

THE EAST AFRICAN TRADE UNION CONFEDERATION



WORKERS HANDBOOK ON THE EAST AFRICAN COMMUNITY INTEGRATION PROCESS

FOREWORD

The East African Integration process, bids to create a single East African market that will entail easing travel restrictions, harmonizing tariffs, increasing co-operation among security forces, improving communications, sharing electrical power and addressing Lake Victoria issues among others. All this will be achieved through the establishment of a Customs Union as the entry point of the Community, a Common Market, subsequently a Monetary Union and ultimately a Political Federation of the East African States.

However, even at this second stage of implementing the East African Common Market, many East African citizens including majority of our members are still ignorant about the East African integration process and what it entails.

Unfortunately, Partner States are yet to educate a vast majority of their citizen on the implication and what to expect of the Common Market. The signing of the Common Market Protocol was supposed to have caused more excitement among the East African citizens; however it turned out that some citizens of partner states were rather scared and opposed to the Common market protocol being signed.

This is why the East African Trade Union Movement through East African Trade Union Confederation which is our Umbrella Organization have stepped out to start a mass sensitization and awareness creation to the workers and other citizens of East Africa, on the benefits and what they should expect of the EAC Common Market and indeed the East African Community Integration Process as a whole.

It is our responsibility as a workers' movement and a social partner in the East African Community to sensitise and create awareness about the East African integration to our members and all citizens of the East Africa Community. This developed Workers' Handbook on the EAC integration process could go along way in providing our members and workers in general with the basic understanding of the EAC Common Market and the integration as a whole.

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ABBREVIATIONS AND ACRONYMS

EAC	East African Community
EATUC	East African Trade Union Confederation
COTU-K	Central Organisation of Trade Unions – Kenya
NOTU	National Organisation of Trade Unions Uganda
TUCTA	Trade Union Congress of Tanzania
ZATUC	Zanzibar Trade Union Congress
CESTRAR	Trade Union federation of Rwanda
COSYBU	Trade Union congress of Burundi
GDP	Gross Domestic product
CMP	Common Market Protocol

Chapter 1

INTRODUCTION OF THE EAST AFRICAN COMMUNITY

1.0 Introduction

The aim of this handbook is to sensitize and create awareness among workers at all stages of the East African Regional Integration process.

Since the 20th century, there has been a reduction in barriers between countries and trade liberalization. This process is referred to as globalization which basically means the increased integration across countries, markets for goods, services, capital and free movement of labour. The trend in reduction of international trade barriers has accelerated regional economic integration process.

Regional integration is likely to improve the welfare by overcoming the inefficiencies of nationally segmented economies. The ultimate goal of regional integration is to merge some or all aspects of the economies concerned.

At the present time it does not appear that any country can be able to increase the well-being of its people without being part of the global economy. Therefore, regional integration is a process in which states enter into a regional agreement in order to enhance regional cooperation through regional institutions and rules. Regional integration arrangements are mainly the outcome of necessity felt by nation-states to integrate their economies in order to achieve rapid economic development, decrease conflict, and build mutual trust between the integrated units.

This document comprises of the following chapters:

1. Introduction to the East African Community (EAC).
2. The East African Common Market Protocol.
3. The role of Trade Unions in East Africa on EAC integration.

The information contained herein is valuable to workers and workers' Organisations in understanding the process of integration in the East African Community.

1.1 THE EAST AFRICAN COMMUNITY (EAC)

It is important to note that the East African Community we are talking about today is not an entirely new animal. The first East African Community dates back to the late 19th century. It began with the construction of the Uganda/Kenya railway in 1897, followed by the governor's conference (1900-1947), which became the East African High Commission (1947-1960), and was followed by the East African Common Services Organisation, (1961-1967), that eventually led to the Treaty of East African Co-operation (from 1967 until the break-up in 1977). It is sad testimony to what we lost, recalling that the European Economic Community (EEC), (now the European Union—EU) was in many ways modelled on the EAC.

Most cooperation and success under first EAC was registered in the economic fields, with progress in the political, legal and socio-cultural field being minimal. The near-exclusive emphasis on economic cooperation was illogical and indeed unfavorable to the growth of a formidable union of the three countries. The lack of the legal basis upon which any cooperation could be based (including on the economic front) meant that differences of opinion on the actions and misdeeds of the members could not be properly sorted out. This perhaps explains why the structure collapsed when internal pressure increased.

