

**The East African Federation: Challenges for the Future**  
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I would like to discuss three related issues today. The first concerns the lessons of the former Community. What led to its breakup and what can we learn from that history?

The second issue concerns the relationship between the supremacy of market forces and the demand for social and political justice. Many fear that the community will strengthen the reach of the wealthy and the mighty at the expense of the poor and the weak.

Politicians fear it may strengthen one country at the expense of others. The poor fear they may lose even the little they have – land in the countryside, jobs in urban areas. Is this fear reasonable and, if so, is there a way to address it?

The third issue concerns citizenship. What would it mean for East Africa to go from being a common market to being a common home for those who live within its borders? What would it mean for East Africans to go from being consumers to citizens?

### **Why the Original Community Broke Up**

When the curtain fell on the old Community in 1977, Community bureaucrats watched helplessly, like participants in a Greek tragedy. The West Indian chairperson of the Treaty Review Commission best expressed this point of view: "Let us be brutally frank with ourselves. Like so many Neros we have all been fiddling here in Arusha while Rome has been burning."

Politicians blamed one another, unable to see beyond immediate events. According to Tanzanian media, the Community was wrecked by vicious

*nyangau* (hyenas) bred by a "man-eat-man society" next door. Kenyan media shrugged off editorial assaults from across the border, saying there could not be a modern Community in partnership with the pre-modern leadership of a "man-eat-nothing society". Only global powers thought politically and acted strategically.

The popular version of the story about why the Community collapsed holds British-allied interests in Kenya responsible for it. Personally, I think this is only part of the story. It leaves out at least two important issues.

The first is the part played by North American interests whose way of challenging British dominance was to forge a partnership with the new political leadership in Tanzania.

For these interests, Tanzania was a more viable location than Uganda for one simple reason: if matters came to a head, coastal Tanzania was far more likely to envision life outside the Community than was a hostage-like landlocked Uganda.

The second part of the untold story is the failure of non-state actors - what is today called civil society - to articulate an independent East African agenda and rally around it.

I will begin with the different interests that lined up behind Kenya and Tanzania in the tug of war that followed independence. You can view the collapse of the old Community from two different vantage points. If your vantage point is the set of corporations in the Community, especially the biggest of them, the Railways, you are likely to hold Kenya responsible for its disintegration. But if you view the Community's collapse from the vantage point of its common market, chances are you would see Tanzania as the party responsible for the Community's disintegration.

I will begin with the common market which was the first to fold.

As early as 1964, a meeting of Kenya-Uganda ministers was told that President Nyerere had written fellow heads of state threatening to leave the common market if it became necessary for Tanzania's industrial development.

Mwalimu Nyerere's demand for equitable development in the Community led to the signing of the Kampala Agreement that same year.

The Agreement had two parts to it. In the first part, already established industries were asked to increase production in deficit countries. The second part was a schedule of new industries; each was assigned to a particular country, and potential investors were asked to follow this schedule.

The Agreement was flouted as soon as it was signed, by both Kenya and Tanzania. In the very first year, though the Agreement had allocated nitrogenous fertilizers to Uganda, both Kenya and Tanzania invited different companies to set up fertilizer factories inside their borders. Though tyres were allocated to Tanzania, rival US companies set up production facilities in both Kenya and Tanzania, in each case with encouragement from the host country.

Faced with the collapse of the Kampala Agreement, proponents of equitable development mounted an alternative strategy: if capitalists would not do their bidding, they set up a Community-based institution, the East African Development Bank, to do the investing.

Created as part of the 1967 Treaty of Cooperation, EADB was starved of funds, and remained ineffective as long as it lasted. By 1965, Mwalimu Nyerere had already decided to go it alone. The failure of the Kampala Agreement was one reason. The other was his conviction that the struggle against colonialism had moved location, to Southern Africa. You can read both reasons in the Arusha Declaration. Its political implication was that Tanzania would forge new partnerships in alignment with its political vision. But when it came to the Community, it would go it alone. Let us see how this worked out in practice.

