

UNIVERSITY OF NAIROBI
INSTITUTE OF DIPLOMACY AND INTERNATIONAL STUDIES

**THE INFLUENCE OF EAST AFRICAN INTEGRATION ON KENYA'S SUSTAINABLE
DEVELOPMENT AND ECONOMIC GROWTH**

JACKSON MWANGI

SUPERVISOR: DR OUMA

**A RESEARCH PROPOSAL SUBMITTED IN PARTIAL FULFILLMENT OF THE
DEGREE OF MASTERS OF ARTS IN INTERNATIONAL STUDIES, INSTITUTE OF
DEPL0MACY AND INTERNATIONAL STUDIES (IDIS)**

UNIVERSITY OF NAIROBI

2021

DECLARATION

This research project is my original work and to the best of my knowledge has not been submitted to any other examination body for the award of any academic certification.



Signed

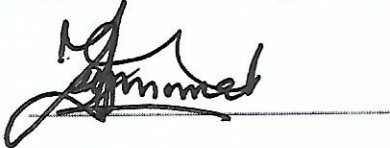
JACKSON MWANGI

R50/34616/2019



Date

This research project has been submitted for examination purpose with my approval as University of Nairobi Supervisor.



Signed

DR OUMA

Institute of Diplomacy and International Studies



Date

DEDICATION

Dedicated to my family members and friends

ACKNOWLEDGEMENT

I recognize the Grace that the Almighty God has extended to me as I undertake this study. I had good health and enough resources to come this far. I also extend my gratitude to my supervisor DrOumafor his guidance that enabled me to come this far in writing this project. Lastly, my gratitude goes to the entire teaching and support fraternity of University of Nairobi for providing a great learning environment. The support of classmates has been indispensable. I thank them profusely.

ABSTRACT

Globally states have embraced regional integration by initiating large numbers of regional integration arrangements (RIAs) in order to achieve economic growth, peace and shared prosperity. These arrangements are often guided by common policies, binding treaties and legal process which often lead to building of integrated regional institutions. In Africa RIAs have enabled the African countries to have access to each other's market and establish mechanisms which minimize conflicts both internal and external in economic, social-cultural and political realms. This study was guided by the following objectives; to investigate the prospects and dimension for the EAC regional integration, to interrogate the influence of EAC regional integration on Kenya's economic growth and to examine the key challenges faced by Kenya in the EAC regional integration process. The study utilized liberal intergovernmentalism, neo functionalism, regional integration and growth theories to conceptualize the subject area. This research study adopted a pragmatic design that combined descriptive research design and a case study to examine the influence of East Africa regional integration on Kenya's sustainable development and economic growth. Primary and secondary data were utilized. From the findings, integrated immigration policies, health policies, economic policies among others implemented by the EAC partner states have played pertinent roles enhancing trade in the region, access to health and education services, improved infrastructures and security in the region as well as led to economic growth and development. Further, EAC regional integration has resulted into economic growth in Kenya as shown by the growth in GDP and the GDP per capita in the country. Various recommendations can be made and they include; There is also a need to put in place mechanisms for enhancing adherence to the common market protocol of the EAC such as joint penalization of member states who do not comply. The issue of divided interests due to multiple memberships to various RECS should also be addressed. This can be done with regular review of contentious related to overlapping membership to other RECs. Harmonization of trade, immigration health and other policies as well as work permits and other important travel documents should be strengthened through adequate financing as well as enhanced cooperation of all relevant institutions in all EAC member states.

TABLE OF CONTENTS

DECLARATION.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
ABSTRACT.....	v
LIST OF FIGURES	ix
LIST OF TABLES	x
ACRONYMS.....	x
CHAPTER ONE: INTRODUCTION AND BACKGROUND.....	1
1.0 Introduction.....	1
1.1 Background to the Study.....	1
1.1.1 The East African Community regional Integration	4
1.2 Statement of the Problem.....	6
1.3 Research Questions.....	7
1.4 Research Objectives.....	7
1.4.1 General Objective	7
1.4.2 Specific Objectives	7
1.5 Literature Review.....	8
1.6 Theoretical literature Review.....	8
1.6.1 Liberal intergovernmentalism Theory	8
1.6.2 Regional Integration Theory	9
1.7Contextualizing Regional Integration	10
1.8 The East African Community REC	12
1.9 The influence of EAC regional integration on Kenya’s economic growth	14
1.10 The key challenges faced by Kenya in the EAC regional integration process	15
1.11 Literature Gaps.....	16
1.12 Theoretical Framework.....	17
1.12.1 Neo functionalism theory.....	18
1.13 Conceptual Framework.....	18
1.14 Research Hypotheses	19
1.15 Justification of the Study	20
1.15.1 Policy Justification.....	20
1.15.2 Academic Justification.....	20
1.15.3 To the General Public	20
1.16 Research Methodology	21

1.16.1 Research Design.....	21
1.16.2 Study Area	21
1.16.3 Target Population.....	22
1.16.4 Sample Size and Sampling Procedure	22
1.16.4.1 Sample Size.....	22
1.16.4.2 Sampling Procedure	22
1.16.4.3 Sample Size Determination.....	23
1.16.5 Method of Data Collection and Instruments	24
1.16.6 Validity and Reliability of the Study Instrument.....	24
1.16.7 Data Collection Procedures.....	25
1.16.8 Data Analysis	25
1.16.9 Ethical Considerations	25
1.17 Chapter Outline.....	26
CHAPTER TWO	27
PROSPECTS AND DIMENSION FOR THE EAC REGIONAL INTEGRATION.....	27
2.1 Introduction.....	27
2.2 Response Rate.....	27
2.3 Demographic Information.....	28
2.3.1 Gender of Respondents	28
2.3.2 Age of the Respondents	29
2.3.3 Level of Education.....	30
2.3.4 Occupation and/or Organization	31
2.3.5 Duration of Living/working in the Country.....	31
2.4 Prospects and Dimension for the EAC Regional Integration	32
2.4.1 Integrated Immigration Policies and Its Implications to the EAC Region	33
2.4.2 Integrated Trade policies and its implications to the EAC region	37
2.4.3 Integrated Health Policies and their implications to the EAC region.....	39
2.4.4 Integrated infrastructural Development and its implications to EAC Region	40
2.5 Summary of the Chapter Key Findings	41
CHAPTER THREE	43
THE IMPLICATION OF EAC REGIONAL INTEGRATION ON KENYA’S ECONOMIC AND SUSTAINABLE DEVELOPMENT	43
3.1 Introduction.....	43
3.2 Implication of EAC Integration on Kenya’s GDP	43
3.3 The Influence of Integration on Kenya’s Employment Status.....	47

3.4 The Influence of Regional Integration on Kenya’s Net Immigration.....	49
3.5 The Influence of Regionalism on Kenya’s Macro and Micro Economic Indicators	52
3.6 The Implication of Integration on Health and Social Indicators.....	55
3.7 The Security Implication of EAC Integration to Kenya	58
3.8 Chapter Findings.....	60
CHAPTER FOUR.....	61
KEY CHALLENGES FACED BY KENYA IN EAC INTEGRATION	61
4.0 Introduction.....	61
4.1 Responses obtained from the Research.....	61
4.2 Incongruity in Fiscal Policies Hampers Kenya’s Expansionism in EAC Bloc	63
4.3 Kenya’s Non-adherence to EAC Protocols.....	64
4.4 Limited Prioritization of the Integration Agenda among Kenyans.....	65
4.5 High Transportation Cost.....	67
4.6 Kenya’s Legal Framework and Governance Structures differs with the other Partners.....	69
4.7 Kenya’s Dominance creates Trade Asymmetry, Fear and Skepticism.....	70
4.8 Chapter Findings.....	72
CHAPTER FIVE	73
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	73
5.0Introduction.....	73
5.1 Summary of Findings.....	73
5.1.1 The prospect and dimensions of the EAC regional integration	73
5.1.2 The influence of EAC regional integration on Kenya’s economic growth	74
5.1.3 The key challenges faced by Kenya in the EAC regional integration process	75
5.2 Conclusion	76
5.3 Recommendations.....	78
References.....	79
APPENDIX 1: KENYA QUESTIONNAIRE	88
APPENDIX 11: INTERVIEW GUIDE.....	92
APPENDIX 111: RESEARCH PERMI.....	91

LIST OF FIGURES

Figure 1.1 Conceptual Model	Error! Bookmark not defined.
Figure 2.1: Genders of Respondents	Error! Bookmark not defined.
Figure 2.2 Genders of the Respondents	Error! Bookmark not defined.
Figure 2.3 Level of Education	Error! Bookmark not defined.
Figure 2.4 Duration Living/ worked in the Country	Error! Bookmark not defined.
Figure 2.5 Knowledge about integrated Immigration Policies	Error! Bookmark not defined.
Figure 2.6 EAC Integrated Migration Policies and Enhancement Integration Processes.....	Error! Bookmark not defined.
Figure 2.7 Immigration Policies Deepened Social relations among the Partner States.....	Error! Bookmark not defined.
Figure 2.8 Trade Policies have Enhanced EAC Integration by Strengthening Economic Relations	Error! Bookmark not defined.
Figure 2.9 EAC regional Integration improved Political and Economic Relations.....	Error! Bookmark not defined.
Figure 3.1 The effect regional integration on Kenya's GDP	Error! Bookmark not defined.
Figure 3.2 The implication of integration on Kenya's employment status..	Error! Bookmark not defined.
Figure 3.3 The effect of regional integration on macroeconomic indicators in Kenya	Error! Bookmark not defined.
Figure 3.4 Regional integration improving social indicators.....	Error! Bookmark not defined.
Figure 4.1 Challenges confronting Kenya in the EAC integration.	Error! Bookmark not defined.
Figure 4.2 Health Policies has Improved Health Services among the Partner States.....	Error! Bookmark not defined.
Figure 4.3 Citizen Participation in the Integration process.....	Error! Bookmark not defined.

LIST OF TABLES

Table 1:1 Target Population and the Sampling Size.....	Error! Bookmark not defined.
Table 2.1 Target Population and the Sampling Size.....	Error! Bookmark not defined.
Table 2.2 Occupation and/or Organization.....	47

ACRONYMS

AMISOM-African Union Mission to Somalia

ASEAN-Association of Southeast Asian Nations

AU-African Union

COMESA-Common Market for East and Southern Africa

CSO-Civil Society organization

EABC-East Africa Business Council

EAC- East African Community

EASF-East Africa Standby Force

EC-European Community

ECCAS-Economic Community for Central African States

ECOWAS-Economic Community of West African states

EEC- European Economic Community

EFTA-European Free Trade Association

EU-The European Union

GDP- Gross Domestic Product

IGAD-Inter-Governmental Authority on Development

ITA-Income Tax Authority

KNBS-Kenya National Bureau of Statistics

LAPSSET-Lamu Port–South Sudan-Ethiopia Transport Corridor

MERCOSUR-Southern Common Market Treaty

NAFTA-North American Free Trade Agreement

NTBs-Non-Tariff Barriers

OSPBs-One Stop Border Post

RECs- Regional institutions

RECs-Regional Economic Communities

SADC-South African Development Community

SGR-Standard Gauge Railway

TFG-Transitional Federal Government

UNASUR-Southern Common Market and the Union of South American Nations

UNCTAD-United Nations Conference on Trade and Development

USA-United States of America

CHAPTER ONE: INTRODUCTION AND BACKGROUND

1.0 Introduction

Regional integration can be described as the process where two or more countries agree to cooperate by coming together in order to achieve economic growth, peace and shared prosperity. This study aims at analyzing the influence of East Africa's regional integration on Kenya's sustainable development and economic growth. This chapter covers "the background of the study, problem statement, research questions and objectives of the study, justification, literature review, hypotheses, theoretical framework, research methodology and chapter outline".

1.1 Background to the Study

Globally, different countries have accepted regional integration (regionalism) as an instrument aspect for their development strategies, and established different integration arrangements (RIAs). Regionalism therefore, refers to the broad political process of forming economic and political blocs with the aim of achieving shared trade, cultural, religious and political ambitions.¹ It is usually associated with establishment of a binding treaty, as well as formulation of common economic policies and legal processes which often lead to building of integrated RECs.

According to a political science concept of regionalism provided by Joseph Nye, regionalism describes "a number of states linked together by a geographical relationship and by a degree of mutual interdependence".² Among the notable regional arrangements in the world include; the AU, the ASEAN, the ECOWAS, the NAFTA, the SADC, the UNASUR which constitutes some of the

¹Soderbaum, F. (2011). *Regionalism*. Bertrand: SAGE Publications

²Nye, J.S. (1972). *The strength of International Regionalism*. in: Günter H. (eds) *Transnational Industrial Relations*. London: Palgrave Macmillan

world's renowned RIAs. The EU presents a RIA which has achieved considerable integration level of political federation. The EU is an integrated regional bloc comprising of 27 European countries and a population of 446 million people and 24 official languages which debatably started after the collapse of Berlin wall in 1989 with the end of communism and beginning of European help.³

The European Union integration is a continuous process which begun after WWII after signing of various treaties since the first treaty of Rome that led to the establishment of theEEC in 1957. The foundational treaty establishing the EU is the Maastricht treaty signed in 1993.⁴The Treaty of Lisbon was entered in 2009 and is now the latest major amendment document in the history to date of the EU.⁵ It is constantly changing its institutions and expanding with new members which present a daunting challenge to scholars who try to explain it.

The countries of Asia and the Pacific have cooperated in integration arrangements for a considerable period of time. According to Akhtar Shamshad, “East Asia is the most integrated region followed by South East Asia with a greater potential for deeper and further cooperation of integration across the region”.⁶ Various transboundary projects have been launched in the region for instance “the Eurasia Initiative and the Belt and Road Initiative”, which suggests expansion of economic network which will connect the Asia-Pacific region to Europe and Africa, and this has increased the region's desire for further and integration in future.⁷

³ The European Union. (2020). *The establishment of the EU*. Available at <https://europa.eu/european-union/sites/europaeu/files> Accessed on 4/8/2020

⁴Raisch, M.J. (2014). *European Union*. Brussels: American Society of International law

⁵Jean-Claude, P. (2010). *The Lisbon Treaty: A Legal and Political Analysis*. Cambridge: Cambridge University Press

⁶Shamshad, A. (2017). *Enhancing Regional Economic Cooperation and Integration in Asia and the Pacific*. New York : ESCAP-United Nations Publication

⁷ Ibid

Africa's regional integration can be traced since the pre-colonial and post-colonial period. As Hartzenberg posits, African RIA's are ambitious schemes composed of neighbored arrangements of sovereign states.⁸Countries occupying a shared geographical region have membership to RIAs premised on economic and political aspirations and interest shared among them. Integration in African Continent is a process by itself as well as an end where independent nation-states can freely access markets of the member states and reduce conflicts in all realms. Majority of Africa's RIAs (i.e ECOWAS, SADC and EAC) have embraced economic liberalization approach pursuing regional integration through an intergovernmental or supranational approach, where sovereignty is exercised jointly.⁹

According to Feris and Petz, regional integration plays an important role of bridging the international and national systems.¹⁰ Further, they posit; there are 13 regional organizations working in their own frameworks to facilitate trade and manage disasters and risks collectively.¹¹ Due to the intensification of globalization and the shifting nature of global politics, regionalism has become an important tool driving international relations, particularly international and regional trade among sovereign states. One common feature of regionalism is the involvement of state governments in one or more regional blocs which also involves non-state actors in a multitude of formal and informal regional arrangements in the fields of economics and politics. This study is interested in studying the influence of East Africa's regional integration on Kenya's sustainable development and economic growth.

⁸Hartzenberg, T. (2011). *Regional Integration in Africa*. Geneva: Trade Law Centre for Southern Africa (tralac)

⁹Kinyua, T.K. (2015). *Institutional Challenges Facing the East African Community Common Market in Kenya*. Nairobi: University of Nairobi Press

¹⁰Feris, E, Petz, D. (2013). *In the neighborhood: the Growing of Regional Organizations in Disaster Risk Management*. 2nd ed. Burlington. London: London School of Economics

¹¹ Ibid

1.1.1 The East African Community regional Integration

Kenya, Uganda and Tanzania signed the treaty that led to establishment of the EAC in 1967 but later collapsed in 1977. It was revived in 1999 where Rwanda and Burundi joined later and South Sudan endorsed the EAC treaty in 2016.¹² The regional integration of the partner countries is aimed at deepening and widening mutual cooperation among the member states in all aspects. Consequently, the customs union and the common market were established in 2005 and 2010 respectively.¹³ As stated under Article 5 (2) of the Treaty, “*the Partner States undertake to establish among themselves and in accordance with the provisions of this Treaty, a Customs Union, a Common Market, subsequently a Monetary Union and ultimately a Political Federation in order to strengthen and regulate the industrial, commercial, infrastructural, cultural, social, political and other relations of the Partner States to the end that there shall be accelerated, harmonious and balanced development and sustained expansion of economic activities, the benefit of which shall be equitably shared.*”¹⁴

The East Africa regional bloc comprises of more than 177 million people occupying an area of 2.5 million square kilometers with a combined GDP of US\$ 193.¹⁵ The organs of the EAC include; “the Summit; the council of ministers; the coordinating committee; the sectoral committee; the EAC court of Justice; the EAC legislative Assembly and the Secretariat”.¹⁶ The regional community has achieved the second milestone of integration which is common market where partner states have liberalized their economies in a liberal stance geared towards the attainment of free mobility of factors of production. The integration milestone includes two fundamental rights

¹² EAC Secretariat. (2014). *EAC Sub-regional input to the Eleventh Session of United Nations Forum on Forest. Arusha*. Arusha: EAC Secretariat

¹³ Ibid

¹⁴ Article 5(2). EAC Treaty

¹⁵ EAC. (2019). *EAC Statistics of 2019*. Available at <https://www.eac.int/overview-of-eac> Accessed on 4/8/2020

¹⁶ Ibid

of *establishment* and that of *residence* in a non-discriminatory principle of the nationals from the partner states.

Currently, the EAC is implementing a common market protocol while fast-tracking the regional political federation. While majority of EAC countries have opened their economies, pursuing the microeconomic convergence remains an unfinished business among the partner states. According to “EAC *development strategy 2011/12-2015/16* the benchmark indicators of sustained GDP growth rates of 7%, inflation rates of 5%, single digit interest rates and gross national savings above 20% are yet to be achieved”.¹⁷ The political federation is the final stage of the integration process which is to be achieved after the economic integration has been realized. The monetary union is yet to be realized due to challenges facing harmonization of fiscal policies. Whereas, the regional integration is focused on achieving shared economic and political ambitions, other areas of common interest include shared terrestrial and aquatic transboundary systems, ecosystems and shared disaster risk management mechanisms at the EAC sub-region level.

Regional integration in East Africa has been subjected to viability test following the outbreak of the novel Covid-19 pandemic in 2019 where notions of sovereignty and nationalism overrode those of regionalism. Kenya and Tanzania being partner states making the EAC have been embroiled in diplomatic tussle since the outbreak of the pandemic in 2020 in the respective states. The diplomatic tussle stemmed from the different approaches adopted by the two states in respect to the response to the pandemic. Whereas, there exists a common EAC response plan to guide national policies, Tanzania failed to acknowledge the presence of the pandemic in their territory which led to closure of international border post by Kenya and Uganda to curb the spread in their

¹⁷EAC Secretariat. (2011). *EAC development strategy 2011/12-2015/16: Deepening and Accelerating Integration*. Arusha: EAC secretariat

territories. Kenya is a key trading partner to all East African countries particularly the landlocked Uganda, South Sudan, Rwanda and Burundi. Kenya also serves as a key market for Tanzania's agricultural produce and regional integration strengthens the trade relations shared by the five partner states.

1.2 Statement of the Problem

Several studies have been done on the progress of the EAC integration. For instance, KiprutoKipkoech examined "the challenges and prospects of EAC regional integration process (2001-2009) and established that; the implementation of the four pillars of the EAC process- customs union, common market protocol, the monetary union and political federation was not to guarantee quickly mutually beneficial cooperation".¹⁸ Further, WanjiruMbuu analyzed "the impact of immigration on regional integration of EAC utilizing a case study of Kenya" and found out that immigration was the cornerstone of the integration process and was instrumental in attaining the goals of the binding treaty that led to the establishment of the EAC. Additionally, Ogalo assessed "the achievements and challenges of the implementation of the EAC Common market protocol in Kenya by assessing the freedom of labor movement in Kenya" which revealed that unrestricted movement of people offers significant opportunities to growth and development of partner states' economies.

Whereas these studies are quite informing and insightful on the viability of the project EAC, there exist knowledge lacunae informing the influence of East Africa's regional integration on Kenya's sustainable development and economic growth. According to Braude, Uganda remains one of the

¹⁸Kipruto, J. (2010). *Challenges and Prospects of East Africa Community Regional Integration Process (2001-2009)*. Nairobi: University of Nairobi Press

Kenya's key trading partners within the East African region.¹⁹ While that is statistically correct compared with the other partner states, the overall influence of the integration on Kenya's sustainable development and economic growth is yet to be ascertained. Consequently, this research study seeks to establish the nexus between regional integration and Kenya's sustainable development and economic growth.

1.3 Research Questions

- i. What is the prospect and dimensions of the EAC regional integration?
- ii. What influence does EAC regional integration have on Kenya's economic and sustainable development?
- iii. What constitutes the key challenges faced by Kenya in the EAC regional integration process?

1.4 Research Objectives

1.4.1 General Objective

The main objective of this study is to find the influence of regional integration on Kenya's sustainable development and economic growth.

1.4.2 Specific Objectives

- i. To investigate the prospects and dimension for the EAC regional integration.
- ii. To interrogate the influence of EAC regional integration on Kenya's economic growth.
- iii. To examine the key challenges faced by Kenya in the EAC regional integration process.

¹⁹Braude, W. (2008). *Regional Integration in Africa: Lessons from the East African Community*. Johannesburg: South Africa Institute of International Affairs

1.5 Literature Review

This study makes a literature review drawn from previous studies done on the subject of regional integration and on economic growth and sustainable development. The literature is drawn from published studies, research journals, thesis, online sites, Policy pronouncements, newspapers and institutional reports. Literature review enables the researcher to establish knowledge gaps which need further probing and examination.

