MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
NATIONAL UNIVERSITY
«YURI KONDRATYUK POLTAVA POLYTECHNIC»
EDUCATIONAL AND RESEARCH INSTITUTE OF FINANCE, ECONOMY, MANAGEMENT AND LOW
DEPARTMENT OF INTERNATIONAL ECONOMIC RELATIONS AND TOURISM
Speciality 292 – «International Economic Relations»
Full-time form of study, 6 year

MASTER'S THESIS

«The strategic role of the East African Federation in the international socio-economic development of the region»

601-FM

Submitted student gr. 601-FM
__.__.2022 y. _____________ Kaboigora Smart Novat
Supervise of Master's Thesis
__.__.2022 y._____________ A.A. Buriak
Consultants:
__.__.2022 y._____________I.B. Chichkalo-Kondratska
from the Global Economy
__.__.2022 y._____________ V.A. Svichkar
from the International trade
__.__.2022 y._____________ N.V. Bezrukova
from the Management of international competitiveness
__.__.2022 y._____________ A.A. Buriak
from the Management of foreign economic activity

Work allowed for protection:
Head of the Department of International Economic Relations
And Tourism
__.__.2022 y. _________ I.B. Chichkalo-Kondratska

Poltava – 2022

РЕФЕРАТ

Кабоігора Смарт Нват. Стратегічна роль Східноафриканської Федерації у міжнародному соціально-економічному розвитку регіону. Рукопис. Робота на здобуття кваліфікації магістра із міжнародних економічних відносин. Національний університет «Полтавська політехніка імені Юрія Кондратюка», Полтава, 2022.

Кваліфікаційна робота містить 98 сторінок, список використаних джерел із 55 найменувань, додатки.

Ключові слова: Східноафриканська Федерація, глобалізація, офшоризація, модернізація національної економіки, міжнародний соціально-економічний розвиток регіону.

Предметом дослідження є комплекс теоретичних та практичних підходів до визначення стратегічної ролі Східноафриканської Федерації у міжнародному соціально-економічному розвитку регіону.

Об'єктом дослідження є Східноафриканська Федерація.

Мета кваліфікаційної роботи полягає у дослідженні стратегічної ролі Східноафриканської Федерації у міжнародному соціально-економічному розвитку регіону.

Завданням роботи є: визначення теоретичних основ дослідження ролі Східноафриканської Федерації у міжнародному соціально-економічному розвитку регіону, аналіз впливу окремих держав на розвиток Східноафриканської федерації та дослідження стратегічних напрямів поліпшення позицій України в країнах Східноафриканської федерації.

Рік виконання кваліфікаційної роботи магістра – 2022.

INDEX

					601-ФМ
		П.І.Б.	Підпис	Дата	
Розроб.		Кабоыгора Смарт			The strategic role of the East African Federation in the international socio-economic development of the region
Керівник		Буряк А.А..			
Н. контр.		Свічкарь В.А.			
Зав. кафедри		Чичкало-Кондрацька І.Б.			

Стадія	Арк.	Аркушів
	3	98

Національний університет «Полтавська політехніка імені Юрія Кондратюка» Кафедра міжнародних економічних відносин та туризму

INTRODUCTION

In this thesis we look to show how the east African community has grown since its birth and how in its development it attempts to enhance trade and regional development through tactically assembled doctrines in the east African diplomacy and also we take a look on how coronavirus was able to affect the east African community and what steps were taken to ensure that development in the socio economic drive continues to prosper. Since its second wave forming the East African Community has grown exponentially. With Tanzania recently joining Kenya in the World Middle Income status, Rwanda development set to surpass Uganda, Burundi and South Sudan in a low Economic state, it calls for a thorough Research of the achievements of EAC integration, paying attention to benefits of individual countries rather than collective analysis. So as to say, the exit of Britain (BREXIT) from EU somehow opened this debate that, the individual countries from such economic integrations across the globe could be far reached based on collective benefits rather than individual member benefits.

However, the tenable acknowledgement of the need to ease the cost of doing business and widen market for their goods and services as a vital factor in economic growth is pressurizing nations to form regional economic blocs. Signing of protocols, customs union, Tariff and Non-Tariff barriers to trade, monetary union, increases their bargaining power and influence on trade between either member states or international trade markets. Arguably, East African countries have achieved the strategy of integration by joining the East African Community (EAC). The integration has been beneficial to member countries like Uganda, Rwanda, Burundi and South Sudan which are landlocked, being opened to the international market environment through partnering states.

In addition, the Democratic Republic of Congo (DRC) has recently joined the community. Integration participation by a country enlarges the market size for its products, thus the reason countries are involvement in numerous of economic integration in Africa. Also, it boosts the potential economy and GDP of all countries involved. The EAC is presumed to be among the oldest regional economic organization in Africa since it dates to the member states' Independence that comprised Kenya, Uganda and Tanzania before it included Burundi and Rwanda, and later a new nation – South Sudan and as of recently the DRC. The first EAC emanated from a wide-range of regional cooperation between then colonizers of Uganda, Kenya, and Tanzania dating back to late 19th and early 20th century (Mathieson, 2016).“..whereas formal economic and social integration in the East African Region commenced with, among other things, the construction of the Kenya Uganda Railway 1897 – 1901, the establishment of the Customs Collection Centre 1900, the East African Currency Board 1905, the Postal Union 1905, the Court of Appeal for Eastern Africa 1909, the Customs

Union 1919, the East African Governors Conference 1926, the East African Income Tax Board 1940 and the Joint Economic Council 1940" (Preamble for establishment of EAC establishment treaty). According to Njenga (2018), these countries were working together under colonialist way of governance until 1967 when EAC was formed by signing a treaty aimed at controlling and administering matters of common interest and to regulate the commercial and industrial relations and transactions between the members by means of a central legislature. The hard work and diversified activities of member states made EAC been hailed as one among the most progressive economic integration.

To achieve this goal the following task were set and solved:

- determine the adaptability of a transitional economy
- determine the place of East African countries in World Economy
- to investigate the integration initiatives of the main countries as a factor of deepening regionalization
- justify prospective directions and levels of development of economic integration .
- to analyze the impact of Corona virus pandemic in the region
- to analyze foreign trade between Ukraine and the region

This study is guided by the question below – what is the role ole of east African community in the socioeconomic development in the region.

This research intends to examine the correlations between diplomacy and economic development of eac. By doing so, the study will not only focus on describing the correlation between T foreign policy and other contributing factors for economic development like external assistance, foreign direct investment, trade but also by stressing on other circumstances such as behavior, mentality and working environment of the potential actors that contribute to economic growth through the formation and execution of foreign policy by focusing on east African community as the main focus This thesis will clarify the extent to which EAC has affected economic growth of that particular region

CHAPTER 1

THEORETICAL BASIS OF STUDYING THE ROLE OF THE EAST AFRICAN FEDERATION IN THE INTERNATIONAL SOCIO-ECONOMIC DEVELOPMENT IN THE REGION

1.1. Models of international economic integration and their adaptability to the conditions of a transitional economy

Economic integration is an arrangement among nations that typically includes the reduction or elimination of trade barriers and the coordination of monetary and fiscal policies. Economic integration aims to reduce costs for both consumers and producers and to increase trade between the countries involved in the agreement. Economic integration is sometimes referred to as regional integration as it often occurs among neighbouring nations. These states integrating harmonize and coordinate existing instruments to enhance trade within the bloc and expand competitiveness outside the economic bloc.

In Africa, there exist several regional economic blocs; COMESA and SADC, with EAC being among the oldest in East Africa. The EAC was specifically for widening and deepening political, economic, social, and cultural integration geared at promoting the quality of life of the people of East Africa through elevated production, competitiveness, trade and investments. All these values are central to the East Africa Community Economic Integration vision, which attracts the urge to be competitive, prosperous, stable and politically united, and secure bloc. Over the years, the member states have embraced regional policies that foster trade thus realizing considerable benefits as guided by its pillars of Customs Union and Common Market. These pillars have helped achieve a reduction in many obstacles such as tariff barriers and cost of doing business. The integration has benefitted the member countries a lot and their vision is moving towards a monetary union and later into a political federation. However, some EAC member states are slow in conforming to these pillars associated with implementation approaches, state politics, and selfishness. Basing on this, objectives that were set by the treaty of integration have not been fully met, although there is progress to achieving the goals. In this regard, the integration has given rise to similarities and dissimilarities among the EAC member countries.

The following are the pillars of integration in the EAC.

Customs union – It means that the EAC Partner States have agreed to establish free trade (or zero duty imposed) on goods and services amongst themselves and agreed on a common external tariff (CET), whereby imports from countries outside the EAC zone are subjected to the same tariff when sold to any EAC Partner State.

Common market – To accelerate economic growth and development, it means that the EAC Partner States maintain a liberal stance towards the four Freedoms of movement for all the factors of production and two Rights between themselves. These Freedoms and Rights include Free Movement of Goods, Free Movement of Persons, Free Movement of Labour / Workers, Right of Establishment, Right of Residence, Free Movement of Services and Free Movement of Capital.

Monetary union – The East African Monetary Union (EAMU) is an important stage in the process of East African Community (EAC) Regional Integration. The EAMU Protocol was adopted in accordance with the EAC Treaty and signed on 30th November 2013; it lays groundwork for a monetary union within 10 years and allows the EAC Partner States to progressively converge their currencies into a single currency in the Community.

Political federation – The Political Federation is the ultimate goal of the EAC Regional Integration, the fourth step after the Customs Union, Common Market and Monetary Union. It is provided for under Article 5(2) of the Treaty for the Establishment of the East African Community and founded on three pillars: common foreign and security policies, good governance and effective implementation of the prior stages of Regional Integration. (EAC website).

1.2. The place of East African countries in the world economy and trade

The main objective for the New EAC formation was to enhance political, culturally, social, and economic relations among the member countries as well as with a vision to strengthen the political unity of the member nations (Bar, 2018; pp. 247-248). The EAC has an undertaking of expanding and intensifying the economic, political, social, and cultural integration among the member countries to enhance the quality of life through increasing competition and value-added production, investment, and trade (Mshomba, 2017).

The East African Community also aims to strengthen development and the potential to compete favourably in the world economy. With Burundi and Rwanda joining the EAC in July 2007, the community consisted of five member countries, including Uganda, Kenya, Tanzania, Burundi, and Rwanda (Oppong, 2019).

South Sudan also preceded to join in EAC in 5th September 2016. The new East African community aimed at incepting a political federation, a monetary union, a common market, and a customs union for the member states of East Africa. Oppong argues that regarding the organization structure of the EAC, it consists of eight bodies that include; the council of ministers, the summit, the secretarial committee, the coordinating committee, the secretariat, the East African court of justice, and the secretariat.

The pillars of the EAC integration include customs union, common market, monetary union, and political federation. As 11th July 2022 the DRC also officially joined the EAC becoming the latest member state.

1. The EAC Partner States have agreed to establish free trade on goods and services among themselves coupled with a common external tariff.

2. Free movement of persons and labour within the EAC geared at accelerating economic growth and development.

3. Enhanced competitiveness by rationalizing investment incentives and harmonizing trade policies and product standards. According to WTO Secretariat (2019), customs procedures are conducted by licensed customs clearing agents whereby pre-shipment and destination inspections for customs valuation purposes are not required within the bloc with common external tariff (CET) at 12.9% at 2018 with three tariff bands of 0%, 10%, and 25% applying to most imports. In addition, EAC reports (2018) highlight that in accordance with Customs Management Act 2004 and Customs Management Regulations 2008 provisions, the tax exemption, national duty, and concession schemes are harmonized in the EAC bloc.

However, the goods and services must comply with EAC rules of origin and provisions of the protocol. The EAC common market pillar guides the free movement of people, services, goods, capital, and labour within the bloc as well as the rights of residence and establishment without restrictions. One of the key concerns was the elimination of tariffs and non-tariff barriers to minimize trade distortion.

According to Okute (2017), under EAC Customs Union and Common Market protocols, partner countries committed to eliminate with immediate effect existing non-tariff barriers on EAC intra trade and refrain from introducing new ones. The Monetary Union pillar lays the groundwork for con-verging currencies into a single bloc currency. The benefits of these pillars include establishing monetary stability in the bloc, which enhances competitiveness in the international market through promoting the Community as a single trading and investment area.

The East Africa integration has demonstrated great improvement over the years. As shown in the table 5, it is clear that the trajectory has not been consistent. Nevertheless, exports and imports trends have not been stagnant as there is growth pattern, although not high.

Social conditions. Social conditions, which encompass culture, are crucial parameters in any analysis of a business environment because they constitute the context in which all interpersonal actions and business activities take place (Thomas, 1974). Thus, the broader societal and cultural context in which retailers operate is an important consideration (Nandonde, 2016). The rise of modern retailing in the EAC has led to increasing pressures from regulatory agencies, NGOs, and consumers on the retail community. Social tensions have arisen between local unemployed youths and expatriates working with multinational firms in the region.

Many African consumers perceive foreign investors as representing a new form of colonialism (Nandonde, 2016), and business research has documented various manifestations of this issue. Some studies have associated the failure of Walmart and Home Depot in various countries to their policy of employing expatriates in higher positions and marginalizing local workers (Arnold & Bianchi, 2004; da Rocha & Dib, 2002; Suh, 2005).

Meanwhile, the number of university graduates in the EAC has been growing since the upgrading of mid-tier colleges and economic hub of Kenya, university enrollment increased 34% between 2012 and 2013: from 250,551 to 324,000 students (Business Daily Africa, 2014).

This trend has created the expectation that the inflow of FDI would promote local employment. When cross-border retailers hire foreigners over local talent, however, social tensions increase, presenting a potential obstacle to retail operations. Yet, multinational employers must contend with the fact that workers in the EAC region often lack management skills and retail expertise. The only retail management course offered in the entire continent of Africa is at the University of South Africa. Some steps have been taken to address this shortcoming.

For instance, in 1976, the Kenyan government signed a contract with Standa SPA, an Italian retailer, to train Kenyans in the management of Uchumi Supermarkets. As the sector continues to grow, however, it is still likely to be characterized by insufficient staff expertise in modern retail operations. Studies have shown that, probably because of limited resources, education is consistently having an insignificant effect on economic growth in Africa (Adu & Frimpong, 2013), and lack of trained staff threatens the growth of the retailing sector in developing economies (Lau, Lin, & Lo, 2001).