That very year, 1965, Tanzania set up a state trading corporation (COSATA) and introduced import licenses on 70 items that included all major imports from Kenya and Uganda. The following year, it withdrew from the common currency. By 1967, the Common Market had shrunk to a customs union. The retreat was scripted in the 1967 Treaty that formalized a tariff regime between the three partner states, but under another name: transfer tax. This tax could

be as high as 50% of the tariff on non-East African imports. By the time Tanzania signed a 4.164 billion loan and a commodity credit agreement with China to finance TAZARA - that was 1970 - it was no longer an effective member of the common market. In the words of the Ugandan secretary for economic development and East African Community at that time, "one cannot talk of common market arrangements between Tanzania and her partners as provided for in the Treaty."

### **The Community Corporations**

The fate of the community corporations was sealed when the World Bank successfully imposed a change of rules in the name of fair competition: specifically, the Bank stipulated that the Railway should no longer receive state protection from road competition, and that each section of the Railway should be profitable on its own.

This policy change paved the way to the rise of the giant road haulage company, Kenatco (in which Kenya government ministers were key directors) and the Lonrho-owned Mombasa-Nairobi pipeline. With these developments, the Kenya section of the Railways was run down in favour of private interests.

Another part of the story is the intense competition among locomotive suppliers given the glut in the world market after 1967. British and Canadian firms, each supported by its own government, competed fiercely for Railways contracts. When Tanzania and Uganda objected to the award of a 1967 locomotive contract to two British firms, the UK government stepped in with an interest-free loan. The contract was eventually shared between UK and US suppliers. Five years later, in 1972, a US-owned Canadian company, Montreal Locomotive Works, broke into the East African market with a Canadian loan of \$26.5m to the government of Tanzania. It was the largest Canadian loan to date to a third world country.

One can tell a similar story of other community corporations, of competition for contracts fuelling corruption within. In the Airways, it led to the highly publicized sacking of its chairman, Chief Fundikira of Tanzania, in 1973.

Faced with a downward spiral, the leaders of East Africa agreed on two solutions. The first, in 1967, was to decentralize headquarters. The second, in 1974, was to strip headquarters of key functions, finance and investment decisions and hand these over to each of the three national offices. In the most extreme case, that of East African Airways, a foreign airline was handed its management contract.

The solution intensified the problem. Regional offices refused to transfer surpluses to headquarters. Starved of funds, headquarters were unable to meet financial obligations. This crisis began in 1974 and was known as the transfer of funds crisis. Like so many vultures waiting in the wing, external interests turned the crisis into an opportunity. Crown Agents refused to sell spare parts to the Tanzanian branch of the Railways, saying this would violate Community regulations. (FT, 17 Feb 1975)

The World Bank delivered the *coup de grace* in a series of consecutive blows. In August 1974, the Bank refused Harbours to draw on an already signed loan. It then meted out the same treatment to the Railways in March 1975, and finally to the Community as a whole in May 1976.

Bank officials told *Financial Times* they could not remember the Bank halting loan payments to any other client for delay in repayments. (FT, 12 My 1976)

I became interested in the question of why the old Community collapsed after I returned to Uganda from the University of Dar es Salaam in 1979. I spent months reading Community files in *government* ministries in Kampala. I was struck that the debate on the Community unfolded as a debate between states only. I could not locate an independent discussion that cut across state lines.

If we limit the discussion on the old Community to inter-imperialist rivalries that imploded the old Community from within, then we will inevitably conclude that there is little we can do about forces we do not control. But if we can expand the discussion to look at our own failure to develop a public discourse on East African issues, then we can *move* a step forward. By not leaving the initiative to the political class, we can contribute to exploring different options and rallying new forces.

In the rest of this talk, I shall try and outline three issues that I think are critical to the future of East Africa and should be central to the discussion on the future of East Africa.

## **The Market and Social Justice**

Those who call for unity in Africa *have* tended to follow a model – the European Community. AU was self-consciously modeled after EU, including both name and acronym. Today, developments in Greece, Spain, Ireland and others should make us rethink. Instead of seeing the EU as a model, we need to see it as an experience from which to draw lessons, both positive and negative.

EU was extraordinarily successful as a common market. As a monetary union, however, it has been a near disaster. What is the problem? When national governments lost sovereignty over their national currency, it was really a matter of time before the people of Europe felt its political consequences.

