to influence values, ethics and attitudes of organisational members and build commitment for the achievement of the organisation's mission, objectives and strategies, better known as transformational leadership has been identified by theories of organisational effectiveness as critical to effective achievement of organisational goals. The importance of transformational leadership emerges when a new top leader comes into an institution and is able to move the institution from the state he or she finds it to a level where the institution begins to realize greater effectiveness in the achievements of its objectives. But this is not an episodic intervention. Transformational leadership requires constant adaptation to change and effecting policies and directions that bring about positive change in structures, systems, processes as well as internal and external relationships on an on-going basis. Transformational leadership is what imbibes and ingrains a new hope in an organisation. It creates an environment that is supportive of team work, trust and a collective pursuit of shared goals.

The current Secretary General of the EAC, when he came into the EAC at the beginning of May 2006, found the institution not only very thin on the ground in terms of staffing but also with a structure that was not adequately responsive to the demands that were imposed on the executive organ of the EAC. Above all, he found a highly de-motivated staff; lowly paid, lowly incentivised and who had developed a culture of travelling out of station in order to obtain per diems to support their low remunerations. Put differently, he found an EAC that had lost commitment and a clear direction in terms of the effective achievement of EAC's goals. His immediate focus as new Secretary General was thus to transform the EAC into an institution that was based on hope, commitment and job satisfaction. This he was able to achieve by immediately recommending a new organisation structure and new grades and salaries as well as incentives for all the EAC staff. In my view this is what transformational leadership is all about. However, as mentioned earlier, transformational leadership has to go beyond being an episodic leadership style. In this regard, the research findings were a

marked departure from my own findings. Over 80% of the respondents interviewed believed that the EAC did not have a transformational leadership and that this is the fundamental reason why the EAC continues to face a number of challenges of a structural or systemic character.

The reasons cited for EAC's lack of transformational leadership had more to do with the structure of the Office of the Secretary General rather than the bearer of the office. This structure was seen to act as a constraint on the ability of the Secretary General to effectively execute transformational leadership. Lack of executive authority by the Secretary General was seen as the main bottleneck. Whereas the Treaty on paper gives the Secretary General power to run the EAC by designating him as the Chief Executive Officer of the EAC, respondents observed, however, that the Secretary General's lacks the autonomy to lead the institution which is a fundamental characteristic of a transformational leader. It was observed that the EAC Treaty does not give the Secretary General teeth to effect interventions in the achievement of the EAC's objectives. In terms of day-to-day management of the EAC, he has to revert to the policy organs, notably the Council of Ministers, for decisions that he would ordinarily be expected to make as a Chief Executive Officer. Moreover, the Secretary General cannot restructure the organisation in the manner he deems fit and take responsibility for it. Instead, he can only make proposals to the Council for decision. Consequently, the key role of the Secretary General is subordinated to implementation of the Partner States' decisions, the opposite of what a transformational leader is supposed to do.

A significant number of respondents (70%) expressed reservations about the five-year fixed contract for the EAC Secretary General. Five years were deemed to be too short for the Secretary General to make an impact and leave a legacy. In such a short time the Secretary General cannot formulate long term plans for the institution. Respondents further observed that there was a tendency at the beginning of their contracts, for the Secretaries General to have a focused vision for the institution; but towards the end of their contracts, they concentrate more on travelling and are also preoccupied with their post EAC prospects, often to the detriment of the institution. There was consensus that if the Secretary General's contract was renewable then it would be possible for the EAC to have transformational leadership as the Secretary General would strive to effectively achieve the goals of the organisation in an effort to have his contract renewed. However, this view flies in the face of

the core obstacle that faces the Secretary General in becoming transformation, that is, the lack of decision making authority.

Also noted was the fact that the Office of the Secretary General was grossly understaffed. Other than staff who functionally report to the Secretary General (Legal, Internal Audit, Publicity, Defence and Resource Mobilization) his core officers comprise of only two officers: the Chef de Cabinet and the Senior Personal Secretary. Respondents were of the view that for an office that oversees the operations of the entire EAC organs and institutions, such staffing level undermined the capacity of the Secretary General to undertake policy oriented activities that could make the position transformational for the EAC.

A reasonable number of respondents (65%) further felt that the Chef de Cabinet assigned to the Secretary General had failed to define the functions of his office. This has led to two negative consequences. First, the Office of Chef de Cabinet at the EAC lacks the aura, allure, authority and decorum that ordinarily characterises the symbolism of the incumbent's exalted status. This in turn, has led to the Office of the Secretary General being poorly organised. The Chef de Cabinet is ideally supposed to provide an effective communication and coordination link between the Secretary General and the rest of the organisation as well as external stakeholders. Further, this office is supposed to receive and routinely re-assign for necessary action correspondence as well as advise the Secretary General on issues that affect the organisation including the initiatives that the Secretary General needs to undertake to improve organisational performance. Instead, the Chef de Cabinet's office has been subordinated to Personal Assistant Role which leaves the incumbent with little time to concentrate on his core role. Consequently, the entire organisation has been denied clear linkages with the Secretary General's office. It was observed, for example, that the Secretary General spends a considerable amount of his executive time doing technical work that should have been forwarded to Professional Staff for attention by the Chef de Cabinet.

Respondents were also of the view that on account of his experience and day to day official interaction with the Secretary General, the Chef de Cabinet is nominally 'the Secretary General' whenever the incumbent is out of office or unavailable to attend to an event within or outside the organisation. Yet in the EAC the Chef de Cabinet seems to lack initiative to perform some of the Secretary General's duties in his absence, such as meeting high profile guests and/or representing the Secretary General in meetings. This was attributed to two

factors. First, the office is nascent with no structured job description. Secondly, the job has been graded at Principal Officer level and thus does not rank high enough to command clout and symbolise authority. This makes it difficult for the Chef de Cabinet to assign work to officers or to represent the Secretary General at high profile events.

Despite the constraining circumstances under which the Secretary General of the EAC operates, over 80% of the respondents were of the view that the Office of the Secretary General has played an instrumental role in achieving the objectives of the EAC. The former Secretary General, Mr. Nuwe Amanyu Mushega (April 2001-April 2006) was credited for breaking the deadlock that characterised negotiations for the EAC Customs Union Protocol. This eventually led to the signing of the Customs Union Protocol and the establishment of the EAC Customs Union. The current Secretary General, Amb. Juma Mwapachu is credited with improving the terms and conditions of service of EAC staff within his first year in office, something which had eluded the EAC for almost ten years despite many studies and recommendations being carried out. He is also credited with enhancing and strengthening the EAC's partnership with the private sector as evidenced by the cordial and close working relationship that the EAC has developed with the East African Business Council since he took over office. Majority of the respondents believed that under his tenure the EAC would achieve its next stage of integration, that is, the Common Market.

5.2.10 Political will

A firm political commitment has been identified by theories of organisational effectiveness as critical for the effective achievement of goals especially for public sector organisations. In the case of the EAC, a fair assessment reveals that there has been immense political will for the institution's mandate. For example, in 2005, the EAC Heads of State decided that each Partner State should establish a Ministry responsible for EAC Affairs. Since then, all the five Partner States have established ministries responsible for EAC Affairs in their respective capitals. These ministries have contributed to better coordination between the EAC organs based in Arusha and the Partner States. More importantly, these ministries are headed by Ministers who are sitting Cabinet Ministers as well as Members of National Assemblies in their respective state. They have thus become key bridges between the national electorates and the EAC. These Ministers, for example, present their budgets in their respective national

Parliaments and make statements on the state of the EAC including the benefits of EAC integration.

The EAC Heads of State have also personally intervened in trying to sort out problems hindering integration. For example, in 2004, concerned that the EAC integration was moving at too slow a pace, the Heads of State appointed a Committee on Fast Tracking East African Federation popularly known as the “Wako Committee” to look into the possibility of fast tracking the integration process so that the ultimate goal of a Political Federation could be achieved through a fast track mechanism. Although the recommendations of this Committee were rejected by a section of the East African population, the establishment of the Wako Committee was, in itself, an enormous display of political will for integration on the part of the EAC Heads of State. Tangibly, it was the intervention of the 2004 Summit meeting that fast tracked the conclusion of the EAC Customs Union Protocol which until then had been log jammed by national interests.

The improved terms and conditions of service for EAC staff, which came into effect in January 2007 after almost ten years of a state of flux can be attributed to the political will of the EAC Heads of State. This approval followed the Heads of State supporting proposals submitted to them by the EAC Secretary General who had personally called on each Head of State to explain the grim picture at the EAC with regard to low levels of staff motivation.

Further, cognisant of the challenges imposed by multiple memberships of EAC Partner States to different RIIs, the EAC Heads of State in 2002 endorsed the idea of the EAC negotiating as a bloc. That policy decision is what has enabled the EAC to negotiate the Economic Partnership Agreement with the EU.

These research findings notwithstanding, however, over 70% of the respondents were of the view that there was inadequate political will necessary to assure effective achievement of goals by the EAC. The overarching view was that the governments of EAC Partner States were in the habit of paying a lot of lip service about the need for regional integration which they rarely translated into action. Areas of inadequate political will impacting negatively on the EAC’s ability to effectively achieve its objectives identified include: lack of sanctions against non-adherence to regional agreements, lack of decision making authority by RIIs, long delays in ratification of protocols, multiple membership in RIIs, weak ministries to

coordinate regional integration and failure to deal with negative social elements hindering integration. The EAC Heads of State also seemed to acknowledge that there was inadequate political will. For example in the Communiqué they signed after their 6th Extraordinary Summit held on 20th August 2007, they called upon the need to stimulate greater political will to promote deeper economic integration and to lock-in gains achieved from economic cooperation (EAC Summit of Heads of State, 2007:3).

Lack of sanctions: It was observed that the Treaty for the Establishment of the EAC is lax on mechanisms for enforcements of collective decisions and imposition of sanctions for non-adherence. Article 143 of the Treaty stipulates that Partner States which default in meeting their obligations shall be subjected to such action as the Summit may, on the recommendation of the Council, determine (EAC Secretariat, 2002:116). This article is vague and silent on specific sanctions. As a result of this weakness, the EAC relies on the goodwill of Partner States to implement decisions by its various organs and institutions. This makes non-adherence to regionally agreed decisions easy for the Partner States as there is nothing to compel them to abide to decisions. For example, respondents were of the view that lack of sanctions is responsible for the blatant breach of the provisions of the EAC Customs Union by the Partner States. It was also attributed to the failure by Partner States to remit their financial contributions toward the EAC budget on time.

Lack of decision making authority: The unwillingness of the governments of the EAC Partner States to cede executive authority to the EAC has resulted in a weak regional institution that is not able to effectively carry out its mandate. For example, whilst the EAC Secretariat is the Executive organ of the EAC, it operates without the supranational authority needed to make and enforce decisions. As earlier noted, this is largely due to Article 14 of the Treaty for the Establishment of the EAC which vests all powers of decision-making on the EAC Council of Ministers and the Summit. This decision making structure was seen by many respondents as a clear manifestation of reluctance by the EAC Partner States to cede national sovereignty to the EAC.

In the case of the EALA, whilst it is the legislative organ of the EAC, its effectiveness, in as far as private members bills are concerned, is curtailed by Article 63 of the Treaty which allows any Head of State the right to refuse to assent a bill passed by EALA. The use of protocols to run the EAC operations was also seen as reducing the powers of the regional

parliament. Six articles of the EAC Treaty provide explicitly for protocols in running the operations of the EAC i.e. 15(4) and (5) - Protocol on Decision making, 75(1) – Protocol on Customs Union, 76 (1) and (4) – Protocol on Common Market, 81(4) - Protocol on Standardisation, Quality Assurance, Metrology and Testing, 104(2) – Protocol on the Free Movement of Persons, Labour, Services and Right of Establishment and Residence and 124(5)(e) – Protocol on Combating Illicit Drug Trafficking (EAC Secretariat, 2002: 23, 55, 56, 60, 82, 102). Concerns were raised over the suitability of protocols in accelerating the process of regional integration as opposed to laws passed by EALA.

In the case of the EACJ, the recent decision by the EAC Summit of Heads of State to divide the Court into two divisions: a First Instance Division and an Appellate Division was perceived as an attempt by the governments of the EAC Partner States to ridicule the role of the EACJ in deciding contentious issues on the EAC Treaty. It was noted that these changes were effected after the Republic of Kenya had a clash with the EACJ after the regional court rejected Kenya's nominees to the EALA on the basis that their election was not undertaken within the requisite Article 50 of the EAC Treaty. Following the ruling, the President of Kenya, Mwai Kibaki at a Summit of Heads of State held in November 2006 faulted the EACJ for their ruling and declared that "*East African Partner States could not at this stage of integration cede their sovereignty to regional institutions*" (Saturday Nation, 2006:12). Also, whereas the decision of the EACJ on the interpretation and application of the EAC Treaty has precedence over decisions of national courts, the same does not by itself remove the possibility of there being conflicting decisions by the national courts on the same matter.

Delays in ratifying protocols: In the EAC protocols have to be ratified by the respective Partner States. This can be a lengthy process as in some Partner States this involves the protocols being debated in Parliament while in others cabinets have the authority to ratify them. Respondents observed that this is one area of major weakness in the EAC's organisational system because where programmes and projects are governed by such protocols it means they cannot be implemented until such time as the protocols have been ratified.

Multiple memberships: Currently, eastern and southern Africa has a multiplicity of RIIs with almost similar integration goals. There have been criticisms levelled at this fragmentation. Prof. Richard Gibb (2006), in his Paper, *Rationalisation or Redundancy? Making Eastern*

and Southern Africa's Regional Trade Units Relevant, has posited that “*the institutional structure supporting regionalism is overcomplicated and incoherent. Put bluntly, the present structure of overlapping memberships and shared integrative goals among the regional communities of eastern and southern Africa is unworkable. It does not work now and it will not work in the future*” (Gibb, 2006:2).