Clearly, it will be impossible to nurture the progress of the sector without properly trained human resources. In the past, MNEs used joint ventures to minimize the risk of expropriation (De la Torre & Neckar, 1988). Because of an increase in the availability and speed of communication, MNEs—particularly retailers—may now be required to court and win community support over political support. This underscores the importance for retailers to pay careful attention to the social environment in which they seek to grow. In the Eac economic hub of Kenya, university enrollment increased 34% between 2012 and 2013: from 250,551 to 324,000 students.

Research has shown that adapting to the local culture can help international retailers succeed in a foreign market (Alexander, Doherty, Hutchinson, & Quinn, 2009). Since even consumers with similar incomes are not alike in their buying habits, international retailers need to create culture specific retailing strategies (de Mooij &

Hofstede, 2002). The failure of the fashion retailer Deacons in Tanzania, for instance, can be attributed to the firm's lack of understanding that Tanzanians prefer to buy clothes from boutiques rather than from supermarkets.

While the retailing sector has been rapidly growing in Africa, there recently have been calls for tariffs and other barriers to protect local manufacturers. Although such moves can be beneficial, they need to be designed to be both “pro-poor” and “pro-growth.” Otherwise, African consumers ultimately will suffer if such policies increase inflation and reduce domestic production.

Producers in Africa would benefit from access to technology and training to improve their skills and operational capabilities. Rather than threaten their existence, international retailers can serve as a bridge to link local producers with markets around the world. This connection cannot be made via protectionist policies. Rather, it requires capacity building to help producers conform to global food standards. Although previous studies have noted that African countries are attractive to foreign investors, the issue of widespread corruption on the continent has to be resolved (Darley, 2012). Deficiencies in infrastructure and human resource training are also among the most significant barriers to the expansion of international retailers in the region. Construction is another major concern in the EAC, for the local authorities are inclined to focus on residential rather than commercial structures.

1.3. The role of the East African Federation in the international socio-economic development of the region

Deficiencies in infrastructure and human resource training are also among the most significant barriers to the expansion of international retailers in the region.

There is much that the governments of the EAC nations can do to address these challenges. For example, local agencies that are responsible for issuing building permits can require developers of multistory buildings to provide ground-floor space for offices or other business purposes.

In addition, loans can be designed for developers who build retail and office spaces, and tax incentives can be offered to those who invest in such commercial facilities. Finally, additional research into the various contributors to economic growth is needed. Not only will it broaden the understanding of the retail sector in the EAC, but it also will shed light on the political, economic, social, technological, and business environment benefits and challenges of the region.

Economic integration is an arrangement among nations that typically includes the reduction or elimination of trade barriers and the coordination of monetary and fiscal policies. Economic integration aims to reduce costs for both consumers and producers and to increase trade between the countries involved in the agreement. Economic integration is sometimes referred to as regional integration as it often occurs among neighbouring nations. These states integrating harmonize and coordinate existing instruments to enhance trade within the bloc and expand competitiveness outside the economic bloc. In Africa, there exist several regional economic blocs; COMESA and SADC, with EAC being among the oldest in East Africa.

East African economic integration. The EAC was specifically for widening and deepening political, economic, social, and cultural integration geared at promoting the quality of life of the people of East Africa through elevated production, competitiveness, trade and investments. All these values are central to the East Africa Community Economic Integration vision, which attracts the urge to be competitive, prosperous, stable and politically united, and secure bloc. Over the years, the member states have embraced regional policies that foster trade thus realizing considerable benefits as guided by its pillars of Customs Union and Common Market.

These pillars have helped achieve a reduction in many obstacles such as tariff barriers and cost of doing business. The integration has benefitted the member countries a lot and their vision is moving towards a monetary union and later into a political federation.

However, some EAC member states are slow in conforming to these pillars associated with implementation approaches, state politics, and selfishness. Basing on this, objectives that were set by the treaty of integration have not been fully met, although there is progress to achieving the goals. In this regard, the integration has given rise to similarities and dissimilarities among the EAC member countries.

According to (Nuwagaba Alex, 2019) Africa as a continent has numerous regional economic blocs, which have a long history of existence. In most instances, their efficiency is limited since involved member countries have not extensively understood the benefits associated with economic integration.

The EAC is one among the oldest economic integration in the continent. Thus, the bloc is a viable arena to appraise how regional integrations influence the role of economic development among its partner states. Most focus on the flaws of the old EAC and benefits and frameworks of the new integration, but little attention is focused on the impact it has on bilateral trade and a detailed analysis of individual member countries.

This lack of understanding and information creates a gap that is worth appraising to add value to existing literature and address any flaws arising to promote trade within and outside the bloc. EAC member states do not show equity in economic growth and trade despite the inception of the integration. According to UNCTAD (2018), Burundi due to its political and socioeconomic crisis has recorded minimal economic growth rates through EAC enhanced trade power while Rwanda had high economic growth rates attributed to the bargaining power of EAC in trade thus enhancing exports to neighbouring partner state such as Democratic Republic of Congo. Similarly, Kenya that is presumed to benefit hugely from the EAC integration trading has high corruption rates that display great inequality in distributing the benefits of growth among individuals in the society. Drawing from these variables, Rwanda can trade more with other countries at the expense of EAC member 7 States.

Economic integration. Economic cooperation and integration as a means for accelerating and consolidating economic and social development has for long been recognized by global decision-makers. According to Bhasin (2019), economic integration is the unification of certain economics into a single category with the purpose of creating a larger and unified economy. The author continues to argue that economic integration policy is purely commercial, thus the process takes place in a bid to make sure certain trade barriers are reduced in the best way possible. On the other hand, Van Tran (2019) define economic integration as a proper commercial policy of reducing trade barriers in a discriminative way so that nations join together to produce a larger economy. Drawing from both definitions, trade is central to economic integration.

Given the small and fragmented size of African economies, regional integration has the ability to influence the potential to compete in global markets, increase market size, and exploit the advantages of scale among others (Gutowski et al. 2016). African governments have since independence embraced regional integrations as a significant component of their development strategies thus concluding large number of regional integration arrangements (Tuluy, 2016).

These regional economic integrations include such as ECOWAS, SADC, EAC, ECCAS, and COMESA among others. All these integrations follow a similar paradigm of linear market integration through a stepwise consolidation of goods, labour, capital markets, monetary union, and fiscal integration (Mshomba, 2017).

However, critics argue that these regional economic integrations have limited success story and generally ambitious schemes with unrealistic time frames thus equalling neighbourhood arrangements (Yayo & Asefa, 2016). Nevertheless, the African regional blocs hold the potential to foster trade through enhanced competitiveness.

The Old and New East African Community. The old EAC had only three member states that included Kenya, Tanzania, and Uganda. The practice of cooperation in East Africa is attributed to the fact that the East African countries are neighbours, shares a common origin and a joint colonial administration, and engage in trading activities across the border. (Kihumba 2018) states that the countries incepted the EAC in 1967, and it collapsed in 1977.

Among the factors that contributed to the decline of the EAC is the variation of political and economic ideologies since the countries were at different levels in terms of financial performance (Muli & Aduda, 2017; p. 21). The three countries presumed that Kenya had a large share in the East African Community because it was more industrialized, so it obtained more benefits compared to Uganda and Tanzania.

In this regard, Uganda and Tanzania Considered incepting private industries and due to such a flow, the East African community collapsed in 1977. In addition, the EAC initial countries had ideological variations with Kenya focused on capitalism, while Tanzania pursued socialism, and Uganda focused on a mixed economy. Such a variety made it difficult for the countries to make plans and ultimately resulted in the decline of the EAC.

Studies have also revealed that foreign influence contributed to the fall of the East African community (Mngomezulu, 2017). Notably, the EAC was presumed to be the most successful form of integration worldwide during its operational years. Foreign countries such as U.S. and Britain presumed that the EAC would enhance the economy of East African nations. The foreign governments presumed that the sprouting of the EAC would cut off their reliance on those nations.

The dissolution of the EAC in 1977 resulted in the closure of borders among the involved countries (Mngomezulu, 2017). As well, the collapse resulted in the closure of telecommunication services, airways, and trade and inter-country railways.

After the decline of the EAC, member countries signed the negotiation with the East African Community Mediation Agreement in the year 1984 (De Melo and Regolo, 2014; p. 17). Following the terms of the agreement, the member countries shared their liabilities and assets and ended their cooperation, but the bilateral relations among the countries remained. Table 3 shows the major occasions of Old EAC and steps to keep a comeback alive. EAC was re-established in 1999, and the treaty for its formation was signed in November of the same year (O'Reilly, 2019).

The agreement was signed in Arusha, and the EAC was officially launched in 2001. According to Hemingway (2019), the new East African Community was primarily formed to help in the strengthening and coordinating of equitable development among the member countries by enhancing the standards of living and the peoples' welfare of the member countries.

Table 1.1

Key dates for old EAC and steps towards the New EAC

1967	First EAC treaty signed.
1977	Collapse of first EAC treaty.
1984	Mediation Agreement for the division of assets and liabilities.
1993	Agreement for the establishment of the Permanent Tripartite Commission for East African Co-operation.
2000	Second EAC treaty signed.

Source: EAC report 2018

The main objective for the New EAC formation was to enhance political, culturally, social, and economic relations among the member countries as well as with a vision to strengthen the political unity of the member nations (Bar, 2018; pp. 247-248). The EAC has an undertaking of expanding and intensifying the economic, political, social, and cultural integration among the member countries to enhance the quality of life through increasing competition and value-added production, investment, and trade (Mshomba, 2017).

The East African Community also aims to strengthen development and the potential to compete favourably in the world economy. With Burundi and Rwanda joining the EAC in July 2007, the community consisted of five-member countries, including Uganda, Kenya, Tanzania, Burundi, and Rwanda (Oppong, 2019).

South Sudan also preceded to join in EAC in 5th September 2016. The new East African community aimed at incepting a political federation, a monetary union, a common market, and a customs union for the member states of East Africa. Oppong argues that regarding the organization structure of the EAC, it consists of eight bodies that include; the council of ministers, the summit, the secretarial committee, the coordinating committee, the secretariat, the East African court of justice, and the secretariat.

The pillars of the EAC integration include customs union, common market, monetary union, and political federation. As 11th July 2022 the DRC also officially joined the EAC becoming the latest member state.

1. The EAC Partner States have agreed to establish free trade on goods and services among themselves coupled with a common external tariff.

2. Free movement of persons and labour within the EAC geared at accelerating economic growth and development.

3. Enhanced competitiveness by rationalizing investment incentives and harmonizing trade policies and product standards.

According to WTO Secretariat (2019), customs procedures are conducted by licensed customs clearing agents whereby pre-shipment and destination inspections for customs valuation purposes are not required within the bloc with common external tariff (CET) at 12.9% at 2018 with three tariff bands of 0%, 10%, and 25% applying to most imports. In addition, EAC reports (2018) highlight that in accordance with Customs Management Act 2004 and Customs Management Regulations 2008 provisions, the tax exemption, national duty, and concession schemes are harmonized in the EAC bloc. However, the goods and services must comply with EAC rules of origin and provisions of the protocol.

The EAC common market pillar guides the free movement of people, services, goods, capital, and labour within the bloc as well as the rights of residence and establishment without restrictions. One of the key concerns was the elimination of tariffs and non-tariff barriers to minimize trade distortion. According to Okute (2017), under EAC Customs Union and Common Market protocols, partner countries committed to eliminate with immediate effect existing non-tariff barriers on EAC intra trade and refrain from introducing new ones.

The Monetary Union pillar lays the groundwork for con-verging currencies into a single bloc currency. The benefits of these pillars include establishing monetary stability in the bloc, which enhances competitiveness in the international market through promoting the Community as a single trading and investment area. These EAC protocols were signed as shown by the table 1.2.

Table 1.2

EAC Protocols

EAC Customs Union	Signed 2004, came to force 2005.	Enhance trade and promote free movement
EAC Common Market	Signed 2009, came to force July 2010.	To expand the provisions of the Customs Union
EAC Monetary Union	Signed November 2013	Set the groundwork to-wards converging currencies into a single bloc currency within 10 years

Source: Summarized from United Nations, 2018

As stated earlier, the EAC is a regional organization consisting of six partner countries, which include Tanzania, Kenya, Uganda, Burundi, Rwanda, and South Sudan, with its headquarters found in Arusha, Tanzania (Van Hoestenberghe, Roelfsema, & Khalidi, 2016).

The operations and working of the EAC are guided by the treaty that was incepted in 1999 after being ratified by the original member states of the organization (East Africa moves forward with integration, 2014; p. 15). Being one of the regional economic blocks, the EAC has widened and deepened its cooperation in the social, economic, and political sectors.

The treaty for the EAC economic integration has outlined the principles that should be deployed in the operations of the East African Community. A close evaluation of the convention demonstrates that there is an intention for the integration to be governed by the principles articulated in the treaty, which function as law whereby the member countries must comply with (Kellermann, 2019) these governing principles of operation include:

- The member states should adhere to the principles of democracy, gender equality, accountability, equal opportunities, social justice, and the rule of law (Kamanga & Possi, 2017; p. 202).
- Member countries should aim to promote peace and stability.

- The member countries should ensure the utilization of the resources and take the initiatives for protecting the natural environment for the member states (Aydinar-Awar, Onemli, & Quast, 2017).
- The member countries should strengthen the political, economic, and social ties among the EAC members.
- Member or the partner states of the EAC should work to amplify women's roles in technological development, political, communal, and cultural growth (East Africa moves forward with integration, 2014).
- The member states should strive to enhance sustainable development and growth among the member countries.

The mission of the EAC economic integration is to ensure that the member countries of the EAC are highly competitive. Regarding the EAC economic integration objectives, the EAC focuses on strengthening and broadening the collaboration among the member states.

Various benefits are associated with the new East African Community in economic integration. The realization of a massive economic bloc consisting of six countries and a population that exceeds more 130 million and a GDP of $74.5 billion is one of the geopolitical importance of the new EAC (Juma, 2018).