A monetary union without a political union led to an unaccountable central bureaucracy in Brussels. Without a political union, the EU has turned into a market fundamentalism. The results are clear. As weaker economies like Greece go under, they are forced to undergo a version of structural adjustment, inevitably leading to reduced wages.

The fault line in EU is not very different from the fault line in East Africa. It divides rich from poor member states. Who is to protect the weak majority? The anti-dote to market forces is political democracy. If the law of the market is might is right, then the basis of citizenship is political equality. If the market stands for rights, then citizenship stands for justice. In a democracy, the poor and the weak look to political power to give them minimum protection against those who rule the marketplace.

There are today two different demands in the weaker states of Europe: either leave EU to regain democratic control over monetary policy, or turn the EU into a political union so that monetary policy in Europe is subject to democratic control. The question is: can you have a sustainable monetary union without a

political union or at least without political arrangements that will safeguard popular livelihoods?

If you write Tanzania for Greece or Spain and Kenya for Germany, you can see the relevance of the EU problem for us. If East African unity is to turn into a market fundamentalism, what is to convince the weak and the poor, the majority, from turning against that unity, or following demagogues who tell them that they should return to their real communities, their native homelands, not to just Tanzania or Uganda, but to, say, Sukumaland or Buganda?

The first debate we need is how to counteract market fundamentalism: what would poorer regions, and poorer classes, have to gain from an East African unity? How shall we balance the language of rights with that of social justice, market mechanisms with social equity?

### **The Land Question** (shelved not solved by leaving it to Partner States)

The vast majority of East Africans are peasants. The question that concerns peasants first and foremost is that of land. Without secure access to land, there is no secure livelihood. We have two radically opposed land systems in East Africa. Both are of colonial origin. One is freehold, where the poor are free to sell their land to the rich - even if it means they will be without any means of livelihood in the future. Then there is customary tenure, created during the colonial period. Its basis is that land belongs to the community.

Customary tenure is basically a preventive measure. It prevented the peasant from being dispossessed by market forces and secured the material basis of rural livelihoods. It also prevented the rural poor from being turned into a surplus population flooding into towns.

Conversely, it prevented urban-based capital from appropriating land in the countryside. On the negative side, the regime of customary tenure defined the community in ethnic terms, as a tribal community, and land as part of a tribal homeland.

The overall effect was to narrow the African horizon to the tribe. Not only was the tribe turned into a source of security and belonging, it was also turned into a boundary that you crossed at your own peril.

The challenge today is two-fold: Can the principle of land to the tiller (security of tenure) inherent in customary tenure be preserved in a united East Africa? Or will unity sacrifice this to freehold tenure and principles of market fundamentalism? Second, can unity create something more than a market - a playing field where the rich and powerful will inevitably dominate?

Can it create a meaningful citizenship, a political shelter for the majority? The European solution to this challenge is well known. From the 17<sup>th</sup> century, freehold tenure became the basis of agrarian accumulation in Europe. Its results too are well-known. The rural poor were expelled as a surplus population. Those unable to find jobs in urban areas were forcibly expelled to overseas colonies - initially as bandits, convicts, and rebels, then as victims of market fundamentalism. This was the story of the Americas, Australia, New Zealand, South Africa.

The European option made for an urban dictatorship over rural areas. Urban areas called for autonomy. Europe's urban-centered vision is theoretically sanctified in the notion of civil society. We have taken it over uncritically.

In East Africa, urban autonomy was historically a part of the regime of race privilege. The progressive forces in East Africa were not those who fought for urban autonomy, but those who fought to link the urban and the rural.

Today, the European option of expelling the rural population is no longer feasible. Given that there are hardly any empty spaces left in the world, Africa's rural poor have no fall back except within Africa.

This is why the surplus population of Africa's rural areas cannot and for the most part does not migrate overseas. Rather this surplus population is found as refugees and internally displaced persons inside Africa. We can learn something from the Chinese example. Everyone knows that the crisis of rural areas in China is growing. The surprise is that this crisis is not bigger. In

China, land in rural areas is not a commodity. Land belongs to the It is something like what we call customary tenure. Access is based on use.

The lesson for us is to look for ways of reforming customary tenure rather than abolishing it. The point should be, first, to retain security of tenure, the principle of land to the tiller - and the recognition of the village community as the custodian of land.