1.6 Theoretical literature Review

The empirical theoretical review utilized in this research examines three theoretical paradigms applied in regional integration which could explain regional economic integration in East Africa namely; liberal intergovernmentalism, neo functionalism and regional integration theory. These theories make an attempt in explaining the optimal way of implementing the integration process and the most beneficial outcome in economic terms. The most outstanding classical regional integration theories which have explained economic integration in a holistic approach include; the neo-functionalism theory and the Andrew Moravcsik's liberal intergovernmentalism theory.

1.6.1 Liberal intergovernmentalism Theory

Liberal intergovernmentalism emerged as a critique to both functionalism and neo-functionalism theory proposed by French President Charles de Gaulle and Andrew Moravcsik. Intergovernmentalism challenged the primacy of nation-states in organizing human activity. Stanley Hoffmann also highlighted the importance of national interest in European regional integration. According to Hoffman, national interest has not been replaced by the transnational logic of integration and this related intergovernmentalism to realist theory which emphasized the

primacy of states in international relations.²⁰ Neo functionalism argues that state is not the only significant player in the integration process. Instead, they argue that the state needs to be replaced in organizing human activity. Liberal intergovernmentalism theory incorporates the domestic decision-making in international bargaining which makes the central pillar in regional integration. The most prominent liberal intergovernmentalism scholar Andrew Moravcsik asserts in the case of European Union integration, “*the primary source of integration lies in the interests of the states themselves and the relative power each brings to Brussels*”.²¹ The liberal inter-governmentalism theory is applicable in explaining national interest in regional integration process by examining Kenya’s national economic integration in the EAC regionalism.

1.6.2 Regional Integration Theory

This theory has been used to explain the European integration and the East African integration among others. According to Jean Monnet, historically early theories of integration led to varying debate on definition of the concept whether it was a process or an end product but the two can be interchanged or combined.²² According to proponents of integration theories, integration could refer to a procedure those results to a specific state of affairs. One of major proponents of integration theory- Karl Deutsch, for example explains integration as “the attainment, within a territory, of a *sense of community* and of institutions and practices strong enough and widespread enough to assure, for a ‘long’ time, dependable expectations of ‘peaceful change’ among its

²⁰Hoffmann, S. (2003). *Obstinate or Obsolete? the Face of the Nation-State and the Case of Western Europe*. Hampshire: Palgrave Macmillan

²¹Moravcsik, A. (1993). Preferences and Power in the European Community: A Liberal Intergovernmental Approach. *Journal of Common Market Studies*, 31(4), 473-524

²² Jean-Monnet, T. (2008). Theory and Practice of regional Integration. *Robert Schuman paper series*, 8(3), 21-45

population”.²³ A “security community” is composed of a group of people or states being integrated together.²⁴

According to the regional integration theory, states are the key players in regional integration and thus the key units of analysis. They make use of regional integration to increase their national security and economic interests in the context of regional interdependence.²⁵ This research study combines the application of the regional integration theory to understand the concept of regional relations in East Africa and how it influences respective partner states economic and development wellbeing.

1.7 Contextualizing Regional Integration

Several studies have demonstrated that majority of RIAs across the world emphasizes mostly on economic integration which aim of expanding markets while linking landlocked countries to international markets.²⁶ Globally, regional integration has been adopted as the most progressive approach towards sustainable growth and development. In the Americas, countries in the Latin America initiated the MERCOSUR in 1995 to strengthen their economic ties and improve their terms of trade with other countries in Latin America.²⁷ In Europe, the EU was established with an aim of boosting trade among the 27 member states.

²³Deutsch, et al. (1967). *France, Germany and the Western Alliance: A Study of Elite Attitudes on European Integration and World Politics*. New York: Charles Scriber's Sons.

²⁴Beach, D. (2005). *The Dynamics of European Integration: Why and when EU institutions matter*. Basingstoke: Palgrave Macmillan.

²⁵Schimmelfennig, F. (2018). *Regional Integration Theory*. Zurich: George Allen and Unwin Press

²⁶ ADB. (2015). *Regional Integration; Policy and Strategy (RIPoS) 2014-2023: Integrating Africa: Creating the Next Global Market*. Abidjan: African Development Bank

²⁷Heinonen, H.(2006). *Regional Integration and the State: The changing nature of Sovereignty*. Helsinki: University of Helsinki

In 1993, the NAFTA was launched as a free trade arrangement in North America which started reducing tariffs among its members. The NAFTA is RIA comprised of USA, Canada and Mexico which aims at removing trade barriers and building a framework for international cooperation. Among the notable achievements realized by NAFTA include; establishing regulations on investment, as well as policy guiding intellectual property rights and competition. Another RIA include the ASEAN was established by Southeast Asian countries in 1967 to promote economic, political and security cooperation among the ten members who make up the regional bloc. According to Barcena “regional integration expands markets and promotes competition by eliminating barriers to trade among constituent countries”.²⁸ This led to equal sharing of resources and increased productivity among the member states, as well as improving the economic welfare of the members. Richard Gibb postulates that “the processes of regional integration are closely related to the international system.”²⁹ Regional integration takes place in the international system and thus the changes in that system change also the context where integration occurs. In principle, all changes in the international system have a direct impact on integration processes”.

In Africa, regional integration is pursued for economic considerations, particularly the intention to liberalize trade and access neighboring states’ market. Several RIAs have been established in Africa such as the SADC, the COMESA, the ECOWAS and the EAC which forms the case of interest for this study.³⁰ Notably the AU recognizes eight RECs which among the above mentioned

²⁸Barcena, A. (2013). *Regional Integration: Towards an inclusive value chain*. ECLAC. Santiago: Economic Commission for Latin America and the Caribbean

²⁹Gibb, R. (2001). *The State of Regional Integration: the Intra-and Inter-regional dimensions*. In Clapham et al. (eds) *Regional Integration in Southern Africa: Comparative International Perspectives*. Johannesburg: SAIIA

³⁰ UNDP. (2011). *Regional Integration and Human Development: A pathway for Africa*. New York: United Nations Publication

include; ECCAS, IGAD and UMA. African countries have enhanced market integration through the RECs.

Geda Alemayehu asserts that economic integration progress in Africa is uneven.³¹ The most advanced REC is the EAC which have successfully established the common market protocol and custom union which have led to removal of trade barriers among the member states and fast-tracking monetary union.³² Regional integration in Africa is galvanized in Agenda 2063 which seeks to ensure sustainable growth and development in the region is attained in 50 years time.³³ Africa's integration is still a gradual process which envisions a politically USA model premised on pan-Africanism and intra-African trade liberalization. The Abuja Treaty which was implemented in 1994 envisions for an African Economic Community by 2028.³⁴

1.8 The East African Community REC

The EAC REC consists of five sovereign states previously mentioned and has been regarded as the most progressive REC in the African context consisting of more than 177 million people and a GDP of US\$ 193 billion. Historically, the treaty establishing EAC was signed by three heads of states from Kenya, Tanzania and Uganda in 1999 but later Burundi and Rwanda joined the bloc. Later a customs union protocol was established in 2004, followed by a common market protocol in 2010.³⁵ The first EAC was established in 1967 but later collapsed in 1977. The current political leadership of EAC is headed by Kenya's President Uhuru Kenyatta.³⁶ Currently, member states

³¹Geda, A. (2002). *Regional Economic Integration in Africa: A Review of problems and prospects with a case study of COMESA*. Addis Ababa: Addis Ababa University

³²Ibid

³³ Ibid

³⁴ Ibid

³⁵Hartzenberg, T. (2011). *Regional Integration in Africa*. Geneva: Trade Law Centre for Southern Africa (tralac)

³⁶ EAC. (2021). *EAC functions*. Available online at <https://www.eac.int/about-eac/leadership> Accessed on 19th/4/2021

signed a protocol for instituting the EAC Monetary Union in November 2013 and they are planning on establishing an East African Federation with a goal of building a sustainable and powerful economic and political bloc in East Africa.

The economic integration of EAC has increased trade among the member states. The trade networks among the partner states have improved as a result of the trade liberalization policy. According to Kalinga Godfrey and Meredith A. McIntyre, “all six countries view regional integration as an essential plank of their development strategy and an important ingredient in stimulating increased trade and investment.”³⁷ Policymakers are expecting the creation of the EAC monetary union to facilitate higher trade and investment flows between member states and through increased competition to improve the efficiency and competitiveness of the exports sectors in the individual countries”.³⁸ According to UNCTAD, “Kenya is the largest economy in the EAC and the only non-least-developed country among the EAC members, owing to its favorable geographic location, good economic infrastructure, relatively skilled labour force and strong institutions compared to its neighbors”.³⁹ Kenya’s economy has widened and deepened with increased intra-regional trade linkages which have seen improved trade volumes being realized in comparison to the other partner states as shown by the IMF *working paper WP/05/143* on trade integration in the EAC.⁴⁰ This implies an expected sustained growth and development on part of Kenya which this research seeks to examine.

³⁷Kalinga, G., & McIntyre, M.A. (2005). *Trade Integration in the East African Community: An Assessment for Kenya*. Washington D.C. IMF Publication

³⁸ Ibid

³⁹ United Nations Conference on Trade and Development. (2018). *East African Community Regional Integration: Trade and Gender Implications*. Washington D.C. United Nations Publications

⁴⁰ IMF. (2005). *Trade Integration in the East Africa Community. WP/05/143*. Washington D.C: IMF Working Paper

1.9 The influence of EAC regional integration on Kenya's economic growth

Globally, all countries have acknowledged the significant role played by regional integration. This includes economic growth that has been realized as a result of enhanced trade and investments among the partner states as a result of trade liberalization where businesses can enter and exit each other's market with freedom. According to Niekerk, "regional integration is pushed by regional specialization where the entire economic region is pushed towards productive efficiencies that enable the concentration on the type of production that has comparative advantages than other regions".⁴¹

In Africa regional integration is associated with comparative advantages and increased liberalization where states enter into regional economic integration for the purpose of accessing each other's market and enable free movement of goods and labor across state boundaries. Africa's regional integration entails independent entities surrendering their loyalties to larger unit which performs the duties previously performed by these independent units. In Africa regional integration has enabled economic transformation on trade regimes which have lowered barriers to trade. Since independence, African countries have pursued regional integration premised on political unity of the continent with the adoption of several regional integrated economic which include; SADC, EAC among others discussed in literature review. The Economic communities of central African countries and the COMESA have entered into negotiation for the establishment of an expanded free trade agreement aimed at increasing intra-regional trade and maximizing economic benefits.

⁴¹Niekerk. L.K. (2005). *Regional Integration: Concepts, Advantages, Disadvantages and Lessons of Experience*. Staff Working Paper No. W1748. South Africa Country Office

Kenya has partnered with the other regional states in East Africa to improve intra-regional trade particularly facilitating import and export of goods for the landlocked countries. Kenya has been termed as the dominating economy in the EAC region and the regional security leader with the capacity to stabilize the region and offer safe sanctuary to regional refugees. Kenyans have utilized the regional integration rights and freedoms to establish businesses across the neighboring countries in sectors spread across banking, retail chain stores, transport and mobile money transfer systems. For instance, “the East African Breweries has acquired 51% shares in Tanzania’s Serengeti Breweries; Trans Century of Kenya has substantial investment in Tanzania Cables and Tanzania’s TANELEC, while BIDCO has significant investment in the edible oil sector in Kenya, Uganda and Tanzania”.⁴² Kenyan businessmen and traders have sought economic opportunities among the EAC partner states accounting for approximately US\$ 622 billion to country’s GDP in 2020.⁴³

1.10 The key challenges faced by Kenya in the EAC regional integration process

Challenges facing global regionalism are spread across security, economic and political realms. Concerns related to global terrorism and insecurity associated with free movement of persons across national territories have led some states to reconsider regional integration with the *Brexit* as a case of reference. The intention of the UK to withdraw from the decades old European Union in what is popularly referred to as *Brexit* presents a current challenge to regional integration in the international scene, where concerns related to nationalism and sovereignty have emerged to cast

⁴² EAC Secretariat. (2011). *EAC Development Strategy (2011/12-2016/16); Deepening and accelerating Integration..* Arusha: EAC Secretariat

⁴³ Deloitte. (2020). *Deepening and Accelerating Integration in East Africa*. Nairobi. Deloitte Touche Publication

the vulnerability of regionalism and on the success of other regional blocs. The Eurozone crisis experienced since 2008 have worsened unemployment and stifled economic growth in the EU.⁴⁴

In East Africa challenges attributed to boundaries have constantly emerged as a remainder to the post-colonial boundaries adopted by the independent states. Whereas there has not been experienced a violent conflict related to boundaries, Kenya and Uganda have constantly contested the ownership of the Migingo Island located inside Lake Victoria associated with enormous economic potential drawn from the Fisheries and aquatic resources. The ownership of the Migingo Island presents a territorial challenge to the unity of EAC regional integration if not solved amicably. The Ilemi triangle is also a contested territory among Kenya, South Sudan and Ethiopia inhabited by nomadic communities which practice transhumance. While not yet a regional conflict flashpoint, the region could facilitate nationalism in future which could brew inter-state conflict in EA. Differences in harmonization of policies are also another challenge which confronts EAC. Despite the abolition of restrictions to free mobility across the EAC region, some countries are yet to implement the protocols stipulated in the EAC Common market protocol. The demand for Yellow Fever vaccination is a demand applied selectively by some countries (Tanzania and Uganda) which is detrimental to regional freedom of movement.

1.11 Literature Gaps

While the available literature explains the implementation of the first three stages of regional integration i.e. preferential trade area, customs union and common market, there exist no literature explaining how the monetary and the political federation stages shall be achieved. Since there cannot be equitable economic growth and development in all the member states, there is limited

⁴⁴ ECLAC. (2014). *Regional Integration: towards an inclusive value chain strategy*. United Nations-ECLAC

literature and knowledge outlining the gains and misses among the partner states forming the EAC. Integrating during the period of Brexit in the European Union implies a shift in the whole integration process which might affect other RECs and the EAC is no exception but there is limited research explaining similar patterns in the current arrangement in EAC. Lack of comparative analysis presents a knowledge gap worthy of an academic probe to avert similar drawbacks in the EAC integration process. The dominance of Kenya in the East Africa Community regional economic integration is a twofold scenario which can strengthen or disintegrate the RIA depending on the perception drawn from the other partner states whose information is quite limited if not available. There exists also limited knowledge relating to the regional response to trans-boundary risks such as the current Covid-19 pandemic which has tested the reality and the effectiveness of the integration agenda.

1.12 Theoretical Framework

This study utilized growth theory to conceptualize the influence of East Africa regional integration on Kenya's sustainable development and economic growth. Growth theory was developed by Paul Romer in 1980's.⁴⁵ It assumes that, economic growth is influenced by endogenous forces and not by external forces. The key drivers of endogenous development theory is elimination of the conjecture of reducing returns to investment and the notion that regional integration is the key driver of a country's economic growth and development.⁴⁶

The main features of this theory include significance of research in economic policies, such that increase in production of research stimulates quicker growth, innovation and invention. The

⁴⁵Rosa, C. (2009). The New Growth Theories and Their Empirics after Twenty Years. *Economics E-Journal*, 3(1),1-72

⁴⁶Anish, S. (2012). Modern Growth Theory. *IIMB Management Review*, 24(1),67–68

endogenous growth theory postulates that, adoption of key principles such advanced innovation and knowledge as well as embracing strategies that bring change, transparency and accountability will foster growth. The growth theory stipulates that regional integration can enhance economic growth through harmonization of policies, elimination of trade tariffs, allowing free mobility among the partner states.⁴⁷

1.12.1 Neo functionalism theory

Neo functionalism does not consider a state to be the most important and relevant player in the integration process. Instead, it insists that in order to organize human activity the states must be replaced. Ernst Haas is credited with the neofunctionalism where he recognized three aspects that led to successful integration and they include; “pluralistic social structures, substantial economic and industrial development and common ideological patterns among the participating states”. According to Haas, “economic and political integration is the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities towards a new center, whose institutions possess or demand jurisdiction over the pre-existing national states”.⁴⁸ It was used to describe European Union integration; it is applicable in describing the same in East Africa and establishing nation-state interest in the integration agenda.

1.13 Conceptual Framework

This study conceptualized the variables of the study in a conceptual framework. The independent variable shall be limited to challenges faced by Kenya in the EAC regional integration process;

⁴⁷ Ibid

⁴⁸ Haas, E. (1968). *The Uniting of Europe*. Stanford: Stanford University Press

the influence of EAC regional integration on Kenya’s economic growth; the prospects and dimension for the EAC regional integration. On the other hand the dependent variable is Kenya’s Economic growth and development. The figure 1.1 below shows the conceptual framework as conceptualized by the study.

Independent Variable

Dependent Variable

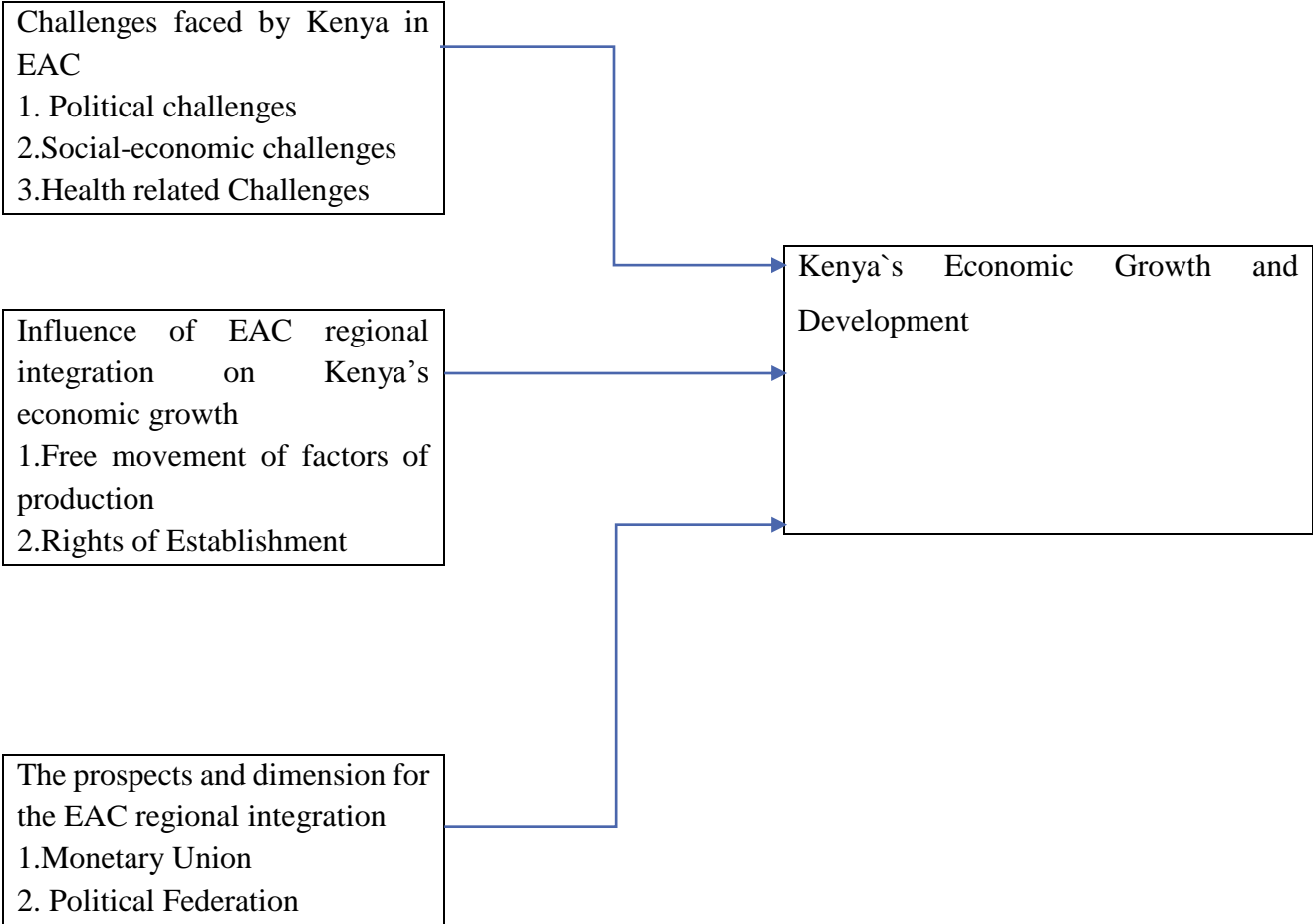


Figure 1.1 Conceptual Model

Source: Researcher, 2021

1.14 Research Hypotheses

H1: The EAC regional integration process does not influence Kenya’s economic growth.

HO: Kenya is faced with challenges in the EAC regional integration process.

1.15 Justification of the Study

1.15.1 Policy Justification

Presently the EAC RIA is confronted by a recurring inter-state acrimony diplomatically bruising between Kenya and that of Tanzania over the regional response to Covid-19 pandemic, and which potentially slows the integration process. This acrimony need to be studied in detail to ascertain the course of action and the implication thereof. Trade imbalance among the six partner states remains a major puzzle to policymakers fast-tracking the monetary union which requires further academic research and evaluation worth of this research study. The information generated from this research shall inform the policy plans of the policy-makers in the region as well provide a reference material for regionalism scholars interested in African RIA and the ultimate agenda of the United States of Africa aspired by the Continental body-the AU in 2063.

1.15.2 Academic Justification

Scholars interested in learning more about East African regional integration can refer to this study to further their knowledge. This study offers in-depth analytical synopsis of the East Africa region, drawn from various studies done previously, hence providing a credible source of information which can facilitate inner understanding of the regional bloc. Further, this study offers up-to-date socio-economic and political factsheet relating to the regionalism process of the study area. International relations scholars shall find this research study worthy of an academic reference.

1.15.3 To the General Public

The people of East Africa need adequate and empirical evidence on the feasibility of the EAC integration in order to avert the political impasse similar to the one presented by the Brexit in the

European Union. It is upon this background that this research provides empirical evidence which can be utilized by the general public in determining their commitment to the integration process. This stems from the realization that integration process is both a social, political and economic endeavor in which citizens from the respective partner states play an integral role. Therefore, this research provides relevant information related to intra-regional affairs and explains Kenya's economic significance in regards to the integration process.

1.16 Research Methodology

The methodology adopted include;“theresearch design, study area and target population, sample size determination, data collection methods, sampling procedures and data analysis”.

