

**Regional Integration is an imperative for Sustainable
Development and the time is now!**

REPORT ON

THE 7th CUTS 30th ANNIVERSARY PUBLIC LECTURE ON

**“REGIONAL INTEGRATION FOR SUSTAINABLE DEVELOPMENT IN EAST
AFRICAN COMMUNITY”**

AUGUST 19TH, 2013 AT THE HILTON HOTEL, NAIROBI

ABBREVIATIONS AND ACRONYMS

ARC	African Research Centre
CITEE	Centre for International Trade, Economics and Environment
CUTS	Consumer Unity and Trust Society
EA	East Africa
EAC	East African Community
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
ICT	Information Communication and Telecommunication
MDG	Millennium Development Goals
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organisation

INTRODUCTION

The 7th public lecture commemorating CUTS 30th Anniversary was held in Nairobi, Kenya on the 19th of August, 2013 at the Hilton Hotel from 16:30 hours to 19:00 hours. The thought lecture dubbed *Regional Integration for Sustainable Development in the East African Community* had Amb. Dr. Richard Sezibera, the Secretary General of the East African Community (EAC) as the chief speaker.

The event was chaired by Dr. Mukhisa Kituyi, incoming Secretary General of the United Nations Conference on Trade and Development (UNCTAD); and welcome address was delivered by Mr. Pradeep Mehta, Secretary General of CUTS International. The discussants included Prof. Japser Okelo, the chair of the WTO Chairs Programme-Kenya; Mr. Lamin Manneh, the Chief Regional Integration Officer of the African Development Bank; and Mr. Frank Matsuert, the Chief Executive Officer of Trade Mark East Africa. Though CUTS initially targeted 100 participants, a total of 250 people attended the event, drawn from civil society, academia, missions, development partners, government, private sector and media.

WELCOMING REMARKS

Pradeep S Mehta

Mr. Pradeep Mehta welcomed all participants to the event. The Secretary General briefed the audience about the history of CUTS from its humble beginnings in Jaipur, India in 1983 to its current prominent presence in Asia and Africa, championing for consumer sovereignty in the framework of social justice and economic equity within and across borders. CUTS established its Centre for International Trade and Economics and Environment (CITEE) in 1996, at a time where there was a lot of confusion and expectation about the World Trade Organisation as a successor to the General Agreement on Tariffs and Trade (GATT) following the Uruguay Round of the GATT with far reaching impacts particularly in developing countries.

The decision to open the resource centres in Africa at Nairobi and Lusaka in the years 2000 and 2002 was catalysed by interactions with the African civil society at the UNCTAD-IX event in Midrand, South Africa in December, 1996.

In 1994-95, CUTS had launched the South Asia Watch on Trade, Economics & Environment as a coalition of CSOs in India. That model was appreciated by the CSO representatives at Midrand, who demanded a similar south-south cooperation organisation for an effective civil society networking and physical presence in Africa. Mr. Mehta's speech was shortly followed by a 10-minutes documentary showing the "30 Years of Social Change" a documentary on CUTS.

OPENING REMARKS

Dr. Mukhisa Kituyi



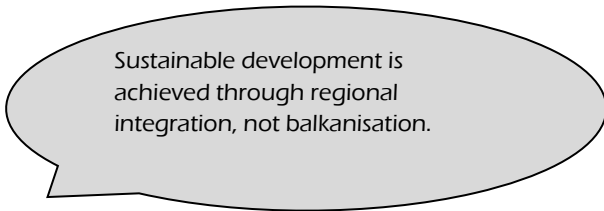
Developmental Regionalism

Dr. Mukhisa Kituyi, on a lighter note, stated that the event marks his first public statement since his endorsement as the Secretary General of the UNCTAD. He congratulated Mr. Mehta for his leadership in taking CUTS forward and keeping it strong. The Chair emphasised on the critical importance of development think-tanks in developing countries in defining where they want to go. The recent financial crisis in the West has proven that the notion of deregulated markets has lost steam. The South should say what has worked and not worked and stop to be blind followers. He challenged developing countries' thinkers and civil society to not subscribe to orthodox views and to always provide alternative views. He said that it is time that developing countries fashion the development narrative themselves.

Commenting on the curse of corruption, Dr. Kituyi urged for the establishment an Economic Governance Observatory to benchmark acceptable conduct; and to standardise government contracting through transparency, particularly in natural resource management. The Chair urged developing countries to cut a niche in the global value chain, lest they risk being left behind, as it is an increasing way of international trade. As a way forward, the East African (EA) region needs to focus on developmental regionalism by incorporating all citizens and building entrepreneurial integration.

KEYNOTE SPEECH

Amb. Dr. Richard Sezibera



Sustainable development is achieved through regional integration, not balkanisation.

Amb. Dr. Sezibera appreciated CUTS international for its pro-trade, pro-equity approach through research, advocacy and networking of grassroots to global leaders. The Ambassador started the keynote address by posing a seemingly simple question: why should Africa/East Africa integrate? After all, the speaker mused, these countries have seen 50 years of independence and fought for their sovereignty. African countries have navigated, and some are still navigating nationhood, nationalities, and state building. EA as a region is dynamic, vibrant and has become increasingly sure of its ways comprising States that have managed to redefine themselves, defiling common narratives.

In an answer to his question, the Keynote Speaker said we should integrate because it is the right thing to do at this time. While EA inherited borders from Europe, that were meant to delineate the limits of sovereignty, this should not impose rigid divisions. EA integration is crucial for trade, commercialisation and industrialisation, by bringing more than 130 million people closer.