In the case of the EAC and its Partner States, multiplicity of membership as shown under Table 4 below corresponds to Gibb's sentiments. Respondents observed that memberships to different regional groupings often put EAC Partner States in a position of competing against one another hence defeating the purpose of integration. All the five EAC Partner States, on top of being members of the EAC, also belong to several other regional integration groupings that sometimes compete, conflict or overlap with the EAC's integration agenda. These regional groupings have remarkably similar integrative ambitions, for example COMESA and SADC have a shared desire to create, at the very minimum, a Customs Union. The EAC already has a Customs Union. However, according to World Trade Organisation rules it is not possible for a country to belong to more than one Customs Union and apply more than one Common External Tariff (CET) (Gibb, 2006:2). Hence there has been a tendency for rivalry and tension between EAC, SADC and COMESA in their bid to retain or attract membership.

Table 4: EAC Partner States' membership in selected regional institutions

| Partner State | EAC | COMESA | SADC | IGAD | ECCAS | CEN-SAD |
|----------------------|------------|---------------|-------------|-------------|--------------|----------------|
| Kenya | + | + | | + | | + |
| Uganda | + | + | | + | | |
| Tanzania | + | | + | | | |
| Rwanda | + | + | | | | |
| Burundi | + | + | | | + | |

EAC: East African Community

COMESA: Common Market for Eastern and Southern Africa

SADC: Southern Africa Development Community

IGAD: Inter-Governmental Authority on Development

ECCAS: Economic Community of Central African States

CEN-SAD: Community of Sahel-Saharan States

(Source: Researcher's construction based on literature review)

Majority of the respondents felt that the membership by EAC Partner States to overlapping regional institutions often with different trade policy regimes has produced notable complexities and concerns for the EAC countries, their governments and private sector, who increasingly face confusing and conflicting situations as the respective integration agenda of the multiple institutions are deepening. Such overlapping memberships lead to wasteful duplication of effort and counterproductive competition. It also adds to the burdens of EAC Partner States as they are not only faced with multiple financial obligations but must also cope with different meetings, policy decisions, instruments, procedures and schedules. Customs officials and traders in the region also have to deal with different tariff reduction rates, rules of origin, trade documentation and statistical nomenclatures. All these are detrimental to deeper integration. The problem of multiple memberships is highlighted by Mshindi (2008:11), who observes that “*Tanzania is suffering serious indecision over its status as a member of both the EAC and SADC. It wants to enjoy the advantage of having feet in both camps for as long as possible before it finally opts for one – probably SADC, after wasting its neighbours’ valuable time*”.

Recent efforts, flowing from a 2005 starting point, by the Chief Executive Officers of SADC, COMESA and EAC to create a Tripartite Task Force that meets twice a year to coordinate and harmonise policies in trade, infrastructure and customs are proving useful in dampening the dysfunctions of overlapping membership. Indeed, out of these efforts, a Tripartite Summit of Heads of State and Government of COMESA, EAC and SADC was held in Kampala on 22nd October 2008 during which the Heads of State of the three RIIs approved the expeditious establishment of a Free Trade Area (FTA) encompassing the member states of the 3 RIIs with the ultimate goal of establishing a single Customs Union (COMESA-EAC-SADC Tripartite Summit of Heads of State, 2008:3).

Weak coordinating ministries: The establishment of specialised ministries and Ministers responsible for EAC Affairs though hailed by majority of the respondents as an indication of political will, was deemed by a sizeable number of respondents (65%) as not contributing to the effective achievement of EAC objectives. The reason cited was that rather than being the focal point for the implementation of the EAC’s regional integration objective at the national level, these ministries only coordinate meetings. It was also observed that in some Partner States the ministries were grossly understaffed and lacked reliable communication technology. They also lack identical vision, mission and core values as the EAC which

makes it difficult for them to work in harmony. These ministries are in effect national ministries dealing with EAC Affairs. Their values are predominantly national, not regional.

Failure to deal with negative social elements of integration: It was also pointed out that the EAC governments have failed to deal with social stereotypes that are detrimental to integration. For example, there have been xenophobic utterances made by politicians in Tanzania against the regional integration process. It was noted that every time the issue of EAC integration came up in Tanzanian Parliament, debate follows a familiar pattern: Kenya's level of industrial development is higher; it has better skilled labour that is more mobile; Kenyan business acumen is unrivalled, Kenyans are crime-inclined, among others. Such sentiments are widely believed to have created anti-integration sentiments in Tanzania. Respondents wondered why the government of Tanzania was silent on these detrimental polemics when it could seize the opportunity to allay the fears of its citizens and encourage them to support the integration agenda. The killing of Kenyan armed criminals in Tanzania in 2007 was also cited by respondents who wondered why the government of Kenya had not made any efforts to rein in on its citizens to stop exporting crime to the neighbouring country. Also, instead of Tanzania taking this as an issue of normal crime, the issue of the nationality of the criminals has been blown out of proportion which has led to the perception in Tanzania that Kenyans are crime-inclined. Such social sentiments if left unchecked could deter support for the EAC's integration process by sections of the populations in the region.



(The Standard, 2007c:6)

TZ: Tanzania, BUR: Burundi, KEN: Kenya

5.2.11 Overall view on EAC's organisational effectiveness

The last question in the research questionnaire sought the respondents' view on whether they believed the EAC, as presently constituted, had the ability to effectively achieve its objectives. Over 80% of the respondents answered 'No'. The main reasons cited for their views included the following: that the EAC lacks policy and operational autonomy which makes it difficult for the Secretariat, in particular, to organize its operations and make decisions in a rational manner for effective achievement of EAC goals and objectives; that there is mutual suspicion and mistrust between and among the key organs of the EAC which is detrimental to collective pursuit of objectives; that key strategic constituencies of the EAC, especially the business community and civil society, have not been adequately involved in the EAC's integration process; that the institution lacks clarity of purpose as it is pursuing too many ambitious goals; that the institution lacks adequate human and financial resources to enable effective goal achievement; that there was inadequate political will manifested by the dominance by the EAC Partner States in the institution's decision making process; that the terms and conditions of service of the EAC with locked-in contracts and fixed salaries were detrimental to staff motivation and commitment; that a negative organisational culture pervades the institution; and that the demarcation of roles among the key organs of the EAC, was not conducive to achievement of EAC's objective as the most critical roles to effective integration have been assigned to organs made up of Partner States representatives. This has led to national rather than regional interests prevailing at the EAC.

These findings seem to indicate that the EAC lacks the institutional underpinnings necessary to make it an effective institution. This, together with the research findings in the preceding sections, seem to support the hypothesis that guided this study, that is, that RIIs are likely to be effective in achieving the objectives for which they were established if the basic fundamentals of organisational effectiveness theory are embedded in their institutional structures, systems and processes. To the extent that the basic fundamentals of organisational effectiveness theory are not embedded or are only weakly embedded in the institutional structures, systems and processes of a RII, it becomes difficult for the institution to effectively achieve its mandate.

5.3 ORGANISATIONAL EFFECTIVENESS OVERVIEW OF THE EUROPEAN UNION – A COMPARATIVE ANALYSIS

Based on the research findings outlined in section 5.2 above, it is evident that the EAC as an institution faces a number of challenges which limit its effectiveness to realize the objectives that have been set for it. In terms of how the EAC should address these shortcomings and improve its effectiveness, in this section, the study examines the EU experience to determine which best practices can be borrowed and applied in the EAC.

The EU is considered to be the most successful RII in the world (Babarinde, 1996:11, Patten, 2005:122-141). Among its key achievements include a functioning Monetary Union in the form of the Euro, establishment of an Internal/Common Market characterized by free movement of people, goods, services and capital, a common commercial policy and a common agricultural policy (Europa Constitution, 2008:1-5). In this context, the EU is examined from the perspective of the critical factors that underpin organisational effectiveness and in order to draw reference to them in determining lessons that the EAC can learn.

5.3.1 Clarity of purpose

A review of the European Union (EU) indicates that the fundamental objective which inspired the EU was the need to establish peace and security in Europe. Once this objective was achieved, the institution focused its efforts on achievement of economic growth through creation of a Common Market, followed by a Monetary Union. The institution has been able to successfully achieve these objectives (Kennes, 2008). Unlike the EAC which is targeting too many ambitious goals at the same time, the EU experience seems to indicate that the institution meticulously identifies a few goals which it is then able to progressively focus attention on and implement. It is not surprising therefore that the EU Single Market was achieved only in 1992, over three decades after the Treaty of Rome that gave birth to the European integration agenda. The Monetary Union was also effected eight years later with the formal introduction of the Euro in January 2002.

5.3.2 Organisational culture

In contrast to the EAC whose organisational culture was deemed to be dominated by negative values such as poor team work, indifference, laxity and nepotism, the EU's organisational culture is dominated by three dominant values: efficiency, economy and effectiveness (EU-CONSENT, 2006:9). The EU's positive organisational culture has been aided by the presence of a code of conduct that is binding on all Commission staff. The code of conduct is anchored on efficiency, accountability, service and transparency (Kassim, 2004:47; Miller, 1999:21). As noted earlier, the EAC does not have a code of conduct for its staff.

Literature review indicates that this rosy picture in the EU was not always the case. There had been allegations that the EU organisational culture was characterized by fraud, mismanagement and nepotism. This led to a Committee of Independent Experts (CIE) being appointed in January 1999 to look into ways of reforming the organisational culture of the institution. The Committee recommended four main reforms: efficient use of resources based on priority setting allocation; human resources management; audit, financial management and control and introduction of a culture based on service. It can be argued that all of the significant measures have come to life in the EU. In terms of priority setting, allocation and efficient use of resources, two essential policies were implemented: first, the Activity-Based Management (ABM) system which includes the Annual Policy Strategy (APS) a definition per Directorate of policy objectives and their related necessary resources and the Annual Activity Report (AAR), an assessment of the level of achievement of these objectives.

On human resources issues, a European Personnel Selection Office was created; a new appraisal system - the Career Development Review was introduced; staff training was increased; Staff Regulations were amended to include a career structure revolving around two function groups – Administrators and Assistants; the Commission's social policy, e.g. on parental leave, was updated; a new category of non-permanent staff, contract agents, was created; and a stricter disciplinary system was put in place.

With regard to financial management, the financial control and auditing functions were separated. Also introduced were the description of the responsibilities given to authorizing officers and a mechanism of Activity Based Budgeting (ABB) with the distribution of spending by policy areas instead of the operational/administrative division. On internal

culture, European citizens and residents were given the right to access European documents, the Europa website was upgraded to become more user friendly and payments by the Commission to contractors was speeded up. These reforms have instilled an organisational culture of efficiency, economy and effectiveness in EU's operation (EU-CONSENT, 2006:7-9).

5.3.3 Organisation structure

In contrast to the EAC whose key organs are divided between policy organs (The Summit and the Council of Ministers) and oversight as well as implementing institutions (the EAC Secretariat, the EALA, the EACJ), the key institutions of the EU can generally be divided into two groups: intergovernmental and supranational. The European Council (equivalent to EAC Summit) and the Council of Ministers represent the intergovernmental institutions while the European Commission, European Parliament, European Court of Justice and European Court of Auditors represent the supranational institutions.

The European Commission is the permanent executive body responsible for implementing the treaties. It formulates policy and initiates legislation. The Commission also has the authority to bring breaches of the treaties before the European Court of Justice (ECJ). The Commission transmits proposals to the Council of the European Union. The Commission is an independent body. It does not represent the government or the state of the individual member states; rather, its function is supranational. Its main objective is to work toward the common interests of the Community.

On the other hand, the EU Council of Ministers is made up of Ministers from each member country and is the most powerful institution in the EU and the major decision making body. As such it decides on important Community policies and has the power to adopt rules. The official acts of the Council include regulations, directives, decisions, recommendations and opinions. The Council also coordinates economic policies of the Members States, and with the European Parliament plays a key role in adopting the EC budget (Duke University School of Law, 2005:2-3).

The Court of Justice of the European Communities (ECJ) supervises uniform interpretation and application of EU law (treaties and secondary legislation). The Court adjudicates actions against Union institutions as well as issues advisory opinions interpreting the law of the EU to national courts. Unlike the EACJ, the ECJ's rulings are final and not subject to appeal. The Court of First Instance (CFI): was established by the Council in 1988 under the Single European Act to lessen the ECJ's caseload by hearing certain types of cases (e.g. employment disputes). Its decisions are appealable to the ECJ on points of law only (Duke University School of Law, 2005:3).

The European Parliament is an elected body which originally had mostly advisory, rather than decision-making powers. The Maastricht Treaty has increased the powers of the Parliament and enlarged its legislative role. Members are directly elected every five years through general elections in every member state. According to Seong-Chang (2004:91), the European Parliament is the first and only experiment in supranational democracy. There is no other institution in the world like the European Parliament, in which members are elected by direct election in each nation, which transcends the interest of any particular member state and whose scope of authority and decision making power stands above those of the individual member states. In summary, the EU has created stronger common institutions than other regions in the world.

5.3.4 Organisation processes

EU treaties provide for three basic ways in which the EU Council can take decisions: by unanimity, by qualified majority vote or by simple majority vote. Unanimity used to be the normal requirement when a new policy was being initiated or an existing policy framework was being modified or further developed. However, Treaty reforms have greatly reduced the circumstances in which a unanimity requirement applies and it is now largely confined to policy decisions under the Common Foreign and Security Policy and Police and Judicial Cooperation pillars of the EU and to such sensitive and particularly important matters under the EC pillar as constitutional and financial issues. Unanimity is also required when the Council wishes to amend a Commission proposal against the Commission's wishes. Unlike in the EAC, in the EU abstentions do not constitute an impediment to the adoption of Council decisions that require unanimity. Qualified Majority voting now applies to most decision under the EC pillar, to selected decisions under the Common Foreign and Security Policy

pillar and to a few types of decision under the Police and Judicial Cooperation pillar. Simple majority voting in which all states have one vote each is used mainly for procedural matters (Nugent, 2003:168 -169).