1.16.1 Research Design

Research design is “a blue print or a detailed plan of how a research is to be completed”.⁴⁹ The study utilized a pragmatic design that combined descriptive research design and a case study to examine the influence of East Africa regional integration on Kenya's sustainable development and economic growth. These methods are used when prior knowledge of the problem and information needed was clearly defined. Therefore, this study design is deemed as the best to fulfill the objectives of the study.

1.16.2 Study Area

The study was conducted in Kenya which is a member of EAC. Challenges to regional integration in East Africa have impacted on economic growth of member countries and this impedes the realization of Kenya's development agenda. Questionnaires were distributed to the targeted

⁴⁹Kothari, C. (2003). *Research Methodologies*, 3rd Edition. New Delhi: WishwaPrakashan

respondents in Nairobi. However, due to Covid 19 pandemic, the researcher conducted interviews with some of the respondents using Google zoom, WhatsApp Video and through telephone calls.

1.16.3 Target Population

Target population is “the group of individuals or participants with specific attributes of interest and relevance, the researcher wishes to draw the sample from”.⁵⁰The target population in this study were officials from the Ministry of EAC, business persons, scholars, Ministry of Foreign affairs officials and diplomats. These stratified groups of respondents are deemed knowledgeable on issues regarding regional integration and its impact on economic growth and development.

1.16.4 Sample Size and Sampling Procedure

1.16.4.1 Sample Size

In this study the sample size was 104 respondents calculated using “Yamane’s formula” shown below ($n=104$). The sample size should be average in order to attain all the characteristics required in a research.⁵¹The process of choosing sample size also encompasses consideration of the desired precision and confidence level for estimate. The sample size of this study entail; diplomats; officials from the foreign affairs in Kenya, Ministry of EAC officials, business persons and scholars from different institutions and professions.

1.16.4.2 Sampling Procedure

The study adopted both purposive and simple random sampling approaches to obtain the sample size. Purposive sampling also described “as judgment, selective or subjective sampling is a sampling technique in which researcher relies on his or her own judgment for choosing members

⁵⁰ Lavrakas, P. (2008). *The target population*. Thousand Oaks: Sage Publications

⁵¹ Kothari, R C, (2003). *Research Methodologies*, 3rd Edition. New Delhi: WishwaPrakashan

of the population, who are rich in the required information to participate in the study". Russell and Gregory (2003) posit that purposive sampling is best suited for studies where the objective is to identify information-rich cases.

1.16.4.3 Sample Size Determination

A sample size of 104 respondents drawn from Ministry of EAC official, business persons, scholars and Ministry of Foreign Affairs Officials and diplomats were targeted due to their knowledge on the subject areas as shown in the table below.

This study employed a formulae by Yamane (1967), which gives the desired sample from the under listed formulae.

$$n = \frac{N}{1 + Ne^2}$$

Where,

n= the sample size

N = the size of population

e= the error of 5 percentage points

Table 1:1 Target Population and the Sampling Size

Target Group	Target Population (N)	Sample size (n)	Sampling procedure
1. Diplomats from EAC region representing their countries in Kenya	3	3	Purposive
2. Representatives from Ministry of Foreign Affairs	3	3	Simple Random
3. Representatives from the Ministry of EAC and regional coordination	9	9	Purposive

4. Representatives from Business Council of EAC	9	9	Purposive
5. Academicians/Scholars	30	28	Purposive
6. Economic Policy Makers from Selected Institutions in Kenya	61	53	Purposive
Total	115	104	

Source; Researcher, 2021

1.16.5 Method of Data Collection and Instruments

The researcher utilized both primary and secondary data. Primary data was sourced through use of questionnaires and the interview guide. Secondary was obtained from relevant books, articles, newsletters, Journals etc. The questionnaire contained both open and close ended questions. The interviews were conducted through telephone from the selected interviewees in Nairobi where the researcher got an in-depth understanding of the subject areas through further probing of the respondents. This ensured that they gave honest, factual and valid information.

1.16.6 Validity and Reliability of the Study Instrument

Validity refers to measuring what is intended to be measured⁵². Content validity was used to ensure that the data collection instrument includes all items that are essential and eliminates undesirable items.⁵³ Validity of the research instruments was tested through a pilot study on 10 participants who were not to be interviewed during the main data collection process. This ensured that the questions answer the study objectives. The supervisor also assisted in improving the quality of the research instruments.

Reliability ensures that the same results are obtained using the same instrument after conducting the same test several times. Testing for reliability is important since it refers to the consistency

⁵²Cohen, L., Manion, L., Morrison, K., & Morrison, R.B. (2007). *Research methods in education*. Milton Park: Routledge

⁵³Ibid

across all the components of the measuring instrument.⁵⁴Test-retest technique was used to reaffirm the reliability of the study questionnaire. The technique was applied to the same subjects after a while and the relation between two applications determined.

1.16.7 Data Collection Procedures

The researcher obtained the required documents needed to collect data, and was assisted by research assistances that were trained prior to data collection how to engage the respondents as well as maintain the code of ethics. They helped in distributing the questionnaires to the respondents in different departments and collect them later. However, due to Covid 19 pandemic, the researcher also conducted interviews with some of the respondents using Google zoom, WhatsApp Video and through telephone calls

1.16.8 Data Analysis

Qualitative data analysis involves “the process of examining qualitative data to derive an explanation for a specific phenomenon”. The primary data gathered through the research tools was analyzed using content analysis and presented. Later, from the findings the study was able to draw conclusions and deduce recommendations.

1.16.9 Ethical Considerations

This study was subject to certain ethical considerations. This study ensured that the participants were not coerced to engage in the research.⁵⁵The researcher endeavored to maintain ethical manner by seeking relevant documentations such as a permit from the NACOSTI to conduct the research.

⁵⁴Wilson, J. (2010). *Essentials of Business Research: A Guide to Doing Your Research Project*. Thousand Oaks: Sage Publications

⁵⁵Peters, B. (2020). *Qualitative Methods in Monitoring and Evaluation: Ethical Considerations in Qualitative Research*. Washington, DC: America University

He assured the respondents of the confidentiality and security of data they provided and that it was to be used for academic purpose only, and their names would never be mentioned without their consent. All other documents relevant to the study were also sought.

1.17 Chapter Outline

This research comprises of five chapters.

Chapter one focuses introduces and gives “the background of the study states the problem of the study, provides the research objectives and questions, give the justification of the study, provide theoretical framework, literature review as well as the methodology”.

Chapter two investigates the prospects and dimension for the EAC regional integration.

Chapter three seeksto interrogate the influence of EAC regional integration on Kenya’s economic growth.

Chapter four examines the key challenges faced by Kenya in the EAC regional integration process.

Chapter five provides the summary, conclusion and recommendations.

CHAPTER TWO

PROSPECTS AND DIMENSION FOR THE EAC REGIONAL INTEGRATION

2.1 Introduction

Chapter two presents findings based on the first objective which sought to find out the influence of EAC regional integration on Kenya's economic and sustainable development. Data was obtained by use of questionnaires and interviews and the findings analyzed based on the existing literature. Chapter contains three sections namely: response rate; findings on the demographic characteristics of the study as well as findings from psychometric-scale statements and interviews and; conclusions.

2.2 Response Rate

The overall response rate was 89.4% (93 of the 104 persons sampled by the study). This was considered sufficient for analysis. This is in line with Mugenda and Mugenda who view that a response rate of 50% is sufficient, 60% good, while 70% response rate is very good.

Table 2.1 Target Population and the Sampling Size

Category	Sampled	Responded	Percentage
Diplomats from EAC region representing their countries in Kenya	3	2	66.7
Representatives from Ministry of Foreign Affairs	3	3	100.0
Representatives from the Ministry of EAC and regional coordination	9	5	55.6

Representatives from Business Council of EAC	9	8	88.9
Academicians/Scholars	28	26	92.9
Economic Policy Makers from Selected Institutions in Kenya	53	49	92.5
Total	104	93	89.4

Source: Researcher, 2021

2.3 Demographic Information

The study aimed at establishing the gender, age, level of education and occupation.

2.3.1 Gender of Respondents

The respondents were asked to indicate their gender. This is because different socio-economic aspects affect different groups differently and therefore they tend to perceive them differently. As indicated on figure 2.1 below, most of the participants (62.4%) were male while females were 37.6% indicating both genders were significantly represented.

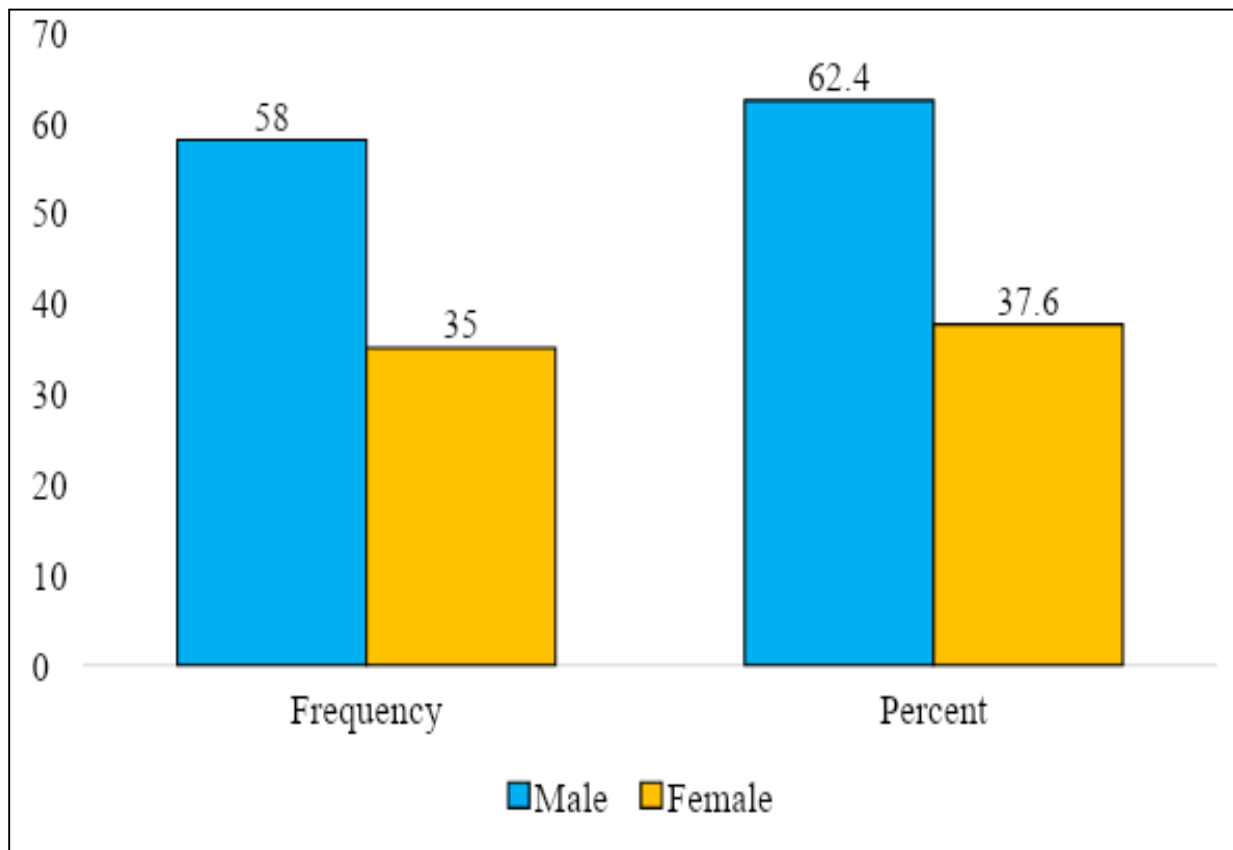


Figure 2.1: Genders of Respondents

Source: Field Data, 2021

2.3.2 Age of the Respondents

As indicated on figure 2.2 below, more than half of the respondents were aged between 36 and 50 years at 54.8%. These were followed by those 51 to 65 years at 30.1% and those aged between 18 and 35 years at 12.9%. The respondents were from different age groups and could understand the influence of EAC regional integration on Kenya's economic and sustainable development.

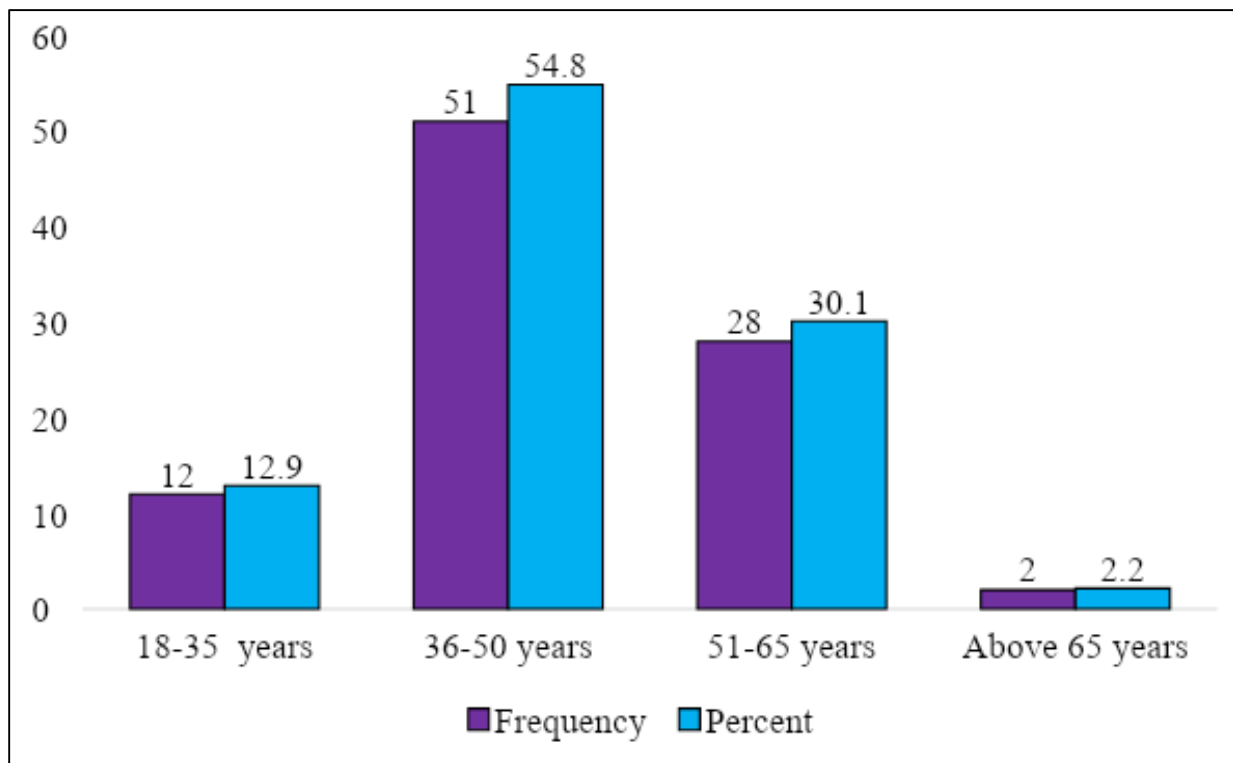


Figure 2.2 Genders of the Respondents

Source: Field Data, 2021

2.3.3 Level of Education

The respondents were asked to indicate their level of education. This was considered to be an important aspect of the study demographics since a person's level of education determines their level of understanding and perception of the issues under consideration. The findings show that most of the respondents (44.1%) had college and technical institute certificates. These were followed by those with secondary school education (29%) and university degrees (26.9%). This is indicative of the fact that the respondents had sufficient education levels to understand the subject under investigation.

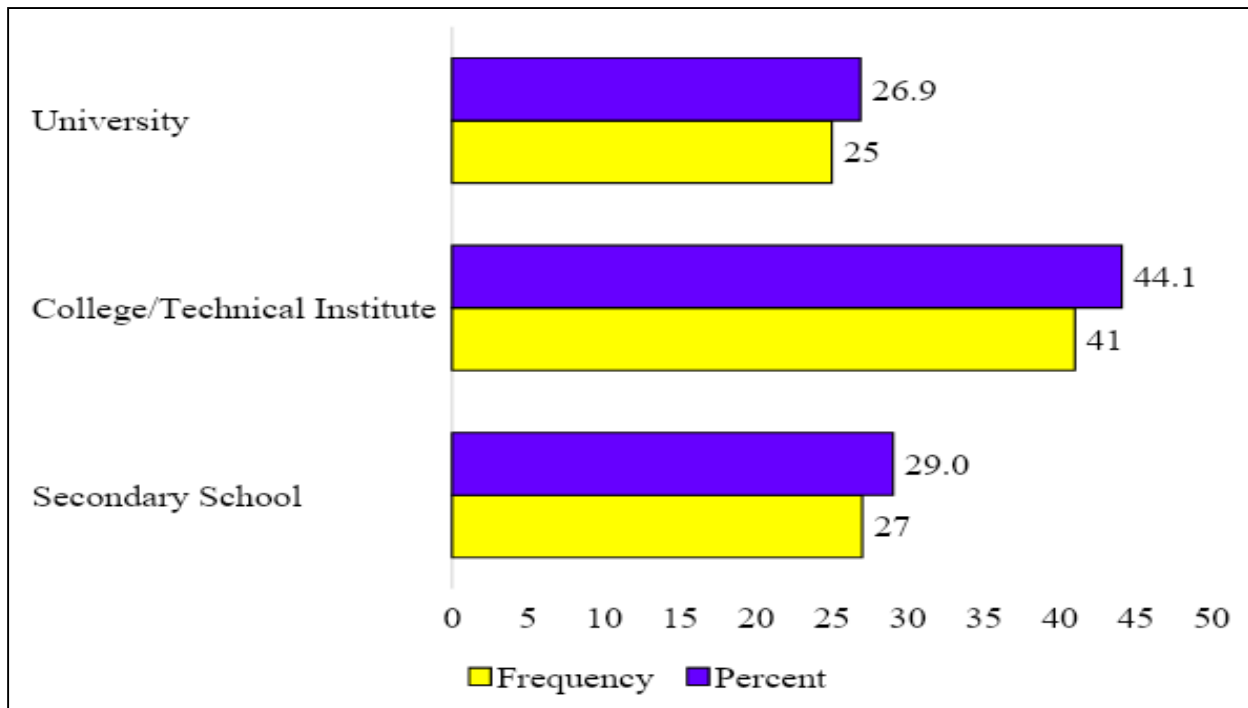


Figure 2.3 Level of Education

Source: Field Data, 2021

2.3.4 Occupation and/or Organization

The respondents were required to indicate their occupation or organization. According to the findings, all categories were well represented in the study as shown in the study with the majority being representatives from Ministry of Foreign Affairs (100%).

Put in more explanation here and link the narrative to the table below

Table 2.2 Occupation and/or Organization

Category	Sampled	Responded	Percentage
Diplomats from EAC region representing their countries in Kenya	3	2	66.7
Representatives from Ministry of Foreign Affairs	3	3	100.0
Representatives from the Ministry of EAC and regional coordination	9	5	55.6
Representatives from Business Council of EAC	9	8	88.9
Academicians/Scholars	28	26	92.9
Economic Policy Makers from Selected Institutions in Kenya	53	49	92.5
Total	104	93	89.4

Source: Field Data, 2021

2.3.5 Duration of Living/working in the Country

The participants were asked to specify the number of years they had lived or worked in the country. As indicated on figure 2.4, the findings show that more than half of them (54.8%) had lived in the country for more than 20 years. These were followed by those who had lived in the country between 15 and 20 years at 11.8%. All in all, the findings show that the respondents had lived in the country for long enough to understand the influence of EAC regional integration on Kenya's economic and sustainable development.

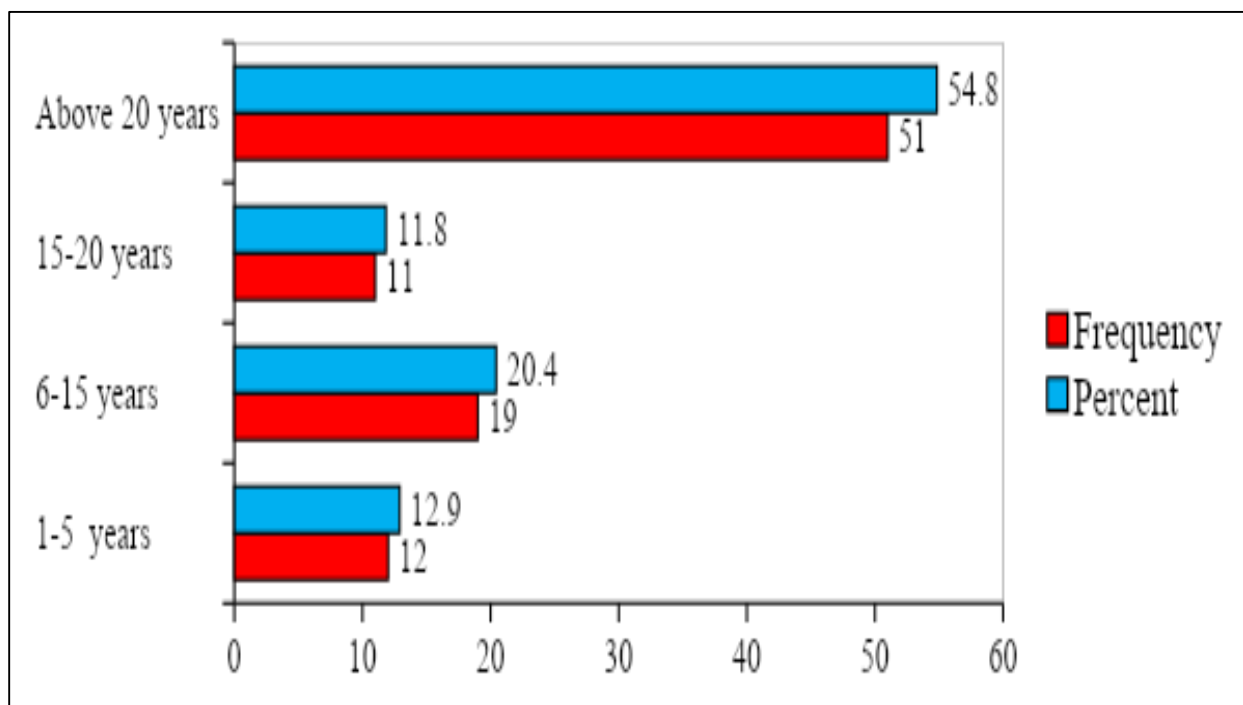


Figure 2.4 Duration Living/ worked in the Country

Source: Field Data, 2021

2.4 Prospects and Dimension for the EAC Regional Integration

The study sought to establish the prospects and dimension for the EAC regional integration.