EAC I collapsed in 1977 and the reasons for the collapse were quite clear: political differences between the leadership of the body; perceived and real inequalities in the benefits each country was deriving from the association; the influence of particular prominent political actors and also the weakness of the foundation on which the organization was built.

Currently, the New East African Community is an Inter-governmental Organisation composed of five countries; the Republics of Burundi, Kenya, Rwanda, Uganda and the United Republic of Tanzania with its headquarters in Arusha. The surface area of East African Region is 1.82 million square kilometers with a population of over 133 million.

The Region has a combined GDP of \$74 billion with an average GDP of \$558 per capita (EAC Facts and Figures Report 2009).

The Treaty for the establishment of the East African Community was signed on 30th November 1999 by the Heads of State (Kenya Tanzania & Uganda) and entered into force on 7th July 2000. It outlines the objectives, fundamental principles and areas of cooperation for the Partner States. The Republics of Burundi and Rwanda signed Accession Treaties to the Community on 18th June 2007 and became full members of the Community from 1st July 2007.

The Treaty of the East African Community recognises the role of workers under Article 104 of the Treaty. The partner States undertake to cooperate in the enhancement of social partnership between the Government, the Employers and Employees. Under this spirit of the Treaty the East African Trade Union Confederation which spearheads the interests of the workers, has been given observer status in all EAC structures.

1.2 East African Trade Union Confederation (EATUC)

The East African Trade Union Confederation (EATUC) was established in 1988 initially composing of four national centres as its members, they included; Central Organisation of Trade Unions (COTU-K) – Kenya, the National Organisation of Trade Unions (NOTU) – Uganda, Zanzibar Trade Union Congress (ZATUC) and the Trade Union Congress of Tanzania (TUCTA). In July 2007 Rwanda and Burundi formally joined the East African Community; Therefore, EATUC membership is extended to the national Trade Union federations from Burundi (COSYBU) and Rwanda (CESTRAR).

EATUC's main goal is to integrate workers' interests and efforts in the East African region with a view to develop a common approach towards enhancing social and economic justice through the participation of workers' organisations at all levels of the regional integration.

As a regional workers' body, EATUC is instrumental in ensuring that the East African Community involves workers in all issues concerning regional integration, establish tripartism as an important mechanism of consultation and dialogue, promote the ratification of international labour standards by the partner states, promote the integration of youth and women in all spheres of socio-economic development, promote the Decent Work Agenda, Lobby and advocate for harmonisation of labour

policies and legislations across the EAC region and promote the concept of free movement of factors of production within the region.

1.3 Objectives of the East African Community

According to the EAC Treaty, the objectives of the Community shall be to develop policies and programmes aimed at widening and deepening co-operation among the Partner States in:

- political,
- economic,
- social and cultural fields,
- research and technology,
- defense
- security
- legal and judicial affairs, for their mutual benefit.

1.4 Main socio-economic goal

The main socio- economic goal for the integration of Uganda, Kenya, Burundi, Rwanda and Tanzania is to improve the standards of living of the population through increased competitiveness, value-added production, trade and investment.

1.5 STAGES OF REGIONAL INTEGRATION OF THE EAST AFRICAN COMMUNITY

According to Article 5(2) of the EAC Treaty, people centered, private sector led, market driven, internationally competitive and sustainable development in East Africa will be facilitated in different, but overlapping phases of integration as follows:

1st stage: Customs union

This is a legally binding voluntary commitment of cooperation by EAC Partner States to remove tariff and non-tariff trade barriers amongst themselves and adopt harmonized intra –trade regimes and apply common trade regime to non-members. It involves far reaching readjustments at regional and national level including policy reforms, economic, legal and institutional framework.

The Custom Union which is established under article 75 of the EAC Treaty is an entry point to economic integration process. It was concluded and signed by the Heads of State in March 2004 and ratified in December 2004 and operations commenced on 1st January 2005.

2nd stage: Common market.

A common market represents a major step towards significant economic integration. In addition to containing the provisions of a customs union, a common market (CM) removes all barriers to the mobility of people and labour, capital and other resources within the area in question, as well as eliminating non-tariff barriers to trade, such as the regulatory treatment of product standards.