Laursen (2003:15-16), notes that the elements of an independent Commission and Qualified Majority Voting (QMV) add up to what could be called supranationality. The European Commission is an independent European body; it is there to represent and further the European interest. National interests are represented in the Council of Ministers, but to the extent that QMV is accepted in the Council, no single member can stop the adoption of measures they do not like. She further notes that one of the problems of traditional intergovernmental cooperation, and the concomitant rule of unanimity, is that the slowest members will determine the speed of cooperation. Under such form of cooperation one should expect decisions to be based on the lowest common denominator. The EU on the other hand has created institutions that facilitate the “upgrading of the common interest.”

The recent adoption of the EU Reform Treaty at Lisbon, though not yet ratified, offers bold recommendations on how to make the EU a more effective institution. The main issue in the Treaty is the introduction of a double majority voting system which is expected to be phased-in beginning 2014 and fully implemented three years later. Under this system, a 55% majority of EU countries with at least 65% of the bloc’s population will be required to vote for a change to be approved. Other issues include having a full-time President of the European Council, a new Foreign Affairs Chief, with the profile and the budget to give the EU more clout on the world stage, fewer national veto powers, more powers for the European Parliament and a slimmed down European Commission. The EU Reform Treaty will need to be ratified by each of the EU’s member states, before entering into force in mid-2009 (BBC News, 2008:1-2). Already, the Republic of Ireland has rejected the Treaty in a referendum in mid 2008.

5.3.5 Ability to acquire resources

The European Union’s policies, programmes and activities are all funded by a budget to which the 27 member states contribute annually. Unlike the EAC whose Treaty provides for equal contribution to the EAC budget by the Partner States regardless of their economic differences, in the EU, the higher a country’s national wealth, the more money its

government contributes towards the EU's running costs every year. The financial resources of the EU come from three main sources: a share of each member state's customs duties, a share of the harmonized value added tax (VAT) and a further contribution from the member states based on the size of their gross national income (GNI). The limit on how much can be taken from national treasuries to run the EU is set by the member states themselves (European Union, 2008:1).

The EU also has sound financial management policies embodied in one of its key organs, the Court of Auditors. This organ examines and monitors revenue and expenditures of the EU institutions to make sure that both revenues received and spending are lawful and based on sound financial management (Duke University School of Law, 2005:4).

With regard to acquiring human resources, the EU has in place a European Communities Personnel Selection Office which ensures that only well qualified and experienced personnel are recruited into the institution. This has prevented nepotism and cronyism from prevailing in the recruitment process. The institution also offers attractive terms and conditions of service with possibility of career advancement and salary increase which increases its ability to attract the best of the best from the EU labour market.

5.3.6 Internal harmony

Power in the EU is shared between four entirely independent and separate bodies: the European Commission, the Council of the European Union, the European Parliament and the European Court of Justice. Separation of powers ensures that nobody gets too much power which has led to a semblance of internal harmony amongst and between the organs and institutions of the EU. For example, with regard to legislation, the European Commission (in contrast to the EAC where EALA can move private members Bills) is the only organ that can draft proposals for EU laws. These proposals are then forwarded to the Council of the European Union which acts as one of the two chambers of the EU's legislation branch, the other chamber being the European Parliament. These two chambers go through proposed EU law and must agree on the final version of the law and negotiate if necessary. Once they agree the law is passed and it is the duty of the Commission to implement the law. The European Court of Justice ensures that EU law is equally applied by the various EU member states

(The EU, 2008:1). Thus in the EU the powers and duties of the various organs and institutions are clearly spelt out, unlike in the EAC.

It was observed that in the EAC the relations between the EAC Secretariat and the organs that represent Partner States' interests especially the Sectoral Committees, were not harmonious. In contrast, in the EU, harmony has been established between the European Commission and the EU organs representing member states' interests through the Committee of Permanent Representatives (COREPER) which consists of permanent national officials appointed by each member state to the EU Headquarters in Brussels. COREPER is the administrative arm of the EU Council of Ministers. It occupies a pivotal position in the Community decision making system as it is a forum for dialogue among the Permanent Representatives and between them and their respective national capitals. As often as possible, agreement on EU policies is reached at the level of COREPER as any agreement at their level would usually be formally ratified by the national Ministers (Roney & Budd, 1998:22). Since COREPER is based in the EU Headquarters in Brussels, it is common and easy for the EC Commissioners to lobby and influence them to accept their proposals. This has contributed to harmony in the EU's decision making process as well as to improved relations between the European Commission and the Member States.

5.3.7 Satisfaction of strategic constituencies

With regard to satisfaction of staff, unlike in the EAC which has locked in contracts, career prospects in the EU institutions are good. There are four job groups and each job group is further divided into several steps. Staff become eligible for promotion on the basis of merit and seniority. The most dynamic and motivated officials are thus assured of the possibility of reaching the highest levels. Further, throughout the career structure, there are possibilities for self-improvement in terms of in-house courses to acquire new language, management and communication skills. An important element in determining career advancement is the system of periodical evaluation, which is carried out for each member of EU staff. Recommendations for advancement are made on the basis of performance and seniority. Further, staff working for the institutions of the European Union enjoy an excellent standard of living with high basic salaries which are augmented by increments every two years on a scale which is reviewed annually. These salaries are considerably enhanced by a package of allowances (expatriation, household, dependent child, education, relocation) depending on

personal circumstances. Other benefits include a pension scheme, insurance, exemption from national tax (European Personnel Selection Office, 2008:1).

As pertains to satisfaction of external constituencies such as the business community, civil society and the public at large, one of the organs of the EU is the Economic and Social Committee (ESC) which is an advisory body with 222 members, selected from the private sector to represent industry, labour, consumers and the public at large to ensure that these groups are effectively represented in the institutional framework of the European Union (Duke University School of Law, 2005:3). In this way the EU has been able to satisfy the needs of its external stakeholders.

5.3.8 Adaptability to change

One of the most significant changes the EU has undergone is enlargement through increased membership. From an original membership of six states, there have been six successive enlargements, the largest occurring on 1st May 2004, when ten member states joined. The EU is currently composed of twenty republics, six kingdoms and one grand duchy. Following the addition of Romania and Bulgaria in 2007, the EU's membership now stands at twenty-seven. Negotiations are also under way with a number of other states (Wikipedia, 2008:1).

Before enlargement, the impending change was met with a lot of fears. For example, the fear that enlargement would make EU institutions dysfunctional; that it would lead to impossibility of reaching understanding and hence lack of unity within Europe; that there were too many substantial differences between new and old members in terms of democracy, culture and historical experiences to make enlargement viable; and that Europe would experience economic turbulences (Bianchi & Lasticova, 2008:5-8).

Much as these fears were justified, they have so far not manifested themselves after enlargement. Rather, the EU has been able to successfully overcome the fears by having in place an effective policy to deal with the anticipated change. For example, in order to ensure progress in the negotiations leading to membership, the candidate countries must meet the requirements for membership, most importantly, the Copenhagen criteria which includes: the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; the existence of a functioning market economy and the capacity

to cope with competitive pressure and market forces within the EU; and the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union and the administrative capacity to effectively apply and implement the *acquis communautaire*¹⁶ (European Commission, 2008: 1-2). In all areas of the *acquis*, the candidate countries must bring their institutions, management capacity and administrative and judicial systems up to EU standards, both at national and regional level. This will allow them to implement the *acquis* effectively upon accession and, where necessary, to be able to implement it effectively in good time before accession (European Commission, 2008: 2-3). In this way, the EU has been able to adapt to change brought about by enlargement. The EAC has similar requisites for accession of new members into the EAC. The difference with the EU is that the EAC lacks strong preconditions.

The EU's adaptability to change is further enhanced by its flexibility. The EU has a number of areas of flexibility where its member-states are involved in a policy measure through variable geometry. The most important one being participation in the single currency. Other policies include borders and defence. This is useful where members are unwilling or unable to participate fully. Evidently, the EU has in place processes that can manage flexible coalitions successfully. The key is to ensure that it maintains a consensus on the broad principles of European integration, even if its members' involvement in individual policies varies. For example the United Kingdom is still a member of the EU even though it is not part of the EU single currency.

5.3.9 Transformational leadership

Unlike the EAC where the top leadership is appointed by the Summit upon nomination by the relevant Head of State under the principle of geographical rotation, in the EU, the President of the Commission is appointed by qualified majority voting by the EU Council of Ministers subject to approval by the EU Parliament (Napel & Widgren, 2006: 2). This has ensured that high calibre individuals capable of transformational leadership are appointed to head the EU. The candidate selected by the Council has often been, but is not by definition, a leading national politician. For example, Jacques Delors (1985-1994), who is regarded as the most

¹⁶ The term *acquis communautaire* or EU *acquis*, is used in European Union law to refer to the total body of EU law accumulated thus far. (Wikipedia 2008:1). Available at http://en.wikipedia.org/wiki/Acquis_communautaire

successful Commission President, being credited with giving the Community a sense of direction and dynamism, was a former French Finance Minister. During his term, he rallied Europe to the call of the single market and the goals of economic, monetary and political union (International Herald Tribune, 1992:1). Another Commission President credited with successful administrative and institutional reforms that have enabled the EU to be effective in achieving its goals is Romano Prodi (1999-2004). According to Dimitrakopoulous (2004:4), Prodi, a former Italian Prime Minister and academic who had played an important role in Italy's accession to the Euro-zone, seemed to combine two features of fundamental importance for any Commission President who aspires to make a significant contribution to the process of European Integration: he was both a political heavy weight and a man of inconsiderable intellect who commanded the respect of many European leaders.

Transformational leadership has also been realised in the EU owing to the fact that the Commission President is given powers that can enable him or her to ensure effective achievement of the EU's objectives. On a wider scale, the EU Commission President takes part in decision making being the head of the only EU organ that is allowed to propose legislation. He can use vision to propose legislation that will enable the EU achieve its objectives. On a narrower scale, the Commission President has the power to reshuffle portfolios and Commissioners, force the resignation of inefficient Commissioners as well as influence the appointment of key personnel among the Directorates-General. In this way, the President of the Commission can shape his team. The success of the Prodi Commission for example, is attributed to the fact that, unlike any previous Commissions, it took office with an explicit mandate from the Heads of State and Government to enact far reaching reforms (Kassim, 2004:40).

Further, transformational leadership in the EU can be attributed to the fact that the contract of the Commission President can be renewed once. This allows the incumbent Presidents to master the inside knowledge needed to turn the European Commission into the sort of efficient executive organisation that a united Europe will need. The European Commissions led by Jacques Delors are regarded as the most successful in the European Union's history, a gold standard by which future Commissions are judged (International Herald Tribune, 1992:1). It is notable that Delors' Commission was the longest serving Commission. It was composed of three separate Commissions: 1985-1988, 1989-1992 and 1992-1993 following a

decision by the EU Council to extend his period of office by two years. It was the only Commission to serve three times and yet incidentally the one regarded as the most successful.

5.3.10 Political will

Unlike the EAC which has failed to create strong regional institutions, the governments of EU member states have demonstrated adequate political will by creating stronger regional institutions. Important powers have been delegated to the European Commission and the European Court of Justice (ECJ). The Commission is an independent European body: it is there to represent and further the European interest. The ECJ makes binding decisions. Community law is different from traditional international law in that it has primacy if it conflicts with national law; and much EC legislation has direct effect on member states. If we compare the EU with the EAC, some structural institutional differences become apparent. The EAC has not created independent supranational bodies like the EC Commission; the EAC Partner States have also not accepted anything resembling Community law even when the EALA passes legislation supposed to have force of law at national levels. In the EC there has been a pooling and delegation of sovereignty. This has been done to assure credible commitments (Laursen, 2003:15-16). The same has not featured at the EAC level.

Adequate political will is also demonstrated in the EU through provision of explicit sanctions against non-compliance of EU laws and decisions. Until the entry into force of the Maastricht Treaty in 1993, the European Commission was not empowered to impose sanctions against member states who were in breach of their legal obligations. Respect for Commission decisions was dependent on the goodwill and political judgment of the States themselves, backed up by the ability of the Commission to make a referral to the Court of Justice – though the Court too could not impose sanctions. However, the Commission is now permitted, when a member state refuses to comply with a judgment of the Court, to bring the state back before the Court and in so doing to specify a financial penalty that should be imposed. The size of the penalty must reflect the seriousness of the legal infringement, the duration of the infringement, and the state's ability to pay (using GDP as an indicator). The Court takes the final decision.

The first state to be fined by the Court was Greece, which in 2000, was held to have failed to fulfil its obligations on waste directives and was ordered to pay Euro20,000 per day until it complied with the Court's judgment. On a much bigger scale, in May 2002 the Commission asked the Court to fine France Euro242,650 per day for being in breach of EU insurance laws (Nugent, 2003:142). The Commission has also exercised a great deal of authority in ensuring the EU Competition Law is strictly enforced. Microsoft, for example, was fined US\$1.4 billion in February 2008 for defying sanctions imposed on her for anti-competitive behaviour after failing to comply with a 2004 ruling of the European Court of First Instance. The EAC has a Competition Law in place but its enforcement remains fuzzy.

Political will is further manifested in the EU having a development fund set aside specifically to provide compensatory support for revenue losing members, for supporting infrastructure development in lesser endowed economies and for enhancing social cohesion. Such funds are important in dampening zero sum game attitudes because they create a hopeful win-win environment.

5.4 SUMMARY

This chapter sought to establish the reasons for the shortfalls by the EAC in effectively meeting its objectives. The study was guided by the hypothesis that RIIs such as the EAC are likely to be effective in achieving the objectives for which they were established if the basic fundamentals of organisational effectiveness theory are embedded in their institutional structures, systems and processes. The fundamentals of organisational effectiveness identified were: clarity of purpose, facilitative organisational culture, rational organisation structure and processes, ability to acquire and manage resources, internal harmony, satisfaction of strategic constituencies, transformational leadership, ability to adapt to change and in the case of public sector organisations like RIIs, adequate political will.