2.4.1 Integrated Immigration Policies and Its Implications to the EAC Region

The study aimed at finding out if the participants had knowledge about immigration policies and their implications in the EAC regional integration. As indicated on figure 2.5 below, the findings show that 97.8% of the respondents had knowledge about these policies and their influence on integration processes at the EAC and could make significant contributions on the subject.

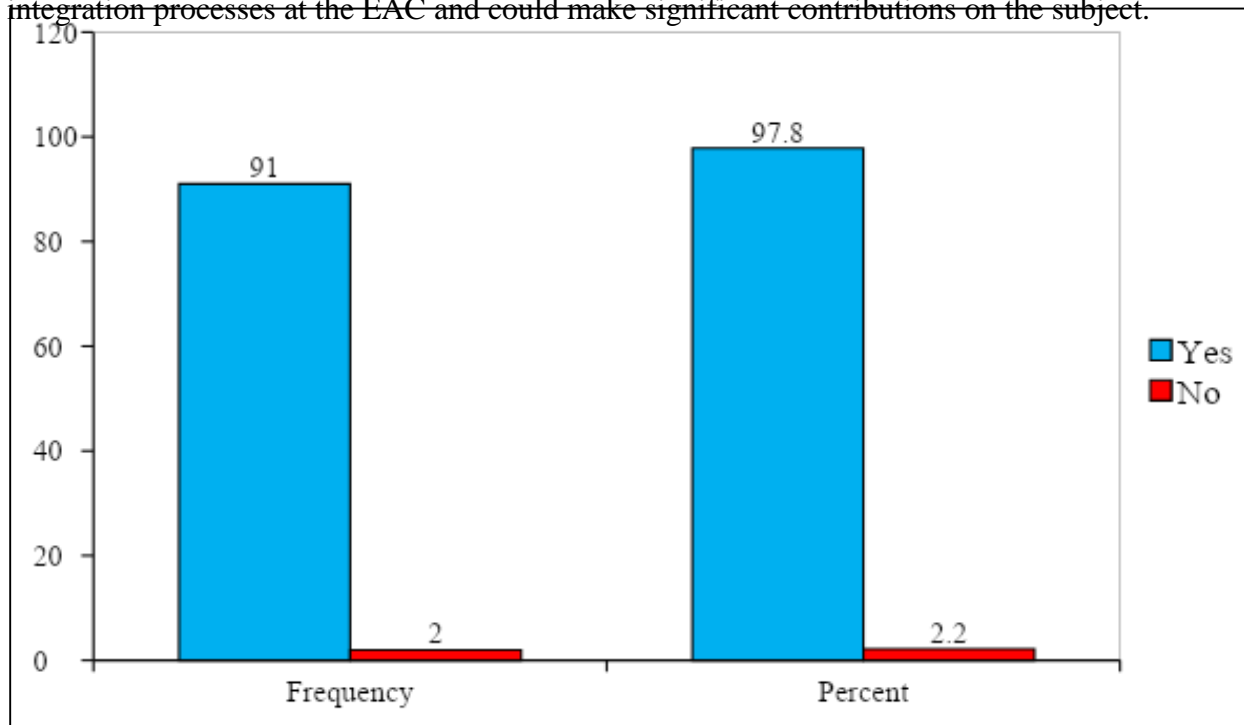


Figure 2.5 Knowledge about integrated Immigration Policies

Source: Field Data, 2021

The study aimed at investigating the impact of Integrated Immigration policies for the EAC regional integration based on a 5-point psychometric-scale-type statements were presented to the respondents on a scale of 1-5 where: “1=Strong Disagree; 2= Disagree; 3=Neither Agree nor Disagree (Neutral); 4=Strongly Agree and; 5=Strongly Agree”. The Weighted Means (WM),

which shows point of converge along the 5 point scale was used to show the level of agreement with each statements. This is demonstrated in the Figure 2.6.

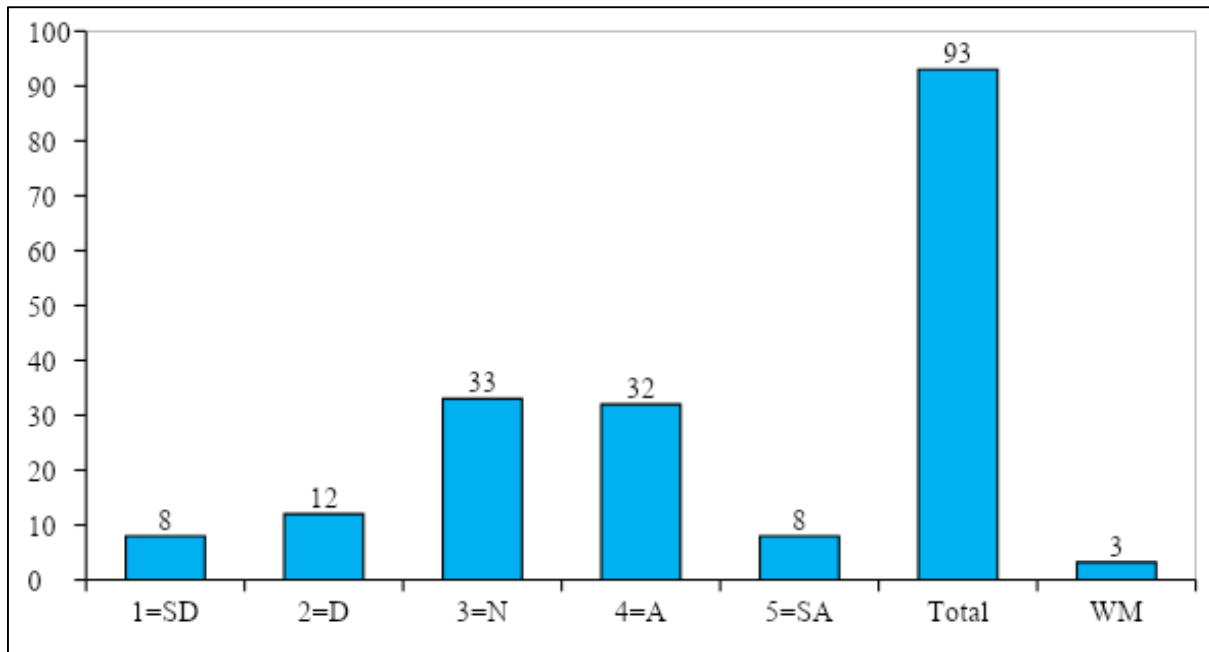


Figure 2.6 EAC Integrated Migration Policies and Enhancement Integration Processes

Source: Field Data, 2021

As shown in Figure 2.6, the respondents neither agreed nor disagreed (WM=3) that EAC integrated migration policies had contributed to enhancement of the level of integration. This shows mixed reactions regarding the perceived level of the contribution of migration policies to EAC integration. The policies were seen as good on paper but poor in practice. As such immigration policies were implemented bur rather on an average basis. These findings agree with the study by

Geda Alemayehu when he asserts that the integration progress in Africa is uneven. This could explain the perception that the EAC integration is average. These findings however indicate the fact that integration in Africa is meagre seeing that Geda's study posits that EAC has the most advanced level of integration in Africa. These findings are buttressed by one of the respondents who said that:

“There are slow processes of harmonization of immigration policies in Africa as envisaged by the common market protocol. Some of these policies are often flouted as African countries. In EAC for example, countries often close borders without respecting the migration policies. EAC nationals are also often arrested in other countries; creating hostility between the member countries.”

The findings in Figure 2.6 support a study by Wanjiru Mbuu that analyzed “the impact of immigration on regional integration of EAC utilizing a case study of Kenya” and found out that immigration was the cornerstone of the integration process and was instrumental in achieving the goals stipulated in the treaty establishing the EAC. Additionally, Ogalo assessed “the achievements and challenges of the implementation of the EAC Common market protocol in Kenya” by assessing the freedom of labor movement in Kenya which revealed that unrestricted movement of people offers significant opportunities to growth and development of member states economies. It can thus be deduced that EAC was not maximally tapping the benefits attached to the implementation of migration policies.

Immigration among the partner states had also been fast-tracked by deepened social relations. This is shown by most of the respondents (WM=4) who were of that opinion. These findings are in line with the provisions of “Article 5 (2) of the EAC common market protocol” established in 2010 that states that

“the Partner States undertake to establish among themselves and in accordance with the provisions of this Treaty, a Customs Union, a Common Market, subsequently a Monetary Union and ultimately a Political Federation in order to strengthen and regulate the industrial, commercial, infrastructural, cultural, social, political and other relations of the Partner States to the end that there shall be accelerated, harmonious and balanced development and sustained expansion of economic activities, the benefit of which shall be equitably shared.”

The common market protocol had created feelings of commonality among the EAC peoples. This had made some of them to start moving freely in the region for trade, tourism and other reasons. As such, it is evident that immigration policies were playing key roles in integration among EAC citizens.

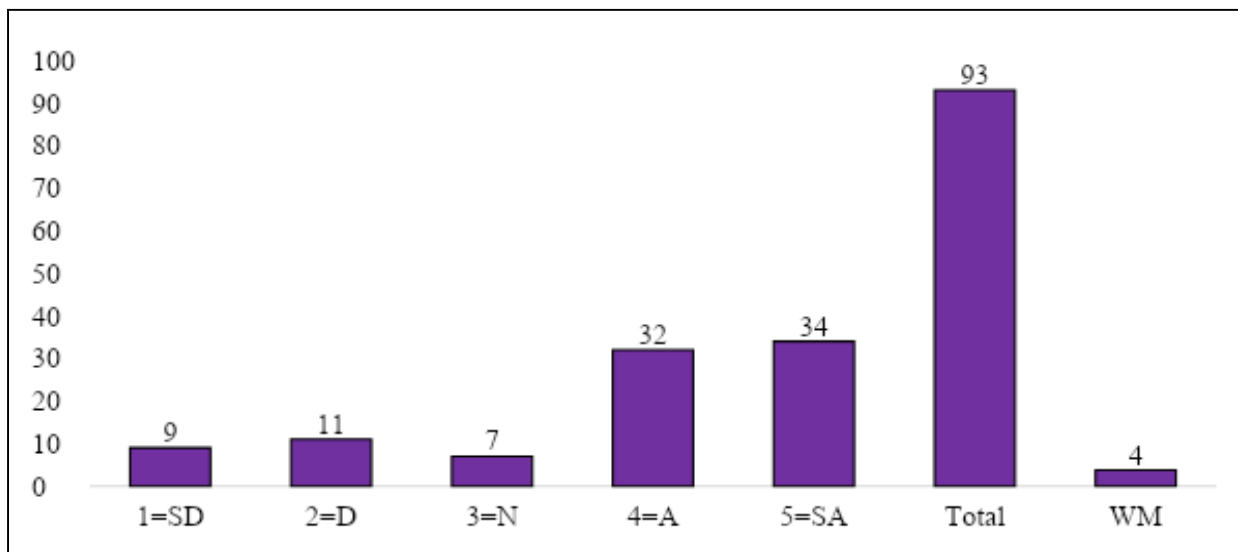


Figure 2.7 Immigration Policies Deepened Social relations among the Partner States

Source: Field Data, 2021

2.4.2 Integrated Trade policies and its implications to the EAC region

Regarding the role of trade policies in enhancing regional integration through deepening economic relations among the partner states, the respondents agreed (WM=4). This shows that EAC integration had enhanced economic relations such as trade in the region. This affirms the findings by Heinonen that show that RECS, citing the MERCOSUR in the Americas, plays a pivotal role in strengthening economic ties and improving terms of trade among member nations. As such, the role played by regional integration policies within the process of strengthening economic ties among member nations in EAC is a reality. These findings align with the liberal inter-governmentalism theory that shows that one of the national interests in regional integration process is reaping the benefits of economic integration through enhanced trade.

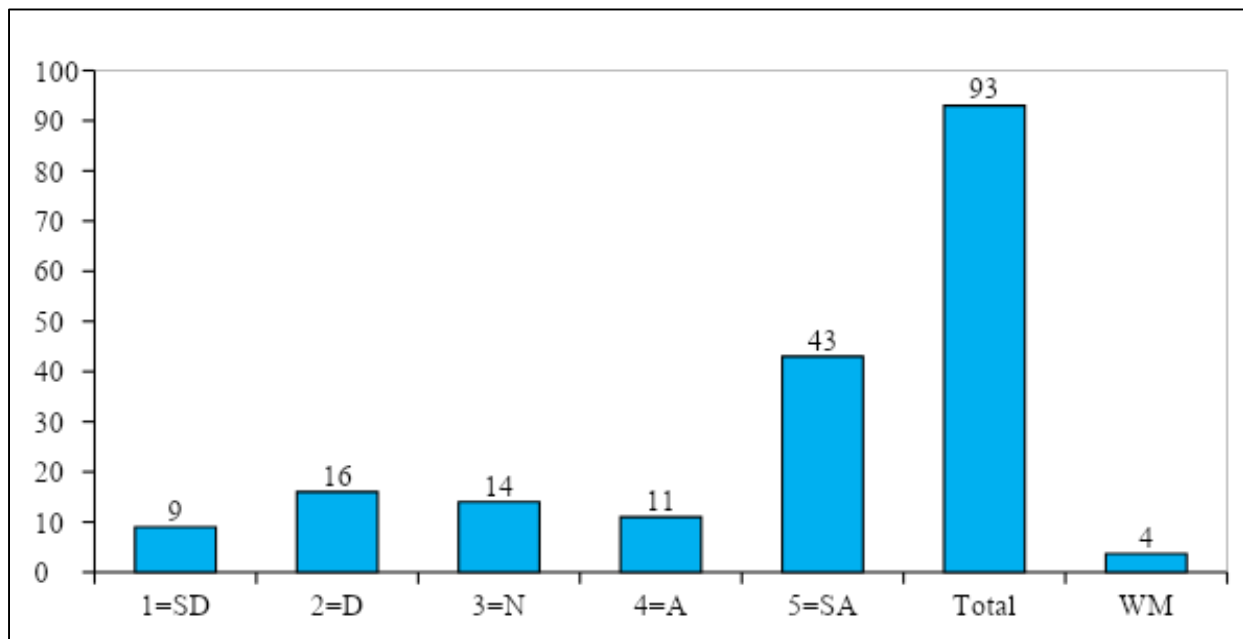


Figure 2.8 Trade Policies have Enhanced EAC Integration by Strengthening Economic Relations

Source: Field Data, 2021

Harmonization of trade policies had also contributed to better inter-state relations. This meant that states related better and the governments of EAC member states were more open to trade. When presented with the statement “trade policies in the EAC had contributed to better political relations and improved trade between member states,” most of the respondents agreed (WM=4). This shows that EAC countries had seen better political relationships which enhanced trade and by extension regional integration. The findings corroborate those of Hartzenberg who underlines the importance of RECS in enhancing economic and political aspirations and interest shared among member states.

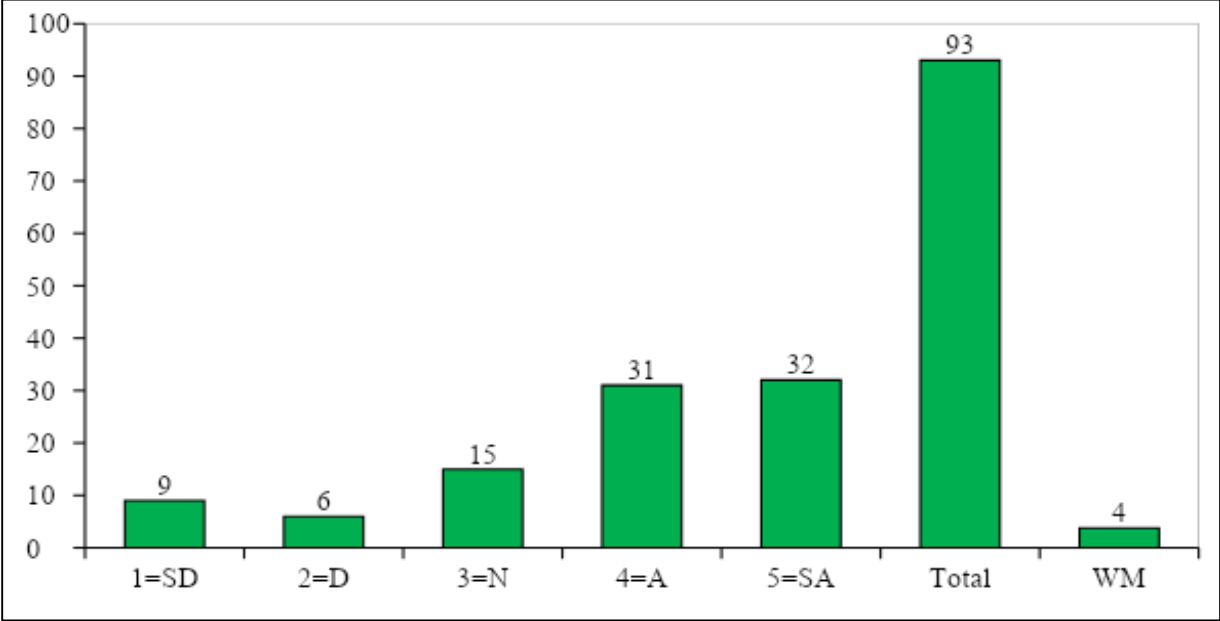


Figure 2.9 EAC regional Integration improved Political and Economic Relations

Source: Field Data, 2021

2.4.3 Integrated Health Policies and their implications to the EAC region

The respondents were asked whether EAC regional Integration had improved health services among the partner states. The findings show that the respondents were fifty-fifty regarding the statement (WM=3). Health policies could thus affect the speed of regional integration. The EAC community had put in place measures aimed at strengthening is “regional cooperation and integration in the health sector through the harmonization of national policies, legislation, strategies, standards, guidelines, databases and regulatory systems.” This could go on to enhance access to health services in the region.

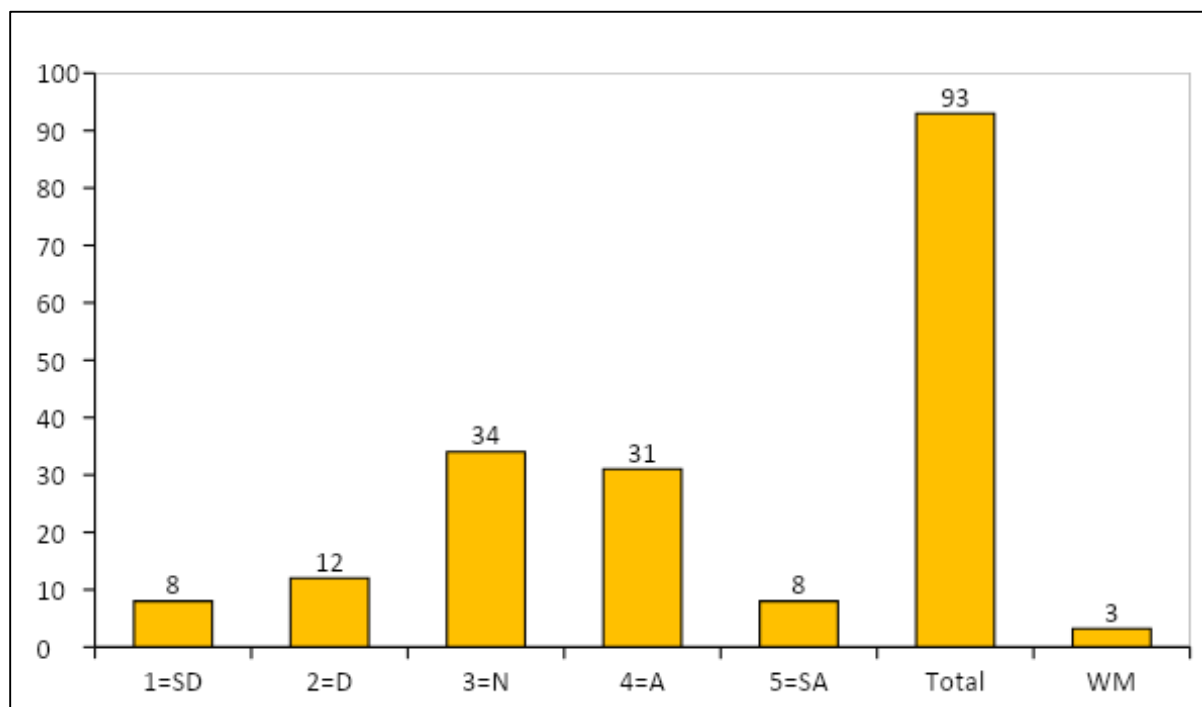


Figure 4.10 Health Policies has Improved Health Services among the Partner States

Source: Field Data, 2021

However, the efficacy of health policies had also been challenged by political differences. An example of this was border closures due to differences during COVID-19 period. Citing the case of Tanzania, one of the respondents said:

“There had been immense differences in approaches towards managing COVID-19 which sparked border row with Kenya and Tanzania repeatedly closing borders. This could have negative implications on regional integration and joint infrastructural project”.

(Respondent A, Nairobi, May 2, 2021).

2.4.4 Integrated infrastructural Development and its implications to EAC Region

The respondents were posed with the question, “how does infrastructural development influence EAC regional integration?” The findings show that EAC infrastructural development has seen mixed results in integration due to a confluence of factors. There are increased tasks of joint projects, some of which have stalled due to political tensions. As such, sporadic tensions between member states as had been witnessed with Kenya-Tanzania and Uganda-Rwanda border rows reduced the rolling out of joint infrastructure projects. Cooperation had also been deeply affected by divergent policies. The Standard Gauge Railway (SGR), which was meant to link the Kenya coast to Uganda and other EAC countries, had been stalled. This could affect the speed of EAC integration as envisaged by Mbuu.

However, policies for joint infrastructure development as enshrined in the EAC protocols mean that all was not lost. This was particularly so since these created a framework under which EAC member states could cooperate in standardizing infrastructure. For example, standardization of customs infrastructure and documentation were indicative of the fact EAC integration was playing

a pertinent role in creating a sense of community as envisaged by the theory of regional integration. According to one of its major proponent Karl Deutsch, integration is “the attainment, within a territory, of a ‘*sense of community*’ and of institutions and practices strong enough and widespread enough to assure, for a ‘long’ time, dependable expectations of ‘peaceful change’ among its population. It is thus evident that EAC integration plays a pivotal role in enhancing integration among EAC citizens by enhancing accessibility of each country through cooperation in building border infrastructure as well as road networks.