The negotiation for the union of the East African customs and the progress towards the East African Monetary Union depicts how EAC leadership is determined to incept a credible and robust East African lucrative and political bloc. The EAC has contributed to the efficient movement of the factors of production and the effective allocation of the production factors. The EAC member countries operate as a single market making the business environment more competitive, hence eradicating monopolies.

The consumers of the part-ner states have benefited immensely. According to Nnyanzi, Babyenda, & Bbale (2016), consumers in a single market obtain high-quality products at competitive prices. The consumers are assured of efficient providers who offer high-quality products and a wide range of products; hence, they can choose from the variety. There are typical regulatory regimes that specify the guidelines that should be followed by the EAC in its operations. Through working within the stipulated guidelines, the producers work efficiently to ensure high-quality production. Studies have demonstrated that there are various achievements attributed to EAC economic integration (Eberhard-Ruiz & Calabrese, 2017).

EAC economic integration has secured several achievements. The Customs Union Protocol and Community Law under the Customs Management Act made the EAC attractive to other countries such as Rwanda, Burundi, and South Sudan to accede to the treaty (Protas & Romward, 2018; p. 3).

This has made the bloc gain global recognition and representatives from various countries and international organizations have submit-ted their credentials envying to join. In addition, the region has increased both inter- and intra-regional trade as well as intra-EAC Foreign Direct Investments and from outside FDI (Matte, 2019; p. 16). Further, the East African Legislative Authority (EALA) has passed numerous laws to mandate the Council of Ministers establish sectorial councils to oversee policy issues such as implementation, adherence, and monitoring. According to Bakr Olge (2017), a great example to facilitate trade in EAC, the bloc has achieved the establishment of one-stop border posts articulated within the auspices of the com-munity law.

The author asserts that the approval of the EAC Customs Valuation Manual to provide guidelines on how to implement and uniformly interpret the bloc's valuation provision within the community is a milestone achievement. Therefore, despite some challenges, EAC has been successful in improving economic growth in the region so far, The EAC has faced various challenges that have impacted the regional organizations potential to perform its operations most efficiently.

Economic amalgamation has the potential to advance the growth and potential of the member countries by unleashing the growth constraints. The lack of development complimentary among the member states is one of the challenges that have hindered the EAC's ability to perform its activities effectively (Nzioka, 2018).

Similarly, Kamanga (2017) further points out that the EAC economic integration is faced with the challenge of delayed implementation and non-compliance with the trade schedules. The author proceeds to note that failure to incept effective compensation mechanisms has made it challenging to implement trade liberalization standards. In this regard, EAC is criticized as too slow in industrialization thus sustainable economic development is impossible and will remain unattainable (Cicheka, 2019). This has been attributed to the significant delays in solving major regional problems. Nevertheless, many believe EAC faces typical challenges but the vision to a stable and politically united East Africa is still effective.

Conclusions to chapter 1

East Africa and the African Continent at large continue to engage at the periphery of the global economy. Many constraints that exist add to border barriers to increase costs of trade, thus pushing the continent away from trade benefits. Nevertheless, regional integrations, despite slow realization of their objects, holds the promise of becoming competitive in the global market arena and reaping the maximum advantages of trade thus commanding a sustainable economic growth.

SADC and EAC are the oldest regional economic integration in African soil, hence their roadmap and integration framework offer a good example of Africa's integration history, reflecting the adoption of linear integration model with ambitious targets. In this regard, putting into consideration the critics' arguments of neighbourhood arrangements, EAC provides a favourable avenue to critically appraise the significance of integrations to bolster economic development.

The EAC economic integration treaty outlines the principles to be employed in all operations. This has achieved various benefits to the partner states through trade as outlined in the custom union and common market protocols.

CHAPTER 2

ANALYSIS OF THE INFLUENCE OF INDIVIDUAL STATES ON THE DEVELOPMENT OF THE EAST AFRICAN FEDERATION

2.1. Assessment of the influence of individual states on the development of the countries of the East African Federation

The EAC is a regional inter-governmental organisation uniting its five partner states in the ultimate goal of establishing a political federation, the EAF. The EAC is one of eight regional economic communities recognized by the African Union, alongside the Arab Maghreb Union (UMA), Economic Community of West African States (ECOWAS), Southern Africa Development Community (SADC), Community of Sahel-Saharan States (CEN SAD), Inter-Governmental Authority on Development (IGAD), Common Market for Eastern and Southern Africa (COMESA), and Economic Community of Central African States (ECCAS).

The five EAC members have a combined population of 133 million (2010 estimates), ranging from Burundi's 7 million to Tanzania's 45 million. Tanzania's land size is bigger than the other four members combined (52%). The EAC aims at widening and deepening co-operation among partner states in political, economic, social, and other fields for their mutual benefit. Four pillars were envisioned: customs union, common market, monetary union, and political federation. The East African passport was introduced in 1999 to ease border crossings for East Africans.

It is valid for travel within the EAC countries and entitles the holder to a multi-entry stay of renewable six months' validity in any of the member countries. The free movement of people in the EAC is set to be improved with the introduction of “third generation” ID cards, which will identify the holder as a dual citizen of his/her home country and of “East Africa.” The East African Customs Union became operational in 2005, and a protocol for the establishment of the EAC common market was signed in 2009. The monetary union and political federation are next on the EAC agenda. The political entity, if it sees the light of day, would be the third-largest and second-most populous country in Africa. The official language of the EAF would be English; Swahili would also be recognized. Afro barometer Policy Paper No. 16, January 2015.

Countries like Tanzania and Kenya carry much weight when it comes to influence in East Africa as Kenya is the most developed country in the region and Tanzania s\is the biggest and most populated in the region thus carrying weight when going to the negotiating table. To keep it simply Tanzania, Kenya and Uganda are the 3 main leaders in the federation and therefore hold the gauntlet when it comes to future or present decisions within the potential federation.

Economic Developments across East Africa**.** The economies of many regions in East Africa are slowly recovering after the COVID-19 pandemic, with the East African region GDP set to stabilize by the end of 2022. This is, in part, due to authorities across the region working on introducing measures that will attract foreign investment in an effort to ensure a resilient economy. Information below was researched from Fragomen.com.

In Tanzania, President Samia Suluhu Hassan is championing the introduction of the Tanzania Investment Centre. It is heralded as a one-stop investment center and saw 235 investments projects recorded in 2021. Tanzania has also ratified the African Continent Free Trade Area Agreement and is expected to benefit from the removal of trade barriers.

In Kenya, the 2022/2023 financial budget has accelerated the implementation of the Third Economic Stimulus program and the “Big 4 Agenda” which address affordable housing, food security, manufacturing and universal healthcare. The Kenyan government is seeking to leverage the Public Private Partnerships Directorate to fund public projects, support the private sector and narrow the fiscal deficit. There are also efforts to ensure macroeconomic stability, such as ensuring inflation remains within the government target range while interest rates remain stable, to support growth in private sector credit. The country is also working to attract investment and talent to develop key ICT projects such as Konza Technology City, dubbed Africa’s “Silicon Savannah.” Uganda is a leading country in terms of attracting the most Foreign Direct Investment in East Africa. The approval of the USD 3.5bn East African Crude Oil Pipeline project, which will lead to the construction of a 1,400km pipeline from Uganda to the seaport of Tanga in Tanzania, bodes well for investment in both countries.

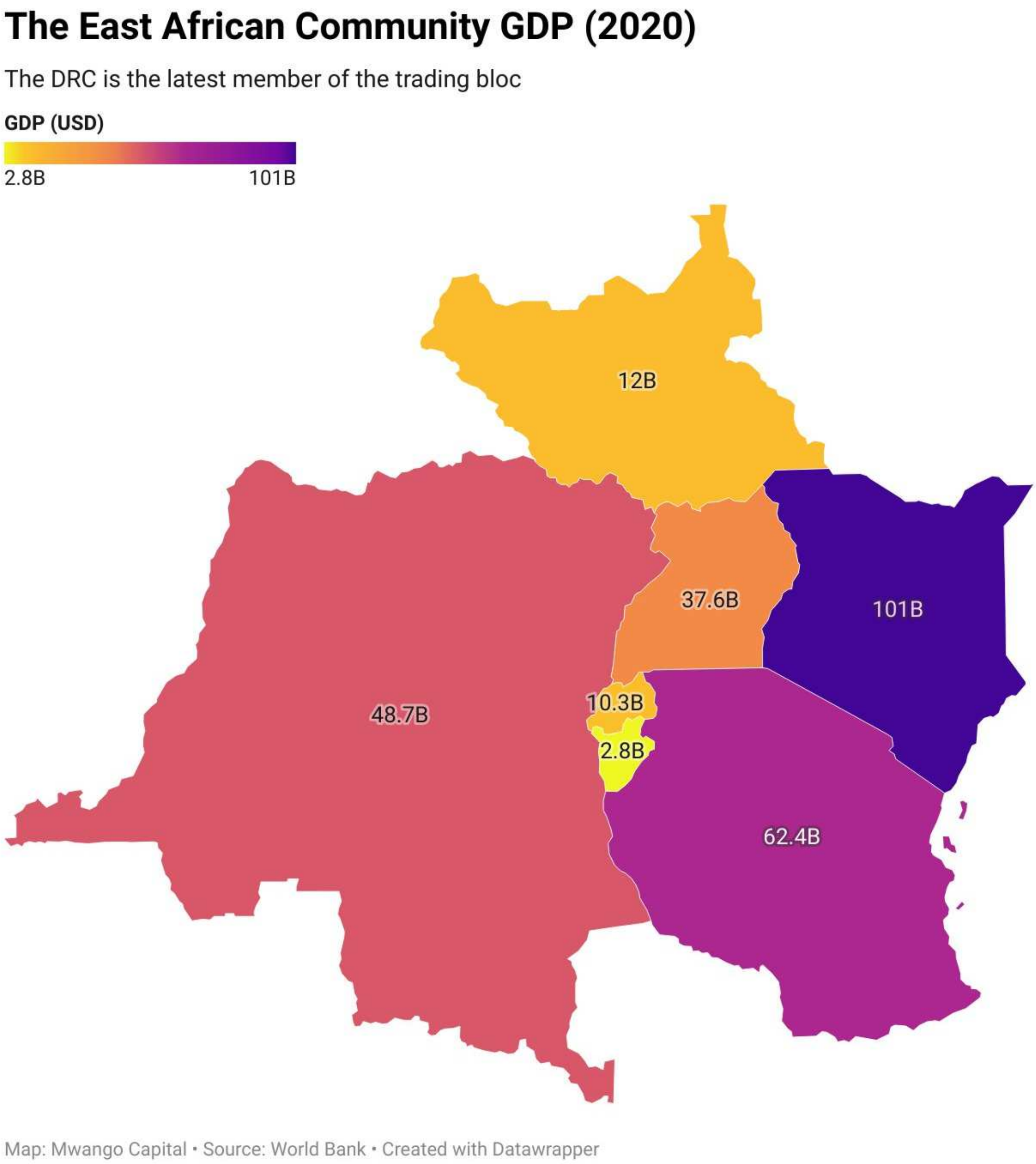
Rwanda has made enormous strides to improve the socio-economic conditions of its people. It also continues to attract a multitude of investments ranging from information technology to power generation. Across the region, authorities have made efforts to ensure that the immigration system is modernized. This is intended to ensure that investors save time in mobilizing their critical resources to implement projects in the region. In Kenya, companies intending to apply for work permits for staff who are nationals from East Africa have been exempt from paying the work permit government fees. This is a testament to the efforts put in place by Kenya to attract talent and investment from the region.

Tanzania has slowly but steadily transformed the immigration sector by streamlining the work permit application process and making it more transparent with shorter turnaround times. This is intended to ensure companies can start their projects in a timely fashion with the talent they need. In Rwanda, labour market tests have been scrapped as a requirement for long term work permit applications.

This is applicable to jobs that were not listed among the critical skill set. In Uganda, the authorities have made it mandatory for individuals applying for work permits in the oil and gas sector to first acquire approvals from the Petroleum Authority of Uganda. Companies must also conduct labor market testing and, where Ugandans need to make majority of the staff population, present the national content quota. These measures appear restrictive in nature, and it is possible they may be reviewed if the impact is negative on investors (Willys Mac'Olale).

The efforts to achieve a resilient economy across the region have been met with several challenges. The ongoing war between Russia and Ukraine continues to impact the price of oil, gas and other essentials, leading to inflation. Additionally, poor climate conditions such as droughts, along with a shortage of COVID-19 vaccinations, may affect the speed of the economy's recovery process. Despite these challenges, governments across the East African region are keen on engaging in effective partnerships and creating stable policy frameworks that will promote investment and spur growth (Willys Mac'Olale).

Gross Domestic Product. When you think of the economic giants of Africa, countries like South Africa, Egypt, Algeria, Nigeria, and Morocco spring to mind. And with good reason as they're the largest GDP. But right behind them are a set of countries, mostly located in East Africa, that are growing at much faster rates. This diversification among East African nations gives it resilience against turbulence in one sector, such as the price of gold collapsing and taking out more than half of the economy. It also allows different industries to pull each other up, with strength in one area feeding into another. (viewsasa.co.ke).



This in turn according to the African Development Bank has seen 4 member states being listed in the top 20 fastest growing economies.

Regional Competitiveness in EAC. For the sake of focus, this chapter looks at the major challenges in the region – only 5-member states are considered due to minimal data available for the rest of the member states.

The 5 states are Tanzania, Kenya, Rwanda, Uganda, and Burundi. We do this by comparative analysis of data available thought the World Economic Forums Global Competitiveness Reports and World Banks Enterprise Surveys among other sources.

Table 2.1

Selected macroeconomic and social indicator for EAC partner states in 2020

	Burundi	Kenya	Rwanda	Tanzania	Uganda
GDP per capita (USD)	294.2	1.055.2	709.4	742.6	611.4
GDP (billion USD)	2.72	55.26	7.45	42.53	25.74
Average real GDP growth (2009-2013) (%)	4.4	4.4	6.8	6.7	4.8
Inflation rate (%)	7.9	5.7	4.2	7.5	5.5
Population (Millions)	9.4	41.8	11.3	46.2	35.4
Life expectancy at birth (Years)	51	59	65	61	50
Literacy rates	65	62	68	78	71

Source: EAC Facts and Figures 2021, and national sources

In trying to pinpoint more precisely some of the strategic weakness in the private sector, we confirm commonplace observations that the major constraints on a better business performance and related to energy costs and access to finance, as well as high trading costs, corruption, inadequately trained staff and infrastructure bottlenecks. More general problems also exist in some sectors, relating to the lack of sufficiently competitive business environment and the shallowness of the consumer market driven by what are still extremely low incomes for the majority of citizens.