The study established that the basic fundamentals of organisational effectiveness theory are, in fact, only weakly embedded in the institutional structure, systems and processes of the EAC. As a general conclusion, the following organisational weaknesses were established:

First, the EAC did not have clarity of purpose as it was pursuing too many objectives without requisite manning and financial resources.

Second, the institution has a negative organisational culture characterised by laxity, individualism, unnecessary travel and poor time management which adversely affects its performance.

Third, the organisation structure was found to be irrational as the demarcation of roles among the organs of the EAC has created a weak regional institution that does not have the power to steer itself to achieving its objectives.

Fourth, the organisational processes, in particular decision making by consensus and the requirement of quorum, were found to be constraining the institution's effectiveness.

Fifth, it was also observed that the EAC did not have the ability to acquire adequate resources as it substantially depends on financial contributions from its Partner States which are often remitted late thereby leading to chronic financial shortages. Its dependence on donor funding is also viewed as unsustainable. The institution's ability to acquire staff was also seen to be wanting due to uncompetitive terms and conditions of service. Management of resources both financial and human were seen to be wanting.

Sixth, it was also observed that the institution did not have internal harmony as evidenced by strained relations between and among its key organs.

Seventh, the strategic constituencies of the institution also registered their dissatisfaction with the institution. The staff were unhappy about lack of career advancement, fixed contracts and fixed salaries. The business community felt they were not adequately involved in the EAC's decision making process and that EAC laws that affect their operations were often flaunted by the Partner States. The Civil society felt that they were not adequately sensitized about the EAC's programmes.

Eighth, the EAC was found to lack the ability to effectively adapt to change as seen in the grid lock in decision making and financial difficulties the institution is facing following its increased membership as well as its insistence in using English as its working language after admitting two French speaking countries.

Ninth, transformational leadership was seen to be lacking mainly due to limited powers vested in the head of the institution.

Finally, political will was also seen as inadequate as exemplified by the unwillingness of the Partner States to create strong regional institutions.

The findings of the study can best be captured by the illustration below which depicts the Heads of State of the founder Partner States of the EAC, that is, President Kibaki of Kenya, President Kikwete of Tanzania and President Museveni of Uganda, on an East African Federation cart. The illustration seems to indicate 'right idea, wrong strategy'.



(The East African, 2007c: 14)

The EAC was established to pursue noble objectives which if effectively achieved would lead to improved quality of lives for the people of East Africa. However, the way in which the institution is structured leaves it as a lame duck, incapable of rising to the occasion in terms of fulfilling its mandate effectively.

As a way to propose appropriate recommendations for improving EAC's effectiveness, the study further sought to establish how the world's most successful RII, that is, the European Union fairs with regards to the basic fundamentals of organisational effectiveness theory. It was found that, to a large extent, these fundamentals of organisational effectiveness theory are well ingrained in the EU's institutional structure, systems and processes. The EU was seen to have clarity of purpose as it pursues a few goals which it concentrates its efforts on. The organisational culture of the EU was seen to be dominated by three values: efficiency, economy and effectiveness in EU's operation. The structure of the EU was found to be rational as the demarcation of responsibilities has created strong regional institutions with adequate powers to enable effective achievement of goals.

As for organisational processes, unanimity/consensus in decision making is only used where sensitive political issues are concerned. Otherwise, the most common mode of decision making is through qualified majority vote or simple majority vote. The institution was also found to be financially self reliant as it has a reliable and sustainable financing method. The EU also has an effective financial management system embodied in one of its key organs, that is, the European Court of Auditors. The EU is also able to attract high calibre personnel as it offers attractive terms and conditions of service. Internal harmony has been realised through sharing of powers between and amongst the key organs and institutions of the EU. Internal harmony and coordination is further enhanced by having member states' representatives based at the EU Headquarters.

As regards satisfaction of strategic constituencies, it was noted that the EU has good career prospects and annual salary increments which motivate staff. Further, the business community, civil society and public at large are satisfied as their interests are represented in a key EU organ, the Economic and Social Committee (ESC). The EU was seen to be an institution that effectively adapts to change as it has undergone six enlargements without any difficulty. Its adaptability is further enhanced by its flexible approach whereby it allows member states to advance at different pace of integration yet still remain members of the EU.

Transformational leadership was seen to be present in the EU mainly as a result of the fact that the top leadership of the European Commission is appointed through a competitive process and has the power to initiate and implement change.

It was also observed that there was enormous political will for the EU as the governments of the member states had ceded considerable sovereignty to the institution through creation of strong regional institutions like the European Commission, European Court of Justice and the European Parliament. The EU also has stringent sanctions for member states that fail to abide to regional laws.

Finally, it was observed that the fundamentals of organisational effectiveness theories are deeply embedded in the EU's institutional structure, systems and processes. It is therefore not surprising that the institution has achieved the deepest levels of integration as compared to other RIIs in the world. It is for this reason that the EAC has much to learn from the EU's institutional framework.

In the next chapter, a summary of the study as well as the research findings is undertaken. Recommendations on what can be done to enhance the EAC's ability to effectively achieve its objectives are proposed on the basis of the determinants of organisational effectiveness which formed the basis on which the EAC was analysed. Recommendations also cover factors that underlie effectiveness of RIIs that are replicable from the EU. Areas for further study are also suggested.

CONCLUSION AND RECOMMENDATIONS

6.1 CONCLUSION

This study sought to establish the critical underpinnings for organisational effectiveness of RIIs with specific reference to the EAC. The interest arose out of a general observation of failure by RIIs in Africa to effectively achieve the objectives for which they were established. Informed by public administration theories of organizational effectiveness, the study hypothesised that RIIs are likely to be effective in achieving the objectives for which they were established if the basic fundamentals of organizational effectiveness theory are embedded in their institutional structures, systems and processes. In turn, to the extent that such fundamentals of organizational effectiveness theory are not embedded or are only weakly embedded in the RII, the likelihood of such institutions failing to effectively achieve their mandates is evident. In seeking to determine the validity of this hypothesis, the study was structured along five chapters as follows:

Chapter one gave a general background on the establishment of RIIs as well as what constitutes the central problem necessitating the study. The statement of the research problem was outlined as well as the empirical approach that informed the entire study. The key concepts underlying the study were outlined to clarify their meanings and application and to bring out the broad dimensions of the study.

Chapter two outlined a broad review of literature on the rationale for establishing RIIs. The main characteristics of RIIs as well as an overview of the performance of selected RIIs in Africa were highlighted.

Chapter three focused on a broad literature review of the EAC. The history of the EAC, its objectives, the fundamental and operational principles that govern its operations as well as the major organs through which it operates were outlined. The successes and shortcomings of the EAC were further highlighted. The chapter also included a broad literature review on possible causes of the EAC's shortcomings. Literature review on how institutional frameworks can explain the EAC's shortcomings was also undertaken.

Chapter four, examined the concept of organisational effectiveness within the framework of organisational effectiveness theory and contextualized it within the area of study, that is, the organisational effectiveness of RIIs. The main theoretical models of organisational effectiveness were highlighted. Determinants of organisational effectiveness were identified and briefly described in terms of what the ideal situation should be.

Chapter five documented the research findings. Herein, the organisational effectiveness of the EAC was analysed vis-a-vis the determinants of organisational effectiveness identified in chapter four. The aim was to establish the extent to which the basic fundamentals of organisational effectiveness theory are embodied in EAC's organisational structures, processes and systems and how they impact the institution's effectiveness. A comparative analysis of the EU (regarded as the most advanced RII in the world) was also presented in this chapter. The aim was to establish to what extent the basic fundamentals of organisational effectiveness theory are embedded in the EU's structures and processes and whether it accounted for its more successful regional integration process.

The research findings, based on literature review of EAC policy documents, the researcher's own critical observations, discussions held with key stakeholders and results from the questionnaire, supported the hypothesis that guided the study. In this context, there was an overwhelming consensus on two issues:

- i) that the EAC had not effectively achieved the objectives for which it was established;
and
- ii) that the key fundamentals of organisational effectiveness theory such as: clarity of purpose, positive organisational culture, rational organisational structure and processes, ability to acquire resources, internal harmony, satisfaction of strategic constituencies, ability to adjust to change, transformational leadership and political will, were weakly embedded in the EAC's institutional structures, processes and systems thereby contributing to a lacklustre performance.

Literature review on the EU also drew two conclusions:

- i) it is considered to be the world's most advanced RII; and
- ii) the basic fundamentals of organisational effectiveness theories are deeply embedded in its institutional structures, processes and systems thereby making the institution better positioned to achieve its mandate.

6.2 RECOMMENDATIONS

Whenever institutions are created many factors come into play, which determine how effective they will be in achieving the goals for which they were created. Organisational studies attempt to understand and model these factors based on scientific analysis. These studies have produced theoretical models which predict and explain what institutions need to do in order to effectively achieve their objectives. These theories are useful in controlling, predicting and explaining organisational behaviour. However, theory can only go so far in making a *priori* prescriptions on the form specific institutions should take. In reality, the 'one size fits all idea' is inapplicable to organisation design and each institution must chart its own course.

Indeed, the EU experience shows that the institutional arrangements that the EU adopted in its early development have been modified over time in response to emerging challenges and changing patterns of preference influenced by successive enlargements, transformational leaders and the internal dynamics of the institutional system itself. These institutional arrangements, while borrowing from prescriptions of organisational effectiveness theory, represent the EU's own way of addressing its own challenges. In the proceeding section, the study outlines recommendations on what measures should be put in place in order to enable the EAC effectively achieve its objectives and goals. These recommendations are based on advice received from key stakeholders of the EAC as well as from my own critical analysis of the institutional framework of the EAC and the challenges it has faced, having been a member of staff of the EAC over the last seven years.

The recommendations take cognisance of the ten basic fundamentals of organisational effectiveness theory that underpinned the study's analytical framework and on which basis the EAC was found to be underperforming.

6.2.1 Clarity of purpose

There is need to formulate a more succinct vision and mission of the EAC. These should be short, simple, clear and exciting enough for EAC members of staff, members of the other EAC organs as well as key external stakeholders to internalise. For example in the case of its vision, the caption could be: "*A united and prosperous East African nation*". This is short, clear and easy to remember. Further, it invokes a feeling of one-ness and East African unity which is exciting.

Good operational plans and indicators of goal achievement should be developed for each goal of the EAC. This will enable implementers to know their exact roles and how to monitor and evaluate their goal achievement. As was observed earlier, the 3rd EAC Development Strategy (2006-2010) has generally tried to develop operational plans and indicators of goal achievement for the priority goals identified for the period 2006-2010. However, this should be extended to all goals of the EAC as well as to new goals that emerge.

There is urgent need to beef up the EAC Secretariat with adequate human and financial resources to enable more effective achievement of the ambitious goals and objectives outlined in the EAC Treaty and the 3rd Development Strategy (2006-2010). It is tactless for the EAC to expect to effectively achieve its objectives with one-man departments. As earlier seen, key sectoral programmes such as agriculture, industry, environment, gender, labour, trade, education, international relations and political affairs, which feature prominently in the EAC Treaty, are each manned by only one officer. At the bare minimum, the EAC should strive to have at least three officers in each department; a Principal Officer, a Senior Officer and an Officer. Until such a time that manning levels improve, the EAC should consider outsourcing some of its technical work to consultants and hired experts so that the few permanent staff focus more on implementation and evaluation of programmes.

The EAC should pursue a pace of integration that is realistic. Such a pace should be minimalist and incremental in approach. It should not make unrealistic demands on the institutional, technical and political capacities of the EAC Partner States. It should seek to concentrate on a few carefully targeted and politically viable projects or schemes within clearly defined sectors. In this regard, the EAC may wish to reconsider its decision to rush to implement the 2nd and 3rd stages of integration, that is, the Common Market and the Monetary Union, before completing implementation and assessment of the 1st stage of integration, the Customs Union.

The EAC Treaty should lay down clear and realistic timeframes for the achievement of key objectives of integration. This would not only help the EAC have clear targets to work towards but would also prevent the EAC Heads of State from setting unrealistic timeframes for the achievement of EAC objectives.

6.2.2 Organisational culture

To improve the EAC's organisational culture, a Staff Code of Conduct and Ethics should be written. This Code of Conduct should benchmark the ideals and moral probity that should guide and characterise the behaviour of members of staff of the EAC as they execute their responsibilities. The Code of Conduct is not intended to be a basis for disciplinary action against members of staff; rather, it is meant to encourage staff to pursue excellence as they exercise their responsibilities.

To reduce the culture of unnecessary travel, there is need for the EAC to come up with staff rules on official travel. It is irrational to have an institution where everyone travels and no one sits at their desks to plan and follow up. Every week the EAC receives hundreds of invitation letters to various workshops, seminars and meetings. Such invitations should not be accepted indiscriminately; rather, there should be a set criteria for accepting and rejecting them. One criterion would be to accept invitations that are clearly linked to EAC's priority goals as identified in the Development Strategy. Deliberate efforts should also be taken to hold routine technical meetings involving Partner States at the EAC Headquarters in Arusha instead of the current practise where the venues of technical meetings keep moving from one Partner State to another.

To eliminate individualism and improve team work, there is need to introduce social activities like sports, regular cocktails, staff parties and team building exercises for members of staff of the EAC. The EAC office environment is not the easiest to get to know people. Officers hardly have time to socialise during working hours due to pressure of work. The EAC workplace is also often filled with stress and competition. These are not the best conditions in which to facilitate team bonds. But if members of staff are taken out and into a new environment, they are provided with an opportunity to see each other in a new light. They will have the chance to learn new things about each other, and in many instances new things that they have in common.

Further, the competition that is associated with some social activities (football match, dancing competition) is really a healthy way to address the competition at the office. Members of staff can get these feelings out during such social activities; so that everyone can join forces successfully back at the office. Last but not least, social activities will give EAC members of staff the chance to build shared experiences and memories. By participating together in various social activities, the members get to be informal, laugh, and have an awesome time with each other, something that they will all remember positively. These feelings and experiences will follow them all back to the office where they will serve to create bonds among staff which supports increased productivity and office morale.