Establishing a common market typically requires significant policy harmonization in a number of areas such as:

- labour,
- employment,
- social security,
- trade,
- convergence of fiscal and monetary policies due to the increased economic interdependence within the region.

The EAC Common market came into force in July 2010. This is a legal and binding commitment to a deeper and stronger functional integration by member Countries to remove all trade barriers after the custom union stage.

3rd Stage: Monetary union

This is the third stage of integration at which Partner States will have similar economic policy and single currency which shall be applicable to all member States. This will

facilitate the flows of trade and investments, by reducing transaction costs but also serves as an important instrument in promoting regional cooperation and economic integration. Discussions/Negotiations started 2010

4th Stage: Political federation

This is the last stage of integration which leads to political federation with an ultimate federal government sovereignty. Political federation stage, among other things, facilitates peace and security, and increases bargaining power for Partner States in negotiations with international organizations such as World Trade Organisation and European Union. Discussions/consultations are ongoing.

Chapter 2

The East African Common Market Protocol

2.0 What is the EAC Common Market?

The Common Market means the partner states of Kenya, Uganda, the united republic of Tanzania, Rwanda and Burundi integrated into single market in which there is free movement of capital, labour, goods and service.

The East African Common Market Protocol (CMP) was signed by the five Heads of State on 20th November 2009 and entered into force from 1st July 2010 by all Partner States and currently it is at the implementation stage.

2.1 Principles of the EAC Common Market

The EAC Common Market is guided by the fundamental and operational principles of the Community as per article 6 and 7 of the Treaty.

Fundamental Principles of the Community are:

- Mutual Trust, Political will, and sovereign equality
- Peaceful co-existence and good neighborliness
- Peaceful settlement of dispute
- Good governance
- Equitable distribution of benefits
- Cooperation for mutual benefit

2.2 Objectives of the EAC Common Market protocol

2.2.1 *What does the EAC Common Market aim to achieve?*

The EAC Common Market aims to achieve widening and deepening cooperation among the Partner States in the economic and social fields for the benefit of the Partner States.

In specific terms it aims to achieve the following:

- Accelerate economic growth and development of the Partner States.
- Strengthen, coordinate and regulate the economic and trade relations among the Partner States.
- Sustain the expansion and integration of economic activities within the Community.
- Promote common understanding and cooperation among the nationals of the Partner States.
- Enhance research and technological advancement.

2.3 Strategies to achieve the above objectives/aims

The above mentioned objectives shall be achieved through the following strategies:

- Free movement of Workers/ Labour
- Free movement of Persons
- Free movement of Goods
- Right of Residence
- Right of establishment
- Free movement of services
- Free movement of Capital

Free movement of labour

The EAC Partner States agreed to remove restrictions on movement of labour. Therefore under Article 10 of the EAC Common Market Protocol the EAC Partner States guarantee the free movement of workers who are citizens of the other Partner States, within their territories. EAC Partner States committed to abolition of discrimination based on nationality regarding to-employment, remuneration and other conditions of employment and work.

The free movement of workers entitles a worker to:

- (a) apply for employment and accept offers of employment actually made;
- (b) move freely within the territories of the Partner States for the purpose of employment;
- (c) conclude contracts and take up employment in accordance with the contracts, national laws and administrative actions, without any discrimination;
- (d) stay in the territory of a Partner State for the purpose of employment in accordance with the national laws and administrative procedures governing the employment of workers of that Partner State;
- (e) enjoy the freedom of association and collective bargaining for better working conditions in accordance with the national laws of the host Partner State; and
- (f) Enjoy the rights and benefits of social security as accorded to the workers of the host Partner State.

In order to facilitate free movement of labour, partner states ought to harmonize labour policies, programs, legislation, social services, and provide for social security benefits. Furthermore partner states ought to establish common standards and measures for associations of workers and employers establish employment promotion centres and eventually adopt a common employment policy.

Free Movement of persons

Partner states citizens are free to move between states without restrictions or discrimination in relation to their nationality. Therefore the EAC Partner States agreed to ease cross-border movement of persons and eventually adopt an integrated border management system.

Free movement of Goods

Goods may be sold across borders without any tariff and non-tariff barriers to trade. Therefore the EAC Partner States agreed to eliminate tariff, non tariff barriers to trade; harmonize and mutually recognize standards and implement a common policy for the community.