2.5 Summary of the Chapter Key Findings

The study sought to find out the prospects and dimension for the EAC regional integration. The findings show that Integrated Immigration policies for the EAC regional integration, mixed opinions were obtained. This was due to the perceptions of the respondents that the policies were good on paper but poor in practice. As such immigration policies were implemented but rather on an average basis. Economic policies had also played pertinent roles enhancing trade in the region. Health policies were harmonized across the region and this had led to enhanced access to health services. However, political differences had challenges the efficacy of these policies as evidenced by numerous border closures during the COVID-19 period. Policies on joint infrastructure development were also evident. For example, standardization of customs infrastructure and documentation were indicative of the fact EAC integration was playing a pertinent role in creating a sense of community. It can thus be concluded that there were prospects of enhanced regional integration in the EAC region.

CHAPTER THREE

THE IMPLICATION OF EAC REGIONAL INTEGRATION ON KENYA'S ECONOMIC AND SUSTAINABLE DEVELOPMENT

3.1 Introduction

This chapter discusses the implication of EAC regional integration on Kenya's economic and sustainable development. The chapter focuses on the following thematic areas describing an economic outlook in the country which include; the implication of EAC integration on Kenya's GDP, the influence of integration on Kenya's employment status, the influence of integration on Kenya's net immigration, the influence of regionalism on Kenya macro and micro economic indicators; the implication of integration on health and social indicators and the security implication of EAC integration to Kenya.

3.2 Implication of EAC Integration on Kenya's GDP

Current data from the World Bank indicates that Kenya's GDP stood at U\$ 95,503 088.54 thousands as recorded in 2019.⁵⁶ Assertively, the research and policy institute-KIPPRA describes the macroeconomic performance of the country as a robust growth averaging 3.9 per cent growth since 1997 until 2016 culminating to the current national GDP per capita of Ksh 96,799.8.⁵⁷ The macroeconomic performance indicates a significant improvement in real GDP per capita growth, averaging 2.9 per cent annually has witnessed between 2010 and 2019.⁵⁸ Similarly the

⁵⁶ The World Bank. (2021). *GDP(Current US\$-Kenya*. Available online at; <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=KE> Accessed on 8/6/2021

⁵⁷ KIPPRA. (2020). *Kenya Economic Report 2020; creating an enabling Environment for inclusive growth in Kenya*. Nairobi: Kenya Institute for Public Policy Research and Analysis-KIPPRA Publication

⁵⁸ Ibid

KNBS quotes the Kenya's national GDP per capita as Ksh9,740,360.0 in 2019.⁵⁹ Comparatively, this makes Kenya the leading economy in the entire East Africa region.

Membership to the EAC regional bloc has enabled partner states to access each other's markets deriving numerous economic benefits with varied implications on GDP. Kenya is the largest economy in the EAC bloc while Burundi is the poorest economy in the region.⁶⁰ According to Nyakoe, common market in East Africa has increased market access to Kenya by enabling the country to export various products and services where statistics indicate Kenya's value of trade grew to 1.52 billion from 1.2 billion, while Kenya's EAC intra trade accounts for 45 per cent of all trade.⁶¹ Additionally, Mburu utilized econometric modelling technique to analyze data which established that; EAC customs unions has enabled Kenya to increase her exports, revealing the economic implication of a liberalized markets in Kenya's economy.⁶²

The EAC has a population of about 133million, a land area of 1.8 million square kilometers and nominal GDP of \$79 billion (2010).⁶³ Kenya has the largest economy, with a nominal GDP of US\$ 32.1 billion (41 percent of total EAC GDP).⁶⁴ Overall, in 2019, real GDP in East Africa grew by an estimated 5.7 percent, slightly less than the 5.9 percent in 2018 and the highest among African regions.⁶⁵ The EAC common market protocol has enabled Kenya to access an expanded market, where the elimination of internal tariff increases profitability due to liberalization. The custom

⁵⁹ KNBS (2019; 2020), *Economic Survey*; KNBS (2019). Population and Housing Census. Nairobi: Government Printer

⁶⁰ IMF. (2019). *World Economic Outlook: World Development Indicators*. Washington, D.C: World Bank/IMF Publication

⁶¹ Nyakoe, C. (2020). *Impact of East African Economic Integration on Kenya's Economy*. Nairobi: University of Nairobi

⁶² Mburu, D.G. (2016). *Impact of EAC Customs Union on Kenya's Exports Volume*. Nairobi: University of Nairobi

⁶³ Davoodi, H. (2018). *The East African Community After ten years; Deepening Integration*. Arusha: EAC Secretariat

⁶⁴ Ibid

⁶⁵ AFDB. (2020). *East Africa Economic Outlook 2019. Macroeconomic developments and Prospects*. Abidjan: AFDB

union stage of regional integration entails the adoption of a common external tariff, duty free and free movement of goods and services which leads to the formation of a single customs territory.⁶⁶

According to a research study by Boiwoet *al.* research on the effects of EAC customs union on trade and economic growth in Kenya, the findings revealed that; after the formation of the custom union, the GDP of Kenya proportionately increased by 0.6214 percent.⁶⁷ The study revealed that the formation of the EAC Custom Union has had positive effect on trade and economic growth in Kenya attributed to increase in trade volumes between Kenya and her East African countries. Similarly, Jepkemei conducted a research on the effects of regional trade agreements (EAC) on Kenya's exports and established that Kenya's exports to EAC countries particularly Uganda and Tanzania doubled over the last decade to reach US\$17.5 Million.⁶⁸ Kenyan exports to the EAC have consisted mostly of manufactured goods, chemicals and machinery.⁶⁹ The value of the top three products exports from Kenya to Tanzania and Uganda doubled during the period 2000-2010, from US\$ 9.7 million to US\$17.5 million and US\$ 3.1 million to US\$7.3 million respectively.⁷⁰

The economic growth in Kenya is further attributed to the large human capital which it possesses and exports to the neighboring countries in form of skilled labor and professionals. East African market is the largest market for Kenyan goods and services. According to Muluviet *al.* Uganda constitutes the leading destination of Kenya's exports which contributes the largest share of Kenya's market for manufactured goods.⁷¹ Otinga's research study revealed that, liberalization of

⁶⁶Makaka, L.V. (2018). *Regional Integration in Africa- a false Promise? The case Study of the East African Community*. Nairobi: University of Nairobi

⁶⁷Boiwo, S.T., Onono, P., & Makori, S. (2015). Effects of East African Community Customs Union on Trade and Economic Growth in Kenya. *Research Journals of Economics*, 3 (4)

⁶⁸Jepkemei, S.A. (2014). *Effects of Regional Trade Agreement (EAC) on Kenya's Exports; the case of Agrifood products*. Nairobi: University of Nairobi

⁶⁹ KIPPRA. (2020). *Kenya Economic Report*. Nairobi: KIPPRA

⁷⁰ Ibid

⁷¹Muluvi, A., Kamau, P., Githuku, S., & Ikiara, M. (2012). *Kenya's Trade with East African Community: Institutional and Regulatory barriers; accelerating Growth through improved intra-African Trade*. Nairobi: KIPPRA

markets among partner states in a regional economic bloc had a proportional direct effect on the volume of trade examined in terms of exports and imports.⁷² This is demonstrated by study done by Boiwo who examined the effects of East African community customs union on trade in Kenya, utilizing an EAC dummy variable whose coefficient was found to be positive and statistically significant, showing that after the formation of the Custom Union in the year 2005, volume of trade in Kenya had increased proportionately by 0.9083 percent.⁷³ These findings were consistent with Ngeno and Kasekende's study findings which revealed that; regional integrations increased intra-regional trade which in turn led to economic growth and development through economies of scale.⁷⁴

This study sought to establish the effect regional integration on Kenya's GDP and asked the respondents to indicate their level of agreement with the impact of regional integration on Kenya's Economic growth. As captured on figure 2.1 below, majority of the respondents (50.9 per cent) strongly agreed with the improvement of Kenya's GDP attributed to the country's dominance in the EAC regional economic bloc. 2.8 per cent of the respondents strongly disagreed that regional integration was inconsequential to Kenya's GDP. Further, 26.9 per cent of the respondents disagreed with the improvement of GDP as a result of regional integration; 8.65 per cent of the respondents neither agreed nor disagree (remained neutral) while another 8.7 per cent just agreed. The figure below shows the distribution of the study findings.

⁷²Otinga, H. N. (2009). *The impact of international trade on economic growth in developing countries (exports for rapid economic growth) a case study of Kenya*. Nairobi: KIPPRA

⁷³ Ibid

⁷⁴Ng'eno, N., &Kasekende, G. (2002). *The Status of Regional Trade Liberalization in East Africa. National Trade policy*. Washington, D.C.: IMF

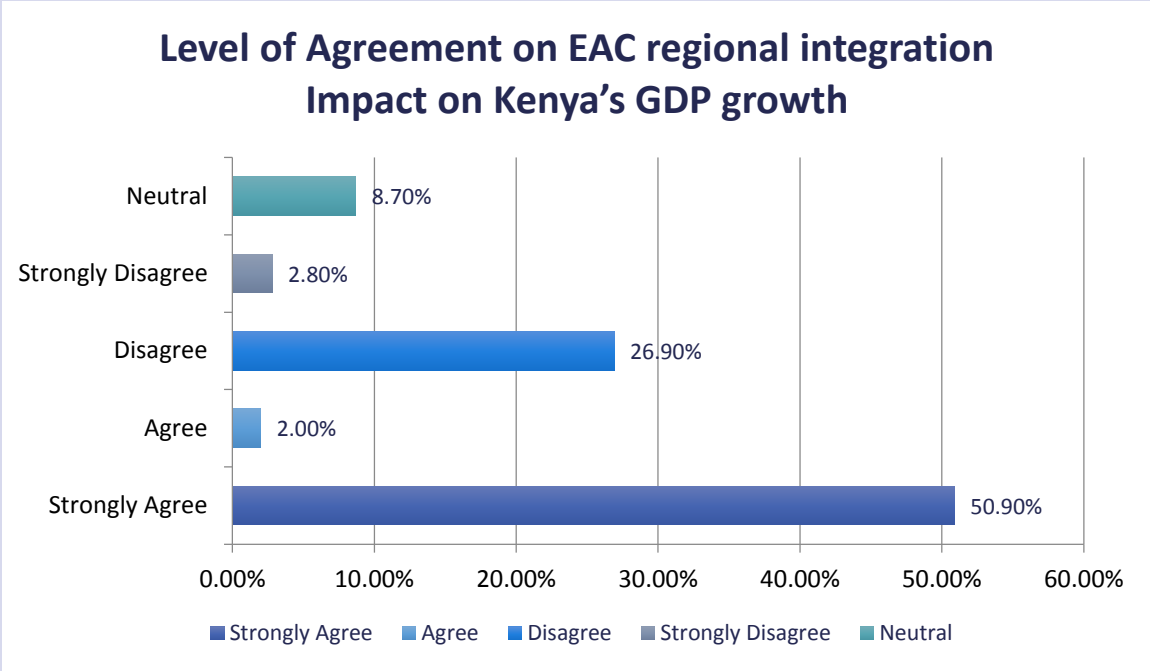


Figure 3.1 The effect regional integration on Kenya’s GDP

Source: Field Data, Researcher, 2021

3.3 The Influence of Integration on Kenya’s Employment Status

Kenya’s employment status indicates that employment growth in Kenya is slower compared to the GDP growth rate.⁷⁵ Total employment growth reveals a downward trend between 2014 and 2019. Overall growth in employment fell from 6.2 per cent in 2018 to 4.9 per cent in 2019 while economic growth averaged 5.6 per cent and increased from 5.4 per cent in 2014 to 6.3 percent in 2018.⁷⁶ Employment growth has slowed significantly particularly during the Covid-19 pandemic period, a factor which has slowed Kenya’s GDP growth. Agriculture is the main employer with the sector employing more than half of the Kenyan working population, however the sector faces low

⁷⁵ KIPPRA. (2020). *Kenya Economic Report 2020*. Nairobi: KIPPRA Publication-Government Printer

⁷⁶ Ibid

and declining productivity, which has implications on the welfare of those employed in it. The researcher sought to establish the implication of integration on Kenya's employment status for Kenyans aged 18-64 years. According to data obtained from the WB report recorded in 2020, the unemployment rate in Kenya stood at 3.0 per cent.⁷⁷ The researcher sought from the respondents their opinion on the level employment as a result of integration and majority of the respondents (58.0 per cent) agreed that regional integration had reduced unemployment rate in Kenya due to increased trade activities. Contrastingly, 42.0 per cent disagreed that regional integration had reduced unemployment as shown in the figure below.

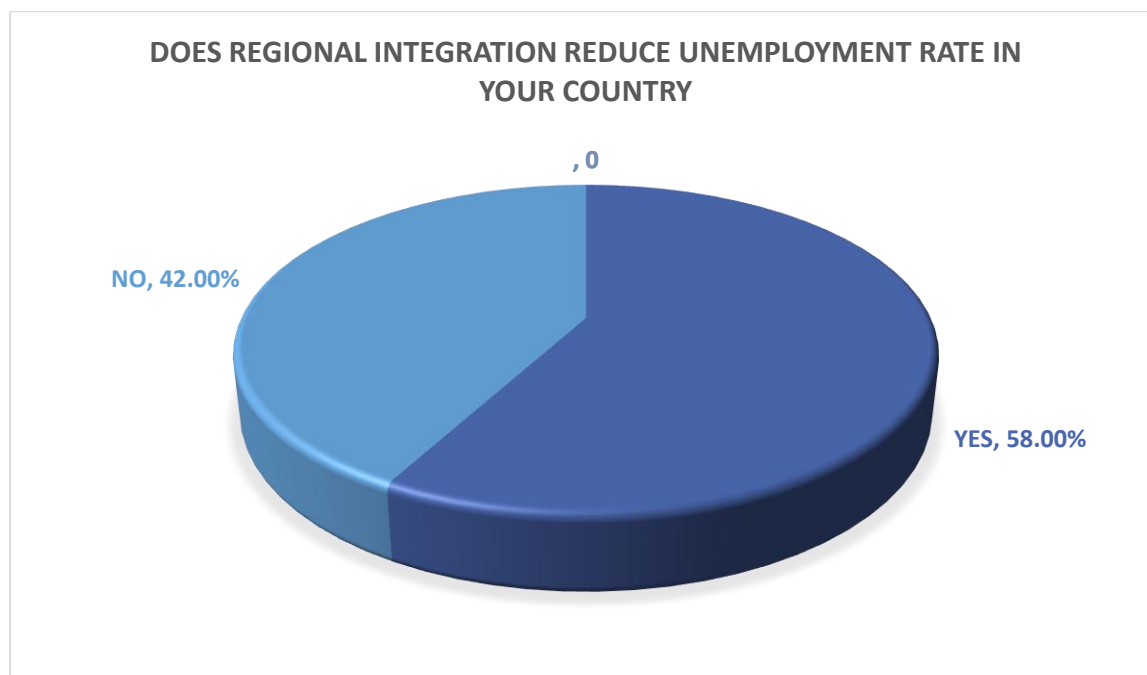


Figure 3.2 The implication of integration on Kenya's employment status

Source: Field Data, Researcher, 2021

⁷⁷The World Bank. (2021). *Unemployment, total (% of total labor force) (modeled ILO estimate)-Kenya*. Available online at; <https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?locations=KE> Accessed on 10/6/2021

According to the findings of this study, majority of the respondents (58.0 per cent) affirmed to the reduction of the unemployment rate in Kenya as a result of regional integration. These findings are consistent with those of KIPPRA which indicated that unemployment rate in 2015/16 FY stood at 7.4 per cent of the total working population but decline to 2.64 per cent in 2018/19 FY, before rising again to 3.0 per cent in 2019/20 FY attributed to job losses occasioned by the outbreak of the Covid-19 pandemic. According to Hansen study on Kenya's economic update the employment outlook remains highly uncertain due to the pandemic.⁷⁸ Elisha posits that; despite the increase in the number of firms exporting to the East Africa community, the levels of unemployment has remained unchanged particularly employment in the manufacturing sector.⁷⁹

While regional integration has improved the employment rate in Kenya due to diversification in manufacturing, there has been a decline in employment opportunities mainly attributed to a freeze in formal employment by the government in 2015 to minimize on the wage bill. Similarly, the outbreak of the novel Covid-19 pandemic has increased the unemployment rate in Kenya as a consequence of mass job lay-off by private firms in response to slow-down of economic activities. Regional integration in East Africa has therefore had a significant impact on the unemployment rate in Kenya which can be explained a double analysis of pre- and during the Covid-19 pandemic.

3.4 The Influence of Regional Integration on Kenya's Net Immigration

The concept of immigration has been constantly used to refer to movement of people into a particular state.⁸⁰ Immigration entails groups of people including forced immigrants such as

⁷⁸ Hansen, .E. (2020). *Kenya Economic Update; navigating the Pandemic*. Nairobi-Kigali: World Bank Group

⁷⁹Elisha, M. (2016). *Effects of Regional Integration (EAC) on Employment in the Kenyan Manufacturing Sector*. Nairobi: University of Nairobi

⁸⁰Ogalo, V. (2012). *Achievements and Challenges of Implementation of the EAC Common Market Protocol in Kenya: Case of Free Movement of Labor*. Nairobi: CMP Press

refugees fleeing their country of origin or exiled persons who may enter a particular country to look for jobs, protection and security as well as displaced persons who may enter another country as a result of natural disasters such as floods, prolonged droughts, and earthquakes among other calamities. The freedom of movement of EAC citizens has been provided for in the Treaty for the establishment of EAC and applies only to citizens of a partner state moving to another partner state for purposes of visit, transit, education and training or any other lawful purpose other than as a worker or self-employed person.⁸¹

According to the 2019, Population and Housing Census the total number of immigrants in Kenya stood at 357, 468 of which the vast majority (84%) were from East Africa, followed by Asia (10%), Europe (4%), and the Americas (2%), highlighting the preponderance of South–South migration amongst Kenya’s foreign nationals.⁸² Free Movement of people offers significant opportunities as well as insurmountable challenges to both the migrant and resident workers. The EDPRS report indicates that; where there is free movement of people, privileges are accompanied by freedom to travel to and from the receiving countries at will, migrating workers can move freely to take advantage of employment opportunities that come up from time to time or to react to changes in the economic landscape of both their home country and destination countries.⁸³ Such movements are important in minimizing pressures in the labor market of the receiving country in the case of an economic downturn.

⁸¹Treaty for the Establishment of EAC. (2007). *Article 104. Free Movement of Persons*. Arusha: EAC Secretariat

⁸² Kenya National Bureau of Statistics (KNBS). (2019). *Monograph on Emigrants from 2019 Kenya Population Housing Census*. Unpublished.

⁸³EDPRS Document, (2007). *Economic Development and Poverty Reduction Strategy*. Kigali: Ministry of Finance and Economic Planning. Publication

⁸³ Ibid

The researcher sought to establish the effect of integration to Kenya's immigration and revealed that; majority of the respondents (48.2 per cent) strongly agreed that regionalism had increased immigration to Kenya, particularly nationals from Burundi, Uganda and those from Tanzania. The main motivation for their immigration is attached to economic considerations, particularly employment opportunities. These findings corroborate IOM research findings which indicate that; vast majority of immigrants in Kenya are from other African countries, of these, the majority are from East African countries or partner states seeking income opportunities.⁸⁴ Starting from 2019, the number of immigrants to Kenya has fallen sharply due to restrictions in movement imposed by various states, including the EAC partner states to curb the spread of the deadly Covid-19 pandemic. In response to the peak impact of COVID in 2019, EAC partner states responded by closing their international border post and banning international travel, thereby reducing the number of immigrants destined to the country (Kenya).

The Covid-19 response by Uganda, Kenya, Rwanda and Burundi led to a reduction in the overall net migration in the regional bloc. According to the EAC Covid-19 response plan, all the East African states have a responsibility in containing the spread of the disease in their territories.⁸⁵ Recently, the respective EAC ministers of health from the respective partner states convened on a joint meeting to deliberate a common and coordinated response to EAC Covid-19 pandemic. Among the responses to Covid-19 pandemic adopted by the EAC partner states was the cessation of international travel and movement which curbed immigration and emigration as directed by

⁸⁴ IOM. (2015). *Migration in Kenya; a country profile 2015*. Nairobi: International Organization for Migration Publication

⁸⁵ EAC Secretariat. (2020). *East African Community Covid-19 Response Plan*. Arusha: EAC Secretariat

directive EAC/JMHE/Decision/002 issued by the EAC Joint ministerial conference held in Arusha Tanzania in 2020.⁸⁶

3.5 The Influence of Regionalism on Kenya's Macro and Micro Economic Indicators

Kenya has been experiencing a strong and stable economic growth in the recent past. The country registered an economic growth rate averaging 5.6 per cent for the period starting from 2014 to 2019.⁸⁷ Such economic growth is attributed to a sound macroeconomic environment characterized by a stable political environment and political stability, heavy infrastructural public investments and growth in domestic demand.⁸⁸

Whereas fiscal prudence has been a great challenge hampering the realization of a robust economic growth in the country, poverty reduction has been a priority agenda of the government which has seen the poverty rate drop from 52.3 per cent in 1997/98 to 36.1 per cent in 2018/19.⁸⁹ Regional integration in East Africa has opened up new markets for Kenyan products which consequently has prompted the government to invest in huge-expenditure infrastructure projects; for instance; the SGR, the Lamu Port and the establishment of an inland container handling dry port at Naivasha, all which are meant to position the country as a preferred export and import hub for the rest of the East African countries, particularly those landlocked like Uganda, South Sudan, Rwanda and Burundi.