To ensure an overall positive organisational culture it is important that the EAC's top leadership leads by example. Leadership and organizational culture are tightly intertwined. The top leadership of the EAC, in particular the Secretary General, the Deputy Secretaries General and the Director General, must role model desired mind-sets and behaviour. In other words, they should be seen to *"walk their talk"* in order to gain the confidence of staff to change to a positive organisational culture. As was observed in chapter four, whether leaders realize it or not, they seem to be in front of the cameras when they speak or act. Every move they make, everything they say, is visible to all. Therefore the best approach is to lead by example. They should live up to Mahatma Gandhi's famous edict, *"For things to change, first I must change."*

6.2.3 Organisation structure

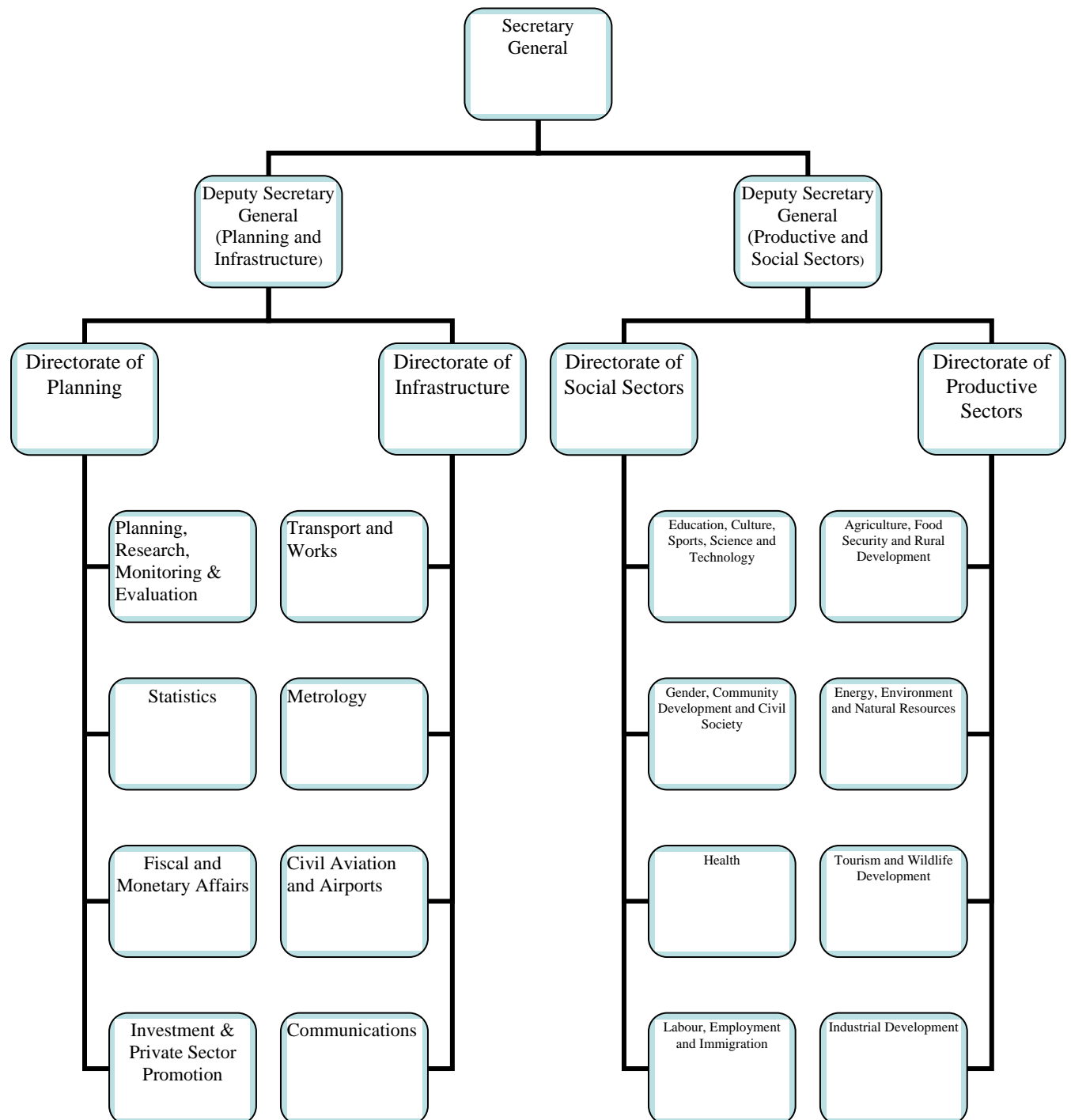
The EAC's organisation structure, at the level of structure based on organs, can be streamlined through rational assignment of powers and responsibilities to the organs. This would require that the organ of the EAC representing the hierarchical level at which an issue can be most effectively tackled should be assigned the responsibility for that issue. One way in which this could be operationalised would be by disbanding from the EAC structure two organs, that is, the Coordination Committee and the Sectoral Committee, and assigning their roles to the EAC Secretariat. As seen in chapter five, these two organs are made up of Partner States representatives and hence ideally represent national interests. However, they have been assigned roles that are crucial to effective integration, that is, the role of submitting reports and recommendations on the implementation of the EAC Treaty and the role of preparing implementation programmes and setting out of priorities for the EAC respectively. These are roles that can only be effectively carried out by an organ that represents regional interests such as the EAC Secretariat and not by organs that represent national interests.

There is also need to devolve some decision making powers to the EAC Secretariat. Presently, there is a wide array of mundane issues and activities that could easily be handled by the Secretariat without harming the national interests of the Partner States. Instead, we find both the Partner States and the EAC getting engaged in costly decision making processes that entail the presence of both parties, yet only one party, the EAC Secretariat could easily make the decision then report to the Partner States. Going by the current structure which involves numerous meetings of Sectoral and Coordination Committees, and now involving five countries where even quorum becomes a precarious issue, the EAC may find it difficult to transact its business efficiently if some devolution of decision making powers to the Secretariat is not sanctioned.

At the level of structure based on EAC's functional units, it is recommended that the Office of the Deputy Secretary General in charge of Projects and Programmes, which currently has an extensive span of control, be split into two offices: Office of the Deputy Secretary General in charge of Productive and Social Sectors and Office of the Deputy Secretary General in charge of Planning and Infrastructure. The two Directorates under this Office, that is Directorate of Planning and Infrastructure and Directorate of Productive and Social Sectors, were also found to have an extensive span of control. These Directorates should be

split into four to create Directorate of Planning, Directorate of Infrastructure, Directorate of Productive Sectors and Directorate of Social Sectors. The recommended new structure for the Office of the Deputy Secretary General in charge of Projects and Programmes is illustrated in Figure 6 below.

Figure 6: Proposed Restructuring of Current Office of Deputy Secretary General (Projects and Programmes)



(Source: Researcher's own presentation as cited in text)

6.2.4 Organisation processes

There is need to improve the present system of decision making in the EAC, mindful of national sensitivities. If we examine what takes place in the EU, we observe that the EU Member States do not have to make all decisions on the basis of consensus, even over some key policy matters. To address the EAC's decision making challenges, there is need to strike a delicate balance between matters that are of extreme political sensitivity as to demand consensus in decision-making (for example deciding on the Protocols for the Common Market and the Monetary Union) and those that are not politically sensitive and which a simple majority voting or qualified majority voting system could suffice. The EAC needs to recognise that decision making by unanimity/consensus is a recipe not only for procrastination and delay, but also for unsatisfactory, or even, no decision making. The situation whereby consensus remains the rule even on issues where countries would not object too strongly to being voted down is unsatisfactory in the face of the manifest need for the EAC to become efficient and dynamic.

To overcome the problem of quorum in decision making, the EAC should borrow a leaf from the EU where abstentions do not constitute an impediment to the adoption of Council decisions that require unanimity. Such a clause, if introduced in the EAC's decision making rules is likely to result in Partner States being committed to attend scheduled meetings instead of the current situation where scheduled meetings are often cancelled because one Partner State is unable to attend for one reason or another.

To improve the EAC's communication processes, at the level of external communication, there is urgent need to improve the manning levels of the EAC's department of public affairs and corporate communications. As was seen, this department has an onerous responsibility of getting a whole multi-stakeholder community engaged and aligned to the EAC's objectives yet, it only has two officers. For a start, it is recommended that each Partner State seconds a Communication Officer to the EAC to support the two heavily overworked officers manning the department. There is also need to provide the department with supportive infrastructure such as information technology, cameras and video equipment to enable it effectively fulfil its duties. Further, the current practice of holding sensitization workshops for various stakeholders in the EAC as well as the East African Media Summits should be encouraged and increased.

In the area of internal communication, there is need to improve information flow between the EAC Secretariat and the relevant Ministries in the Partner States. The most effective method of improving information flow would be by introducing a cost-effective electronic information exchange system linking the EAC Secretariat and the Ministries responsible for EAC Affairs in the respective capitals. This will speed up the sending and receiving of information and, hence, increase effectiveness in undertaking various EAC activities.

To improve intra EAC Secretariat communication there should be institutionalised regular staff meetings and briefings, at least once every month, for Executive and Professional Staff and once every two months for all staff including Support Staff. The various functional units should also be encouraged to hold regular weekly meetings. In this way, all members of staff will be able to know what is going on in the institution.

The EAC's monitoring and evaluation process can be improved by giving the EAC Secretariat legal executive authority over implementation and enforcement of decisions made by EAC's top executive organs, namely the Summit and the Council. As most decisions require implementation at the Partner State level, this is the only way in which the EAC will be able to compel Partner States to play their part. Secondly, there is urgent need to increase the EAC Secretariat's institutional capacity for monitoring and evaluation. More staff need to be recruited to assist the one officer currently manning the division.

6.2.5 Ability to acquire resources

In order to improve the EAC's ability to acquire financial resources there is need to develop a more pro-active mechanism of financing the EAC as opposed to the current system of equal contributions by the Partner States. It is unrealistic to expect that the EAC Partner States can pay for the EAC budget on an equal scale taking into account their different economic strengths. The EU would not have advanced at its pace without innovative, adequate, and sustained financing through various mechanisms, including selective taxes. For instance, the EU Partner States' national legal frameworks were amended to provide for an automatic payment to the institution out of a specified revenue sources according to an agreed formula. EAC can borrow from this. A formula should therefore be devised to determine the share of each EAC Partner State's contribution based on its revenue. The system of financing must take into account a number of factors, for example the size of the population and of the

economy, individual benefits accruing to a country and national budgets. This recommendation may, however, trigger demands for concessions by those Partner States that would be required to contribute bigger budgets. How to handle such a possibility should be taken into account when developing the new financing mechanism.

There must also be explicit mention of sanctions against countries that fail to remit their financial contributions. These sanctions should be severe and prohibitive. For example, a country that is in arrears for more than one year should not be entitled to receive any document for policy meetings and should also not be allowed to speak in any meeting except if they need a dispensation of the Chair to speak about their commitment to pay, not anything else. Recruitment of its nationals into the EAC should also be frozen. Such measures are likely to compel Partner States to pay their dues in time and hence overcome EAC's financial difficulties.

Whereas the EAC has an Audit Commission which audits the accounts of the Community, in order to ensure sound financial management policies, there is need to transform the Audit Commission into an organ of the EAC. This would be in line with EU practice in which one of the key organs of the EU is the Court of Auditors. By becoming an organ of the EU, the European Court of Auditors gained new powers, such as the ability to bring actions before the European Court of Justice as well as the right to be consulted before the adoption of any legislation with financial implications. In this way the EU Court of Auditors has been able to ensure that both revenues received and spending are lawful and based on sound financial management.

In the area of human resources, the EAC's ability to acquire competent human resources can be improved by making its terms and conditions of service more attractive. For a start, there is urgent need to do away with the present system of fixed salaries. The EAC must surely be the only institution in the world where an employee can work for ten years without an increase in salary! Even in the EAC Partner States' ministries who were the architects of the fixed salary rule, this situation does not prevail; so why have it in the EAC? Secondly, there is need review the five-year contract renewable once for all Professional Staff. Not all jobs in the Professional Staff category should be on fixed contract basis. The lower level Professional Staff categories (P1-P3) should be on a continuous five-year renewable contract until the retirement age of 60. This is because these jobs are usually occupied by officers in

age group 30-50 who are in their most productive years. The higher level P4 and P5 can have five-year contracts renewable once as officers in this job groups usually join the EAC in age group 50 and above. This will not only ensure the EAC's ability to attract the best of the best from the EAC labour market but will also ensure continuity and curb the potential of institutional memory erosion.

The stipulation in the EAC staff rules and regulations that all staff will be recruited on the basis of merit should be strictly adhered to in the EAC. In particular, regional balancing should not be over emphasized at the expense of merit.

There is also need to establish within the EAC a specialised Public Service, Judicial Service and Legislative Service Commissions to govern the terms and conditions of service of staff of these branches within the EAC. This system would replicate what obtains at the national levels. Having an EAC Public Service Commission would improve the EAC's ability to acquire competent human resources in three ways: it would prevent nepotism and cronyism from prevailing in the EAC's recruitment process; it would ensure regional balancing of positions without compromising quality; and it would result in the terms and conditions of service of EAC staff being periodically reviewed and improved.

6.2.6 Internal harmony

To improve internal harmony in the EAC, in as far as inter organ conflict is concerned, there is need for the EAC Treaty to clearly separate powers between the key organs of the institution. As seen in chapter five, the Treaty appears to give too much power to one organ, the EAC Secretariat, at the expense of the other organs especially the EACJ and the EALA. This has led to tension between these three organs. Just like in the EU, there should be a clear separation of powers between the key organs of the EAC to ensure that nobody gets too much power. For example, as the Principal Executive Officer of the Community with authority over all organs, the Secretary General should not also be the Head of the EAC Secretariat as this gives him a dual and biased role. One of the Deputy Secretaries General should be assigned to head the EAC Secretariat so that the Secretary General plays an oversight neutral role over all the organs.