2.2. Impact of The Coronavirus Pandemic on The Economic Development of East African Federation

The Coronavirus pandemic (COVID-19), caused by SARS-CoV-21, is believed to have originated from Wuhan, China, in early December 2019.2 COVID-19 was declared a pandemic by the World Health Organization (WHO) on March 11, 2020, and since then, it has become a global emergency, given its impact on the global economy. COVID-19 has been categorized as the worst health crisis of our times. According to WHO, COVID-19 has recorded an average fatality rate of 2.19% as of 4th January 2021 with 83,910,386 infections across the world. In Africa, as of the 4th January 2021, there were 2,830,462 infections with a corresponding fatality rate of 2.4%. The East African Community (EAC) has had a total of 146,289 confirmed cases (see Figure 1) with a fatality rate of 1.6%.

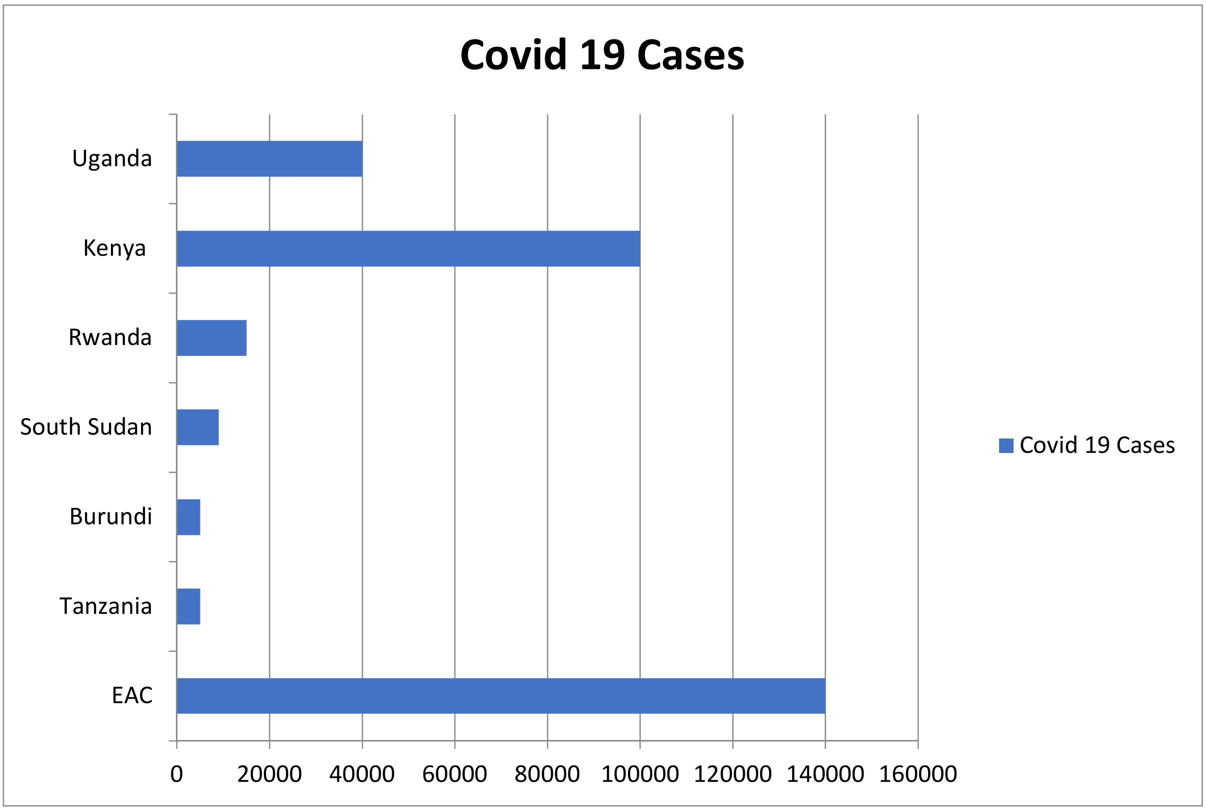


Figure 2.1. Number of confirmed COVID-19 cases in the EAC as of 2021

Source: Africa CDC (2021)

The transmissions mechanism through which COVID-19 impacts the EAC Partner States is through external (exogenous) and domestic (endogenous) effects channels. The external effects channel is conditioned on the extent of trade and financial linkages between the EAC Partner States economies and the global economy. To that extent, the distortionary effect of COVID-19 on global trade and financial flows permeates to the EAC Partner States depending on how closely intertwined their economies are with the rest of the global economy.

The EAC trading bloc is generally composed of small economies that are closely linked to the global economy through real and financial linkages. As such, COVID-19 induced distortions through: global supply chain disruptions; weaker global demand on account of a global recession; travel restrictions; and global financial markets volatility which seamlessly permeate directly and indirectly into the EAC Partner States domestic economies.

To the extent that in as much as the Partner States have eased their COVID-19 induced restrictions, the recovery process and return to pre-COVID-19 economic situation is closely linked to the upturn in the global economy. This could consequently have dire consequences on the domestic economy within each EAC Partner State and overall EAC trade bloc economy. The domestic effects channel captures the distortionary effect of COVID-19 on the domestic economy in terms of: morbidity, mortality, and measures adopted by respective Partner States to curtail the spread of the virus. Hereunder is a detailed analysis of the effects of COVID-19 among EAC Partner States.

Other than Tanzania that experienced subdued real GDP growth of 1% in 20205, economies of Burundi, Kenya, Rwanda, South Sudan, and Uganda contracted by 1.3%, 0.1%, 0.2%, 6.6%t, and 2.1%, respectively (see Figure 4). To that extent, the overall EAC trading block contracted by 1.6%. The slump in economic growth is partly on account of COVID-19 induced supply chain disruptions, contraction in both domestic and global demand, and contraction in domestic production. At least 40% of exports from the EAC Partner States is destined for the European Union, United Kingdom, China, and USA; implying that a contraction in economic growth in those economies affects the demand for EAC Partner States exports. Indeed, other than China that experienced subdued economic growth of 2.3% in 2020, the other economies went into a recession, with the Europe, USA and EMDE growing by -5.8%, -3.5% and -2.2%, respectively. The COVID-19 induced bearish global economy implies a contraction in demand for exports from EAC Partner States, thereby undermining economic growth outlook in the region (Ibrahim Mike Okumu).

2.3. The Role of Cooperation of International Financial Institutions with The Countries of The East African Federation in Overcoming the Consequences of The Coronavirus Pandemic

In an effort to abate the distortionary effect of the COVID-19 pandemic on the economies of the respective EAC Partner States, central banks adopted an accommodative monetary policy stance (see Figure 8). To this end, policy rates across the board were adjusted southwards. For example, in March 2020, Bank of South Sudan (BSS) reduced the policy rate (Central Bank Rate, CBR) to 13% and further to 10% in

July 2020. In Uganda, the policy response to the pandemic coincided with the accommodative monetary policy regime.

Indeed, the pandemic only induced Bank of Uganda (BoU) to further deepen its expansionary monetary policy regime by reducing the policy rate to 8% in April and further reducing it to 7% in June, the lowest it has been since 2011. Like in Uganda, COVID-19 deepened Central Bank of Kenya (CBK) expansionary monetary policy as the CBR was reduced from 7.31%, the highest it has been since December 2018, to 7.21% in April 2020 to as low as 6.2% in August 2020.

Also COVID-19 further deepened Bank of Tanzania (BoT)'s accommodative monetary policy stance that it had maintained since August 2018 by reducing the discount rate from 7% to 5% in May 2020. Also, the National Bank of Rwanda (NBR) reduced the policy rate from 5% to 4.5% in April 2020.

The accommodative monetary policy regimes resulted in the lending rates being the lowest they have been in the region for at least two decades. Lending rates responded to the easing monetary policy adopted by the respective central banks in the EAC Partner States. For example, the average lending rate in Kenya was 11.75% in September 2020 compared to 12.24% in December 2019—the lowest rates in over 29 years (see Figure 8, Panel B).

The persistence of favourable lending rates in the midst of accommodative monetary policy stance is attributed to improved liquidity conditions partly reflected through increased government payments including COVID-19 related expenditures and payments for pending bills as well as CBK measures.

In Uganda, the average lending rate was 17.73% in April 2020—the lowest it had been since June 2018 (see Figure 8, Panel D). However, the average lending rates picked up following the onset of easing the economic lockdown, peaking at 20.93% in July and tapering off to 19.3% in October. Like Uganda, in Rwanda interest rates dropped to an average of 15.54% in April 2020, although they picked up in July 2020 onwards (see Figure 8, Panel A).

Implying that, in both Rwanda and Uganda, the temporal reduced lending rates could partly reflect the reduced demand for loans at the peak of the economic lockdown. In Tanzania, lending rates reduced to an average of 16.3% in September 2020—the lowest they have been since January 2017 (see Figure 8, Panel E).

In South Sudan, however, the favourable monetary policy stance does not seem to have transmitted into lending rates. For example, even at 10% policy rate, the average lending rate was 15.65% in July 2020 (see Figure 8, Panel C). The lending rates are still high considering that, at a policy rate of 25.4% in November 2017, the corresponding average lending rate was 12.98%, implying that liquidity constraints could be undermining the effectiveness of monetary policy in South Sudan.

Note, however, that South Sudan is the first country in the trading bloc to tighten monetary policy during the COVID-19 pandemic. As such, in November 2020, it increased the CBR to 15%, and the Reserve Requirement Ratio to 20%.

Private Sector Credit (PSC) growth signals vulnerabilities in spite of expansive monetary policy stance in Uganda and Rwanda. In Uganda, PSC growth remains subdued, reflecting concerns about the economic environment and risk aversion owing to COVID-19 (see Figure 9). The annual growth in PSC averaged 9.2% in the year to December 2020 in comparison to 13.2% in the year to 2019, a reduction of 4% in credit growth. Also, in Burundi, PSC growth was 15.7% in the year to October 2020 compared to 19.6% in the year to October 2019, a 3.7% reduction.

Indicates a decelerating annual growth of PSC in Uganda and Burundi. Indeed, over the COVID-19 period, lending declined across all sectors as lenders tightened standards, reflecting increased risk aversion. In Kenya, Rwanda, and Tanzania, however, PSC growth has remained resilient in 2020 in the midst of headwinds. For example, in Kenya growth in PSC credit stood at 8.1% in the 12 months to December 2020 compared to 5.5% in the year to December 2019. In Tanzania, PSC growth was 7% in the year to October 2020 compared to 8.2% in the year to October 2019. Finally, in Rwanda, PSC growth was 15.6% in the year to December 2020 compared to 16.77% in the year to December 2019.

During the COVID-19 pandemic, the key role of the banking sector was "keeping lights on", supporting borrowers and strengthening resilience for the post-pandemic recovery. This role was anchored by central banks across the EAC trading bloc. For example, in Kenya, CBK requested banks to work with their customers in restructuring performing loans whose repayments were adversely affected by the pandemic and the reduction in Cash Reserve Requirements (CRR) to avail additional liquidity for banks to support borrowers. In Uganda, to ensure that financial institutions have adequate capital buffers, ease liquidity constraints in the banking system, and alleviate the financial stress experienced by households and businesses, BoU directed all Supervised Financial Institutions (SFIs) to defer dividend and bonus payments for at least 90 days effective March 2020 and committed to: providing exceptional liquidity assistance to commercial banks that are in liquidity distress for a period of up to one year; providing liquidity to commercial banks for a longer period through issuance of reverse REPOs of up to 60 days at the CBR, with opportunity to roll over; and purchasing Treasury Bonds held by Microfinance Deposit taking Institutions (MDIs) and Credit Institutions (CIs) in order to ease their liquidity distress whenever it arises.

Overall, the banking sector across the EAC Partner States remained sound and stable, despite challenges attributable to COVID-19. For example, with regard to capital adequacy, in Tanzania, total capital to total risk-weighted assets10 stood at 17.31%. In Uganda, as at the quarter to December 2020, the sector's capital to risk-weighted assets was 22.15% in comparison 21.36% and 21.72% as at quarters to December 2019 and March 2020, respectively. Similarly, in South Sudan, the sector's capital to risk-weighted asset as at quarter to September 2020 was 14.1% in comparison to 14.8% and 15.3% as at quarters to March 2020 and June 2020, respectively.

As at October 2020, Kenya's banking sector total capital adequacy ratio11 was 17.6% compared to 18.5% in March 2020. With regard to Burundi, as at the quarter to December 2020, the sector's capital to risk-weighted assets was 29.98% in comparison 26.97% and 29.68% as at quarters to December 2019 and March 2020, respectively. Finally, in Rwanda, as at the quarter to December 2020, the financial sector's capital to risk-weighted assets was 20.3% in comparison to 22.6% and 23.4% as at quarters to December 2019 and March 2020, respectively. Overall, there is capital adequacy across the EAC Partner States.

With regard to liquidity, Kenyan banking sector had liquidity ratio of 53.3% as at October 2020. In Tanzania, the ratio of liquid assets to demand liabilities was 31.27%. In Uganda, Rwanda, and Burundi, the ratio of liquid assets to total deposits was 50.65%, 39.5%, and 55.53%, respectively, as at the quarter to December 2020. While in South Sudan, the ration of liquid assets to total assets was 39.5% as at the quarter to September 2020. Across the EAC Partner States, the liquidity ratio is above the 20% regulatory requirement.

With regard to credit risk, in Tanzania, the ratio of non-performing loans (NPLs) to gross loans (NPLs ratio) was 10.33%. However, NPLs from new loans granted since February 2018 have declined to less than the threshold of utmost 5% due to measures pursued by the BoT. In Kenya, as at the end of March 2020, the NPLs ratio stood at 12.54%, a decrease from 12.78% recorded in March 2019 and from 12% in December 2019. Prior to COVID-19, credit risk was expected to ease in the short to the medium term. The NPLs ratio stabilized at 13.6% in August and October 2020.