But the point should also be to reform the notion of the village community from tribal to residential. The big question is the relationship of the rural to the urban – and of tribe to nation. Can one be part of a wider community without losing home and a sense of home? This takes us back to the big question, the question of citizenship.

### **Citizenship - Ethnic or Territorial?**

The centralized state is a European invention. Before the monopoly of arms and law in the hands of the state, power was decentralized. No matter how autocratic the king, most disputes were settled around the feudal manor or village communities.

Before the era of the centralized state, decentralized power was a global practice. When European anthropologists came to Africa a century ago, they divided African societies into two - state and non-state.

They were not just seeing Africa through European eyes, they were also acknowledging the fact of decentralized power as a widespread reality. The turn to federation, to a form of decentralized power, is in this sense a return to one part of our political tradition. But that return has been problematic.

There are two types of federation: ethnic, and territorial. African federations have tended to take on an ethnic rather than a territorial character. You can understand the difference between by asking the question: if the place where you live is different from where you or your family came from, where is your home?

The territorial notion says your home is where you live now. The ethnic notion says your home is where your family, or ancestors, came from. Where did the ethnic definition of home come from? My contention is that this is not part of the political tradition of pre-colonial Africa. It is part of colonial tradition.

Every 20<sup>th</sup> century colonial power in Africa divided its population into two groups: races and tribes. Races were outsiders. Tribes were said to be indigenous, i.e. natives. Races were said to have a history - they moved. Tribes were said to have only geography. They were said to have stayed put in the tribal homeland since the beginning of time.

My question is this: how far back does this political tradition of identifying each person with a native place, and of a native place as something fixed and unchanging - how far back does it go? Every African people I have read about have an origin story.

Whether the story is of Kintu and the Baganda or Oduduwe and the Yoruba or the Bachwezi and the Luo, they all claim to come from somewhere, but always from somewhere else. The origin story of Hutu, Tutsi and Twa in Rwanda is that they fell from the sky.

All origin stories are migration stories. Pre-modern peoples did not believe that any people were indigenous to a particular place. This is not just true of Africans. The biggest origin story, one shared by Abrahamic religions, is the story of Genesis in the Old Testament.

It says the earth was empty before its settlement by peoples we know - all were migrants who came to the land after the Biblical flood. All humanity was native to heaven. Only the fall did humans come to possess guardianship of the earth. The vision of a world populated by 'indigenous' peoples with 'non-indigenous' minorities is a distinctly modern and secular notion. In this part of the world, it is a distinctly colonial notion. The idea that each tribe has a tribal homeland, that each tribe rightfully belongs to its homeland, is native to its homeland, is a settler notion. It is the basis of the claim that tribes must stay put in their homelands and that the world outside the homelands belongs to settlers.

The real point is not that colonialism invented this fiction but that we have bought it. We consider it as part of African custom, rather than colonial custom. Let me give you one example of how this notion has become central to our political lives.

Nigeria created a federation after the civil war of 1967-70. Key to the federation is a clause called 'federal character'. It says that key federal institutions must have a 'federal character'. What are these key institutions? They are three: the army, the civil service and federal universities. What does it mean to have federal character? It means their composition must reflect the composition of the federation. Recruitment in each institution must be on the basis of quotas for each state, where the quota reflects the relative weight of the state population in the Nigerian federation.

Now, here is the rub. To qualify for the quota of a state, you must be indigenous to the state. Who is indigenous to the state? To be indigenous you must be born in the state of a father also born in the same state.

The ethnic federation is today a major source of Nigeria's problems. The market economy moves products and people, both rich and poor - on the one hand rich traders, industrialists, and professionals, on the other, jobless workers, landless peasants, itinerant hawkers. Those who move beyond state boundaries – and these are usually the most enterprising, whether rich or poor – are disenfranchised. With each passing year, more and more Nigerians are non-indigenous in the states where they live.

Most internal conflicts in Nigeria are fights over who is indigenous and who is not. In the Middle Belt, fights over definition of indigenous revolve around two notions of indigenous. One group says you are indigenous if your family arrived before colonialism. The other says you are indigenous if your family was there before the Sakata Caliphate. But both agree that if you came to the Middle Belt recently, meaning over the past hundred years, you should not have political rights - even if you are a Nigerian.