Free movement of goods is one of the pillars of the Common Market and is a fundamental freedom i.e. cornerstone of the Community.

Right of establishment and residence

Member citizens are allowed to settle in the territories of member states without restrictions and discrimination. They will be issued with residence permits and allowed to pursue economic activities (set up businesses and work).

Free movement of services

Services and the supply of services are not restricted by state boundaries, and services from one nation can be accessed by consumers in another. Services include all sectors except those supplied in the exercise of governmental authority.

Free movement of capital

The EAC Partner States agreed to eliminate restrictions on free movement of capital; ensure convertibility of currencies; promote investments in capital markets (stock exchange) eventually leading to an integrated financial system.

2.4 Key Benefits of the EAC Common market to East African workers

As earlier stated, the Common Market has numerous benefits once it's fully implemented. These benefits include the following:

- expanded access to job opportunities across the larger east african labour market
- increased accessibility to goods and services
- increase access to business opportunities
- standardized decent wages through harmonization of employment policies and legislations e.g. minimum wage
- portability of social security benefits such as pension
- removes all barriers to mobility of people and labour
- the right to be allowed to settle in the territory of the partner states without restrictions and discrimination.
- increase bargaining power in the regional and international issues.
- facilitate flows of trade and investments by reducing transaction costs.

Chapter 3

ROLE OF TRADE UNIONS IN THE EAC REGIONAL INTEGRATION

3.0 National Level

Trade unions have a duty to contribute to the EAC integration process

- Promote and engage respective governments to make sure social aspects such as poverty, social protection, trade unions and human rights are central to the EAC partner states policies and programs
- National trade union organizations must be involved in the designing processes, decision making machineries, monitoring and evaluation of all stages of the EAC development
- Promote and campaign to their respective governments to ensure that decent work agenda is central to economic development of the EAC so as to ensure an equitable sustainable development.
- Sensitize workers on benefits provided for in the Common Market Protocol and challenges that arise for the same
- Promote for and participate in harmonisation of social and labour policies so as to facilitate the full implementation of the Common Market Protocol
- Monitoring of implementation of the Common Market Protocol to ensure that the rights are enjoyed
- Denounce and campaign against discrimination and violation of rights as stipulated in the Common Market Protocol and other EAC policies
- Revise and harmonise trade union constitution to reflect the aspiration of the free movement of workers and regional integration
- Ensure that the Partner States ratify and implement the ILO labour conventions and recommendations
- Develop and disseminated simplified educational material on Regional Integration processes
- Promote and ensure the tripartite structure and social dialogue is strengthen
- Networking and sharing of information with affiliates and other organization
- Ensure co-ordination with regional trade union on the implementation of regional policies at national level
- National centers to put in place desk office in charge of issues of regional integration

- Promote and lobby for harmonized systems and criteria that determine minimum wages
- Strengthening of solidarity to other centers in the regions
- As social partners national centers should ensure that they are part of the government negotiation teams.

3.1 Regional Level

Trade Unions through the East Africa Trade Union Confederation (EATUC), which is an umbrella body of six National Trade Union Centres in East Africa, have been actively involved in the regional integration process including establishing the EAC Common Market Protocol. These are key roles of trade unions at the regional level;

- EATUC is to actively participate and influence in the implementation processes. Some of the most important engagement of EATUC is to participate in harmonization of Employment Policy, Social Security and Labour legislations.
- Trade unions at the regional level through EATUC are to engage partner states through the EAC on the implementation processes of the already adopted protocols.
- EATUC to carryout continued sensitizations and awareness creation to its members on the EAC integration process.
- EATUC to monitor the implementation process and ensure that its affiliates and individual members benefit from the EAC integration process.
- EATUC to ensure Trade Unions are involved in all regional debates through social dialogue.
- EATUC to ensure that labour and other social issues take the centre stage of the integration process. This is because there cannot be any economic development devoid of a social dimension.
- EATUC to continue lobbying and influencing for the Trade Unions participation in the two remaining stages of the EAC regional integration process. i.e. Monetary Union and the Political Federation
- Networking and alliance building with other regional organizations on issues of mutual interest.

REFERENCES

1. The Protocol on the Establishment of the East African Community Common Market
2. Treaty for the Establishment of the East African Community