Conclusions to chapter 1

In Uganda, at the onset of COVID-19, the NPLs ratio increased from 4.85% as at the quarter to December 2019 to 5.41% as at the quarter to March 2020. The ratio further increased to 6.01% as at the quarter to June 2020 and later decreasing to 5.27% as at the quarter to December 2020. In South Sudan, the NPLs ratio increased from 2.1% as at the quarter to March 2020 to 2.6% as at the quarter to June 2020 and later increasing to 2.9% as at the quarter to September 2020.

Finally, in Burundi, the NPLs ratio increased from 5.6% as at the quarter ending December 2019 to 6.6% and 6.8% as at the quarters ending March and September 2020, respectively. The NPLs ratio, however, decreased to 5.46% as at the quarter ending December 2020, lower than 5.6% NPLs ratio as at the quarter ending December 2019.

In Rwanda, NPLs ratio increased from 4.9% as at the quarter ending December 2019 to 5.5% as at the quarter ending March 2020, and later tapering off to 4.5% as at the quarter ending December 2020. Overall, the banking sector experienced reduced profitability mainly reflecting subdued business environment due to COVID-19 pandemic.

In Kenya, the banking sector profitability, as measured by reduced return on assets (ROA) declined to 1.8% in October from 2.3% in March 2020, while return on equity (ROE) also declined to 14.8% from 20.4%. In Uganda, the ROA reduced from 2.9% as at the quarter to December 2019 to 2.76% as at the quarter to March 2020 and further reducing to 2.58% as at the quarter to September 2020; while the ROE reduced from 16.74% as at the quarter to December 2019 to 15.89% as at the quarter to March 2020 and further reducing to 15.12% as at the quarter to September 2020. In Rwanda, ROA reduced from 2.2% in the quarter ending December 2019 to 2.1% in the quarter ending March 2020 and to 2% in the quarter ending December 2020. Regarding the ROE, it equally tapered off from 12.5% in the quarter ending December 2019 to 11.8% in the quarter ending December 2020. In South Sudan, the ROA reduced from 1% as at the quarter to December 2019 to 0% as at the quarter to March 2020, and later recovering to 1% as at the quarter to September 2020; while the ROE reduced from 12.8% as at the quarter to December 2019 to 0.6% as at the quarter to March 2020 and later recovering to 15.9% at the quarter to September 2020.

CHAPTER 3

STRATEGIC DIRECTIONS FOR IMPTOVING THE POSITION OF UKRAINE IN THE COUNTRIES OF THE EAST AFRICAN FEDERATION

3.1. Foreign Trade of Ukraine And East African Countries

Ukraine has maintained a steady trade relationship with some countries in east Africa mainly Kenya and Tanzania. And in this sector, we will concentrate more on these 2 countries in the region.

Kenya is the undisputed leader in trade and economic cooperation between Ukraine and the countries of East Africa. Of the more than fifty countries in the African continent, Kenya ranks among the most significant consumers of Ukrainian goods, among the top ten.

The key features that make Kenya an important and promising partner for Ukraine are that Ukrainian products meet Kenyan needs and standards, prices remain acceptable, and Kenya itself is increasingly taking on the role of the East African Economic Hub.

In 2021, Kenya continued to be a leading partner in Ukraine's trade and economic cooperation with East African countries. For the first time, the volumes of bilateral trade crossed the symbolic marks of 100 and 200 million USD. According to the State Statistics Service of Ukraine, the volume of bilateral trade between Ukraine and Kenya in 2021 amounted to 214 million 780 thousand USD.

Exports from Ukraine to Kenya amounted to 196 million 736 thousand USD dollars (252.4% compared to 2020), imports - 18 million 044 thousand USD (139.4% compared to 2020). The positive balance of foreign trade in goods between Ukraine and Kenya during this period amounted to 178 million 692 thousand USD. Expansion of exports from Ukraine to Kenya took place in the following commodity positions: ferrous metals - 96 million 451 thousand USD (49% of total exports or 227.5% from 2020), cereals - 89 million 375 thousand USD (45.7% of total exports or 485.2% from 2020), fats and oils of animal or vegetable origin - 4 million 393 thousand USD (2.2% of total exports or 117.3% of 2020), vegetables - 3 million 635 thousand USD (1.8% of total exports or 173.6% from 2020), alcoholic and soft drinks and vinegar - 346.5 thousand USD (0.2% of total exports or 241.5% from 2020), electric vehicles - 243 thousand USD (0.1% of total exports or 126.2% from 2020), products of the flour and cereals industry - 216 thousand dollars USD (0.1% of total exports or 359.2% from 2020), mineral fuels; oil and products of its distillation - 200 thousand USD (0.1% of total exports or 110.6% of 2020), land transport, except rail - 197 thousand USD (0.1% of total exports or 107.6% from 2020), sugar and sugar confectionery - 191 thousand USD (0.1% of total exports or 133.4% of 2020), pharmaceuticals - 175 thousand USD

(0.1% of total exports or 236.5% from 2020), railway locomotives - 75 thousand USD (538% from the same period last year).

The main items of imports of goods from Kenya to Ukraine during this period were: coffee and tea - 7 million 953 thousand USD (44.1% of total imports), edible fruits and nuts - 4 million 583 thousand USD (25.4% of total imports), tobacco and industrial tobacco substitutes - 1 million 550 thousand USD (8.6% of total imports), plastics, polymeric materials - 1 million 459 thousand USD (8.1% of total imports), live trees and other plants - 1 million 275 thousand USD (7.1%). In 2021, the volume of trade in services amounted to 2 million 722 thousand USD. Exports of services from Ukraine to Kenya amounted to 846 thousand USD (106.6% compared to 2020), imports - 1 million 876 thousand USD (451% compared to 2020).

The total volume of bilateral trade in goods and services in 2021 amounted to 217 million 502 thousand USD.

The movement in investment activity between the two countries is not observed.

The Government of the Republic of Kenya pays more and more attention to the tourism industry, where Ukrainian companies can also realize their potential. In addition to trade in tourist services, trade, and telecommunication services, computer and information services also constituted a significant percentage.

Kenya, as well as other countries in the region, is interested in purchasing agricultural machinery for the whole technological chain for the needs of agriculture, mainly small and medium size farms, modern medical equipment and pharmaceutical products, products of the flour milling industry.

Demand analysis shows that in the nearest future, Kenya would continue to import grain, ferrous metals, mineral fertilizers, oils of animal and/or vegetable origin, and vegetables. Climate conditions in Kenya (droughts occur in almost every part of the country almost every year) and the relatively low efficiency of agricultural production (except for export tea and coffee, macadamia nuts) makes it dependent on imports of mineral fertilizers and cereals.

The arrangements reached during the visit to the Republic of Kenya of the Minister of Foreign Affairs of Ukraine in May 2018, which became the first visit in the history of the bilateral relations, has given a great impetus to the development of relations between Ukraine and Kenya in the trade and economic sphere.

In this regard, the Ukrainian and Kenyan Sides are working together to create treaty and legal framework for further development and enhancement of bilateral trade and economic relations, in particular, through the elaboration of the Draft Agreement on the Establishment of a Joint Intergovernmental Commission and the Memorandum on Cooperation in the field of agriculture as well as other important draft agreements in this area.

Tanzania is one of Ukraine's major trade and economic partners in the East African region.

Bilateral trade between Ukraine and Tanzania in 2021 amounted to 51 million 204 thousand USD.

During this period, exports from Ukraine to Tanzania amounted to 47 million 150 thousand USD (135.4% of the same period in 2020), imports - 4 million 054 thousand USD (79.5% of the same period in 2021).

The positive balance of foreign trade in goods between Ukraine and Tanzania amounted to 43 million 096 thousand USD.

The main items of exports of goods from Ukraine to Tanzania were: cereals - 31 million 085 thousand USD (65.9% of total exports, 378.9% of the same period in 2020), fats and oils of animal or vegetable origin - 8 million 811 thousand USD (18.7% of total exports, 131.3% of the same period in 2020), ferrous metals - 4 million 009 thousand USD (8.5% of total exports, 214.2% of the same period in 2020), electric vehicles - 867 thousand USD (1.8% of total exports, 508.4% of the same period in 2020), boilers and machinery - 543 thousand USD (1.2% of total exports, 2005.9% of the same period in 2020).

Analysis of the commodity component of Ukrainian exports to Tanzania shows a significant increase in the share of value-added goods, in particular, the first five export items included electric machines, boilers and machinery, vegetable oils, meat and edible offal.

The main items of imports of goods from Tanzania were: plastics, polymeric materials - 1 million 763 thousand USD (43.5% of total imports, 255.1% of the same period in 2020), tobacco and industrial tobacco substitutes - 660 thousand USD (16.3% of total imports, 21.9% of the same period in 2020), edible fruits and nuts - 572 thousand USD (14.1% of total imports, 449.6% of the same period in 2020), coffee, tea - 573 thousand USD (14.1% of total imports, 63.2% of the same period in 2020)

Exports of services from Ukraine to Tanzania amounted to 1 million 051 thousand USD (177.4% of the same period in 2020), imports - 9 million 554 thousand USD (266.5% of the same period in 2020). The volume of trade in services - 10 million 655 thousand USD.

The balance of trade between Ukraine and Tanzania in the sphere of services in 2021 was negative and amounted to - 8 million 503 thousand USD.

The basis of Ukrainian exports were travel services (68.1%) and transport services (19.2%). The basis of imports from Tanzania - travel services (80.8%).

According to the State Statistics Service of Ukraine, the total volume of bilateral trade in goods and services of Ukraine with Tanzania in 2021 amounted to 61 million 859 thousand USD, with a positive balance of Ukraine 34 million 593 thousand USD.

The sharp increase in the number of Ukrainian tourists visiting Tanzania during 2021 is noteworthy, due to the easing of international quarantine restrictions and the growing popularity of Tanzanian resorts.

3.2 The Main Problems of Ukraine's Cooperation with The Countries of East African Federation

While Africa is yet to fully recover from the socio-economic repercussions of the COVID-19 pandemic, the Russia-Ukraine conflict poses another major threat to the global economy with many African countries being directly affected us within a few weeks, global wheat, sunflower, and oil crude prices have soared to unprecedented levels. Africa is heavily reliant on food imports from both countries, and the Continent is already experiencing price shocks and disruptions in the supply chain of these commodities.

The conflict will likely impact food security in Africa. Both through availability and pricing in some food crops, particularly wheat and sunflower, as well as socio-economic recovery and growth, triggered by rising uncertainties in global financial markets and supply chain systems. Over the past decade, the Continent has seen growing demand for cereal crops, including wheat and sunflower, which has been mainly supported by imports than local production. Africa's wheat imports increased by 68 per cent between 2007 to 2019, surging to 47 million tonnes.

Ukraine often referred to as the world's breadbasket, are major players in the export of wheat and sunflower to Africa. North Africa (Algeria, Egypt, Libya, Morocco, and Tunisia), Nigeria in West Africa, Ethiopia and Sudan in East Africa, and South

Africa account for 80 per cent of wheat imports. Wheat consumption in Africa is projected to reach 76.5 million tonnes by 2025, of which 48.3 million tonnes or 63.4 per cent is projected to be imported outside of the Continent.

The sanctions imposed on Russia by Western countries will further exacerbate commercial flows between Russia and Africa due to the closure of vital port operations in the Black Sea. Russia is one of the world's biggest exporters of fertilizers. Concerns are growing that a worldwide shortage of fertilizer will lead to rising food prices, with knock-on effects for agricultural production and food security.

Russia is also the world's third-largest oil producer behind the United States and Saudi Arabia. The disruption of oil prices on the world market is expected to lead to an increase in fuel prices and higher costs of food production.

Some regions, including the Horn of Africa and Sahel region, are at greater risk of food insecurity due to country-specific shocks, climate change, export restrictions, and stockpiling, especially if rising fertilizer and other energy-intensive input costs will negatively impact the next agricultural season as a result of the ongoing conflict.

The oil and gas factor**.** To avoid future food price shocks caused by rising oil and gas prices on the global market, African countries must improve their oil and gas production and exploration capability to fill any gaps that may occur as a result of supply chain disruption among the major global producers.

African countries that produce fuel and gas such as Algeria, Angola, Cameroon, Republic of Congo, Egypt, Equatorial Guinea, Libya, Mozambique, Nigeria, Senegal, Sudan, and Tanzania should explore boosting production and filling the gas and oil gap within the continent and beyond to alleviate fuel price shocks, which could contribute to lower food costs. In addition, African governments should invest in or attract greater international investment in oil and gas exploration, particularly in countries where subterranean oil reserves are believed to exist but have yet to be explored.

The Place of East African Countries in The World Economy and Trade. The East Africa region covers 13 countries with overlapping memberships in four African Union-recognized regional economic communities. These regional economic communities are the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Intergovernmental Authority on Development (IGAD),and the Southern African Development Community (SADC). Other regional blocs to which some of the countries belong are the Indian Ocean Community, the Economic Community of Great Lakes Countries, and the Economic Community of Central African States.

The 13 countries are Burundi, Comoros, Djibouti, Ethiopia, Eritrea, Kenya, Rwanda, Seychelles, Somalia, South Sudan, Sudan, Tanzania, and Uganda. East Africa has been the continent’s fastest-growing region in recent years. It is home to several of the fastest-growing economies, including Ethiopia, Djibouti, Kenya, Rwanda, Tanzania, and Uganda. In 2020, Tanzania became the latest country in the region to graduate from low-income to middle-income status, joining three of its neighbours in the World Bank's lower middle-income category – Kenya, Comoros and Djibouti.

One country, Seychelles, is classified as high-income, while the rest are low-income. The region's growth rate averaged 4.9% in 2018 and 5.3% in 2019, compared with 3.3% and 3.4% in Africa overall. However, because of the Covid-19 pandemic, the region's growth rate fell to 0.7% in 2020, but remained well above Africa's overall slump of -2.1%, making the region the only one in Africa to have avoided a recession amidst the pandemic. East Africa's resilience in 2020 was buoyed by positive economic growth rates in Ethiopia, Tanzania, Kenya and Djibouti, supported by a more diversified service sector, sustained public spending on large infrastructure projects and a good performance in agriculture, despite desert locust invasions and other natural disasters such as droughts and floods.