There is also need to enhance, at appropriate levels, regular exchange of information between the EAC Secretariat, EALA and EACJ regarding the implementation of the Treaty and the Development Strategy. Lack of knowledge has often given rise to lack of cross appreciation and support among the three organs. It also breeds unnecessary mutual suspicion. The appropriate levels of information exchange would be regular consultative meetings of the Secretary General, the Speaker and the President of the Court; regular consultative meetings at Professional Staff levels of the three organs notably by the Counsel to the Community, the Clerk of the EALA and the Registrar of the EACJ; and regular inter staff level consultations on relevant day to day activities. Having an annual retreat of these three organs would also help to reduce tensions and create inter-organ harmony.

In order to improve relations between the EAC Secretariat and the organs that represent Partner States' interests such as the Sectoral Committees, Coordination Committee and Council of Ministers, the EAC Partner States should have permanent national representatives based at the EAC Headquarters in Arusha as is the case with COREPER in the EU. Such representatives should act as the administrative arm of the EAC Council of Ministers in the EAC Headquarters. They should occupy a pivotal position in the EAC's decision making system by constituting a forum for dialogue among themselves as Permanent Representatives and between them and their respective national capitals. As often as possible, agreement on EAC policies should be reached at the level of these representatives. Any agreement at their level should ideally be formally ratified by the national Ministers. Being based in Arusha, it would be easy for the EAC Secretariat to lobby and influence these representatives to accept their proposals. This will contribute to harmony in the EAC's decision making process as well as to improved relations between the EAC and the Partner States.

Inter-departmental harmony can be improved by setting up a mechanism that encourages inter-departmental and inter-directorate communication so that all staff know what is happening in other departments or directorates. This should be supported by regular briefings to the Executive Staff by the Directors in charge of respective Directorates. The Directors would have in turn been briefed through regular briefing sessions by the respective officers falling under their Directorates.

Inter-staff group harmony can be improved by staff rules and regulations that value all staff of the EAC regardless of their job groups. It was observed that a large percentage of the Support Staff are disgruntled at perceived alienation from the institution by the other more senior job groups. Harmony can be improved by involving Support Staff in staff meetings, consulting them when decisions that affect their lives are being made and giving them some basic allowances which other staff groups enjoy, most importantly settlement allowance and home leave which seems to be their main bone of contention.

6.2.7 Satisfaction of strategic constituencies

In order to ensure that the internal strategic constituency of the EAC, that is its staff, are satisfied, two things are crucial. First, the career prospects of staff must be improved. Key among this would be to do away with the fixed job groups which lack factor adjustment presently in use at the EAC. Each job group should instead be further divided into several steps so that staff can become eligible for promotion on the basis of merit and seniority. This will ensure that the most dynamic and motivated officials are assured of the possibility of reaching the highest levels in the institution as is the case in the EU. There should also be a scheme of service that addresses long term career plans for those who choose to remain in the institution so that over the years they can grow in the service of the EAC.

Secondly, there is need to enable the extremely qualified personnel who are recruited into the EAC Secretariat to translate their qualifications and experienced into improved performance. As noted in chapter five, this is currently not possible because of Treaty provisions which state that the Secretariat's role is coordination. Such staff should be allowed to play a more proactive role in the integration process. This will be possible if, as was suggested in section 6.2.3, the Coordination Committee and the Sectoral Committees are disbanded and their roles given to the EAC Secretariat. The roles given to these two organs of submitting reports and recommendations on the implementation of the EAC Treaty and preparing implementation programmes and setting out of priorities for the EAC respectively are roles that should ideally be performed by officers recruited into the EAC Secretariat not by Partner States' officials.

In the area of satisfaction of external strategic constituencies, the EAC should recognise that if integration does not reflect the aspirations of the private sector and civil society it has little chance of success. Mechanisms should thus be developed to ensure the private sector and

civil society participate fully in the integration progress. One such mechanism would be to borrow a leaf from the EU experience where an organ, the Economic and Social Committee; has been specifically established to ensure that the interests of the private sector (industry, labour, consumers) and the public at large, are represented in the institutional framework of the EU. The EAC should establish a similar organ but with care not to subject it to budget accounts oversight by EALA and administrative control by the EAC Secretariat.

6.2.8 Adaptability to change

The bigger the number of Partner States a RII has, the more difficult one would expect the decision making process to be. EU experience shows that each successive enlargement has changed the nature of the EU. The EU adapted by changing its decision making procedures from consensus decision making to qualified and simple majority decision making in a number of politically soft issues. The EAC should therefore realise that its enlargement from three to five Partner States should ideally go in parallel with steps to increase the decision-making capacity of the institution otherwise the institution will never move. Time is ripe for the EAC to adopt qualified majority and simple majority decision making procedures.

The EAC also needs to have in place an effective change management policy to deal with anticipated change such as membership enlargement. An important aspect that needs improvement is in the area of the preconditions for admitting new members into the EAC. These preconditions as set out in Article 3 of the EAC Treaty are very lax. They are only limited to acceptance of the EAC as set out in the Treaty, adherence to universally accepted principles of good governance, democracy, the rule of law, human rights and social justice; potential contribution to strengthening of integration within the East African region; geographical proximity; establishment of a market driven economy; and social and economic policies that are competitively with those of the EAC. The EU, on the other hand, has very stringent preconditions for admitting new members among them, the ability to take on the obligations of membership, including adherence to the aims of palatial, economic and monetary union and the administrative capacity to effectively apply and implement the body of European law so far accumulated. This is a precondition that the EAC may wish to adopt in order to ensure that future states that wish to join its membership will be able to meet the obligations of such membership.

In light of the fact that the EAC has admitted two French speaking countries, there is need to introduce French as one of the working languages of the EAC in order to enable effective participation in EAC's regional integration process by nationals of Rwanda and Burundi. This will entail amending the EAC Treaty which currently recognises English and Kiswahili respectively as the official language and lingua franca of the EAC.

In order to effectively adapt to change, the EAC's framework for regional integration should allow enough flexibility to permit progress at different speeds. If all the EAC Partner States must move at the same speed, progress will be determined by the speed of the slowest moving state. In this regard, the EAC should operationalise the principle of variable geometry. Although this principle is identified in the EAC Treaty as one of its core operational principles, it has never been put into practise. Variable geometry implies that, within a grouping, some sub-groups of countries may move faster than others towards the integration objectives. It is useful where some Partner States are unwilling or unable to participate fully in an aspect of integration. It allows for such Partner States to continue being members of the institution without undermining those Partner states that wish to continue with deeper integration. The EU has a number of areas of flexibility where its member-states are involved in a policy measure through variable geometry. It is for this reason that the UK is not part of the Schengen Visa System. Moreover, the UK and few other EU Member States are not members of the Euro. The EAC could apply the principle of variable geometry in the area of the Common Market which Tanzania seems uncomfortable with.

6.2.9 Transformational leadership

Several measures need to be put in place in order to bring about transformational leadership at the EAC. First, the position of Secretary General should be subjected to competitive recruitment process unlike the present situation where the bearer is appointed by the Summit upon nomination by the relevant Head of State under the principle of rotation. This will ensure that only high calibre individuals with proven records of transformational leadership are appointed to head the EAC.

Secondly, the Secretary General should be given executive authority to enable him have teeth to effect interventions in the achievement of the EAC's objectives. For example, in terms of day-to-day management of the EAC, he should be given decision making powers over decisions that are ordinarily made by Chief Executive Officers without having to revert to the Council of Ministers. He should also have the power to restructure the EAC institution in the manner he deems fit and take responsibility for it. As is the case in the EU, he should have the power to reshuffle portfolios of the Deputy Secretaries General, cause the resignation of inefficient Deputy Secretaries General and other Executive Staff as well as influence the appointment of key personnel to head EAC institutions. In this way, the Secretary General will be able shape a team that can assist him to be transformational.

Third, there is need to review the contracts of the EAC Secretaries General from the current five-year fixed contract to a five-year contract renewable once. The hope of contract renewal is likely to make the Secretary General strive to effectively achieve the EAC's goals and objectives. It will also give the Secretary General enough time to make an impact and leave a legacy as he will be able to formulate long term plans for the institution. In this regard, the EAC Partner States should not be so obsessed with having one of their own as Secretary General in the shortest time possible even at the expense of the institution's organisational effectiveness. They should take cue from the EU's Delors' Commission which was the longest serving Commission yet regarded as the most successful. In other words, if a Secretary General proves himself as capable of transforming the EAC into an achieving institution, there is no need for him to leave office in five years just because another Partner State wants to have its turn at the helm of the EAC; rather, it should be possible to renew his contract so that the EAC can continue to benefit from his leadership.

Fourth, there is need to improve the manning levels in the Office of the Secretary General. As earlier seen, the Secretary General has only two core officers in his office: the Chef de Cabinet and the Senior Personal Secretary. In order to increase the capacity of the Secretary General to undertake policy oriented activities that could make the position transformational for the EAC, he needs to be equipped with two Senior Liaison Officers at P2 level, one in charge of Regional Integration whose role will be liaise with departments dealing with regional integration projects and programmes and bring important ongoing developments to the attention of the Secretary General. The second Liaison Officer would be responsible for institutional development with a key role of acting as a link between the Secretary General

and departments dealing with institutional development and capacity building as well as inter-organ coordination. A third position of Personal Assistant to the Secretary General should also be created at P1 level. The Secretary General should have the discretion to choose his Personal Assistant and the latter's contract should be tied to the Secretary General's contract. This is unlike the present situation where the Chef de Cabinet's position is tied to the Secretary General.

Fifth, there is need to define the job description of the Office of the Chef de Cabinet in order to give the office the aura, allure, authority and decorum that ordinarily characterises such office. The EAC could try and see what transpires in this office in other intergovernmental institutions such as the EU, UN and ECOWAS all of which have the position of Chef de Cabinet. The Chef de Cabinet should be recruited on competitive terms unlike the present situation where the Secretary General has the discretion to choose whoever he pleases to occupy the position. This is what has tended to subordinate the position to that of Personal Assistant role which leaves the incumbent with little time to concentrate on his core role. To ensure institutional memory in the Office of the Secretary General, the Chef de Cabinet's position should not be tied to that of the Secretary General as is presently the case. It is also necessary to grade the position of Chef de Cabinet at Director Level (P5) in order to make it command clout and symbolise authority. In this way it will be easy for the Chef de Cabinet to assign work to officers or to represent the Secretary General at high profile events.

6.2.10 Political will

The EAC leaders must be prepared to commit a high level of what has been called by Julius Ihonvbere (1994:11), "*sovereignty suicide*". They should be willing to transfer a certain degree of national sovereignty to regional organs such as the EAC Secretariat, the EALA and the EACJ. As earlier pointed out, EAC Partner States have, at least in practise, hitherto retained total sovereign control of their territories and all aspects of decision making, and have demonstrated a remarkable unwillingness to cede any part of this authority for the common good of the region. The transfer of some powers will not only provide regional organs with the necessary legitimacy but, most important, will vest in these institutions the necessary authority to make tough policy decisions and to enforce coordinated action on critical areas of national policy management. These shifts in decision making do not necessarily imply erosion of existing state power and authority. Rather, what will have

changed is the way in which states use their power and authority; decision making will be made in coordination with other Partner States.

Moreover, the transfer of authority to supra-national bodies will enhance their ability to plan, strategize, coordinate, monitor and evaluate the implementation of collective projects and programmes. In this context, sovereignty need no longer be thought of as a zero-sum game. Pooling it does not reduce sovereignty. Rather the trade-offs of pooling sovereignty include security and stability, reduced anxiety and conflict, reduced military spending and enhanced economic, political, social and technological cooperation.

One way in which sovereignty could be pooled is giving greater autonomy to the EAC to allow it function effectively. This could be done by transforming the EAC Secretariat into a Commission. The Commission should be a supranational East African body; it should be there to represent and further the East African interest. The structure of the Commission may be based on relevant aspects of the European Commission model. It may have five Commissioners each representing one of the five EAC Partner States. Commissioners may be in charge of one of the following key sectoral areas: Finance and Administration; Planning and Infrastructure; Productive and Social Sectors; Political Affairs; and Customs and Trade. The Commission may be presided over by a President who may be appointed on a rotational basis from any of the Partner States for a five-year term, renewable once. This means that at any one time, one Partner State will have two officers at the helm of the Community; the President of the Commission and one Commissioner. This arrangement will eliminate the current Treaty provisions that compel the top leadership of the EAC to have a five-year fixed contract which seems to be driven by the desire by the Partner States to always see one of their own at the helm of the EAC. The Partner States should cede more powers to the Commission to make it more effective. This should include assigning all the powers currently enjoyed by the Sectoral and the Coordination Committee to the Commission. The Partner States should also cede decision making powers to the Commission.

When determining what decision making powers to cede to the Commission, the EAC Partner States could choose from the menu recommended by Best (2006:8-9). The menu outlines, in a rough descending order of degrees of autonomous power, four methods in which decision making power could be ceded:

- the right of the Commission to adopt normative decisions, that is, general rules, directly on the basis of the Treaty and without the need for approval by the Partner States;
- the need of the Commission to agree with the Partner States in adopting normative decisions;
- the exclusive right of the Commission to initiate proposals for the adoption of normative decisions by the Partner States;
- the autonomous right of the Commission to adopt binding implementing acts;
- the exclusive right of the Commission to adopt binding implementing acts with the approval of the Partner States.

The EALA should be strengthened through direct elections by the citizens of East Africa. Once this is done, the Council of Ministers should be answerable to the EALA with a reporting line to the Summit just like national Ministers are answerable to Parliament first then to the Head of State. If EALA is strengthened through direct elections, it will be possible for it to pass binding laws that will also help curb obstacles to integration. There is also need to review, especially with regards to private members Bill, Article 63 of the Treaty which allows any Head of State the right to refuse to assent a bill passed by EALA. In order to increase the powers of the EALA, the use of protocols to run the EAC operations should be reconsidered. Serious thought needs to be given over the suitability of protocols in accelerating the process of regional integration as opposed to laws passed by EALA.