In 2018, Kenya recorded a Gini index of 40.8 per cent, indicating a high level of income inequality in the country which has worsened over time.⁹⁰ According to a macroeconomic performance

⁸⁶EAC/JMHE/Decision/002-EAC Secretariat. (2020). *East African Community Covid-19 Response Plan*. Arusha: EAC Secretariat

⁸⁷Yatani, U. (2020). *Kenya Economic Report 2020*. Nairobi: National Treasury and Planning, Government Printer

⁸⁸ Ibid

⁸⁹ Ibid

⁹⁰ World Bank. (2020). *World Development Indicators-Kenya*. Washington D.C: World Bank Publication

update report provided by KIPPRA in 2020, Kenya's Gini index increased from 45 per cent in 1997 to 46.5 per cent in 2005 before dropping to 40.8 per cent in 2018 where it has remained to date.⁹¹ In comparison to the rest of East African Community partner states, Kenya is performing better off than Rwanda and Uganda but is below Burundi and Tanzania, with Gini coefficient indices of 38.6 per cent and 40.5 per cent, respectively.⁹² In the Sub-Saharan Africa region, Ethiopia has the most equal income distribution with a Gini index of 35.0 per cent as of 2018. The above findings indicate unequal income distribution, implying that, the benefits of growth are not equally distributed among the population in the society. This emphasizes the prioritization of equality and equity in income distribution concerns.

This research sought to establish the effect of regional integration on macroeconomic indicators in Kenya and asked respondents to indicate their level of agreement with the assertion that; regional integration had improved Kenya's macroeconomic indicators (performance) such as poverty rates, inflation and unemployment. The findings establish that; majority of the respondents disagreed (30.7 per cent) with the improvement of macroeconomic indicators as a result of integration, while 9.6 per cent Agreed with the assertion; 26.9 per cent of the respondents remained Neutral (neither agreeing or disagreeing), while 13.4 per cent of the total 104 respondents Strongly Agreed compared to 19.2 per cent of the respondents who Strongly Disagreed with the improvement of macroeconomic indicators as a result of regional integration. The figure below shows the distribution of the responses.

⁹¹ Op cit, KIPPRA-pp.6-7

⁹² Ibid

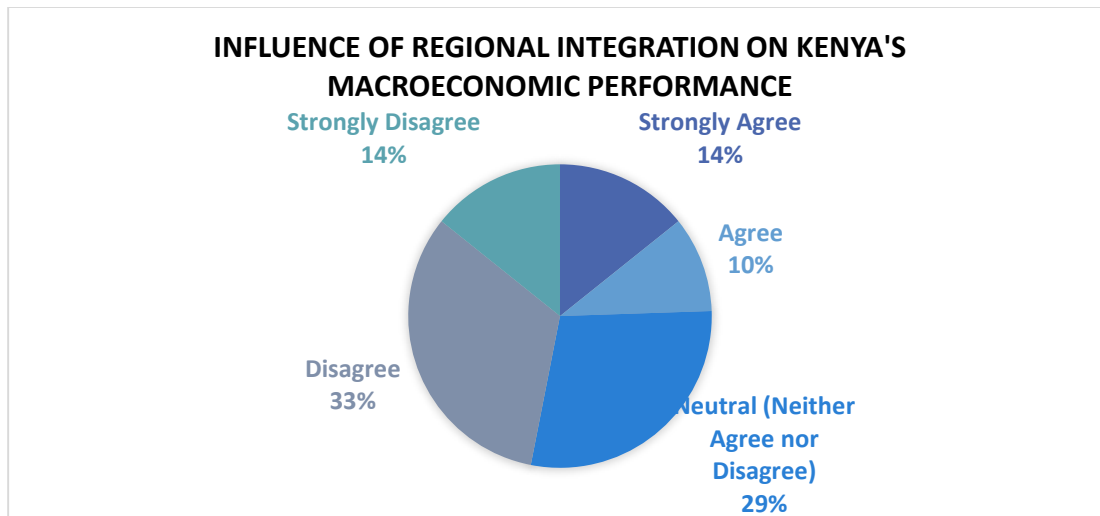


Figure 3.3The effect of regional integration on macroeconomic indicators in Kenya

Source; Field Data, Researcher 2021

The above findings reveal that majority of the respondents were opposed to the notion of improved macroeconomic performance as a result of regional integration as indicated by 30.7 per cent of respondents. These findings contrast Busse and Shams study’s findings which established a belonging to regional integrated arrangement spurred economic growth and development due to the positive correlation to macroeconomic indicators.⁹³ Further, the findings are in contrast to the findings of BarroandBuigutwhich concluded that belonging to a RTA is beneficial to a partner state as it spurred economic growth through creation of a liberalized market and economies of scale.⁹⁴

Kenya’s overall inflation has remained relatively stable ensuring a stable macroeconomic environment. Inflation in Kenya is primarily driven by fuel and prices which have remained

⁹³Busse, M., & Shams, R. (2005). Trade Effects of the East African Community TheEstey Center. *Journal of International Law and Trade Policy*, 6(1), 62-83.

⁹⁴Robert J. (1996).*Determinants of Economic Growth: A Cross-Country Empirical Study*, NBER Working Papers 5698. Cambridge: National Bureau of Economic Research, Inc

volatile for a considerable period. According to an economic outlook report issued in 2020, “core inflation remained generally below 5.0 per cent in 2018 and 2019”.⁹⁵ Whereas, these figures are within the governments range of 5-or +2.5 per cent, they indicate unstable macroeconomic environment.⁹⁶

The core inflation in Uganda “Annual Headline Inflation”for May 2021 is documented at 1.9 per cent, a reduction from the 2.1 per cent recorded in 2019.⁹⁷ In Tanzania annual headline inflation is recorded at 3.2 per cent while in Rwanda,the annual average inflation rate analyzed from April 2020 to April 2021 was 2.4 percent.⁹⁸While that of Burundi is quoted at 7.80 per cent⁹⁹. Comparatively, Kenya and Rwanda enjoy a stable macroeconomic environment than Tanzania and Uganda, presenting a fiscal policy challenge subject to further research upon the next stage of integration-Monetary Union.

3.6 The Implication of Integration on Health and Social Indicators

Countries enter into RIAs for social considerations through mutual benefit cooperation. The initial partner states which ratified the EAC Treaty-Tanzania, Uganda and Kenya, committed to cooperate on a mutual basis to achieve shared social benefits associated with such integration. Attainment of education is a fundamental social pillar informing state’s interest in entering into regional integration arrangements.Pursuit of education opportunities has been an integral component of integration practiced among the EAC member states. According to Kenya’s

⁹⁵ Op cit. KIPPRA, p.18-19

⁹⁶Central Bank of Kenya. (2019). *Monthly Economic Indicators, December 2019*. Nairobi:CBK

⁹⁷ UBOS.(2021). *Consumer Price Index, MAY 2021*. Available online at; <https://www.ubos.org/consumer-price-index-may-2021/> Accessed on 11/6/2021

⁹⁸ NISR. (2021). *Consumer Price Index (CPI)*. Available at: <https://www.statistics.gov.rw/statistical-publications/subject/consumer-price-index> Accessed on 11/6/2021

⁹⁹ Available at

migration profile provided by the IOM, pursuit of education among East African nationals is the main motive for their immigration to Kenya.¹⁰⁰

However, in Kenya the householder that receives higher income receives the best education compared to lower income household. Education is regarded as a vehicle through which social mobility can be attained though there exists differences in access between income groups across the country. The researcher sought to establish if regional integration had improved social indicators such as education and health in Kenya. The responses obtained revealed that regional integration had enhanced access to education and health opportunities available among the member states as indicated by the figure below.

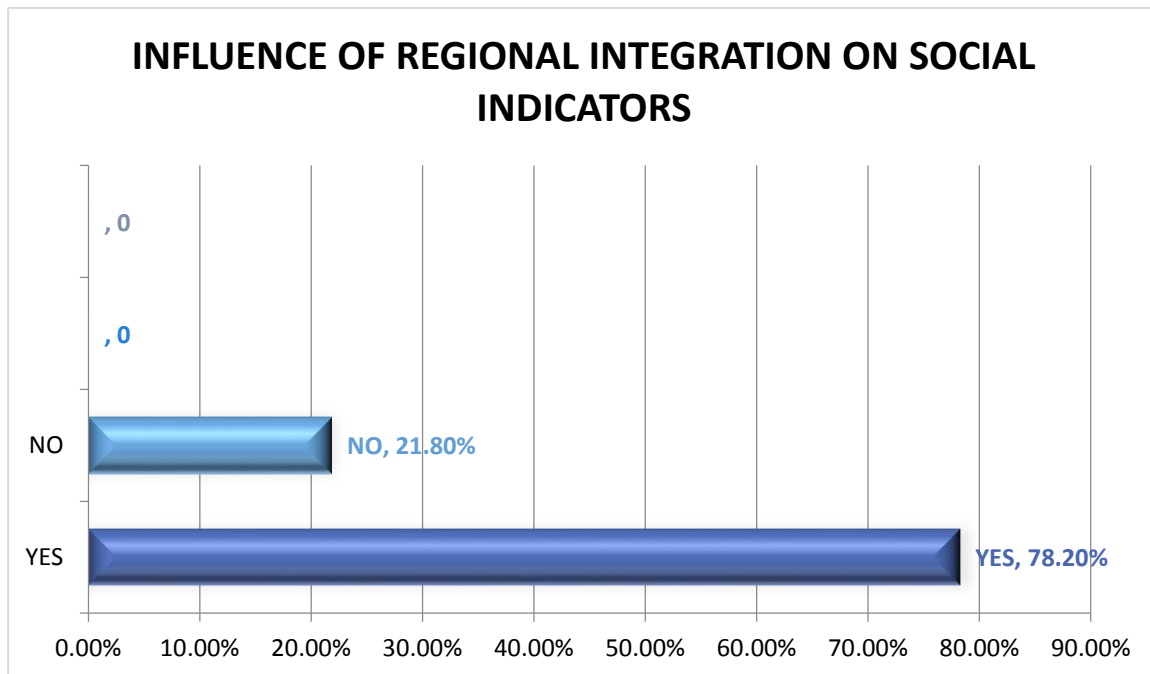


Figure 3.4 Regional integration improving social indicators

Source; Field Data, Researcher 2021

¹⁰⁰ Op cit, IOM. 2018 , pp 14

The above findings indicate a positive correlation between regional integration and improvement of social indicators such as access to education and healthcare services in Kenya. Majority of the respondents (78.2 per cent) affirmed the positive implication to social indicators as a result of regional integration. The regional response to Covid-19 pandemic presents a descriptive challenge emanating from the different approaches adopted by EAC partner states. Pursuant to Article 118 of the Treaty for the establishment of EAC, “partner states undertook a joint action towards the prevention and control of communicable diseases and to control pandemics and epidemics of communicable and vector-borne diseases that endanger the life, welfare and health of the residents of the region”.¹⁰¹

Consequently the partner states established border agencies such as port health facilities, customs, immigration, standards, plant inspectorates and others such as police and security agencies are very critical in averting and controlling border diseases and other pandemics. Whereas Kenya imposed strict guidelines on public transport restricting all the Public service vehicles to carry half of their capacity, in Tanzania, public transport has been running normally with buses and vans ferrying passengers in crammed capacities regardless of socio-distance requirement directed by the WHO among other containment measures. The current underreporting of Covid-19 is similar to 2019 underreporting of Ebola virus cases in DRC. The non-transparent reporting of Covid-19 pandemic in Tanzania as well as its management diminished the trust between the Tanzanian people with the government and also reduced the international community trust with in Magufuli’s administration.¹⁰²

¹⁰¹EAC. *Article 118, Treaty for the establishment of the East African Community*. Arusha: EAC secretariat

¹⁰²Edwards, N. (2020). *Tanzania Mild response to Covid-19 and its implications for the 2020 Elections*. Chicago: Atlantic Council Publication

The different approaches embraced by the member states of the EAC as response to the Covid-19 revived an occasional inter-state trade rivalry between Kenya and Tanzania. The recent manifestation of the inter-state rivalry entailed a cross-border blockade at Namanga OSBP where Kenya's truck drivers were denied entry into Tanzania as a consequence of Kenya denying entry into Kenya of Tanzania's truck drivers based on each respective state's Covid-19 response plans and actions. According to verified media reports, more than 100 hundred Kenyan truck drivers were stranded at Namanga(OSBP) border post after being denied entry into Tanzania.¹⁰³ This was a contradictory of the EAC common market protocol requirements and the open border policy between the EAC member states.

3.7 The Security Implication of EAC Integration to Kenya

Collective security is a concept associated with regional integration where states cooperate in military and defensive strategies to improve their respective individual security. The United Nations Charter describes collective self-defense as the permission by member states to intervene in support of another partner state in case of illegitimate attack.¹⁰⁴ The doctrine of collective self-defense states that; "an aggression against one state constitutes an aggression against all other states and all of them exercise their right of legitimate defense by giving support to the state attacked, in order to repel such aggression".¹⁰⁵ According to Gallis, "a collective security organization settles disputes among its members, while, a collective defense organization assists a member state

¹⁰³ The Standard. (2020). *Kazungu downplays Kenya-Tanzania border row over Covid-19*. SMG Publication. Available online at: <https://www.standardmedia.co.ke/index.php/kenya/article/2001371987> Accessed on 9/8/2020

¹⁰⁴United Nations. (2021). *Charter of the United Nations. Chapter VII. Article 51. Action with respect to Threats to the Peace, Breaches of the Peace, and Acts of Aggression*. Codification Division, Office of Legal Affairs. San Francisco:UN

¹⁰⁵Shih, M., &Padmanabhan, A. (2012). *Collective Self-Defense: A Report of the Yale Law School Center for Global Legal Challenges*. Yale: Yale Law School

under attack by an outside country”.¹⁰⁶One way of exercising collective self-defense is through a military alliance established to that purpose.

Kenya is a troop contributing state to the UN backed AMISOM military mission to Somalia, a part of a collective defense and security strategy established to secure the Horn and East of Africa by the AU. The AMISOM brigade in Somalia constitutes of troops from neighboring countries, Uganda being the first country to send 1,650 troops in 2007, followed by contributions from “Burundi (5,432), Djibouti (1,000), Kenya (3,664), Sierra Leone (850) and Ethiopia (4,395)” making a military personnel of more than 20,000 soldiers operating in Somalia.¹⁰⁷ Kenya provides both military personnel and police personnel to the AMISOM defense mission as part of her responsibility in East Africa to bring security and stability. As a result of Kenya’s involvement in AMISOM, the collective security regime created by the five other regional countries-Burundi, Ethiopia, Uganda and Djibouti have managed to eradicate piracy off the Horn of Africa international trade route in Indian Ocean conducted by Somalia based Pirates.

The deployment of AMISOM forces to Somalia is based on the principle of maintaining regional peace and stability in the Horn of Africa region, which Kenya forms part. The AMISOM military intervention is aimed at facilitating the TFG to offer central authority in Somalia after several decades of absence of a central government and stabilize the entire Horn and East Africa region. This research argues that; as a result of regional integration, Kenya has entered into a collective security arrangement which improves her individual national security and offers regional stability both in the EA and in theHoAfrom the threat imposed by the Al shabaab terrorist group. The EASF constitutes the regional collective security structure which has defined peace in the Eastern Africa

¹⁰⁶Gallis, P.E. (1997). *CRS Report for Congress. NATO: Article V and Collective Defense*. Washington D.C: Library of the Congress

¹⁰⁷AMISOM.(2021). Available online at; <https://amisom-au.org/> Accessed on 11/6/2021

which include; solving conflicts through use of ADR (peaceful methods of conflict resolution), combating terrorism, averting bad governance as well as curbing threats to peace and security among others.¹⁰⁸

3.8 Chapter Findings

This chapter has established that there exist a positive implication of EAC regional integration on Kenya's economic growth and sustainable development due to the increased growth in the GDP per capital. This is attributed to the expanded market access and free movement of the drivers of production within the EAC REC. The chapter has established that due to regional integration, Kenya realized reduction in unemployment rate due to increased trading and investment activities and opportunities in the EAC region. Kenya's microeconomic performance is not influenced by regional integration but social indicators have improved as a result of regional integration. The chapter has established a positive correlation between regional integration and security community as evidenced by the collective security environment created by AMISOM troops contributing countries, of which Kenya forms part. Generally, regional integration in East Africa has positively influenced Kenya's economic growth and development. The chapter key findings show a direct and indirect positive co-relation between Kenya's GDP as a consequence of regional integration.

¹⁰⁸Desmidt, S. Hauck, V. (2017). *Understanding Eastern Africa Standby Force. A regional mechanism without a political home*. Maastricht: ECDPM Publication

CHAPTER FOUR

KEY CHALLENGES FACED BY KENYA IN EAC INTEGRATION

4.0 Introduction

The following chapter presents the key challenges that Kenya as a partner state in the EAC faces in the ongoing process of integration. The chapter utilizes primary data (study findings and analysis) obtained from the respondents and corroborates them with the available literature. Key findings established shall inform the policy adjustment needful for streamlining the integration process both in East Africa as well as the political unification of Africa.

4.1 Responses obtained from the Research

The researcher sought to establish from the respondents the key challenges their countries were facing in the integration process. Based on the study findings, most of the respondents (26.9 per cent) identified incongruity in taxation policy as the major challenge confronting Kenya in the integration agenda; while 20.2 per cent identified high transportation cost as the main challenge confronting the integration process in EAC; Further, 17.3 per cent of the respondents identified nationalism and sovereignty prejudices among Kenyans as the main challenge facing the country in the integration agenda while 13.6 per cent identified limited Kenyan citizen awareness and

participation as the main challenges. A minority 6.7 per cent of the respondents opined that structural challenges as well as challenges inherent legal, administration and governance frameworks were among the key challenges facing Kenya in the EAC integration as shown in the figure 4.1 below.

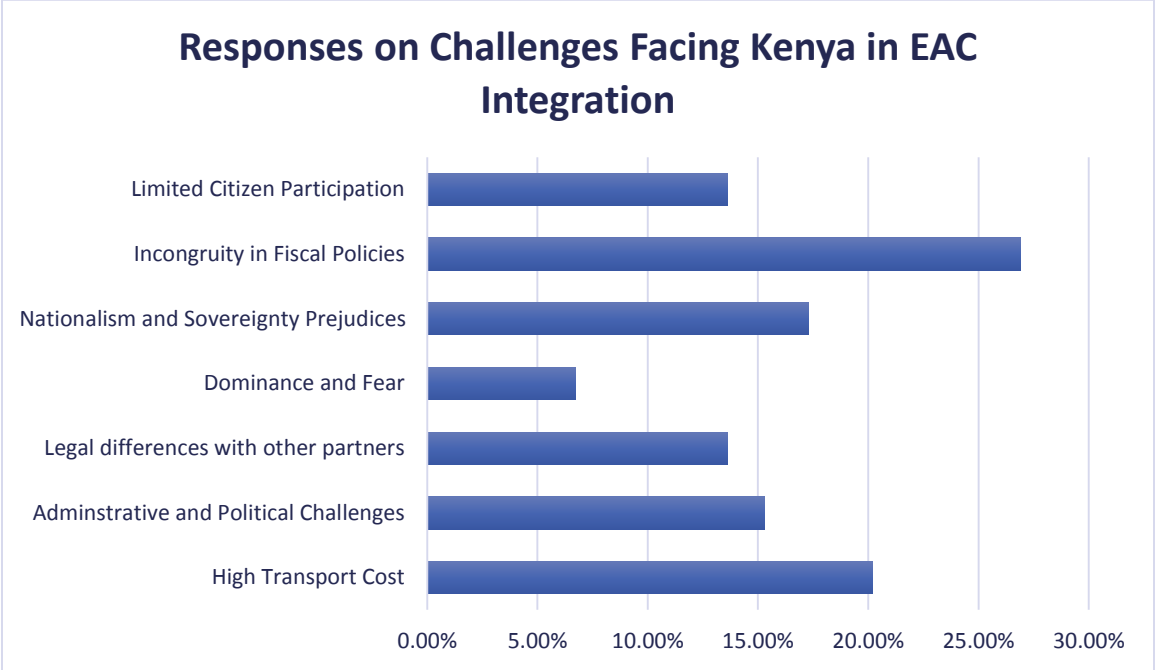


Figure 4.1; Challenges confronting Kenya in the EAC integration

Source; Researcher, 2021

Figure 4.1 above summarizes the Challenges Kenya faces as it forges ahead with the integration agenda in the EAC as pointed out by most of the participants. The following discussion offers critical analysis on some of the factors identified by the researcher as opined by the respondents who participated in the study.

4.2 Incongruity in Fiscal Policies Hampers Kenya's Expansionism in EAC Bloc

The most conspicuous challenge adduced by the respondents was the incongruity of taxation policies which are termed as highly volatile and occasionally fluctuating, making their harmonization with the rest of other partner states in the regional bloc quite challenging, if not impossible. It is imperative to understand that, tax policy in Kenya is different with that of the other partner states. The corporate income tax in Kenya is grouped into corporate income tax and the individual income tax and is charged differently, since corporations are treated differently with their shareholders. The Kenyan ITA Act which controls income taxation in the country was established in 1974 after joint legislation controlling income taxation among the member states to the EAC was deserted in 1973.¹⁰⁹ The taxation process in the country dictate that, profits from each company are subjected to separate tax different from individuals a practice imported from the UK system.¹¹⁰ Similarly, administrative and political challenges confront Kenya's membership to the EAC. Whereas, political goodwill is closely linked to the administrative and political integration of the EAC, there are no clear cut out parameters that can be used to determine whether the behavior of the state can be adjudged as lack of political commitment. Nationalism in Kenya supersedes identity of Kenyans as East Africans which is also a challenge which has seen allegiance to the supranational (EAC) entity among Kenyans an uphill task.¹¹¹

¹⁰⁹ Deloitte. (2015). *Income Tax in East Africa*. Nairobi: Deloitte & Touche Publication

¹¹⁰ Bett, J.K. (2016). *Income Tax in the East African Community: A Case for Harmonization and Consolidation of Policy and Law with a Focus on Corporate Income Taxation*. Nairobi: University of Nairobi Press

¹¹¹ Wakhungu, J.P., Okoth, G.P., & Odhiambo, O.S. (2021). Challenges and Opportunities Constraining and Enhancing Kenya and Tanzania Participation in the EAC Econo-Political Integration Process. Kakamega. *Journal of political Science*. 11(1), 134-154

4.3 Kenya's Non-adherence to EAC Protocols

There is a limited adherence to the EAC protocols in Kenya. The non-adherence is experienced in the free movement and trading protocols particularly the common market protocols particularly those which govern the rules of origin. The year 2005 witnessed the signing of the customs union which further resulted into establishment of the common market protocol in 2010 signed by the five partner states.¹¹² These protocols aimed at eradicating non-trade barriers to the importation and exportation of goods and services into the respective territories of member states. Among the fundamental principles of the common market protocol allows citizens of their member countries free movement across national boundaries, access to land, free movement of labor, the right of establishment and residence.¹¹³ The researcher sought to establish whether Kenya was adhering to common market protocols. The findings established that; Kenyans were required to possess travel documents such as permits and Passports to enable them cross East African boundaries. The acquisition of these travel documents is charged Ksh. 850 for a temporary permit while the East African Passport costs Ksh. 3000 for one to cross to EAC partner state. This was contrary to the stipulation of the EAC treaty which removed barriers to movement of people, goods and services among the member states.