However, political fragility in some countries, reliance on a narrow range of economic activities and limited progress towards higher value-added production, were major hindrances to growth. Overall, the Covid-19 pandemic had diverse effects across the region in 2020. Countries that are highly dependent on tourism, such as Seychelles and Comoros, experienced the most severe impacts compared to more diversified countries like Kenya and Ethiopia.

Countries with diversified export baskets, like Tanzania, were slightly more resilient due to favourable commodity prices, particularly gold. The Covid-19 pandemic is expected to impede gains towards inclusive growth. The pandemic-induced economic slowdown has pushed up poverty levels in the region. The share of the population living in extreme poverty is expected to rise to 35% in 2021, equivalent to about 134 million persons, compared to 33%, or 122 million people in 2019. East Africa's GDP growth is projected to recover to 3% in 2021 from 0.7% in 2020, supported by the global economic recovery and ongoing reforms to strengthen economic governance. However, the slow roll-out of Covid-19 vaccines, and uncertainties around additional waves of infections, may dampen this economic outlook.

Multinational and regional operations comprised 97 projects with 121 financing instruments worth $4.3 billion or roughly 33% of the portfolio, while the rest are national operations. The sovereign portfolio comprises 85 projects worth $3.5 billion, while the non-sovereign portfolio contains 12 operations worth $904 million.

The sovereign multinational and regional portfolio is concentrated in five countries: Tanzania (19.9%), Kenya (18.3%), Ethiopia (15.7%), Uganda (15.3%), and Rwanda (10.7%). The transport and power sectors are the largest, accounting for 56% and 25% of the portfolio, respectively (table 1). In terms of alignment to the Bank's High 5s, 24% of operations are related directly to Light up and power Africa; 11% to

Feed Africa; 2.5% to Industrialize Africa; 52% to Integrate Africa; and 10.5% to Improve the quality of life of Africans.

In order of magnitude, the sources of funding for the regional and multinational portfolio are as follows: the African Development Bank sovereign (UA 904 million – about $1.266 billion), African Development Bank non-sovereign (UA 2.25 billion – about $3.15 billion), the African Development Fund ($720 million), and the Accelerated Co-Financing Facility for Africa ($178 million), the European Union ($140 million), and various external resources mobilized and managed directly by the Bank.

3.3. Progress On The East African Federation

The economies of many regions in East Africa are slowly recovering after the COVID-19 pandemic, with the East African region GDP set to stabilize by the end of 2022. This is, in part, due to authorities across the region working on introducing measures that will attract foreign investment in an effort to ensure a resilient economy. Information below was researched from Fragomen.com.

In Tanzania, President Samia Suluhu Hassan is championing the introduction of the Tanzania Investment Centre. It is heralded as a one-stop investment centre and saw

235 investments projects recorded in 2021. Tanzania has also ratified the African Continent Free Trade Area Agreement and is expected to benefit from the removal of trade barriers.

In Kenya, the 2022/2023 financial budget has accelerated the implementation of the Third Economic Stimulus program and the "Big 4 Agenda" which address affordable housing, food security, manufacturing and universal healthcare. The Kenyan government is seeking to leverage the Public Private Partnerships Directorate to fund public projects, support the private sector and narrow the fiscal deficit.

There are also efforts to ensure macroeconomic stability, such as ensuring inflation remains within the government target range while interest rates remain stable, to support growth in private sector credit. The country is also working to attract investment and talent to develop key ICT projects such as Konza Technology City, dubbed Africa's "Silicon Savannah." Uganda is a leading country in terms of attracting the most Foreign Direct Investment in East Africa.

The approval of the USD 3.5bn East African Crude Oil Pipeline project, which will lead to the construction of a 1,400km pipeline from Uganda to the seaport of Tanga in Tanzania, bodes well for investment in both countries.

Rwanda has made enormous strides to improve the socio-economic conditions of its people. It also continues to attract a multitude of investments ranging from information technology to power generation. Across the region, authorities have made efforts to ensure that the immigration system is modernized.

This is intended to ensure that investors save time in mobilizing their critical resources to implement projects in the region. In Kenya, companies intending to apply for work permits for staff who are nationals from East Africa have been exempt from paying the work permit government fees. This is a testament to the efforts put in place by Kenya to attract talent and investment from the region. Tanzania has slowly but steadily transformed the immigration sector by streamlining the work permit application process and making it more transparent with shorter turnaround times.

This is intended to ensure companies can start their projects in a timely fashion with the talent they need. In Rwanda, labour market tests have been scrapped as a requirement for long term work permit applications. This is applicable to jobs that were not listed among the critical skill set. In Uganda, the authorities have made it mandatory for individuals applying for work permits in the oil and gas sector to first acquire approvals from the Petroleum Authority of Uganda. Companies must also conduct labour market testing and, where Ugandans need to make majority of the staff population, present the national content quota. These measures appear restrictive in nature, and it is possible they may be reviewed if the impact is negative on investors.(Willys Mac'Olale).

The efforts to achieve a resilient economy across the region have been met with several challenges. The ongoing war between Russia and Ukraine continues to impact the price of oil, gas and other essentials, leading to inflation. Additionally, poor climate conditions such as droughts, along with a shortage of COVID-19 vaccinations, may affect the speed of the economy's recovery process. Despite these challenges, governments across the East African region are keen on engaging in effective partnerships and creating stable policy frameworks that will promote investment and spur growth(Willys Mac'Olale).

Economic growth within the EAC bloc has increased due to improved infrastructure investment. Also recent railway investments in Kenya and Tanzania has provided a huge step forward towards connecting EAC by rail Moreover, the EAC economic integration has increased regional competitiveness. Logically, all the members rely heavily on agricultural commodities for trade. This understanding has pressured the partner states to produce competitive and high quality goods to sustain the trade benefits. In this regard, infrastructure and direct investment keep getting approved and allocated thus benefitting the partner states largely.

Finally, the research has shown increased GDP rise across the bloc. Rwanda's real GDP drivers include industry and service sectors while Kenya and Tanzania bank on service and agricultural sectors. These are registered on the supply side while consumption is the main economic growth driver across the bloc. Unfortunately, Burundi and South Sudan have achieved minimal GDP from the integration due to state fragility that adversely affects security for doing business and economic progress.

All the member states are pushing to add value to their base the recent arrival of DRC has seen much higher future prospect as DRC is experiencing a economical rise and also this directly means that the EAC now get a direct port in the Atlantic and Indian Oceans respectively. Uganda has registered great benefits from the EAC integration. Being a landlocked country and centrally positioned in the bloc, trading within the bloc is an easy and cheap approach to reap the fruits of trade. Both exports and imports in the bloc have increased with Kenya standing out as the best trading partner in the bloc.

Diplomacy. Diplomacy is a broad concept, and it has been defined by various scholars in different ways as far as the international politics is concerned. Despite their differences in definition, they all agree that diplomacy is associated with the relationship between states. States uses various means and strategies such as dialogue, negotiations, and other means to achieve their national interest with other states. (Mkhabela, 2013) argued that diplomacy is a tool of foreign policy and can be described as a means of managing relations between a state and other states or actors. He further revealed that diplomacy involves agreements signed between states which should be in accordance with international laws.

In addition, (White, 2005), defined the concept of diplomacy in two perspectives such as macro and micro perspectives. Under micro perspectives, he described diplomacy as a "process of communication" between states for the intention of prevention of conflicts or war among them through dialogue or cooperation. In the macro perspective, he defined diplomacy as a "policy instrument" used by the states to achieve the objective of its national interests Similarly, (Morgenthau, 2006), described the meaning of diplomacy in two different dimensions.

In the first dimension, he associated diplomacy with the formation of foreign policy. Since foreign policy is formed and shaped in accordance with the interest of a particular country or state, therefore he maintained that diplomacy was the way in which the states use their resources for the aim of securing maximum power. In his second dimension, he explained the role of diplomats in the implementation of foreign policy. He further added that diplomats execute foreign policy through various ways such as negotiations, dialogue, compromise or sometimes threat for the aim of achieving their national interest.

After combining these two dimensions, we can simply describe diplomacy as the formation of foreign policy and the role of diplomats in achieving their national interests. On the same note, (Sorphorn,2013), defined diplomacy as "the process of forming foreign policy by taking into account all potential resources of a state and the implementation of foreign policy by diplomats to pursue their national interests.

In brief, based on the various definitions of diplomacy provided by different scholars in the field of international relations, we can conclude by saying that diplomacy is the process in which the state uses its potential resources in the formation and implementation of its foreign policy for the aim of achieving its national interests in relation with other states. In addition, since diplomacy is an important instrument in ensuring maximization of power and economic interest of the state, therefore understanding the significant relationship between diplomacy andeconomic development is very essential in this study.

Economic Diplomacy. The desire of the states to pursue their national interest through the function of diplomacy can justify the existing relationship between diplomacy and development. The powerful states can use their military capability to conquer other states and acquire more resources from the weak countries as the quickest way of achieving their national interests, but this strategy is contrary to the international laws and it is not accepted in the international politics as an effective or legitimate way of using power. Instead, states can use their power in attaining their national interests through negotiations and dialogue. This is what diplomacy is all about. Through diplomacy, states can promote trade, investment, tourism and attain other economic advantages for the interests of their country.

This is what economic diplomacy is concerned with. According to (Mushelenga, 2015) economic diplomacy is a technique or strategy used by the states for the aim of building economic relationships between one state and another to achieve economic benefits through economic cooperation in various aspects such as trade, tourism and increasing investment opportunities among the partner states.

Moreover, (Okoth, 2012) maintained that economic diplomacy is the tactic used by the states to achieve their national interest, particularly economic interests, by cooperation with other states through well-informed negotiations and dialogue. Similarly, (Rana, 2007) viewed economic diplomacy as how states deal with the rest of the world to secure their national gains and interests with regards to trade promotion, FDI attraction and other economic benefits through the agreed economic cooperation among the partner states.

According to (Mkhabela, 2013) the concept of economic diplomacy focuses on how states make decisions within their countries, how they operate their external economic relations, and how they negotiate internationally. Mkhabela further, believes that economic diplomacy consists of a combination of all those processes. In conclusion, all literature above describes economic diplomacy in the context of existing relationships between diplomacy and economic development. Furthermore, since they all agree that the primary motivation of states in international politics is to pursue their economic interest; this study defines economic diplomacy as an instrument used by the states in the international political arena in order to create good relations among states so as to maximize each nation's economic interests through negotiations, dialogue, and persuasion. Apart from political stability which can be obtained from the maintenance of good relations and cooperation among the states, economic diplomacy can also promote the expansion of trade activities and market opportunities and hence stimulate the economic development in their countries.

Foreign Policy. Foreign policy is an essential instrument in the international relations discipline and it is regarded as a blueprint that provides essential guidelines and frameworks for the implementation of diplomacy in any country.”The only aspect that distinguishes it from other policies is that, foreign policy is implemented for the aim of achieving the national interests in relations to other states.

According to (Modelski, 1962) foreign policy is a system of activities developed by the state to transform the action or behavior of other states as a way of modifying their self concerns to the global environment. Modelski believes that, the primary role of foreign policy is to ensure the attainment of the national interest by changing the existing behaviors of other states.

However, (Padelford, & Lincoln, 1967) argues that foreign policy is an essential aspect in the situation where the state translates its desired targets and interests into action in order to attain these objectives and protect its national interests. Nevertheless, (Gibson, 1944) described foreign policy as an extensive strategy, plan or guideline which provides the information, experience and knowledge on how the government or state should administer its activities with the rest of the world for the aims of promoting, advocating, and protecting the interest of the particular state.

The views and perceptions of the above scholars and writers clearly show that national interests and foreign policy cannot be separated by any means because every country in the world establishes and implements its foreign policy for the aim of promoting stability and achieving social, political, and economic benefits of its nation in relation to other states. Since many scholars in the international relations field agree that diplomacy is all about execution of foreign policy, then, in order to assess the contribution of diplomacy towards achievement of economic development, the study will focus on analyzing how the effective execution of Tanzanian foreign policy under the umbrella of diplomacy has brought positive impacts towards its economic development.

The Relationship between Diplomacy and Economic Growth. Indicates the existing relationship between diplomacy and economic development. The chart is divided into two parts, the first part which contains diplomacy and the second part which contains economic development. The first part of the figure clearly shows the two important elements to be considered regarding the concept of diplomacy. Those elements are the formation of foreign policy and the implementation of foreign policy.

This argument is similar to the research by Sorphorn, (2013) where he argued that diplomacy involves the formation of foreign policy and implementation of foreign policy. In order to ensure the establishment of better foreign policy, it is important for the state to take into consideration all the potential elements such as natural resources, infrastructure, human capital (labor), technology, and other favorable conditions. On the other hand, successful diplomacy can be attained if foreign policy is implemented well. In order for the foreign policy to be implemented well, it is important to enhance, empower and enable diplomats to perform their job effectively by providing them with better working environments (through the provision of basic needs like sufficient salary, working equipments etc) and adhering to internal compliance by working in accordance with the principles and guidelines set by the state to achieve their national goals. Lastly, the diplomats should have the required skills that could enable them to perform their duties effectively with a high level of integrity and patriotism. The second part of the chart shows the extent to which diplomacy can affect economic development by strengthening and promoting Foreign Direct Investment, trade activities tourism, stability and increasing external assistance in the respective country.

Impact of Trade In EAC. When analyzing the impact of foreign economic implementation it is obvious that we are stressing on the impact of the foreign policy execution. In addition, when we analyze the contribution of foreign policy towards development, it is very important to consider the two areas in which foreign policy influences the development of a particular region. Those areas include economy and politics. This chapter provides the findings on the general East African Community trade trends before and after Integration. The section includes four themes Trade Structure at EAC, Regional Trade Integration, Regional trade enhancements , trade barriers elimination and Impact of trade.

Trade structure at EAC. Regional trade integration is the foundation of EAC Partner States' policies, which shape the trade structure. Most of the policies focus on strengthening public institutions and private sector organization to enhance exportation. According to EAC Reports (2018), EAC internal market size has about 146 million consumers. However, the member states are involved with other regional economic integrations, which expand the market size and reshape the trade structure. For instance, Tanzania is a member of SADC while Kenya, Burundi, Rwanda, and Uganda are members of COMESA, which has a consumer population of about 460 million (United Nations, 2018).