In as far as interpretation or application of the provisions of the EAC Treaty is concerned, the EACJ, and not national courts, should be the only court empowered to make binding decisions. This would ensure that the EAC Treaty and other EAC laws are interpreted and applied uniformly throughout the EAC Partner States. In the EU, Community law is different from traditional international law in that it has primacy if it conflicts with national law; and much EC legislation has direct effect on member states. The EAC Partner States should similarly accept the supremacy of Community law and the sole jurisdiction of the EACJ where conflict arises.

As one of the main objectives of the EAC is to promote balanced growth within the region, efforts should be made to ensure that this objective is promoted and sustained at all cost. Recognising the imbalances within society and taking corrective action strengthens political

will. The EAC could borrow a leaf from the EU which has a development fund set aside specifically to provide compensatory support for revenue losing members, for supporting infrastructure development in lesser endowed economies and for enhancing social cohesions. Such funds are important in dampening zero sum attitudes because they create a hopeful win-win environment. The EAC thus needs to develop an equitable compensation scheme since some countries will benefit more than others, at least in the short term. The short-term losers need to be assisted to counter the impact on their economies resulting from regional market integration. This would include infrastructural development and other compensatory mechanisms. The funds for this should come from the EAC's own sources and not directly from other member states. In this regard every effort should be made to establish an EAC Development Fund.

Adequate political will is demonstrated in the EU through provision for sanctions against non-compliance of EU laws and decisions. The EAC, through Article 143 of its Treaty, also has provision for sanctions but they are weak being limited to such action as the Summit may, on the recommendation of the Council, determine. In this regard it is necessary to establish an explicit regional surveillance system and mechanism for assessing and monitoring compliance to EAC laws and decisions by Partner States. Strict and clearly laid down sanctions should be employed against those states which persist in non-implementation or non-compliance.

One way in which political will for the EAC's integration process can be greatly displayed would be in speeding up the process of ratifying EAC protocols. As earlier seen, most of the EAC's programmes and projects are governed by protocols. As such they cannot be implemented until such time as the protocols have been ratified. Protocols have to be ratified by the respective Partner States. This can be a lengthy process as in some Partner States this involves the protocols being debated in Parliament while in others cabinets have the authority to ratify them. Deliberate efforts have to be taken to speed up the ratification of protocols.

Adequate political will is needed to overcome the challenges emanating from multiple memberships of EAC Partner States to different RIIs. As membership to a RII is often backed by economic, social, cultural and technological reasons, it is difficult, at this point, to demand that the EAC Partner States quit membership of other RIIs. What can be done is to

find ways of harmonising the policies and programmes of these RIIs. As seen earlier, recent efforts, flowing from the Chief Executive Officers of SADC, COMESA and EAC have created a Tripartite Task Force that meets twice a year to coordinate and harmonise policies in trade, infrastructure and customs. This is proving useful in dampening the dysfunctions of overlapping membership. Indeed, a Tripartite Summit of Heads of State and Government of COMESA, SADC and EAC was held in Kampala in October 2008. This Summit endorsed the creation of a Free Trade Area across the three RIIs. The Heads of State of the EAC and, by extension, the Heads of State of SADC and COMESA should maintain their support for the efforts being made by the Chief Executive Officers of these three institutions to harmonise their programmes and policies.

There is urgent need to strengthen the capacity of the Ministries responsible for EAC Affairs in order to enable them play a more meaningful role in assisting the EAC effectively achieve its objectives. These ministries should ideally be the focal point for the implementation of the EAC's regional integration objective at the national level, rather than the current situation where they only coordinate meetings. It is also important to increase the manning levels of these ministries as most of them are grossly understaffed. They should also be equipped with reliable communication technology. It would also help if these ministries were to share the same vision, mission and core values as the EAC as this will enable them work in harmony with the regional institution. Presently, they seem to be more of appendages of national interests and this creates a difficult working relationship between them and the EAC Secretariat.

The governments of the EAC Partner States should quickly address social stereotypes that are detrimental to integration rather than turn a blind eye as is currently the case. The Tanzanian government, in particular, should take firm action against politicians who make xenophobic utterances against the regional integration process. It should at the same time take deliberate action to sensitise its citizens on the benefits of integration. This will counter the anti-integration sentiments deeply embedded amongst its populace thanks to the unchecked utterances of politicians. The Kenyan government on the other hand should rein in on its citizens to stop exporting crime to neighbouring countries. When criminals from one EAC Partner State commit crime in another Partner State, rather than blowing out of proportion the nationality of the criminals, it would help to see the police forces of the states involved issuing a joint statement and working together to deter future crimes.

Finally the governments of the EAC Partner States should realize that regional integration comes with a cost, and not larger than the cost of surrendering some autonomy and opening up their doors to allow the infusion of resources and competitions from other Partner States. The potential benefits of regional integration have been fully demonstrated. Thus, rather than delay integration through belated excuses such as that their economic and social structures cannot manage the demands of integration or the economies of other Partner States are stronger, each Partner State should devise a strategy that enables its industrialists to benefit from partnering with others who will set up shop in their territory. Further, instead of lamenting about other Partner States having professionals that will have an unfair advantage over its own citizens, each Partner State should expose its professionals to skills and work attitudes that raise its citizens' competitiveness.

6.3 SUGGESTIONS FOR FURTHER STUDY

The various public administration theoretical frameworks that were used in evaluating the organisational effectiveness of the EAC suggest diverse issues to explore in the course of evaluations. Such issues require adequate time and resources for effective analysis. Given that this study had to be completed within one year and the scarce financial limitations of the researcher, a detailed examination of the whole institution and of all the minute details under the criteria of organizational effectiveness identified was not feasible. It is therefore likely that the study may not have been able to unearth all the factors that impinge on the EAC's organisational effectiveness. It is recommended that a similar study be undertaken by Consultants who will have the time and the resources to conduct a more detailed analysis of the organisational effectiveness of the EAC.

Secondly, one of the issues observed from this study is that the EAC Partner States have a big role to play in determining the organisational effectiveness of the EAC. This is because most of the goals and objectives of the EAC require implementation at the national level. For example, the EAC may pride itself in having established a Customs Union but if the Partner States continue to flaunt the provisions of the Customs Union, as is presently the case, then the Customs Union becomes ineffective. In other words, ineffectiveness on the part of the EAC Partner States often makes the EAC appear to be ineffective. There is therefore need to study what is hindering the EAC Partner States from effectively implementing EAC policies,

programmes and projects at the national level and what measures can be put in place to strengthen the capacity of the Partner States to become more effective at implementing regional policies, programmes and projects.

Finally, although this study was mainly concerned with the organisational effectiveness of the EAC, a brief review of the EU's organisational effectiveness was also carried out in order to identify best practices that the EAC could borrow. This review, brief as it was, nonetheless revealed that there are certain practices that intergovernmental institutions, such as the RIIs, need to have in place if they are to effectively achieve their mandate. For example: flexible decision making, financing on the basis of the economic strength of respective Partner States and empowering the head of the executive organ of the RII just to mention but a few. There is need to carry out a detailed study of the finer details of these practices, to determine their pros and cons and their suitability for RIIs in Africa. In this regard, there is need to conduct an in-depth analysis of the EU's institutional framework with a view to establishing what institutional aspects can be replicated in African RIIs such as the EAC.

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QUESTIONNAIRE ON ORGANIZATIONAL EFFECTIVENESS OF THE EAST AFRICAN COMMUNITY

Dear Respondent

The purpose of this questionnaire is to collate primary information towards a research dissertation on **'Organizational Effectiveness of Regional Integration Institutions: A Case Study of the East African Community'**. The dissertation is being written by the Researcher in partial fulfilment of the award of Masters of Art Degree in Public Administration tenable at the University of South Africa (UNISA).

On account of your deepened experience and demonstrable knowledge of the East African Community Affairs, you have deliberately been identified as a respondent in this investigative research. The invaluable information you provide will strictly be treated with utmost confidence and used for academic purposes in the said study only. Under the circumstances it is not obligatory that you provide your name if you do not wish to do so. Please feel free to provide information in this questionnaire and revert to the researcher early. Please provide your answers by writing on the available space (dotted) or by tickling/circling your answer where appropriate. Where necessary you may use additional pieces of paper that you may then append to the questionnaire.

A) **INTRODUCTION**

1. The overarching objective of the EAC is to widen and deepen cooperation among the EAC Partner States in political, economic, socio-cultural, research and technology, defence, security, legal and judicial affairs in order to improve the quality of lives of the people of East Africa. In your opinion has the EAC since 2000 effectively achieved the objectives mandated to it by the Treaty?

a) Yes b) No

Give reasons for your response.

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2. If your answer is in the negative, explain why you think the EAC has failed to realise its objectives.

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B) CLARITY OF PURPOSE

1. Clarity of purpose in an organization is mirrored in a clear organization vision and mission as well as well defined goals and objectives in terms of their clarity, prioritization and capacity for implementation. In your opinion does the EAC have clarity of purpose?

a) Yes b) No

Give reasons for your response.

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2. The vision of the EAC is to have a prosperous, competitive, secure, stable and politically united East Africa while the Mission of the EAC is to widen and deepen economic, political, social and cultural integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, trade and investment. In your opinion, are the vision and the mission of the EAC capable of providing members of the organization with a sense of shared purpose and direction?

a) Yes b) No

Give reasons for your response.

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3. In pursuit of its integration process, the EAC Partner States established a Customs Union and are currently negotiating a Common Market that will be succeeded by a Monetary Union and ultimately a Political Federation. The realization of the full Customs Union will be attained in January 2010. The Common Market and Monetary Union are expected to be in place by 2012. In your opinion is this integration roadmap realistic?

a) Yes b) No

Give reasons for your response.

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4. In pursuit of its objectives, the Treaty for the Establishment of the EAC identifies seven broad goals; these include: attainment of sustainable growth and development of the Partner States by promoting a more balanced and harmonious development of the region; strengthening and consolidation of co-operation in agreed fields that would lead to equitable economic development in the Partner States; promotion of sustainable utilisation of the Partner States' natural resources; strengthening and consolidation of the long standing political, economic, social, cultural and traditional ties and associations between the peoples of the Partner States;

enhancing the role of women in development; promotion of peace, security and stability within, and good neighbourliness among, the Partner States; and enhancing and strengthening partnerships with the private sector and civil society. In your opinion is the EAC currently well equipped to facilitate effective achievement of these goals?

- a) Yes b) No

Give reasons for your response.

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5. In your assessment, does the EAC have suitable plans and strategies for effective achievement of its goals and objectives?

- a) Yes b) No

Give reasons for your response.

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C) ORGANIZATIONAL CULTURE

Organizational culture comprises the fundamental values, assumptions, beliefs and behavioural expectations held in common by members of an organization. Employees impart the organizational culture to new members, and culture influences in large measure how employees relate to one another and their work environment. In some institutions, the organizational culture results in a relatively high level of performance while in others it perpetuates poor performance. A facilitative organizational culture is for example evidenced in values and norms such as excellence, team work, efficiency and innovation.

1. In your opinion is the organizational culture in the EAC conducive to effective attainment of its goals and objectives?

- a) Yes b) No

Give reasons for your response.

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2. If your answer is in the negative, what measures would you recommend to improve the EAC's organization culture?

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3. At a Staff Retreat held in Tanga in 2007, 'accountability', 'teamwork', 'mutual respect' and 'allegiance to the EAC' were adopted as the core values of the EAC. In your opinion are these values practiced in the EAC? Give reasons for your answer.

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4. Are the four values adopted by the EAC, that is, 'accountability', 'teamwork', 'mutual respect' and 'allegiance to the EAC' sufficient to make the EAC an effective institution? If your answer is in the negative, what other values are crucial to enable effective achievement of goals by the EAC?

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D) ORGANIZATION STRUCTURE

1. The EAC operates through seven main organs each of which has been assigned specific roles: The Summit of Heads of State whose role is to give general direction to the development and achievement of the objectives of the EAC; the Council of Ministers which is the key decision making body of the EAC; the Co-ordination Committee which submits reports and recommendations on the implementation of the Treaty to the Council of Ministers; the Sectoral Committees which prepares comprehensive implementation programmes, with respect to the various EAC sectors as well as monitors their implementation; the East African Court of Justice which ensures the adherence to law in the interpretation and application of the Treaty establishing the EAC; the East African Legislative Assembly which debates and approves the budget of the EAC, enacts legislations, and plays an oversight role; the Secretariat whose key role is the administration of the implementation of the Treaty which includes implementation of programmes for the most appropriate, expeditious and efficient ways of achieving the objectives of the EAC as well as implementation of decisions of the Summit and the Council. In your opinion is this demarcation of roles conducive to effective achievement of EAC's objectives?

- a) Yes b) No

Give reasons for your response.

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2. The EAC has more than once undertaken a review of its structure. Currently, the Secretariat is divided into five functional areas: the Office of the Secretary General, the Office of the Deputy Secretary General (Finance and Administration), the Office of the Deputy Secretary General (Projects and Programmes), the Office of the Deputy Secretary General (Political Federation) and the Directorate of Customs and Trade. Bearing in mind the objectives of the EAC, is this organization structure conducive to effective achievement of goals by the EAC?

a) Yes b) No

Give reasons for your answer. If your answer is in the negative, what functional structure would you recommend for the EAC?

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E) ORGANIZATION PROCESSES

1. The structure of decision making in the EAC is quite bureaucratic – issues requiring decisions are first considered by Sectoral Committees who make recommendations to the Coordination Committee who make recommendations to the Council of Ministers (including Sectoral Council of Ministers) for ultimate decision making. Is this bureaucratic structure supportive of EAC's ability to effectively achieve its goals?

a) Yes b) No

Give reasons for your opinion.