He emphasised that international trade is not a luxury but a prerequisite for development. With a catchy expression, the speaker stated *if you cannot trade with your neighbour, you will trade your neighbour* as was the case in the past through slave trade and currently, by 'commodifying' each other. Integration expands markets, as witnessed in the region where intra-EAC trade has more than doubled; trade with the rest of the world has increased by 60 percent; Member States have become important sources of foreign direct investment for each

other; and that the quality of trade has been found to be much better than what the region carries out with the rest of the world, as they trade value added commodities with each other. With all these benefits, the integration's objectives must go beyond market expansion and achieve its historical mission, which is *one people, one destiny* through political federation.

Furthermore, he stressed, integration is essential for sound environmental and natural resources management to bring in sustainable development. Due to adverse impacts of climate change, food, water and energy crises have become challenges that cannot be faced within domestic borders alone and require common approach and conservation programmes. He intimated that the EAC has developed a Post Rio+20 Plan of Action following the Rio+20 Summit held in June 2012 in Rio de Janeiro that provided the framework for post 2015 Millennium Development Goals (MDG). Amb. Sezibera concluded that sustainable development can be achieved through regional integration, and not through balkanisation.

COMMENTS BY PANELLISTS



Enhance competitiveness

Frank Matsaert

Mr. Matsaert agreed that borders need to be dissolved and interdependence of countries in the region be strengthened. However, there are some basic things that prevent EA from realising integration benefits, including ensuring that the region gets best deals in investment from those that come looking for its natural resources; but more importantly raising its competitiveness for trade. Huge delays at ports and borders bring inefficiencies, where for instance in Rwanda, 40 to 45 percent of the value of a commodity is attributed to transportation costs. The region has to strive to ensure free movement of services; adopt a common currency; ensure efficient ports; eliminate non-tariff barriers; and invest in world-class infrastructure.




Think how to own development

Lamin Manneh

Mr. Manneh noted that integration was not an option but the way forward for sustainable development. The African Development Bank has been playing its part by supporting infrastructure projects in road, energy, ICT, marine and railroads; and recently has started complementing its efforts with soft infrastructure provision through capacity building.

Mr. Manneh urged Africa to own its projects and programmes defined by Africa, to think, own and live our development. The discussant demystified the fear of losing sovereignty through regional integration, as the latter is intended to pull countries together. In conclusion, the Chief Regional Officer stated that there is a need to have a seamless movement of goods and services.



National governments are sometimes impediments to regional integration

Prof. Jasper Okelo

Professor Okelo urged the region to focus its efforts towards human capital development so that it has not only effective negotiators at multilateral and bilateral forums; but also to determine how much potential natural resource it has; and how to use them for the good of the public. The speaker urged Member States to give some level of independence to the regional integration process by prioritising regional interests as national governments at times tend to be impediments to regional integration process. Prof. Okelo concluded by saying governments need to engage in development process for the good of the people by collaborating with civil society and the academia.

FLOOR DISCUSSION

A question was raised on what opportunities were available for the African youth in relation to regional integration. Panellists urged African youth not to wait for only low hanging fruits rather to widen their imagination to capitalise on opportunities that are out there in technology, agriculture, services, industries, and so on. In response to what measures were in place to safeguard the region from the pitfalls of financial integration, discussants assured the audience that Africa has learnt a lot from the global financial crisis. Most African countries have tight financial regulation, as opposed to excessive financial deregulation in the West that had initially triggered the global crisis. States must focus on disciplining of public debt, more than any other monetary control.

On distribution of gains, where there is a general fear that countries like Kenya might stand to gain the most from regional integration as compared to smaller economies like Burundi, participants learnt that the total combined GDP of the region is USD 80 billion, less than the GDP of Angola or even Estonia's GDP; hence, the notion that Kenya stands to gain more as a large economy needs to be demystified.

In relation to lack of capacity of African negotiators, panellists observed that capacity has been growing in the past years, evidenced by the fact that the Economic Partnership Agreement (EPA) pushed by the EU has stalled for long because of its imbalanced nature. To those who expressed their reservation on cultural heterogeneity within EAC posing a threat to deeper integration, panellists remarked that regional integration and development depend not on cultural homogeneity rather on the mindset of citizens and impersonal structures and institutions. With regard to political commitment, it should be the people of EA who must push for integration as politicians are accountable to the former and not the other way round.

CLOSING REMARKS

Pradeep Mehta

Mehta said that cultural homogeneity is not a prerequisite for regional integration; rather it is the will, determination and enactment of the right policies which spurs integration. A good example is India, he said that India is multilingual, multiracial, multi-religious, multi-ethnic, multi-cultural country and has managed to hold on together as a unitary nation and achieve much, in terms of development. Therefore, the different cultures in East Africa should not be seen as an obstacle to integration.

Mr Mehta concluded by saying that India has had a long term political relationship with most countries in Africa over the years, which was built up around the common legacy of colonialism. India will continue to deepen her relationship with Africa which includes providing soft skills in many areas of governance, and CUTS too will play an important role in this effort.

Clement Onyango

Mr. Clement Onyango, CUTS ARC director, remarked that no one has monopoly of knowledge and that CUTS is a strategic partner to the various government and intergovernmental institutions by playing a complementary role. The thought lecture was closed by Mr. Onyango with a vote of thanks to the chief guest, panellists, media and the participants.