In addition, Rwanda, Uganda, Burundi, and Tanzania are covered by the EU's Everything but arms Initiative, which provides that products from least developed countries have preferential access to the EU market except ammunition and arms. Consequently, all EAC partner states qualify, under the African Growth and Development Act, for duty free access to the US market. However, Burundi's eligibility has been revoked back in 2016 (Okute, 2017). In this regard, EAC countries' products have access to various markets in the developed trade arena.

With the Customs Union and Common Market Protocols in place, EAC member states continue to cooperate in simplifying, harmonizing, and standardizing trade documentation to ease the acquisition of information geared at enhanced facilitation of trade goods. The improved bargaining power gives the bloc to enter into agreements with developed countries such as the USA and China to boost and promote commodity trade, cooperation in investment, and exchange visits by business experts to mention but a few (EAC Secretariat, 2016).

Regional Trade Integration. Regional trade integration is a cornerstone of EAC Partner States' trade policies. This involves, among other initiatives, strengthening of public institutions and private sector organizations involved in export promotion. The internal EAC market has about 145.5 million consumers (EAC Facts & Figures report 2015). The COMESA comprises 19 Member States with a population of over 390 million. Burundi, Kenya, Rwanda and Uganda are all members; The Southern African Development Community (SADC) established in 1992 and with 15 Member States among which is Tanzania - the only EAC state that also belongs to the Southern African bloc with a population of 277 million; Burundi, Rwanda, Tanzania and Uganda are covered by the EU's Everything But Arms (EBA) initiative, under which all products from Least Developed Countries (LDCs) except arms and ammunition have preferential access to the EU market; Together with other Sub-

Saharan African countries, the EAC Partner States also qualify for duty-free access to the US market under the African Growth and Opportunity Act (AGOA).

Products from EAC countries can access various markets in the developed world through the Generalised System of Preferences (GSP) , which offers preferential treatment to a wide range of products originating in developing countries; Membership in the African, Caribbean and Pacific States (ACP) and the Generalised System of Preferences (GSP), enables products from Partner States to qualify for preferential tariffs on exports to member countries; finally Burundi is a member of the Economic Community of Central African States (ECCAS) which aims at establishing a Central African Common Market.

Regional trade enhancements. According to EAC website a number of measures have been taken at the Community level to enhance trade, and these include the following:

- Customs Union Protocol - The objectives of the Customs Union include furthering the liberalization of intra-regional trade in goods; promoting production efficiency in the Community; enhancing domestic, cross-border and foreign investment; and promoting economic development and industrial diversification;

- Trade Facilitation - The Partner States have agreed to cooperate in simplifying, standardizing and harmonizing trade information and documentation so as to better facilitate trade in goods;
- Anti-dumping measures - The Community has developed anti-dumping regulations, as elaborately highlighted in the EAC Customs Union Protocol;
- Competition Policy and Law – EAC already has in place an EAC Competition Policy and Law currently being implemented by the Partner States with an aim to deter any practice that adversely affects free trade within the Community;
- Re-export of goods - Re-exports are to be exempted from the payment of import or export duties;
- Non-Tariff Barriers (NTBs) to trade - Under Article 13 of the Customs Union Protocol, the EAC Partner States have agreed to remove all existing non-tariff barriers to trade and not to impose any new ones;
- Standards and Measures - Under Article 81 of the Treaty Establishing the Community, the EAC Partner States recognised the importance of standardisation, quality assurance, metrology and testing (SQMT) for the promotion of trade and investment and consumer protection, among other things.

Trade barriers elimination. Among the key objectives of the protocol for establishment of the East African Community Customs Union was to liberalize trade within the customs area for the benefit of all partners states. According to Okute (2017), the principle instrument of trade liberalization was the elimination of tariffs and non-tariff barriers (NTBs) within member countries to increase the prospects of economic growth efficiency and prosperity for East Africans.

However, Calabrese and Eberhard-Ruiz (2016) report that EAC has made decisive advances in non-tariff barrier elimination affecting positively trade, several of them have proved challenging to solve while new ones continue to emerge. This literature signifies that some non-tariff barriers require much lengthier and complex institutional processes to eradicate. A great example is 35% of tax-like measures and 20% standard-related measure eradicated by 2009, but over 40% of non-tariff barrier tax-like measures are unresolved to date (Okute, 2017). Fig. 2 shows both resolved and unresolved NTBs by 2016 within EAC bloc.

The degree at which partners countries of EAC have been responsible for establishing or affected by non-tariff barriers varies significantly. According to Calabrese and Eberhard-Ruiz (2016), the barriers than others have relatively affected Kenya and Uganda, Tanzania has generated more barriers, while Uganda, Burundi, and Rwanda are often more affected by barriers they have generated themselves.

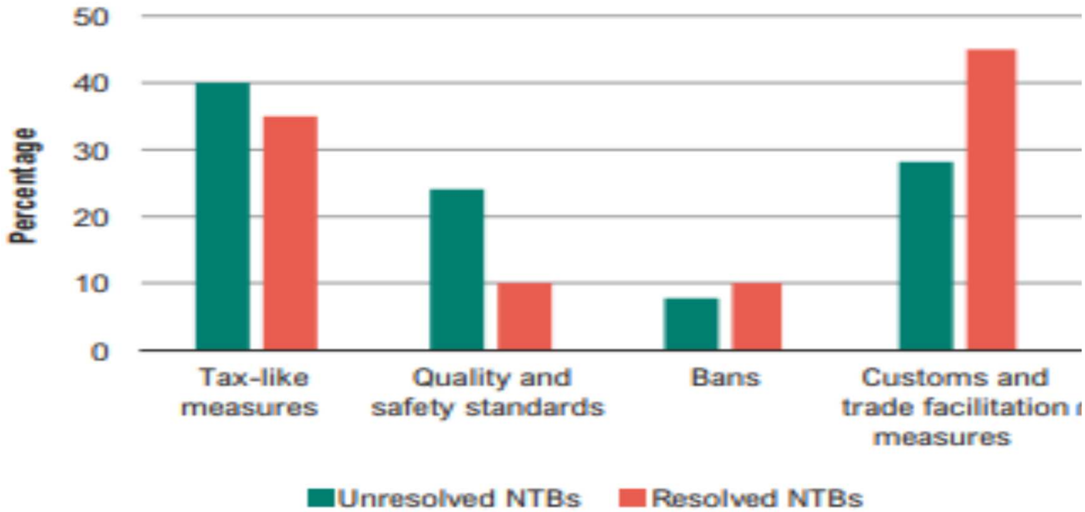


Fig.3.1 EAC resolved and unresolved NTBs

Source: Calabrese and Eberhard-Ruiz

Nevertheless, the protocol of East Africa Common Market has harmonized policies through creation of Acts for custom management and regulations. The free common market has created opportunities within which clearances can be done from either source country of products or the destination country. This has regulated time wastage at border posts by creating one-stop border posts and lower customs duties, which have reduced transit time for consignment with harmonized procedures and regulations.

Impact of trade. The EAC economic integration has resulted to positive impact on trade among and within its partner states. EAC bloc growth is driven by industrial, infrastructure, and agricultural developments on the supply side while increased consumption drives economic growth on demand side. The export sector is dominated by coffee, tea, and horticulture coupled with significant amounts of extractive resources such as oil, gas, and high-value minerals and renewable energy. The East African Development Bank (2018) East Africa economic outlook asserts that with the formation of EAC, the economy of the member countries has improved immensely recording an average of 6.5%, which is one of the greatest in Saharan Africa as shown in figure 3.

Economists and other data experts believe trading trends before EAC were challenging for member states, mainly landlocked, such as Uganda. The lack of a standard external tariff that saw the full force of complicated internal taxes was a primary challenge for trading. Shepherd, De Melo, and Sen (2017) stated that apart from tariffs, technical regulations, police brutality at roadblocks, custom regulations, and procedures formed a major part of trading barriers within the region of East Africa. Fortunately, most of these trading barriers were harmonized after EAC integration, coupled with a bold push for a standard external tariff for imports from member states. In 2009, the member states signed a protocol of establishing the East African Community Market that came into effect in 2010 after a prior realization of the Customs Union Treaty (Gastorn & Masinde, 2017). In this regard, the unconfined circulation of services, capital, goods, and labour in member states has expanded the trading trends among member states.

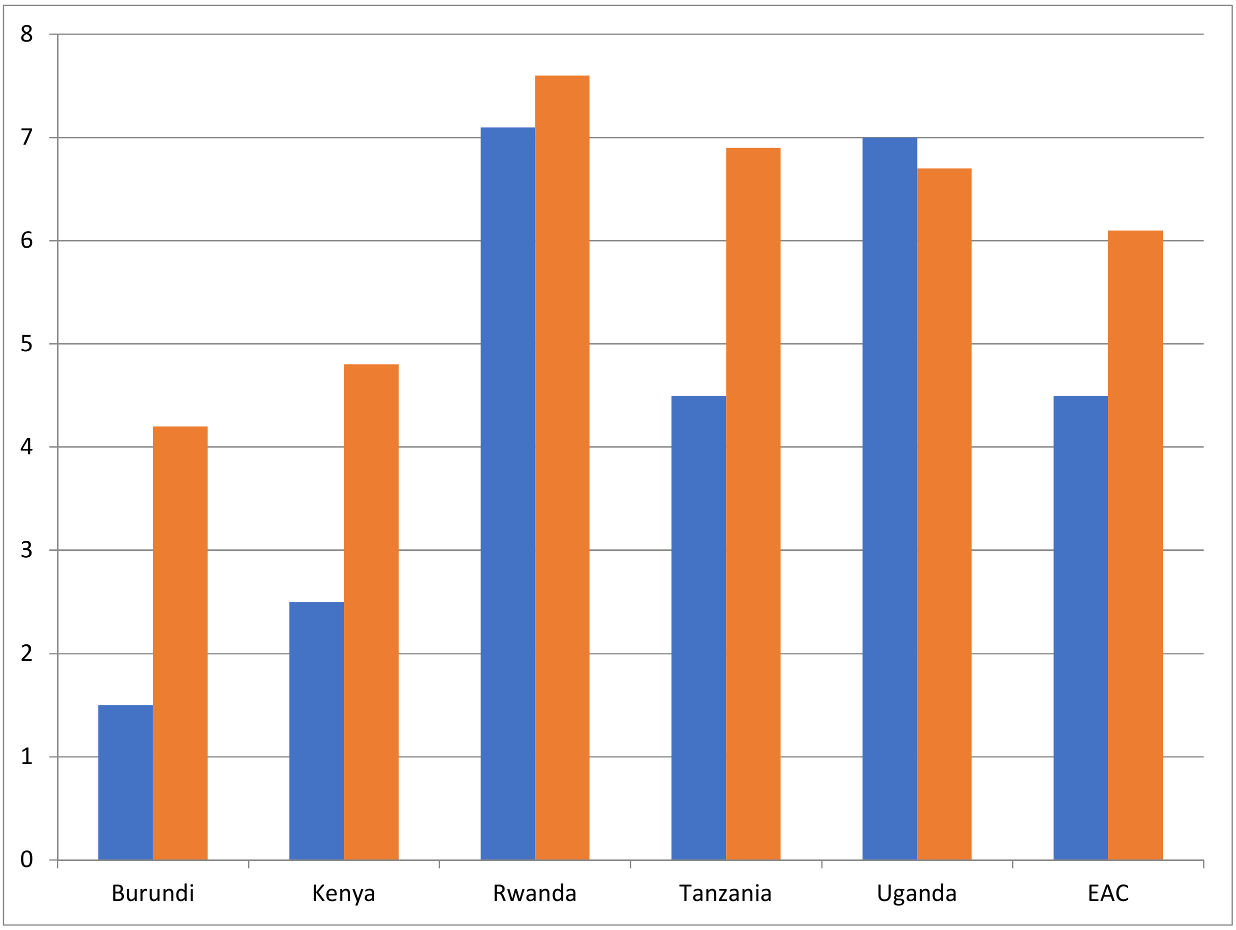


Fig.3.2 EAC member states' economic growth

Source: East African Development Bank

From the graph, it is also important to note that for Rwanda, the series begins in 1998 which excludes the genocides related factors in 1994 and subsequent effect in the 1995 to around 1997. For Burundi, the growth graph starts in 1997 to exclude the first previous years of civil war. On the formation of EAC, the member countries economy is shown to increase significantly.Also on the graph its important to note that outh Sudan and DRC were yet to join the EAC by 2013 thus are not included.

Conclusions to chapter 1

This research aimed at providing analysis on how the East African Community has played a huge role over the years on economic socio development in the region. The research revealed that the integration has achieved positive influence on the member countries. Kenya and Tanzania witnessed a resurgent of the manufacturing sector while there was a remarkable high global price for minerals in recent years, also other partner states have seen their GDP future estimates rise exponentially.

Further, Economic growth within the EAC bloc has increased due to improved infrastructure investment. Also, recent railway investments in Kenya and Tanzania has provided a huge step forward towards connecting EAC by rail Moreover, the EAC economic integration has increased regional competitiveness. Logically, all the members rely heavily on agricultural commodities for trade. This understanding has pressured the partner states to produce competitive and high-quality goods to sustain the trade benefits. In this regard, infrastructure and direct investment keep getting approved and allocated thus benefitting the partner states largely.

Finally, the research has shown increased GDP rise across the bloc. Rwanda's real GDP drivers include industry and service sectors while Kenya and Tanzania bank on service and agricultural sectors. These are registered on the supply side while consumption is the main economic growth driver across the bloc. Unfortunately, Burundi and South Sudan have achieved minimal GDP from the integration due to state fragility that adversely affects security for doing business and economic progress. All the member states are pushing to add value to to their base the recent arrival of DRC has seen much higher future prospect as DRC is experiencing a economical rise and also this directly means that the EAC now get a direct port in the Atlantic and Indian Oceans respectively.

CONCLUSION

Uganda has registered great benefits from the EAC integration. Being a landlocked country and centrally positioned in the bloc, trading within the bloc is an easy and cheap approach to reap the fruits of trade. Both exports and imports in the bloc have increased with Kenya standing out as the best trading partner in the bloc with having more trades with EU countries in this instant especially Ukraine compared to the 0ther EAC partner states and so to conclude the potential East African Federation has played a huge role in the development in general in the region and in Africa as a whole.