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2. The EAC Treaty stipulates that decision making will be by consensus. In your opinion is the requirement of consensus in EAC's decision making helpful or is it a constraint to EAC's ability to effectively achieve its objectives?

a) It is helpful b) It is a constraint

Give reasons for your answer. If your answer is in the negative, can you cite any cases where the requirement of consensus in decision making has made the EAC dysfunctional? What recommendation would you make to overcome this situation?

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3. The rules of procedure of the EAC further stipulate that there must be quorum for meetings of EAC organs to take place; which in essence implies that all Partner States must be present. Is the requirement of quorum for meetings of EAC organs an obstacle to effective achievement of EAC's objectives?

a) Yes b) No

Give reasons for your answer and suggest an alternative procedure for meetings if your answer is in the negative.

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4. Communication can serve as the glue holding an organization together; alternatively, it can break it apart – for both information and misinformation constantly flow in organizations. Effective communication about ongoing activities is thus vital to keep employees and stakeholders informed as well as motivated. In your opinion are there effective communication channels at the EAC?

a) Yes b) No

Give reasons for your answer. If your answer is in the negative, what can be done to bring about effective communication at the EAC?

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5. Monitoring and evaluation establishes gaps between planning and implementation of operational objectives. In your opinion is there an effective monitoring and evaluation mechanism in the EAC?

a) Yes b) No

Give reasons for your answer. If your answer is in the negative, what can be done to bring about an effective monitoring and evaluation mechanism at the EAC?

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F) ACQUISITION OF RESOURCES

1. In your opinion, does the EAC secure adequate funding requisite to the projects and programmes it is required to implement?

a) Yes b) No

Give reasons for your opinion.

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2. The EAC programmes and projects have a huge donor funding. Does this dependency assure the EAC the capacity to realise its objectives?

a) Yes b) No

Give reasons for your opinion.

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3. What proposals would you put forward in getting the EAC to be financially sustaining and self-reliant?

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4. Recent records of EAC's absorptive capacity of donor funds have fallen short of expectations. In your opinion what are the reasons for this shortcoming?

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5. An organization's most important asset is its staff. Given its current terms and conditions of service with locked in contracts, do you believe the EAC is capable of attracting the most qualified employees?

a) Yes b) No

Give reasons for your answer.

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6. The EAC Secretariat was heavily restructured in 2006 leading to new recruitments of Professional Staff in March 2007. In your opinion, has the restructuring and the improved manning levels improved EAC's capacity to achieve its objectives?

a) Yes b) No

Give reasons for your answer.

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7. The EAC has a system of employment contracts for its Executives and Professional staff (5 years fixed term for the Secretary General, 3 years renewable once for the Deputy Secretaries General and 5 years renewable once for Professional Staff). In your opinion, is this an effective system for assuring development of experience necessary for making the EAC an effective organization?

a) Yes b) No

Give reasons for your answer. What alternative employment system would you propose if your answer is in the negative?

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8. The EAC Staff Rules and Regulations stipulate that all recruitment into the EAC will be based on merit. In your opinion, is this Treaty provision adhered to in the recruitment process in the EAC?

a) Yes b) No

Give reasons for your answer.

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9. Organizations need basic administrative resources to enable work to transpire – for example, reasonable space in a building equipped with adequate lighting, clean water, a dependable supply of electricity, scanners, computers, photocopiers etc. In your opinion are there adequate administrative resources to facilitate effective work performance in the EAC?

a) Yes b) No

Give reasons for your answer.

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G) SATISFACTION OF STRATEGIC CONSTITUENCIES

1. The success and effectiveness of an organization may be mirrored by the level of satisfaction and confidence its staff and external stakeholders such as the business community, civil society and the general public have in it. What are your views regarding the effectiveness of the EAC in this regard?

a) Effective b) Not Effective

Give reasons for your answer.

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2. In your opinion, do you think the EAC staff are satisfied with their terms and conditions of service?

a) Yes b) No

Give reasons for your answer. Give recommendations on areas of improvement if your answer is on the negative.

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3. Do you think that the staff of the EAC are effectively deployed to ensure optimization of their skills and abilities?

a) Yes b) No

Give reasons for your answer. Give recommendations on areas of improvement if your answer is on the negative.

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3. The Treaty establishing the EAC provides that the EAC shall be people-centred. Are you satisfied with how EAC has implemented this principal in the realization of its objectives?

a) Yes b) No

Give reasons for your answer above.

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4. The Treaty establishing the EAC further provides that the EAC shall be market-driven. Are you satisfied with how EAC has implemented this principal in the realization of its objectives?

a) Yes b) No

Give reasons for your answer above

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5. How can the EAC improve its people-centred and market-driven approach?

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H) INTERNAL HARMONY

1. Internal harmony in an organization is manifested in an absence of internal strain, members who are highly integrated into the system and smooth internal functioning. In your opinion does the EAC have internal harmony in its operations?

a) Yes b) No

Give reasons for your answer above

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2. The EAC has seven organs: The Summit of Heads of State, the Council of Ministers, the Coordination Committee, the Sectoral Committees, the East African Legislative Assembly, the East African Court of Justice and the EAC Secretariat. With regards to the interpretation of the EAC Treaty do you think there is inter-organ harmony between and among these organs?

a) Yes b) No

Give reasons for your answer.

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3. If your answer to question (2) above is in the negative, what do you attribute this situation to? How can the harmony among and between the EAC organs be improved?

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4. The Treaty provides that the Secretary General is the Chief Executive Officer of the EAC irrespective of inter-organ arrangements. In your opinion how does this affect the doctrine of separation of powers in the EAC?

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5. Having regard to question (4) above, do you perceive the above Treaty provision as problematic? If yes, why?

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6. Various regional institutions such as the Inter-University Council for East Africa (IUCEA), the Lake Victoria Fisheries Organization (LVFO) and the East African Development Bank (EADB) are spin offs from the EAC and consequently fall under its jurisdiction. What is your opinion about the harmony between the EAC Secretariat and EAC institutions? Is the relationship effective? If not, why not? How can the harmony between the EAC Secretariat and EAC institutions be improved?

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7. In your opinion is there harmony between and among the EAC Secretariat's functional departmental units?

a) Yes b) No

Give reasons for your answer above. If your answer is in the negative, what can be done to ensure a more harmonious relationship between and among the EAC Secretariat's functional departmental units?

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8. The EAC has three main cadres of staff: Executive, Professional and Support Staff. Would you describe the relations between and among the cadres of staff as harmonious?

a) Yes b) No

Give reasons for your answer above. If your answer is in the negative, what can be done to address the concerns you have expressed?

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I) ADAPTATION TO CHANGE

1. The success and effectiveness of an organization may be mirrored in its ability to adapt to and accept change. Significant changes have occurred in the EAC, for instance, two more countries i.e. the republics of Rwanda and Burundi acceded to the EAC Treaty. In your opinion does the EAC have the ability to effectively adapt to and manage change?

a) Yes b) No

Give reasons for your opinion.

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2. If your answer is in the negative, what can be done to ensure the EAC's effective adaptation to change?

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J) TRANSFORMATIONAL LEADERSHIP

1. Transformational leadership is mirrored in the ability of an organization's top leadership to instil in organizational members the passion and direction necessary to achieve organizational goals and objectives. In your opinion does the EAC have transformational leadership?

a) Yes b) No

Give reasons for your answer.

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2. In your assessment, has the Office of the EAC Secretary General contributed or otherwise to the effective achievement of the EAC's objectives? Please give specific examples.

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3. If your answer to number 3 above is in the negative, why do you think the Office of the Secretary General failed to contribute to the effective achievement of EAC's objectives? What can be done to enhance the Secretary General's capacity for success?

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K) POLITICAL WILL

1. Political will implies determination on the part of the government to advance a given cause, that is, the government moves beyond concepts and talk to taking action that actually advances the particular cause. In your opinion do you think there is adequate political will to enable the EAC effectively achieve its goals and objectives?

a) Yes b) No

Give reasons for your opinion.

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2. Are there any cases where you think inadequate political will has impeded the realisation of EAC objectives? Give examples of such instances.

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3. What can be done to ensure adequate political will for effective achievement of objectives by the EAC?

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4. In your opinion does the membership of EAC Partner States in other Regional Integration Institutions like COMESA and SADC affect EAC's effectiveness?

a) Yes b) No

Give reasons for your opinion.

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5. The EAC Partner States have established specialised Ministries and Ministers responsible for EAC Affairs. In your opinion are these institutions contributing to the effective achievement of EAC's objectives? If your answer is in the negative, what improvements would you suggest to make these Ministries more effective?

a) Yes b) No

Give reasons for your response.

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6. The EAC Secretariat is the executive organ of the Community whose key functions includes, among others, the implementation of programmes for the most appropriate, expeditious and efficient ways of achieving the objectives of the EAC. In your opinion, should the EAC Secretariat have some decision making powers?

a) Yes b) No

If yes, in what areas? And why?

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L) CONCLUSION - ORGANIZATIONAL EFFECTIVENESS

1. Organizational effectiveness denotes the ability of an organization to be effective in achieving the objectives for which it was established. In your opinion does the EAC have the ability to effectively achieve the objectives for which it was established?

a) Yes b) No

Give reasons for your response.

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2. What do you identify to be some of the key factors that impinge on the EAC's ability to effectively achieve its objectives?

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3. How can such factors be addressed?

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I am sincerely grateful and would like to once again thank you for creating time out of your busy schedule to answer these questions. May the Almighty God bless you.

SIRTE DECLARATION

1. We, the Heads of State and Government of the Organization of African Unity (OAU), met at the fourth Extraordinary Session of our Assembly in Sirte, in the Great Socialist People's Libyan Arab Jamahiriya, from 8 to 9 September 1999, at the invitation of the Leader of the Al Fatah Revolution, Colonel Muammar Ghaddafi, and as agreed upon during the Thirty-fifth Ordinary Session of our Summit in Algiers, Algeria, from 12 to 14 July 1999.

2. We deliberated extensively on the ways and means of strengthening our continental Organization to make it more effective so as to keep pace with the political, economical and social developments taking place within and outside our continent.

3. In this endeavour, we were inspired by the ideals which guided the Founding Fathers of our Organization and generations of Pan-Africanists in their resolve to forge unity, solidarity and cohesion, as well as cooperation, between African peoples and among African States.

4. We recall the heroic struggles waged by our peoples and our countries during the last century of this millennium for political independence, human dignity and economic emancipation.

We take pride in the achievements made to promote and consolidate African unity and we salute the heroism and the sacrifices of our peoples, particularly during the liberation struggles.

5. As we prepare to enter the twenty-first century, and cognizant of the challenges that will confront our continent and peoples, we emphasize the imperative need and a high sense of urgency to rekindle the aspirations of our peoples for stronger unity, solidarity and cohesion in a larger community of peoples transcending cultural, ideological, ethnic and national differences.

6. In order to cope with these challenges and to effectively address the new social, political and economic realities in Africa and in the world, we are determined to fulfil our people's aspirations for greater unity in conformity with the objectives of the OAU Charter and the Treaty Establishing the African Economic Community (the Abuja Treaty).

It is also our conviction that our continental Organization needs to be revitalized in order to be able to play a more active role and continue to be relevant to the needs of our peoples and responsive to the demands of the prevailing circumstances.

We are also determined to eliminate the scourge of conflicts which constitutes a major impediment to the implementation of our development and integration agenda.

7. In our deliberations, we have been inspired by the important proposals submitted by Colonel Muammar Ghaddafi, Leader of the Great Al Fatah Libyan Revolution, and particularly, by his vision for a strong and united Africa, capable of meeting global challenges and in shouldering its responsibility to harness the human and natural resources of the continent in order to improve the living conditions of its peoples.

8. Having discussed frankly and extensively on how to proceed with the strengthening of the unity of our continent and its peoples, in the light of those proposals, and bearing in mind the current situation on the continent, we DECIDE TO:

(I) Establish an African Union, in conformity with the ultimate objectives of the Charter of our continental Organization and the provisions of the Treaty Establishing the African Economic Community.

(II) Accelerate the process of implementing the Treaty Establishing the African Economic Community, in particular:

(a) Shorten the implementation periods of the Abuja Treaty,

(b) Ensure the speedy establishment of all the institutions provided for in the Abuja Treaty, such as the African Central Bank, the African Monetary Union, the African Court of Justice and, in particular, the Pan-African Parliament.

We aim to establish that Parliament by the year 2000, to provide a common platform for our peoples and their grass-root organizations to be more involved in discussions and decision-making on the problems and challenges facing our continent.

(c) Strengthening and consolidating the Regional Economic Communities as the pillars for achieving the objectives of the African Economic Community and realizing the envisaged Union.

(III) Mandate the Council of Ministers to take the necessary measures to ensure the implementation of the above decisions and, in particular, to prepare the constitutive legal text of the Union, taking into account the Charter of the OAU and the Treaty Establishing the African Economic Community.

Member States should encourage the participation of Parliamentarians in that process.

The Council should submit its report to the Thirty-sixth Ordinary Session of our Assembly for appropriate action.

Member States should work towards finalizing the process of ratification, where appropriate, by December 2000, in order for a constitutive Act to be solemnly adopted in the year 2001, at an Extraordinary Summit to be convened in Sirte.

(IV) Mandate our Current Chairman, President Abdelaziz Bouteflika of Algeria, and President Thabo Mbeki of South Africa, to engage African creditors on our behalf on the issue of Africa's external indebtedness, with a view to securing the total cancellation of Africa's debt, as a matter of urgency.

They are to coordinate their efforts with the OAU Contact Group on Africa's External Debt.

(V) Convene an African Ministerial Conference on Security, Stability, Development and Cooperation in the Continent, as soon as possible.

(VI) Request the Secretary General of our Organization, as a matter of priority, to take all appropriate measures to follow up the implementation of these decisions.

Done at Sirte, Great Socialist People's Libyan Arab Jamahiriya, 9.9.99

(Source: <http://www.uneca.org/adfiii/riefforts/ref/other5.htm>)