Non-compliance to common market protocol which stipulates for a free movement of citizens across the region hampers the integration process in the EAC. The researcher sought to establish the key barriers which Kenya faced in the EAC free trade as stipulated by both customs union and common market and established that 27 per cent of the respondents affirmed non-compliance to common market protocols characterized by NTBs was the major challenge hampering Kenya's

¹¹²Ogalo, V. (2012). *Achievements and Challenges of Implementing the EAC Common Market Protocol in Kenya. Case of free movement of labor*. Nairobi: CMP Implementation

¹¹³ EAC Secretariat. (2010). *The EAC Common Market Protocol*. Arusha: East African Community Secretariat

integration in EAC region. The responses obtained by the researcher affirmed study findings established by the EABC which noted among others, the NTBs constrained Kenya's free trade in EAC which include; the various long and strenuous procedures, inquiry of different documentations among others which are costly and unstandardized.¹¹⁴ Kenyans experienced these barriers primarily at OSPBs shared among the partner states. Respondents indicated that; the acquisition of the EAC passport in Kenya was riddled with corruption and highly bureaucratic procedures which forced majority of Kenyans to abandon the acquisition of the passport and rather settle for a temporary permit.

4.4 Limited Prioritization of the Integration Agenda among Kenyans

There exists un-ending debate on whether EAC integration is politically elite led or whether it is citizen driven process? This research sought to demystify the present analogy that; integration process in East is elite-led by asking respondents to indicate their level of agreement with assertion that regional integration is citizen driven or not. According to the findings established by this research, 14 per cent of the respondents indicated that limited citizen participation was a challenge which hampered Kenya's effective participation in the integration process. Further, a total of six respondents representing the majority (40 per cent) strongly disagreed that they knowledge about EAC integration, while 13 per cent disagreed that integration process incorporates citizen participation. Further, 20 per cent of the respondents do not know (remained neutral). Similarly, 20 per cent of the participants acknowledged that citizen participation is enshrined in the integration process while only 7 per cent of the participants strongly agreed with participation of citizen in the integration process as described in the figure below.

¹¹⁴ East Africa Business Council –EABC. (2005). *A study on non-Tariff Barriers (NTBs) and development of a business climate index in the East Africa Region*. Nairobi: EABC

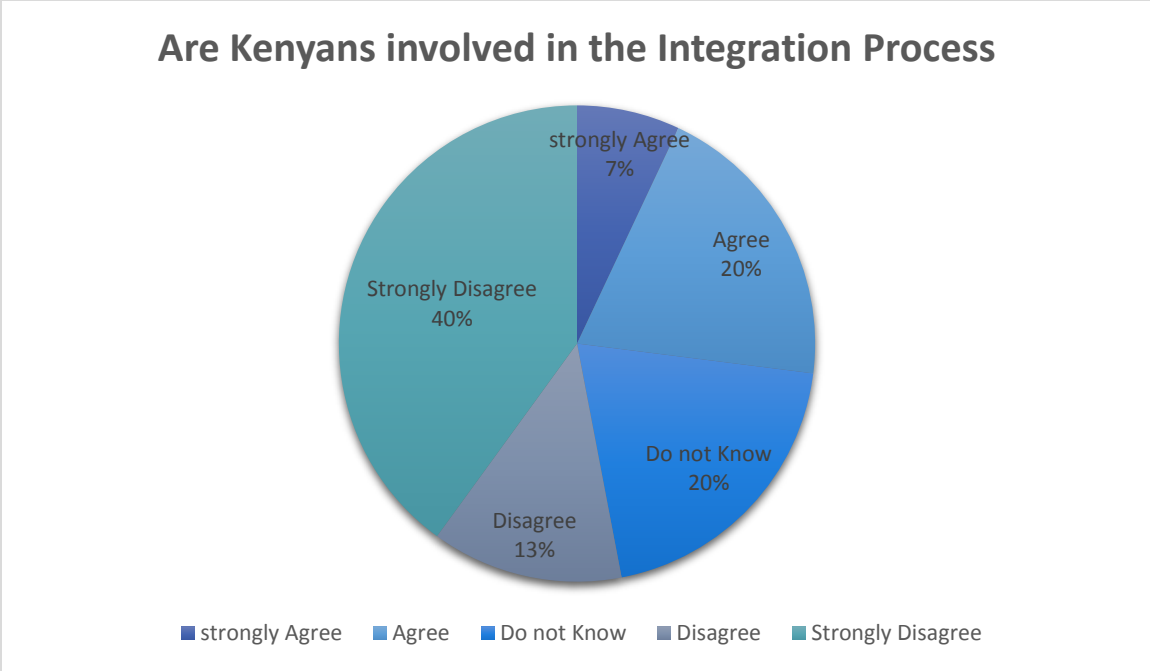


Figure 4.2; Citizen Participation in the Integration process

Source: Researcher, Field data 2021

The EAC treaty espouses for a people-driven cooperation as the cornerstone for the integration process. Under Article 127 of the EAC Treaty stipulates that “partner states agree to promote an enabling environment for the participation of CSO and private citizens”. For the integration process in East Africa to be successful, it is imperative for the engagement of citizens and make the entire process people-driven. According to Reith and Boltz majority of Kenyans lack awareness on the progress of the integration and they cannot point out the advantages associated with the integration process.¹¹⁵ Inadequate Kenyan citizen participation has serious consequences for the legitimacy of East Africa regional integration. According to Reith and Boltz Kenyans have low opinion on the achievement of the political federation given the infancy of statehood of some

¹¹⁵ Reith, S., & Boltz, M. (2011). *The EAC Regional Integration between aspiration and reality*. Arusha: ECDPM

partner states making the EAC regional bloc.¹¹⁶ South Sudan, Rwanda and Burundi are viewed as democratically infant and still riddled with civil war legacies, which could take time for their governments to forge a formidable state, which can cede sovereign authority to a supranational authority, a factor which challenged Kenya's integration aspiration.

4.5 High Transportation Cost

Kenyan experience high transportation costs to trade with other member countries in the EAC. Among the five member states, only two have access to the sea (Kenya and Tanzania) while the rest are landlocked and depend on their counterparts to access sea ports for their export and import businesses. Inadequate rail transport and poorly connected road network make transportation not only slow but also costly, not only for Kenya but for the regions' traders. The cost of transporting goods from Mombasa to Nairobi is estimated to be \$ 1, 300 which is higher compared to importing the same goods from Japan to Mombasa which is priced at \$ 1,200.¹¹⁷ Quoting one of responses obtained from a businessman who participated in this research opines that;

*“There is no worse place to be a Kenyan businessman than in Uganda, Rwanda or in Burundi, especially if you're to ship your cargo from the port of Mombasa”.*¹¹⁸

Such responses reflect the huge costs of transportation incurred by Kenyan traders who pay billions of dollars annually to transport their goods particularly if they are destined to landlocked countries of the East African regional bloc. Such costs are attributed to poor and un-even road, rail and sea port transport disparities among the partner states. Whereas Kenya has invested heavily on

¹¹⁶ Ibid

¹¹⁷The EastAfrican. (2011). *Nightmare of moving Cargo from Mombasa*. Available online at <https://www.theeastafrican.co.ke/tea/business/nightmare-of-moving-cargo-from-mombasa--1305226> Accessed on 8/7/2021

¹¹⁸ Respondent B/M 8, 2021

infrastructure development, particularly on roads and railways, the other partner state have limited rail and road connectivity. “Limited roads connectivity among the rest of the EAC member countries has seen road transport costs account for between 14 per cent and 37 per cent of total logistics costs for importing goods, depending on distance”, according to a study done by a consulting firm -CPCS Transcom contracted by an inter-governmental authority on Northern Corridor.¹¹⁹ The findings by CPCS Transcom corroborate those of former EAC Secretary General- Richard SSezibera who asserted that;

*“The EAC roads are overburdened and the railway is not working as it should be; our boats and Harbors are clogged with too much traffic and little capacity while our inland waterways are not used at all for intra-East African business”.*¹²⁰

According to Atsiaya, “poor and un-even infrastructure is probably the biggest challenge for Kenya in the integration agenda where roads which form the largest part of transport mode are in poor condition making them unsuitable for long haulage and transnational shipment”.¹²¹ The construction of (SG) connecting the three EAC partner states of Kenya Uganda and Rwanda is projected to reduce the cost of transportation while the construction of LAPSSET is set to improve transport and logistics problems currently being experienced in the region.

Uganda and Kenya plan shifted to Tanzania

¹¹⁹CPCS Transcom International. (2021). *EAC Information Repository-East African railways master plan*. Available at <http://repository.eac.int/handle/11671/1631> accessed on 8/7/2021

¹²⁰Richard, S. (2011). *Address to Ministerial Meeting on the elimination of Non-tariff barriers*. Arusha: EAC Secretariat

¹²¹ Op cit. p.62-64

4.6 Kenya's Legal Framework and Governance Structures differs with the other Partners

There exists disparities in the national policies, legal and governance structures among the partner states in EAC. The constitutional dispensation among the member states differs considerably and the harmonization of the same to a supranational entity is confronted by numerous legal hurdles. Whereas, Kenya promulgated a new constitutional order in 2010, characterized by a two tier governance structure, Uganda has maintained the independence constitution which has been amended severally with the current amendments removing the presidential term limits. Tanzania has maintained the independence constitution which is federalists in nature. South Sudan is still in constitutional infancy while Rwanda and Burundi governance structures are intertwined with political dictates of the ruling elites.

According to this research findings, 17 per cent of the respondents opined that; differences in constitutional order and disparities in governance structures presents a key challenge to Kenya towards the eventful integration of the East African region. Such differences in constitutional order evidently work against Kenya's ambition towards the political federation. Other challenges include issues of sovereignty and mutual respect for national integrity and non-interference to internal affairs of member countries. A study by Kipkoech establishes that; a critical analysis of political federations across the world requires a certain degree of surrender of political jurisdictions to the federal authority.¹²²The federal authority is mandated with foreign and defense policies, immigration and international trade while the rest of the functions are mandated to the regional states constituting the federation. It therefore, becomes challenging for Kenya to predict the ripe

¹²²Kipruto, K.J. (2010). *Challenges and Prospects of East African Community Regional Integration Process (2001-2009)*. Nairobi: University of Nairobi

moment when to cede her sovereign power to the inter-state federal government in Arusha to form the East Africa Political federation as informed by the intergovernmentalism theory.

4.7 Kenya's Dominance creates Trade Asymmetry, Fear and Skepticism

The GDP of the EAC partner states is estimated to be US\$ 193 billion with a population of 177 million people.¹²³ Among the five partner states making the EAC, Kenya is the largest economy compared to the other four partner states. According to Kenya's macroeconomic performance report issued in 2020 by KIPPRA, the country has a GDP of approximately Ksh 9,740,360.00 million.¹²⁴ Comparatively, "Kenya has GDP per capita of US\$ 1455 while that of the United Republic of Tanzania is US\$ 879, Rwanda US\$ 703, Uganda US\$ 615, and Burundi US\$ 286".¹²⁵ Kenya has been the dominant economy in the EAC region with a large manufacturing base compared to Rwanda and Burundi's economies which are largely agricultural based but with limited manufacturing capacity. The disparities in economies have challenged the harmonization of fiscal policies to achieve a common tax regime and standardize fees and charges among the member states. The problem of asymmetry in levels of GDP creates fears among partner states which historically led to the collapse of the first integration agenda in 1977. The Kenya's economic dominance is closely associated with the collapse. As Kipkoech asserts, the old EAC collapsed partly due to Kenya's economic dominance to such an extent that Tanzania and Uganda become her economic captives.¹²⁶ The same fear projects Kenya in an awkward situation which creates

¹²³EAC Statistics .(2019). Available at <https://www.eac.int/overview-of-eac> Accessed on 4/8/2020

¹²⁴KIPPRA. (2020). *Kenya Economic Performance Report 2020. Creating an enabling Environment for Inclusive Growth in Kenya*. Nairobi: KIPPRA

¹²⁵EAC Statistics .(2019). Available at <https://www.eac.int/overview-of-eac> Accessed on 4/8/2020

¹²⁶ Ibid. Kipruto. P. 108-109

fear and skepticism among the rest of the partners hence challenging Kenya's expansion in the region.

The researcher sought to establish whether disparities in GDP had the potential to derail the integration process. According to one of the narrative from a Diplomat respondents asserts that; *“Tanzania is highly skeptic of the integration process and that is why it is leaning majorly on the SADC bloc due to fears associated with Kenya's economic dominance”*.¹²⁷ Additionally, another respondent remarked that; *“economic disparities and fiscal differences among the EAC countries with Kenya as a dominant economy is a derailing factor which can hamper the achievement of monetary union just as it challenges achievement of political federation”*.¹²⁸ While Kenya is ranked the biggest economy in the EA, Burundi is the lowest economy (with a nominal per capita GDP of \$ 180)¹²⁹ and such asymmetry in economic endowment enables productivity as the larger economy enhances their own economic capacities while on the other hand facilitating growth of smaller economy. According to the EAC development strategy (2015/16-2019/20) “the EAC Partner States had to achieve sustained economic growth rates in excess of 7 per cent to attain long term high economic growth that can achieve and sustain human development.”¹³⁰ Other benchmarks include budget deficits of less than 5%, 4-months import cover, maximum budget deficits of 5%, sustainable public debt and single digit inflation rates”.¹³¹ Despite these positive developments, problems of macro-economic convergence continue to challenge Kenya's position in the integration process.

¹²⁷ Respondent D/06. (2021). Responses obtained from Field Research provided by a Diplomat from one of the EAC Member state

¹²⁸ Respondent CSO/05. (2021). Responses obtained from Field Research provided by a Civil Society Official

¹²⁹ Castro, L. et al. (2004). *Regional Trade Integration in East Africa: Trade and Revenue Impacts of the planned East African community customs Union*. Africa Region Working Paper series No. 72. Munich: University of Munich

¹³⁰ EAC Secretariat. (2020). *EAC Development Strategy (2015-20120). Deepening and Accelerating Integration*. Arusha: EAC Secretariat

¹³¹ Ibid

4.8 Chapter Findings

This chapter has established that numerous challenges confront Kenya as a partner state in the integration process. Incongruity in fiscal policies particularly taxation, inflation rates and economic growth rates challenged Kenya's desire to cede her sovereign power to a supra-national authority is identified as the major impediment to the realization of integration objective. This kind of challenge is identified by majority of respondents and corroborated by previous research as demonstrated above. Further, non-compliance to common market protocols has reduced Kenya's commitment to regional integration agenda.

Kenya's economic dominance creates fear and skepticism among the rest of the partner states which reduces her expansionist policy in the region. Limited Kenyans involvement and widespread citizen's lack of awareness and limited citizen participation constitute other challenges hindering Kenya's role in regional integration. Un-even distribution of infrastructure among the EAC partner states contributes to high cost of importation and exportation among Kenyan traders in the region particularly to the landlocked countries. Kenyan traders bear huge transport cost of accessing external markets where poor connectivity due to limited road and rail network among the other partner states. Lastly, this chapter has established that Kenya's difference in legal framework dispensed for governance in respect to the other partner states creates governance, administrative and economic asymmetry which challenges policy harmonization and the entire integration process.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary, conclusions and recommendations suitable for enhancing EAC regional integration on Kenya's sustainable development and economic growth. This is done in line with the objectives which include; "Investigating the prospects and dimension for the EAC regional integration, interrogating the influence of EAC regional integration on Kenya's economic growth and examining the key challenges faced by Kenya in the EAC regional integration process". The study was guided by two hypotheses which states that, the EAC regional integration process does not influence Kenya's economic growth and Kenya is faced with challenges in the EAC regional integration process.

5.1 Summary of Findings

5.1.1 The prospect and dimensions of the EAC regional integration

The first objective sought "to investigate the prospects and dimension for the EAC regional integration". It's clear that, that EAC has the most advanced level of integration in Africa but the process has been challenged by the slow processes of harmonization of immigration policies as well as floating of these policies by some countries. Immigration is the cornerstone of the integration process and it's important in achieving the goals of the binding treaty establishing the EAC. Further, establishment of a common market protocol allowed free movement of people, goods and services and this provides significant opportunities to growth and development of the EAC member countries. The regional integration policies have also played a significant role in

strengthening economic ties among member nations in EAC. Harmonization of both health and trade policies had also contributed to better inter-state relations, improved trade between member states as well as improved health services though this has been challenged by political differences due to emergence of COVID-19 especially between Kenya and Tanzania. Therefore, the EAC integration plays a pivotal role in enhancing integration among EAC citizens by enhancing accessibility of each country through cooperation in building border infrastructure as well as road networks.

5.1.2 The influence of EAC regional integration on Kenya's economic growth

The second objective sought “to interrogate the influence of EAC regional integration on Kenya's economic growth”. The findings show that, membership to the EAC regional bloc has enabled partner states to access each other's 'markets, deriving numerous economic benefits with varied implications on GDP. Kenya being the largest economy in the EAC bloc, the EAC customs unions has enabled it to increase her exports leading to a positive effect on trade and economic growth as agreed by 50.9 per cent of the respondents. In addition, the economic growth in Kenya is further attributed to the large human capital which it possesses, and exports to the neighboring countries in form of skilled labor and professionals. Accordingly, majority of the respondents (58.0 per cent) agreed that, regional integration had reduced unemployment rate in Kenya due to increased trade activities although 42.0 per cent were of the contrary opinion. However, the employment growth in the country has reduced as equated to the GDP growth rate and this has worsened due to emergence of Covid-19 pandemic, as the country depends on agriculture as the major employer but its experiencing reduced productivity, which negatively affects its employees.

Further, majority of the respondents (48.2 per cent) strongly agreed that, regionalism had increased immigration to Kenya, particularly nationals from Burundi, Uganda and those from Tanzania with

their main motivation being attached to economic considerations, particularly employment opportunities. However, the process has been curtailed by the spread of the deadly Covid-19 pandemic where EAC partner states have imposed movement restrictions to curb the spread of the virus. Additionally, belonging to regional integrated arrangement spurred economic growth and development due to the positive correlation to macroeconomic indicators but majority of the respondents 30.7 per cent disagreed that, regional integration had improved Kenya's macroeconomic indicators (performance) such as poverty rates, inflation and unemployment. It's clear that, regional integration had enhanced access to education and health opportunities available among the member states through establishment of border agencies such as port health facilities, customs, immigration, standards, plant inspectorates and others such as police and security agencies which are very critical in averting and controlling border diseases and other pandemics. Additionally, as a result of regional integration, Kenya has entered into a collective security arrangement which improves her individual national security and offers regional stability both in the East Africa and in the Horn of Africa, from the threat imposed by the Al shabaab terrorist group.

5.1.3 The key challenges faced by Kenya in the EAC regional integration process

The third objective sought “to examine the key challenges faced by Kenya in the EAC regional integration process”. Based on the findings, most of the participants (26.9 per cent) identified incongruity in taxation policy as the major challenge confronting Kenya in the integration agenda. These policies are termed as highly volatile and occasionally fluctuating making their harmonization with the rest of other partner states in the regional bloc quite challenging if not impossible. Other challenges include; limited adherence to the EAC protocols in Kenya especially in the free movement and trading protocols particularly the common market protocols particularly

those which govern the rules of origin and this hampers the integration process in the East Africa Community. Further, another challenge is limited citizen participation which hampers Kenya's effective participation in the integration process. Majority of Kenyans lack awareness on the progress of the integration and they cannot point out the benefits they stand to lose as a result of integration therefore, for the integration process in East Africa to be successful, it is imperative for the engagement of citizens and make the entire process people-driven.

Kenyans also experience high transportation costs to trade with other countries who are members of the EAC largely attributed to inadequate rail transport and poorly connected road network and sea port transport disparities among the partner states. Further, there exists disparities in the national policies, legal and governance structures among the partner states in EAC where the constitutional dispensation among the member states differs considerably, and the harmonization of the same to a supranational entity is confronted by numerous legal hurdles and these presents a key challenge to Kenya towards the eventful integration of the East African region as well as impedes its ambition towards the political federation. Lastly, the disparities in economies have challenged the harmonization of fiscal policies to achieve a common tax regime and standardize fees and charges among the member states. The problem of asymmetry in levels of GDP, economic disparities and fiscal differences among the EAC countries creates fear and skepticism among the rest of the partners hence challenging Kenya's expansion in the region as well as hampering the achievement of monetary union and political federation.

5.2 Conclusion

In line with the first objective of the study which was "to investigate the prospects and dimension for the EAC regional integration", it's evidenced that, integrated Immigration policies for the EAC

regional integration were implemented but they are not in practice and this hampers achievement of some intended objectives. Other includes; health, education, joint infrastructure development and economic policies which have enhanced trade, health services, improved projects and infrastructure as well as the education systems among the partner states. However, political differences had challenged the efficacy of these policies as evidenced by numerous border closures during the COVID-19 period. Further, standardization of customs infrastructure and documentation were indicative of the fact EAC integration was playing a pertinent role in creating a sense of community.

The second objective sought “to interrogate the influence of EAC regional integration on Kenya’s economic growth”. It can be concluded that, regional integration in EAC has resulted to Kenya’s economic growth and development through increased trade among the partner states. This is attributed to the expanded market access and free mobility of factors of production within the EAC REC. Through regional integration, Kenya has realized reduction in unemployment rate as well as improvement of the social indicators and security in the region. This therefore, contrasts the first hypotheses which states that, EAC regional integration process does not influence Kenya’s economic growth.

Lastly, the third objective sought “to examine the key challenges faced by Kenya in the EAC regional integration process”. The study established that there are numerous challenges that confront Kenya as a partner state in the integration process. They include, non-compliance to common market protocols, Un-even distribution of infrastructure, limited public participation, incongruity in fiscal policies particularly taxation, inflation rates and economic growth rates among others which impedes its desire to cede her sovereign power to a supra-national authority and the realization of integration objective. More so, Kenya’s difference in legal framework

dispensed for governance in respect to the other partner states creates governance, administrative and economic asymmetry which challenges policy harmonization and the entire integration process. This therefore confirms the second hypotheses which stated that, Kenya is faced with challenges in the EAC regional integration process.