If I had time, I would give you more examples, of the Kivus and the Banyarwanda, of North and South in Ivory Coast.

Here is the positive side of the picture. Not everyone in the independence leadership of East Africa accepted the colonial story of tribal homelands as African tradition. The shining example is that of Mwalimu Nyerere and mainland Tanzania.

Consider the following sobering proposition: East Africa is a region of genocide and ethnic cleansing. We associate Rwanda and Burundi with genocide; Zanzibar with the violence of the revolution; Uganda with that of expulsions, from that of Catholics from Mengo in 1900 to that of Muslims from West Nile after the fall of Idi Amin; Kenya with the violence in the Rift Valley.

The one exception is mainland Tanzania. It is the only part of the region where a group has not been persecuted collectively - as a racial or an ethnic group. Tanzania is the East African anti-dote to Nigeria. Mwalimu Nyerere's contribution is identified with Ujamaa.

But Mwalimu should really be remembered as a statesman who built a nation state. He took a colonial tribal federation and built a centralized state out of it.

Politically, colonial Tanganyika was no different from other colonies. It was a patchwork of tribal administrations. The colonial administration divided the population into so many tribes and races. Races were governed under civil law and each tribe under a separate customary law.

Nyerere's great achievement was to create a single law and a single machinery of enforcement - both legal and administrative - so that every Tanzanian came to be governed by the same law, regardless of race or tribe.

Mwalimu created a rule of law. He created a national citizenship based on residence in a country where colonialism had left the legacy of defining every individual on the basis of a racial or tribal political identity based on origin.

There is another instructive example in the region, that of Uganda from the bush war of 1980-86. Early NRA learnt from the legacy of Nyerere. When the

NRA liberated a village in the Luwero Triangle, it created village councils and committees. The question arose: who can vote in these councils and committees and who can run for office?

The colonial tradition was that only those indigenous should have local rights. But this would have disenfranchised half the population, for roughly half were immigrants, either from Rwanda or from the North.

The NRA's response was: whoever lives in the village has a right to participate in the decision-making of the village, no matter where they come from. Rights were based on residence, not ethnicity.

Once in power, the principle was subverted. Today, the NRM has elevated the principle of tribal homelands into a principle of governance. It is now said that every tribe, in some parts of the country, even every clan, must have its own administrative homeland.

Thus the multiplication of districts in Uganda over the last decade, giving rise to the demand that the population of every district be divided between those indigenous and those not, the former with rights and the rest without rights. If this practice of statecraft continues, with or without oil, Uganda will be another Nigeria.

The distinctive political feature of independent Kenya is that the intellectual foundation of colonial statecraft has never been challenged there. Its effect is best exemplified by the violence in the Rift Valley.

There are two explanations of this violence. One blames the violence on the Ocampo Six. Whatever their responsibility, they have been demonized in a discourse that hides the fundamental cause of the violence. The violence was driven by two questions: who is indigenous? Who has right to land?

When it comes to land, there are two claims in Kenya. One says that land belongs to the native tribe; it is part of the tribal homeland. The other says the land belongs to the nation; the homeland is a nation state.

The same contention was at the root of the conflict in Darfur where the conflict began as a civil war between pastoral and peasant tribes following the drought of the 1980s. When pastoralists ran south from the effects of the drought, the southern tribes said: get out of the land, it is our tribal homeland. The Northern tribes said: we are citizens of Sudan; the land is part of Sudan. A similar demonization of Bachir has hid from us the root causes of the violence in Darfur.

How do we choose between these two notions of rights – one based on tribe and the other based on nation? If you want to use the language of right and wrong, both are right. Each is rooted in a different imagination, a different history. The tribal claim is rooted in the colonial imagination, and the national claim in the nationalist postcolonial imagination.

To choose between the two, we have to move from the language of individual rights to that of democracy - from the language of rights to that of justice. Thus my message to civil society and government representatives gathered here: let us not be so mesmerized by the language of rights, the language of the market place that we lose sight of justice. The community will not survive if it exalts the principle of rights - and thus of market fundamentalism - in the common market.

To survive and prosper, it will have to balance the question of rights with that of justice, freedom of the market with the claims of citizenship.