As we have clearly defined diplomacy as a process in which the region uses its potential resources in the formation and execution of foreign policy in order to achieve its regional interest's particularly social and economic interests in relation with other African regions. Based on the existing correlation between diplomacy and economic growth as clearly indicated in this study, we can strongly argue that EAC has achieved its economic development as a result of the effective implementation of Foreign Policy.EAC gained economic advantages through the growth of trade activities, increase of FDI, growth of tourism sector and increase of external assistance.

In addition, both state and non-state actors including Presidency, Ministry of Foreign Affairs, MDAs, Diaspora, NGOs, CSOs, media, individuals and citizens have played a key role throughout the process of execution of foreign policy. On the same note, through its membership and commitment to the International organizations and potential RECs such as EAC, SADC, IOR-ARC, WTO, UN, and AU as well as becoming a asignatory to various international agreements/treaties on economic cooperation arrangements including; "Everything But Armsm (EBA) between European Union and the LDCs"African Growth Opportunity Act (AGOA) between some of the African countries and USA, EAC has gained economic benefits through expansion of market for its domestic products, flow of foreign goods and services into the country, development of tourism sector, growth of external assistance and increase of foreign direct investment in the country which has contributed to the increase of employment opportunities, improvement of infrastructure, development of social services including education and health sector. Therefore, this research finds that the Tanzania's diplomacy under the implementation of foreign policy which has more emphasis on economic diplomacy has brought benefits towards the economic growth through promotion of trade activities, increase of FDI, growth of external aid and assistances and development of tourism sector.

Despite the several economic achievements resulted through the execution of Foreign policy 2001, but still there are numbers of challenges which limit the effective implementation of Tanzania's diplomacy. Some of those challenges are lack of coherent and consistent multiinstitutional framework for execution, insufficient human resources and shortage of funds. In addition, one of the serious challenges and problem is that the government did not consider other development plans and strategies during the process of formulation of foreign policy.

This research has revealed that EAC is among the fastest growing economic integrations in Africa. Nevertheless, the trend has not been smooth thus the need to make the following recommendations. Further, corruption continues to be rampant in the region, which affects growth in the region argue that the region's lack of information has secured loopholes for corruption.

Finally, the EAC has undergone great efforts to eliminate trade tariffs and non-tariff barriers. However, these barriers keep on reoccurring as well as new formats emerging. This affects the consistence of reducing the cost of doing business in the bloc, which directly reflects in reduced intra-EAC trade. In this regard, this study recommends that there is need for hastened empowerment and facilitation of national and regional structures mandated with monitoring and curbing NTBs in the bloc. This attracts the need for genuine cooperation between the public and private sectors to foster trade by eliminating NTBs and curbing emergence of new ones.

In the case of Uganda, the country is currently greatly involved in importation over exportation. According to Ramsay (2019), despite importation providing the country's market with goods, helping to diversify out of commodities, and supporting smaller-scale traders doing informal businesses, moving to export-led growth has huge positives since the country has a key vehicle in regional integration services.“Evaluation of EAC’s Foreign Policy of 2001 commissioned by the Ministry of Foreign Affairs and East African Cooperation as instructed by the Cabinet was conducted for the aim of assessing the performance and impact of Foreign Policy and come up with the suggestions on whether there is need for developing a new foreign policy to address the current and future situations or not.

Based on several challenges and problems witnessed from the current foreign policy, the Evaluation report suggested the need for the government to formulate a new foreign policy and its implementation strategy. “In order for EAC to improve its performance in the international system and achieve rapid social and economic growth, the drafting and execution of the proposed new foreign policy should consider the following recommendations:” The Regional governments should take into consideration other key national development plans and strategies during the process of drafting new constitution, the integration should come within right time no rush and increase of trade.

REFERENCES

1. Aydiner-Avsar, N., Onemli, B. and Quast, B., 2017. Trade and Gender Implications East African Com-munity Regional Integration. [online] Available at: https://unctad.org/en/PublicationsLibrary/ditc2017d2_en.pdf. [Accessed 20th Sep. 2020]

2. Bakr Olge, A., 2017. EALA has chalked impressive successes in a short period.

3. Bar, J., 2018. East African Communities (1967-1978, 1999-) and their activity for political stability of the region. *Politeja-Pismo Wydziału Studiów Międzynarodowych i Politycznych Uniwersytetu Jagiellońskiego*, *15*(56), pp.247-266

4. Bhasin, H., 2019. Economic integration: Meaning, types & benefits of economic integration. *Market-ing91.* Retrieved from: https://www.marketing91.com/economic-integration/ [Accessed 10th Oct. 2020]

5. Buigut, S., 2016. Trade effects of the East African Community Customs Union: hype versus reality. *South African Journal of Economics*, *84*(3), pp.422-439.

6. Calabrese, L. and Eberhard-Ruiz, A., 2016. What types of non-tariff barriers affect the East African Community. *Briefing Overseas Development Institute, London, United Kingdom.*

7. Cichecka, A., 2019. EAC – an Answer for Regional Problems or Failed Solutions in East Africa? *Politeja*. 15, pp. 267-277. DOI: 10.12797/Politeja.15.2018.56.15.

8. De Melo, J. and Regolo, J., 2014. The African economic partnership agreements with the E.U.E.U.: Re-flections inspired by the case of the East African Community. *Journal of African Trade*, *1*(1), pp.15-24.

9. East Africa moves forward with integration., 2014. Africa Health, 36(5), 15.

10. East African Community., 2017. Accelerating market driven integration. *EAC Trade and Investment Re-port 2017*

11. East African Community., 2018. Maximizing benefits of regional integration: EAC trade and investment report 2018. Retrieved from: http://repository.eac.int/bitstream/handle/11671/2041/EAC%20Trade%20Report%20 2018.pdf?sequence=1&isAllowed=y [Accessed 10th Oct. 2020]

12. East African Community., 2019. Overview of EAC. Retrieved from: https://www.eac.int/overview-of-eac [Accessed 5th Oct. 2020]

13. East African Development Bank., 2019. Macroeconomic developments and prospects: Political economy of regional integration. *East Africa Economic Outlook 2019.*

14. Eberhard-Ruiz, A. and Calabrese, L., 2017. Would more trade facilitation lead to lower transport cost in the East African Community? *ODI Briefing Papers, London, UK: Overseas*.

15. Gastorn, K. and Masinde, W., 2017. The EAC Common Market. In *East African Community Law* (pp. 285-292). Brill Nijhoff.

16. Goobi, R., 2019. Implementation of Uganda's Industrialisation Agenda. [online] Available at: http://library.fes.de/pdf-files/bueros/uganda/15865-20191212.pdf [Accessed 16 Oct. 2020].

17. Gutowski, A., Knedlik, T., Osakwe, P.N., Ramdoo, I. and Wohlmuth, K. eds., 2016. Africa's progress in regional and global economic integration-Towards transformative regional integration (Vol. 18). *LIT Verlag Münster.*

18. Heale, R. and Alison, T., 2017. What is a case study? *CrossMark.* Retrieved from: https://ebn.bmj.com/content/ebnurs/21/1/7.full.pdf. [Accessed 2nd Oct. 2020]

19. Hemingway, J., 2019. The East African Union: Regional integration in the East African community. *Mas-ter's thesis.*

20. Juma, T.O.T.O., 2018. The Changing Faces of East African Region Economic Cooperation: Is it Politics or Economic Expediency?. *International Journal of Multidisciplinary Research and Publica-tions*, *1*, pp.14-23.

21. Kamanga, K.C. and Possi, A., 2017. General Principles Governing EAC Integration. In *East African Community Law* (pp. 202-216). Brill Nijhoff.

22. Kihumba, L., 2018. Assessing the effects of Kenya's And Tanzania's economic interests in the East Afri-can Community (EAC) between the periods 1967-1977 And 2000-2016. *(Doctoral dissertation, United States International University-Africa).*

23. Mathieson, C., 2016. The political economy of regional integration in Africa: The East African Commu-nity (EAC) report. *European Centre for Development Policy Management (ECDPM).* Retrieved from: https://ecdpm.org/wp-content/uploads/ECDPM-2016-Political-Economy-Regional-Integration-Africa-EAC-Report.pdf. [Accessed 17th Sep, 2020]

24. Matte, R., 2019. Original paper analysis of the East African Community integration process as an oppor-tunity for Uganda's medium-to-long-term development. *Economics*, *2*(1).

25. Mngomezulu, B.R., 2017, August. Why did regional integration fail in East Africa in the 1970s? A histor-ical explanation. In *www. kznhass-history. net/files/seminars/Mngomezulu2013. pdf) Accessed* 10th Oct. 2020 (Vol. 17).

26. Mshomba, R.E., 2017. *Economic Integration in Africa: The East African Community in Comparative Perspective*. Cambridge University Press.

27. Muli, W. and Aduda, J., 2017. The mediating effect of ease of doing business on the relationship between economic integration and foreign direct investment in the east African community. *J Fin Inv Analysis*, *6*(4), pp.21-54.

28. Njenga, L. N., 2018. The legal status of the East African Community (EAC). *RUDN Journal of Law*, *22*(3), 370-384.

29. Nnyanzi, J.B., Babyenda, P. and Bbale, J.M., 2016. Regional economic integration and tax revenue: East African community. *Journal of Economic Integration*, pp.932-967.

30. Nzioka, D.K., 2018. Implementation of the East African Community customs union: Bottlenecks and reform. *Doctoral Dissertation, University of Nairobi).*

31. Oketch, B.O., 2018. An Analysis of regional integration in a developing economy. *Doctoral dissertation, Strathmore University.*

32. Okute, A.M., 2017. Non-tariff barriers to trade in East Africa Community: A case of exporters in Kenya. *Doctoral Dissertation, United States International University-Africa.*

33. UNCTAD 2018

34. Nawugaba Alex 2020 The Impact of East Africa Economic Integration on Bilateral Trade in East Africa: Uganda as the Case Study

35. Bangens, L., & Soderberg, B. (2011). Mobile money transfers and usage among micro-and small business in Tanzania. Retrieved from

http://www.gsma.com/mobilefordevelopment/wpcontent/uploads/2012/06/sme_and_mmt_final_draft.pdf

36. Peter Oreilly 2019The East African Community in the emerging economic order

37. Kihumba 2018,Mngomezulu2017,WTO Secretariat2019,EACwebsite, East Africa moves forward with integration 2014.

38. Kellerman 2019,kamanga&possi2017,Aydinar,Anwar&Onemli2017,Van hoestenberghe,Roelfsema&Khalidi2016,Juma2018,Willys Macolale 2020, African development bank 2018

39. Coe&Hess2005,Neven&Reardon2004,Ubena2009,Edoho2013

40. Castaldor&Grosso&Premazzi2013., EAC

41. Facts 7 Figures2015, Viewsasa.co.ke.Oparanya, A. W., Mdadila, K. P., & Rutasitara, L. K., 2019. The determinant of bilateral trade in the east African community: application of the gravity model. *International Journal of Economics and Finance*, *11*(4), 1-15.

42. Oppong, R.F., 2019. The East African Court of Justice, Enforcement of Foreign Arbitration Awards and the East African Community Integration Process. *Journal of African Law*, *63*(1), pp.1-23.

43. O'Reilly, P., 2019. Agency, ideas and institutions: The East African Community in the emerging econom-ic order. *Doctoral Dissertation, University of York.*

44. Protas, P. and Romward, T., 2018. Reflections on 'People Centered Principle'in the East African Com-munity: The Current Legal Controversy. *The Eastern African Law Review*, *42*(2), pp.1-16.

45. Ramsay, D., 2019. Tackling Uganda's trade potential: From research to action, Uganda focusing on facili-tation to spur economy and create jobs. *Trade for Development News.* Retrieved from: https://trade4devnews.enhancedif.org/en/impact-story/tackling-ugandas-trade-potential. [Ac-cessed 20th Oct. 2020]

46. Shepherd, B., De Melo, J., & Sen, R., 2017. Reform of the EAC Common External Tariff: Evidence from Trade Costs. IGC Policy Paper.

47. Shinyekwa, I. and Ntale, A., 2017. The role of economic infrastructure in promoting exports of manufac-tured products: trade facilitation and industrialisation in the EAC research series No. 139. [online] Available at: https://media.africaportal.org/documents/Research_Series_139._pdf_1.pdf [Accessed 13 Sep. 2020].

48. Shinyekwa, I. and Othieno, L., 2013. Comparing the Performance of Uganda's Intra-East African Com-munity Trade and Other Trading Blocs: A Gravity Model Analysis. [online] Available at:

https://elibrary.acbfpact.org/acbf/collect/acbf/index/assoc/HASH429d/e07ac5d0/b2aecd89/cf.dir/EPRCseries100.pdf. [Accessed 15th Sep. 2020]

49. The Secretariat. (2019). Trade policy review report: East African Community (EAC). *World Trade Or-ganization.* Retrieved from: https://www.wto.org/english/tratop_e/tpr_e/s384_e.pdf [Accessed 13th Sep. 2020]

50. Tuluy, H., 2016. Regional economic integration in Africa. *Global Journal of Emerging Market Econo-mies*, *8*(3), pp.334-354.

51. United Nations., 2018. East African Community Regional integration: Trade and gender implications. *United Nations Conference on Trade and Development: UNCTAD*. 6 8

52. Van Hoestenberghe, K., Roelfsema, H. and Khalidi, S., 2016. The making of the East African Communi-ty: A case study. In *The E.U.E.U. and World Regionalism* (pp. 255-270). Routledge.

53. Van Tran, N., Alauddin, M. and Van Tran, Q., 2019. Labour quality and benefits reaped from global eco-nomic integration: An application of dynamic panel SGMM estimators. *Economic Analysis and Policy*, *63*, pp.92-106.

54. Vitale, A., Morrison, J. and Sharma, R., 2013. The East African Community Common External Tariff on cereals: An analysis of stakeholder perception. *FAO Commodity and Trade Policy Research Working Paper*, (36).

55. Yayo, M. and Asefa, S., 2016. International trade effects of regional economic integration in Africa: The case of the Southern African Development Community (SADC). *International Journal of African Development*, *3*(2), p.6.