5.3 Recommendations

The following recommendations can be deduced from the study findings;

To begin with, member states need to enhance political will to speed up the integration process. This can be enhanced through the creation of a strong EAC eminent personalities' board to prompt unwilling leaders to comply through soft and hard diplomacy.

There is also a need to put in place mechanisms for enhancing adherence to the common market protocol of the EAC such as joint penalization of member states who do not comply. The issue of divided interests due to multiple memberships to various RECS should also be addressed. This can be done with regular review of contentious related to overlapping membership to other RECs. Harmonization of trade, immigration health and other policies as well as work permits and other important travel documents should be strengthened through adequate financing as well as enhanced cooperation of all relevant institutions in all EAC member states.

Bottlenecks to the achievement of a common currency and political federation should also be dealt with through concerted efforts by all member states such as harmonization of fiscal policies.

Funding of the EAC should also be strengthened by ensuring that member states make the necessary contributions to invigorate the constitutions of all institutions envisaged by the commission for speeding up the integration process.

References

- ADB. (2015). *Regional Integration; Policy and Strategy (RIPoS) 2014-2023: Integrating Africa: Creating the Next Global Market*. Abidjan: African Development Bank
- AFDB. (2020). *East Africa Economic Outlook 2019. Macroeconomic developments and Prospects*. Abidjan:AFDB
- AMISOM.(2021). Available online at; <https://amisom-au.org/> Accessed on 11/6/2021
- Anish, S. (2012).Modern Growth Theory. *IIMB Management Review*, 24(1),67–68
- Article 5(2). EAC Treaty
- Barcena, A. (2013). *Regional Integration: Towards an inclusive value chain*. ECLAC. Santiago: Economic Commission for Latin America and the Caribbean
- Beach, D. (2005). *The Dynamics of European Integration: Why and when EU institutions matter*. Basingstoke: Palgrave Macmillan.
- Bett, J.K. (2016). *Income Tax in the East African Community: A Case for Harmonization and Consolidation of Policy and Law with a Focus on Corporate Income Taxation*. Nairobi: University of Nairobi Press

- Boiwo, S.T., Onono, P., & Makori, S. (2015). Effects of East African Community Customs Union on Trade and Economic Growth in Kenya. *Research Journals of Economics*, 3 (4)
- Braude, W. (2008). *Regional Integration in Africa: Lessons from the East African Community*. Johannesburg: South Africa Institute of International Affairs
- Busse, M., & Shams, R. (2005). Trade Effects of the East African Community The Estey Center. *Journal of International Law and Trade Policy*, 6(1), 62-83.
- Castro, L. et al. (2004). *Regional Trade Integration in East Africa: Trade and Revenue Impacts of the planned East African community customs Union*. Africa Region Working Paper series No. 72. Munich: University of Munich
- Central Bank of Kenya. (2019). *Monthly Economic Indicators, December 2019*. Nairobi: CBK
- Cohen, L., Manion, L., Morrison, K., & Morrison, R.B. (2007). *Research methods in education*. Milton Park: Routledge
- CPCS Transcom International. (2021). *EAC Information Repository-East African railways master plan*. Available at <http://repository.eac.int/handle/11671/1631> accessed on 8/7/2021
- Davoodi, H. (2018). *The East African Community After ten years; Deepening Integration*. Arusha: EAC Secretariat
- Deloitte. (2015). *Income Tax in East Africa*. Nairobi: Deloitte & Touche Publication
- Deloitte. (2020). *Deepening and Accelerating Integration in East Africa*. Nairobi. Deloitte Touche Publication
- Desmidt, S. Hauck, V. (2017). *Understanding Eastern Africa Standby Force. A regional mechanism without a political home*. Maastricht: ECDPM Publication

- Deutsch, et al. (1967). *France, Germany and the Western Alliance: A Study of Elite Attitudes on European Integration and World Politics*. New York: Charles Scriber's Sons.
- EAC Secretariat. (2010). *The EAC Common Market Protocol*. Arusha: East African Community Secretariat
- EAC Secretariat. (2011). *EAC Development Strategy (2011/12-2016/16); Deepening and accelerating Integration*. Arusha: EAC Secretariat
- EAC Secretariat. (2014). *EAC Sub-regional input to the Eleventh Session of United Nations Forum on Forest*. Arusha. Arusha: EAC Secretariat
- EAC Secretariat. (2020). *EAC Development Strategy (2015-2020). Deepening and Accelerating Integration*. Arusha: EAC Secretariat
- EAC Secretariat. (2020). *East African Community Covid-19 Response Plan*. Arusha: EAC Secretariat
- EAC Statistics .(2019). Available at <https://www.eac.int/overview-of-eac> Accessed on 4/8/2020
- EAC. (2019). *EAC Statistics of 2019*. Available at <https://www.eac.int/overview-of-eac> Accessed on 4/8/2020
- EAC. (2021). *EAC functions*. Available online at <https://www.eac.int/about-eac/leadership> Accessed on 19th/4/2021
- EAC. *Article 118, Treaty for the establishment of the East African Community*. Arusha: EAC secretariat
- EAC/JMHE/Decision/002-EAC Secretariat. (2020). *East African Community Covid-19 Response Plan*. Arusha: EAC Secretariat
- East Africa Business Council –EABC. (2005). *A study on non-Tariff Barriers (NTBs) and development of a business climate index in the East Africa Region*. Nairobi: EABC

- ECLAC. (2014). *Regional Integration: towards an inclusive value chain strategy*. United Nations-ECLAC
- EDPRS Document, (2007). *Economic Development and Poverty Reduction Strategy*. Kigali: Ministry of Finance and Economic Planning. Publication
- Edwards, N. (2020). *Tanzania Mild response to Covid-19 and its implications for the 2020 Elections*. Chicago: Atlantic Council Publication
- Elisha, M. (2016). *Effects of Regional Integration (EAC) on Employment in the Kenyan Manufacturing Sector*. Nairobi: University of Nairobi
- Feris, E, Petz, D. (2013). *In the neighborhood: the Growing of Regional Organizations in Disaster Risk Management*. 2nd ed. Burlington. London: London School of Economics
- Gallis, P.E. (1997). *CRS Report for Congress. NATO: Article V and Collective Defense*. Washington D.C: Library of the Congress
- Geda, A. (2002). *Regional Economic Integration in Africa: A Review of problems and prospects with a case study of COMESA*. Addis Ababa: Addis Ababa University
- Gibb, R. (2001). *The State of Regional Integration: the Intra-and Inter-regional dimensions*. In Clapham et al. (eds) *Regional Integration in Southern Africa: Comparative International Perspectives*. Johannesburg: SAIIA
- Haas, E. (1968). *The Uniting of Europe*. Stanford: Stanford University Press
- Hansen, .E. (2020). *Kenya Economic Update; navigating the Pandemic*. Nairobi-Kigali: World Bank Group
- Hartzenberg, T. (2011). *Regional Integration in Africa*. Geneva: Trade Law Centre for Southern Africa (tralac)

- Heinonen, H.(2006). *Regional Integration and the State: The changing nature of Sovereignty*. Helsinki: University of Helsinki
- Hoffmann, S. 2003). *Obstinate or Obsolete? the Face of the Nation-State and the Case of Western Europe*. Hampshire: Palgrave Macmillan
- IMF. (2005). *Trade Integration in the East Africa Community.WP/05/143*. Washington D.C: IMF Working Paper
- IMF. (2019). *World Economic Outlook: World Development Indicators*. Washington, D.C: World Bank/IMF Publication
- IOM. (2015). *Migration in Kenya; a country profile 2015*. Nairobi: International Organization for Migration Publication
- Jean-Claude, P. (2010). *The Lisbon Treaty: A Legal and Political Analysis*. Cambridge: Cambridge University Press
- Jean-Monnet, T. (2008). Theory and Practice of regional Integration.*Robert Schuman paper series*, 8(3), 21-45
- Jepkemei, S.A. (2014). *Effects of Regional Trade Agreement (EAC) on Kenya's Exports; the case of Agrifood products*. Nairobi: University of Nairobi
- Kalinga, G., & McIntyre, M.A. (2005). *Trade Integration in the East African Community: An Assessment for Kenya*. Washington D.C. IMF Publication
- Kenya National Bureau of Statistics (KNBS). (2019). *Monograph on Emigrants from 2019 Kenya Population Housing Census*. Unpublished.
- Kinyua, T.K. (2015). *Institutional Challenges Facing the East African Community Common Market in Kenya*. Nairobi: University of Nairobi Press

- KIPPRA. (2020). *Kenya Economic Performance Report 2020. Creating an enabling Environment for Inclusive Growth in Kenya*. Nairobi: KIPPRA
- KIPPRA. (2020). *Kenya Economic Report 2020; creating an enabling Environment for inclusive growth in Kenya*. Nairobi: Kenya Institute for Public Policy Research and Analysis- KIPPRA Publication
- KIPPRA. (2020). *Kenya Economic Report*. Nairobi: KIPPRA
- Kipruto, J. (2010). *Challenges and Prospects of East Africa Community Regional Integration Process (2001-2009)*. Nairobi: University of Nairobi Press
- KNBS (2019; 2020), *Economic Survey; KNBS (2019)*. Population and Housing Census. Nairobi: Government Printer
- Kothari, R C, (2003). *Research Methodologies*, 3rd Edition. New Delhi: WishwaPrakashan
- Lavrakas, P. (2008). *The target population*. Thousand Oaks: Sage Publications
- Makaka, L.V. (2018). *Regional Integration in Africa- a false Promise? The case Study of the East African Community*. Nairobi: University of Nairobi
- Mburu, D.G. (2016). *Impact of EAC Customs Union on Kenya's Exports Volume*. Nairobi: University of Nairobi
- Moravcsik, A. (1993). Preferences and Power in the European Community: A Liberal Intergovernmental Approach. *Journal of Common Market Studies*, 31(4), 473-524
- Muluvi, A., Kamau, P., Githuku, S., & Ikiara, M. (2012). *Kenya's Trade with East African Community: Institutional and Regulatory barriers; accelerating Growth through improved intra-African Trade*. Nairobi: KIPPRA
- Ng'eno, N., & Kasekende, G. (2002). *The Status of Regional Trade Liberalization in East Africa. National Trade policy*. Washington, D.C.: IMF

- Niekerk, L.K. (2005). *Regional Integration: Concepts, Advantages, Disadvantages and Lessons of Experience*. Staff Working Paper No. W1748. South Africa Country Office
- NISR. (2021). *Consumer Price Index (CPI)*. Available at: <https://www.statistics.gov.rw/statistical-publications/subject/consumer-price-index>
Accessed on 11/6/2021
- Nyakoe, C. (2020). *Impact of East African Economic Integration on Kenya's Economy*. Nairobi: University of Nairobi
- Nye, J.S. (1972). *The strength of International Regionalism*. in: Günter H. (eds) *Transnational Industrial Relations*. London: Palgrave Macmillan
- Ogalo, V. (2012). *Achievements and Challenges of Implementation of the EAC Common Market Protocol in Kenya: Case of Free Movement of Labor*. Nairobi: CMP Press
- Otinga, H. N. (2009). *The impact of international trade on economic growth in developing countries(exports for rapid economic growth) a case study of Kenya*. Nairobi: KIPPRA
- Peters,B. (2020).*Qualitative Methods in Monitoring and Evaluation: Ethical Considerations in Qualitative Research*.Washington, DC: America University
- Raisch, M.J. (2014). *European Union*. Brussels: American Society of International law
- Reith, S., &Boltz, M. (2011). *The EAC Regional Integration between aspiration and reality*. Arusha: ECDPM
- Respondent B/M 8, 2021
- Respondent CSO/05. (2021). Responses obtained from Field Research provided by a Civil Society Official
- Respondent D/06. (2021). Responses obtained from Field Research provided by a Diplomat from one of the EAC Member state

Richard, S. (2011). *Address to Ministerial Meeting on the elimination of Non-tariff barriers*.

Arusha: EAC Secretariat

Robert J. (1996). *Determinants of Economic Growth: A Cross-Country Empirical Study*, NBER

Working Papers 5698. Cambridge: National Bureau of Economic Research, Inc

Rosa, C. (2009). The New Growth Theories and Their Empirics after Twenty Years. *Economics*

E-Journal, 3(1),1-72

Schimmelfennig, F. (2018). *Regional Integration Theory*. Zurich: George Allen and Unwin Press

Shamshad, A. (2017). *Enhancing Regional Economic Cooperation and Integration in Asia and*

the Pacific. New York : ESCAP-United Nations Publication

Shih, M., & Padmanabhan, A. (2012). *Collective Self-Defense: A Report of the Yale Law School*

Center for Global Legal Challenges. Yale: Yale Law School

Soderbaum, F. (2011). *Regionalism*. Bertrand: SAGE Publications

The EastAfrican. (2011). *Nightmare of moving Cargo from Mombasa*. Available online at

[https://www.theeastafrican.co.ke/tea/business/nightmare-of-moving-cargo-from-](https://www.theeastafrican.co.ke/tea/business/nightmare-of-moving-cargo-from-mombasa--1305226)

[mombasa--1305226](https://www.theeastafrican.co.ke/tea/business/nightmare-of-moving-cargo-from-mombasa--1305226) Accessed on 8/7/2021

The European Union. (2020). *The establishment of the EU*. Available at

<https://europa.eu/european-union/sites/europaeu/files> Accessed on 4/8/2020

The Standard. (2020). *Kazungu downplays Kenya-Tanzania border row over Covid-19*. SMG

Publication. Available online at:

<https://www.standardmedia.co.ke/index.php/kenya/article/2001371987> Accessed on

9/8/2020

- The World Bank. (2021). *GDP(Current US\$-Kenya*. Available online at; <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=KE> Accessed on 8/6/2021
- Treaty for the Establishment of EAC. (2007). *Article 104. Free Movement of Persons*. Arusha: EAC Secretariat
- UBOS.(2021). *Consumer Price Index, MAY 2021*. Available online at; <https://www.ubos.org/consumer-price-index-may-2021/> Accessed on 11/6/2021
- UNDP. (2011). *Regional Integration and Human Development: A pathway for Africa*. New York: United Nations Publication
- United Nations Conference on Trade and Development. (2018). *East African Community Regional Integration: Trade and Gender Implications*. Washington D.C. United Nations Publications
- United Nations. (2021). *Charter of the United Nations. Chapter VII. Article 51. Action with respect to Threats to the Peace, Breaches of the Peace, and Acts of Aggression. Codification Division, Office of Legal Affairs*. San Francisco:UN
- Wakhungu, J.P., Okoth, G.P., &Odhiambo, O.S. (2021). Challenges and Opportunities Constraining and Enhancing Kenya and Tanzania Participation in the EAC Economic and Political Integration Process. Kakamega. *Journal of political Science*. 11(1), 134-154
- Wilson, J. (2010). *Essentials of Business Research: A Guide to Doing Your Research Project*. Thousand Oaks: Sage Publications
- World Bank. (2020). *World Development Indicators-Kenya*. Washington D.C: World Bank Publication

Yatani, U. (2020). *Kenya Economic Report 2020*. Nairobi: National Treasury and Planning.
Government Printer

APPENDIX 1: KENYA QUESTIONNAIRE

Introduction

Dear Respondent

My name is **Jackson Mwangi**, currently undertaking an MA in International Studies at the University of Nairobi. Part of my course requires me to conduct a research study. Therefore, I am carrying out one and my research topic focuses on; **The Influence of East Africa Integration on Kenya's Sustainable Development and Economic Growth**. The overall objective of this study is to determine the influence of regional integration on Kenya's sustainable development and economic growth. The questionnaires are designed for this research purpose only. You are kindly requested to fill in the questionnaire for academic purposes only. I assure you that the information gathered will be used for the purpose of this research only and will be treated with strict confidentiality. Thank you in advance for your cooperation.

Part A: Demographic Information

Tick the appropriate answer to your level best in the Boxes provided

1. What is your gender? Male [] Female []
2. Indicate your age? Age 18-35 [] 36-50 [] 51-65 [] Above 65 []

3. What is your level of education? Primary [] Secondary [] College/Technical Institute [] University []
4. What is your Occupation or Organization?
5. How many years have you lived in the country?

PART B: The prospects and dimension for the EAC regional integration

Do you have knowledge about EAC regional Integration YES

NO

6. Indicate your level of agreement or disagreement with the following listed statements on a scale of 1-5 where: 1=Strong Disagree; 2= Disagree; 3=Neither Agree nor Disagree (Neutral); 4=Strongly Agree and; 5=Strongly Agree.

Statement	1=SD	2=D	3=N	4=SA	5=SA
EAC regional Integration is at advanced level of Integration.					
EAC regional Integration has deepened Economic relations among the partner states.					
EAC regional Integration has deepened Social relations among the partner states.					
EAC regional Integration has politically improved inter-state relations.					

EAC regional Integration has improved health services among the partner states.					
---	--	--	--	--	--

PART C: The influence of EAC regional integration on Kenya’s economic growth

7. Indicate your level of agreement or disagreement with the following listed statements on a scale of 1-5 where: 1=Strong Disagree; 2= Disagree; 3=Neither Agree nor Disagree (Neutral); 4=Strongly Agree and; 5=Strongly Agree.

Statement	1=SD	2=D	3=N	4=SA	5=SA
EAC regional Integration has improved Kenya’s Economic growth and development.					
Kenya’s dominance in the EAC enhances her national GDP.					
Kenya is committed to the attainment of Monetary Union and Political Federation in EAC.					

PART D:Key challenges faced by Kenya in the EAC regional integration process

8. In your opinion and knowledge, what do you think is the most daunting challenge confronting the EAC regional Integration?

.....

.....

9. What are the strategies employed by Economic Partners in the EAC to deepen integration and achieve the last stages of Integration?

THANKYOU

APPENDIX 11: INTERVIEW GUIDE

1. What are the prospects and dimension for the EAC regional integration?
2. To what extent is regional integration trade diverting or enhancing Kenya's Economic growth and development?
3. Does regional integration accelerate economic convergence among EAC partner states and what are the factors and obstacles involved?
4. How can Regional Integration promote Kenya's domestic Market?
5. What do you think is the implication of Kenya-Tanzania rivalry on EAC inter-state relations?
6. What types of regional institutional arrangements have proven to deepen the integration between economic and social policies?
7. Are the integration benefits shared equally among the partner states in the EAC Region
8. In your opinion how possible is the achievement of political federation in EAC bloc?
9. Which country seems to be derailing/accelerating regional integration in EAC?



UNIVERSITY OF NAIROBI

College of Humanities and Social Sciences

Institute of Diplomacy and International Studies

Tel : (020)318262

P.O. Box 30197

Fax : 254-2-245566

NAIROBI

Website : www.uonbi.ac.ke

KENYA

Telex : 22095 Varsity Ke Nairobi, Kenya

Email : director-idis@uonbi.ac.ke

MAY 2ND, 2021

TO

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION
(NACOSTI)

P.O BOX 30623-00100

NAIROBI

REF: RESEARCH PERMIT FOR MR.JACKSON MUTUGI MWANGI

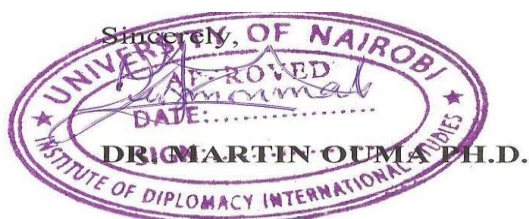
(REG. NO. R50/34616/2019)

I am writing to recommend Mr Jackson Mwangi and to attest to his qualification and suitability for the research permit he is applying for. Jackson is my supervisee and a student at the University of Nairobi, in the Institute of Diplomacy and International Studies pursuing MA in International Studies, and he has completed the course work, refined the proposal and now embarking on research project writing entitled: **THE INFLUENCE OF EAST AFRICAN INTEGRATION ON KENYA'S SUSTAINABLE DEVELOPMENT AND ECONOMICGROWTH**

As a university, we would appreciate your assistance in enabling him attain the research permit and authorization for the study.

If you need further information or clarification, I can be reached at (254) 721-942-138 or by email martin.ouma@uonbi.ac.ke.

Respectfully



Dr. Martin Odhiambo Ouma, Ph. D



**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: **180958**

Date of Issue: **02/July/2021**

RESEARCH LICENSE



This is to Certify that Mr.. JACKSON MUTUGI MWANGI of University of Nairobi, has been licensed to conduct research in Nairobi on the topic: THE INFLUENCE OF EAST AFRICAN INTEGRATION ON KENYA'S SUSTAINABLE DEVELOPMENT AND ECONOMIC GROWTH for the period ending : 02/July/2022.

License No: **NACOSTI/P/21/11419**

180958

Applicant Identification Number

Director General
**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION**

Verification QR Code



NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

CONDITIONS

1. The License is valid for the proposed research, location and specified period
2. The License any rights thereunder are non-transferable
3. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research
4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies
5. The License does not give authority to transfer research materials
6. NACOSTI may monitor and evaluate the licensed research project
7. The Licensee shall submit one hard copy and upload a soft copy of their final report (thesis) within one year of completion of the research
8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice

National Commission for Science, Technology and Innovation
off Waiyaki Way, Upper Kabete,
P. O. Box 30623, 00100 Nairobi, KENYA
Land line: 020 4007000, 020 2241349, 020 3310571, 020 8001077
Mobile: 0713 788 787 / 0735 404 245
E-mail: dg@nacosti.go.ke / registry@nacosti.go.ke
Website: www.nacosti.go.ke

PROJECT

ORIGINALITY REPORT

10%	9%	2%	4%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Submitted to Madison Central High School Student Paper	1%
2	erepository.uonbi.ac.ke Internet Source	1%
3	Submitted to Mount Kenya University Student Paper	<1%
4	www.comesa.int Internet Source	<1%
5	ir-library.ku.ac.ke Internet Source	<1%
6	research-information.bris.ac.uk Internet Source	<1%
7	pdfs.semanticscholar.org Internet Source	<1%
8	erepository.uonbi.ac.ke:8080 Internet Source	<1%
9	Erepository.uonbi.ac.ke Internet Source	<1%

Dr. M. Ouma - ~~Signature~~
15/11/2021

Y. O. Ouma
Chair, DDIS